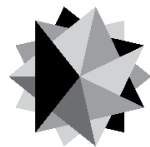


Affin Hwang World Series - Global Income Fund

Annual Report
31 August 2018

Out **think.** Out **perform.**



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG WORLD SERIES – GLOBAL INCOME FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 31 August 2018

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FUND INFORMATION

Fund Name	Affin Hwang World Series – Global Income Fund	
Fund Type	Income	
Fund Category	Bond feeder (wholesale)	
Investment Objective	The Fund aims to provide investors with regular income through investments in global fixed income instruments	
Benchmark	Bloomberg Barclays U.S. Aggregate Index	
Distribution Policy	Subject to the availability of income, the Fund endeavours to distribute income for the respective Classes in the following manner, after the end of its financial year:	
	Class(es)	Distribution Policy
	USD Class	Monthly basis
	MYR Class	
	MYR Hedged-class	Quarterly basis
	SGD Hedged-class	
	AUD Hedged-class	
	GBP Hedged-class	
EUR Hedged-class		

BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	2	1
5,001 to 10,000	2	19
10,001 to 50,000	17	517
50,001 to 500,000	30	5,285
500,001 and above	9	69,484
Total	60	75,306

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE AUD HEDGED-CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	6	121
50,001 to 500,000	18	3,179
500,001 and above	4	29,559
Total	28	32,859

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE GBP HEDGED-CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	10
10,001 to 50,000	7	176
50,001 to 500,000	6	807
500,001 and above	4	35,523
Total	18	36,516

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE MYR CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	4	3
5,001 to 10,000	2	17
10,001 to 50,000	6	144
50,001 to 500,000	28	3,548
500,001 and above	5	5,983
Total	45	9,695

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE MYR HEDGED-CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	6	3
5,001 to 10,000	0	0
10,001 to 50,000	30	929
50,001 to 500,000	73	14,636
500,001 and above	48	353,085
Total	157	368,653

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE SGD HEDGED-CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3	4
5,001 to 10,000	0	0
10,001 to 50,000	5	138
50,001 to 500,000	10	1,703
500,001 and above	7	49,607
Total	25	51,452

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE EUR HEDGED-CLASS AS AT 31 AUGUST 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	1	39
50,001 to 500,000	0	0
500,001 and above	1	4,137
Total	2	4,176

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Aug 2018 (%)	As at 31 Aug 2017 (%)
Portfolio Composition		
Collective investment scheme		
- local	-	1.49
- foreign	98.59	96.73
Total collective investment scheme	98.59	98.22
Cash & cash equivalent	1.41	1.78
Total	100.00	100.00

Currency class	<u>USD</u> <u>Class</u>	<u>AUDH</u> <u>Class</u>	<u>GBPH</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYRH</u> <u>Class</u>	<u>SGDH</u> <u>Class</u>	<u>EURH</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>AUDH</u> <u>Class</u>	<u>GBPH</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYRH</u> <u>Class</u>	<u>SGDH</u> <u>Class</u>
Total NAV (million)	39.564	17.278	18.310	5.037	200.430	26.304	2.048	31.188	15.560	19.024	1.229	243.044	12.587
NAV per Unit (in respective currencies)	0.5253	0.5258	0.5014	0.5194	0.5437	0.5112	0.4886	0.5420	0.5394	0.5212	0.5543	0.5512	0.5288
Unit in Circulation (million)	75.309	32.862	36.520	9.698	368.656	51.455	4.192	57.544	28.845	36.502	2.217	440.901	23.802
Highest NAV	0.5441	0.5420	0.5216	0.5543	0.5550	0.5300	0.5026	0.5420	0.5394	0.5212	0.5618	0.5512	0.5288
Lowest NAV	0.5244	0.5239	0.5005	0.4930	0.5405	0.5100	0.4878	0.4993	0.4977	0.4901	0.4946	0.4994	0.4876
Return of the fund ⁱⁱⁱ (%)	-0.51	-0.68	-1.91	-4.63	0.45	-1.46	-2.28	8.60	8.08	4.44	11.06	10.24	5.96
- Capital Return ⁱ (%)	-3.08	-2.52	-3.80	-6.30	-1.36	-3.33	-2.28	8.40	7.88	4.24	10.86	10.24	5.76
- Income Return ⁱⁱ (%)	2.65	1.89	1.97	1.78	1.84	1.94	Nil	0.19	0.19	0.19	0.18	Nil	0.19
Gross Distribution per Unit (sen)	1.40	1.00	1.00	0.92	1.00	1.00	Nil	0.10	0.10	0.10	0.10	Nil	0.10
Net Distribution per Unit (sen)	1.40	1.00	1.00	0.92	1.00	1.00	Nil	0.10	0.10	0.10	0.10	Nil	0.10
Management Expense Ratio (%) ¹				1.05							1.39		
Portfolio Turnover Ratio (times) ²				0.39							1.22		

¹ The Fund's MER was lower than previous year due to higher average NAV of the Fund for the financial year.

² The Fund's PTR was lower than previous year due to higher average NAV of the Fund for the financial year.

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	= NAV per Unit end / NAV per Unit begin – 1
Income return	= Income distribution per Unit / NAV per Unit ex-date
Total return	= (1+Capital return) x (1+Income return) – 1

USD Class

Capital Returnⁱ = {NAV per Unit @ 31/08/18 ÷ NAV per Unit @ 31/08/17* – 1} x 100
= (0.5253 ÷ 0.5420 – 1) x 100
= **-3.08%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0025 ÷ 0.5402 @ 18/09/17} + 1 = 1.0046
= {0.0025 ÷ 0.5407 @ 12/12/17} + 1 = 1.0046
= {0.0010 ÷ 0.5400 @ 17/01/18} + 1 = 1.0019
= {0.0015 ÷ 0.5321 @ 14/02/18} + 1 = 1.0028
= {0.0015 ÷ 0.5323 @ 15/03/18} + 1 = 1.0028
= {0.0010 ÷ 0.5329 @ 18/04/18} + 1 = 1.0019
= {0.0010 ÷ 0.5263 @ 16/05/18} + 1 = 1.0019
= {0.0010 ÷ 0.5248 @ 13/06/18} + 1 = 1.0019
= {0.0010 ÷ 0.5287 @ 18/07/18} + 1 = 1.0019
= {0.0010 ÷ 0.5267 @ 15/08/18} + 1 = 1.0019

Total Income Returnⁱⁱ = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100
= {1.0046 x 1.0046 x 1.0019 x 1.0028 x 1.0028 x 1.0019 x 1.0019 x 1.0019 x 1.0019 x 1.0019} – 1 x 100
= **2.65%**

Return of the Fundⁱⁱⁱ = {(1 + Capital Return x (1 + Income Return)) – 1} x 100
= {(1 + (-3.08%)) x (1 + 2.65%)} – 1} x 100
= **-0.51%**

AUD Hedged – class (AUDH)

Capital Returnⁱ = {NAV per Unit @ 31/08/18 ÷ NAV per Unit @ 31/08/17* – 1} x 100
= (0.5258 ÷ 0.5394 – 1) x 100
= **-2.52%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0025 ÷ 0.5376 @ 18/09/17} + 1 = 1.0047
= {0.0025 ÷ 0.5385 @ 12/12/17} + 1 = 1.0046
= {0.0025 ÷ 0.5316 @ 15/03/18} + 1 = 1.0047
= {0.0025 ÷ 0.5240 @ 13/06/18} + 1 = 1.0048

Total Income Returnⁱⁱ = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100
= {1.0047 x 1.0046 x 1.0047 x 1.0048} – 1 x 100
= **1.89%**

Return of the Fundⁱⁱⁱ = {(1 + Capital Return x (1 + Income Return)) – 1} x 100
= {(1 + (-2.52%)) x (1 + 1.89%)} – 1} x 100
= **-0.68%**

GBP Hedged – class (GBPH)

Capital Returnⁱ = {NAV per Unit @ 31/08/18 ÷ NAV per Unit @ 31/08/17* – 1} x 100
= (0.5014 ÷ 0.5212 – 1) x 100
= **-3.80%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0025 ÷ 0.5185 @ 18/09/17} + 1 = 1.0048
= {0.0025 ÷ 0.5179 @ 12/12/17} + 1 = 1.0048
= {0.0025 ÷ 0.5101 @ 15/03/18} + 1 = 1.0049
= {0.0025 ÷ 0.5009 @ 13/06/18} + 1 = 1.0050

Total Income Returnⁱⁱ = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100
= {1.0048 x 1.0048 x 1.0049 x 1.0050} – 1 x 100
= **1.97%**

Return of the Fundⁱⁱⁱ = {(1 + Capital Return x (1 + Income Return)) – 1} x 100
= {(1 + (-3.80%)) x (1 + 1.97%)} – 1} x 100
= **-1.91%**

MYR Class

Capital Returnⁱ = {NAV per Unit @ 31/08/18 ÷ NAV per Unit @ 31/08/17* – 1} x 100
= (0.5194 ÷ 0.5543 – 1) x 100
= **-6.30%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0025 ÷ 0.5417 @ 18/09/17} + 1 = 1.0046
= {0.0025 ÷ 0.5278 @ 12/12/17} + 1 = 1.0047
= {0.0010 ÷ 0.5109 @ 17/01/18} + 1 = 1.0020
= {0.0015 ÷ 0.4987 @ 14/02/18} + 1 = 1.0030
= {0.0005 ÷ 0.5001 @ 15/03/18} + 1 = 1.0010
= {0.0005 ÷ 0.5013 @ 16/05/18} + 1 = 1.0010
= {0.0005 ÷ 0.5029 @ 13/06/18} + 1 = 1.0010
= {0.0002 ÷ 0.5157 @ 18/07/18} + 1 = 1.0004
= {0.0005 ÷ 0.5201 @ 15/08/18} + 1 = 1.0010

Total Income Returnⁱⁱ = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100
= {1.0046 x 1.0047 x 1.0020 x 1.0030 x 1.0010 x 1.0010 x 1.0010 x 1.0004 x 1.0010} – 1 x 100
= **1.88%**

Return of the Fundⁱⁱⁱ = {(1 + Capital Return x (1 + Income Return)) – 1} x 100
= {(1 + (-6.30%)) x (1 + 1.88%)} – 1} x 100
= **-4.53%**

MYR Hedged – class (MYRH)

Capital Returnⁱ = {NAV per Unit @ 31/08/18 ÷ NAV per Unit @ 31/08/17* – 1} x 100
= (0.5437 ÷ 0.5512 – 1) x 100
= **-1.36%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0025 ÷ 0.5496 @ 18/09/17} + 1 = 1.0045
= {0.0025 ÷ 0.5520 @ 12/12/17} + 1 = 1.0045
= {0.0025 ÷ 0.5466 @ 15/03/18} + 1 = 1.0046
= {0.0025 ÷ 0.5405 @ 13/06/18} + 1 = 1.0046

Total Income Returnⁱⁱ = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100
= {1.0045 x 1.0045 x 1.0046 x 1.0046} – 1 x 100
= **1.84%**

$$\begin{aligned} \text{Return of the Fund}^{\text{iii}} &= \{(1 + \text{Capital Return} \times (1 + \text{Income Return})) - 1\} \times 100 \\ &= \{(1 + (-1.36\%) \times (1 + 1.84\%)) - 1\} \times 100 \\ &= \underline{\underline{0.45\%}} \end{aligned}$$

SGD Hedged – class (SGDH)

$$\begin{aligned} \text{Capital Return}^{\text{i}} &= \{\text{NAV per Unit @ 31/08/18} \div \text{NAV per Unit @ 31/08/17}^* - 1\} \times 100 \\ &= (0.5112 \div 0.5288 - 1) \times 100 \\ &= \underline{\underline{-3.33\%}} \end{aligned}$$

$$\begin{aligned} \text{Income Return @ ex-date} &= \{\text{Income distribution per Unit} \div \text{NAV per Unit on ex-date}\} + 1 \\ &= \{0.0025 \div 0.5269 @ 18/09/17\} + 1 = 1.0047 \\ &= \{0.0025 \div 0.5266 @ 12/12/17\} + 1 = 1.0047 \\ &= \{0.0025 \div 0.5187 @ 15/03/18\} + 1 = 1.0048 \\ &= \{0.0025 \div 0.5100 @ 13/06/18\} + 1 = 1.0049 \end{aligned}$$

$$\begin{aligned} \text{Total Income Return}^{\text{ii}} &= \{\text{Income distribution per Unit} \div \text{NAV per Unit on ex-date}\} \times 100 \\ &= \{1.0047 \times 1.0047 \times 1.0048 \times 1.0049\} - 1 \times 100 \\ &= \underline{\underline{1.94\%}} \end{aligned}$$

$$\begin{aligned} \text{Return of the Fund}^{\text{iii}} &= \{(1 + \text{Capital Return} \times (1 + \text{Income Return})) - 1\} \times 100 \\ &= \{(1 + (-3.33\%)) \times (1 + 1.94\%)\} - 1 \times 100 \\ &= \underline{\underline{-1.46\%}} \end{aligned}$$

EUR Hedged – class (EURH)

$$\begin{aligned} \text{Capital Return}^{\text{i}} &= \{\text{NAV per Unit @ 31/08/17} \div \text{NAV per Unit @ 21/02/18}^* - 1\} \times 100 \\ &= (0.4886 \div 0.5000 - 1) \times 100 \\ &= \underline{\underline{-2.28\%}} \end{aligned}$$

$$\text{Total Income Return}^{\text{ii}} = \underline{\underline{\text{Nil}}}$$

$$\begin{aligned} \text{Return of the Fund}^{\text{iii}} &= \{(1 + \text{Capital Return} \times (1 + \text{Income Return})) - 1\} \times 100 \\ &= \{(1 + (-2.28\%)) \times (1 + 0.00\%)\} - 1 \times 100 \\ &= \underline{\underline{-2.28\%}} \end{aligned}$$

* Source – TMF Trustees Malaysia Berhad

Table 1: Performance of the Fund

USD Class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(0.51%)	8.05%
Benchmark	(1.05%)	0.75%
Outperformance / (Underperformance)	0.54%	7.30%

Source of Benchmark: Bloomberg

AUD Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(0.68%)	7.35%
Benchmark	(1.05%)	0.75%
Outperformance / (Underperformance)	0.37%	6.60%

Source of Benchmark: Bloomberg

GBP Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(1.91%)	2.45%
Benchmark	(1.05%)	(0.54%)
Outperformance / (Underperformance)	(0.86%)	2.99%

Source of Benchmark: Bloomberg

MYR Class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(4.53%)	6.03%
Benchmark	(1.05%)	(0.54%)
Outperformance / (Underperformance)	(3.48%)	6.57%

Source of Benchmark: Bloomberg

MYR Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	0.45%	10.74%
Benchmark	(1.05%)	0.75%
Outperformance / (Underperformance)	1.50%	9.99%

Source of Benchmark: Bloomberg

SGD Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(1.46%)	4.42%
Benchmark	(1.05%)	0.75%
Outperformance / (Underperformance)	(0.41%)	3.67%

Source of Benchmark: Bloomberg

EUR Hedged-class

	Since Commencement (22/2/18 - 31/8/18)
Fund	(2.28%)
Benchmark	1.52%
Outperformance / (Underperformance)	(3.80%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

USD Class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(0.51%)	3.55%
Benchmark	(1.05%)	0.34%
Outperformance / (Underperformance)	0.54%	3.21%

Source of Benchmark: Bloomberg

AUD Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(0.68%)	3.25%
Benchmark	(1.05%)	0.34%
Outperformance / (Underperformance)	0.37%	2.91%

Source of Benchmark: Bloomberg

GBP Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(1.91%)	1.22%
Benchmark	(1.05%)	(0.27%)
Outperformance / (Underperformance)	(0.86%)	1.49%

Source of Benchmark: Bloomberg

MYR Class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(4.53%)	2.97%
Benchmark	(1.05%)	(0.27%)
Outperformance / (Underperformance)	(3.48%)	3.24%

Source of Benchmark: Bloomberg

MYR Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	0.45%	4.70%
Benchmark	(1.05%)	0.34%
Outperformance / (Underperformance)	1.50%	4.37%

Source of Benchmark: Bloomberg

SGD Hedged-class

	1 Year (1/9/17 - 31/8/18)	Since Commencement (13/6/16 - 31/8/18)
Fund	(1.46%)	1.97%
Benchmark	(1.05%)	0.34%
Outperformance / (Underperformance)	(0.41%)	1.63%

Source of Benchmark: Bloomberg

EUR Hedged-class

	Since Commencement (22/2/18 - 31/8/18)
Fund	(4.31%)
Benchmark	2.93%
Outperformance / (Underperformance)	(7.24%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

USD Class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	(0.51%)	8.60%
Benchmark	(1.05%)	1.82%
Outperformance / (Underperformance)	0.54%	6.78%

Source of Benchmark: Bloomberg

AUD Hedged-class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	(0.68%)	8.08%
Benchmark	(1.05%)	(5.15%)
Outperformance / (Underperformance)	0.37%	13.23%

Source of Benchmark: Bloomberg

GBP Hedged-class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	(1.91%)	4.44%
Benchmark	(1.05%)	3.48%
Outperformance / (Underperformance)	(0.86%)	0.96%

Source of Benchmark: Bloomberg

MYR Class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	(4.53%)	11.06%
Benchmark	(1.05%)	0.51%
Outperformance / (Underperformance)	(3.48%)	10.55%

Source of Benchmark: Bloomberg

MYR Hedged-class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	0.45%	10.24%
Benchmark	(1.05%)	6.64%
Outperformance / (Underperformance)	1.50%	3.60%

Source of Benchmark: Bloomberg

SGD Hedged-class

	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (13/6/16 - 31/8/17)
Fund	(1.46%)	5.96%
Benchmark	(1.05%)	1.76%
Outperformance / (Underperformance)	(0.41%)	4.20%

Source of Benchmark: Bloomberg

EUR Hedged-class

	FYE 2018 (22/2/18 - 31/8/18)
Fund	(2.28%)
Benchmark	1.52%
Outperformance / (Underperformance)	(3.80%)

Source of Benchmark: Bloomberg

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

MANAGER'S REPORT

Performance Review

USD Class

For the period under review from 31 August 2017 to 31 August 2018, the Fund – USD Class registered a return of -0.51%. Compared to the Benchmark return of -1.05%, the Fund thus outperformed the Benchmark by 0.54%. The NAV per Unit of the Fund as at 31 August 2018 was USD0.5253 while the NAV per Unit as at 31 August 2017 was USD0.5420. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

AUD Hedged-class

For the period under review from 31 August 2017 to 31 August 2018, the Fund – AUD Hedged – class registered a return of -0.68%. Compared to the Benchmark return of -1.05%, the Fund thus outperformed the Benchmark by 0.37%. The NAV per Unit of the Fund as at 31 August 2018 was AUD0.5258 while the NAV per Unit as at 31 August 2017 was AUD0.5394. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

GBP Hedged-class

For the period under review from 31 August 2017 to 31 August 2018, the Fund – GBP Hedged – class registered a return of -1.91%. Compared to the Benchmark return of -1.05%, the Fund thus underperformed the Benchmark by 0.86%. The NAV per Unit of the Fund as at 31 August 2018 was GBP0.5014 while the NAV per Unit as at 31 August 2017 was GBP0.5212. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

MYR Class

For the period under review from 31 August 2017 to 31 August 2018, the Fund – MYR Class registered a return of -4.63%. Compared to the Benchmark return of -1.05%, the Fund thus underperformed the Benchmark by 3.58%. The NAV per Unit of the Fund as at 31 August 2018 was RM0.5194 while the NAV per Unit as at 31 August 2017 was RM0.5543. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

MYR Hedged-class

For the period under review from 31 August 2017 to 31 August 2018, the Fund – MYR Hedged – class registered a return of 0.45%. Compared to the Benchmark return of -1.05%, the Fund thus outperformed the Benchmark by 1.50%. The NAV per Unit of the Fund as at 31 August 2018 was RM0.5437 while the NAV per Unit as at 31 August 2017 was RM0.5512. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

SGD Hedged-class

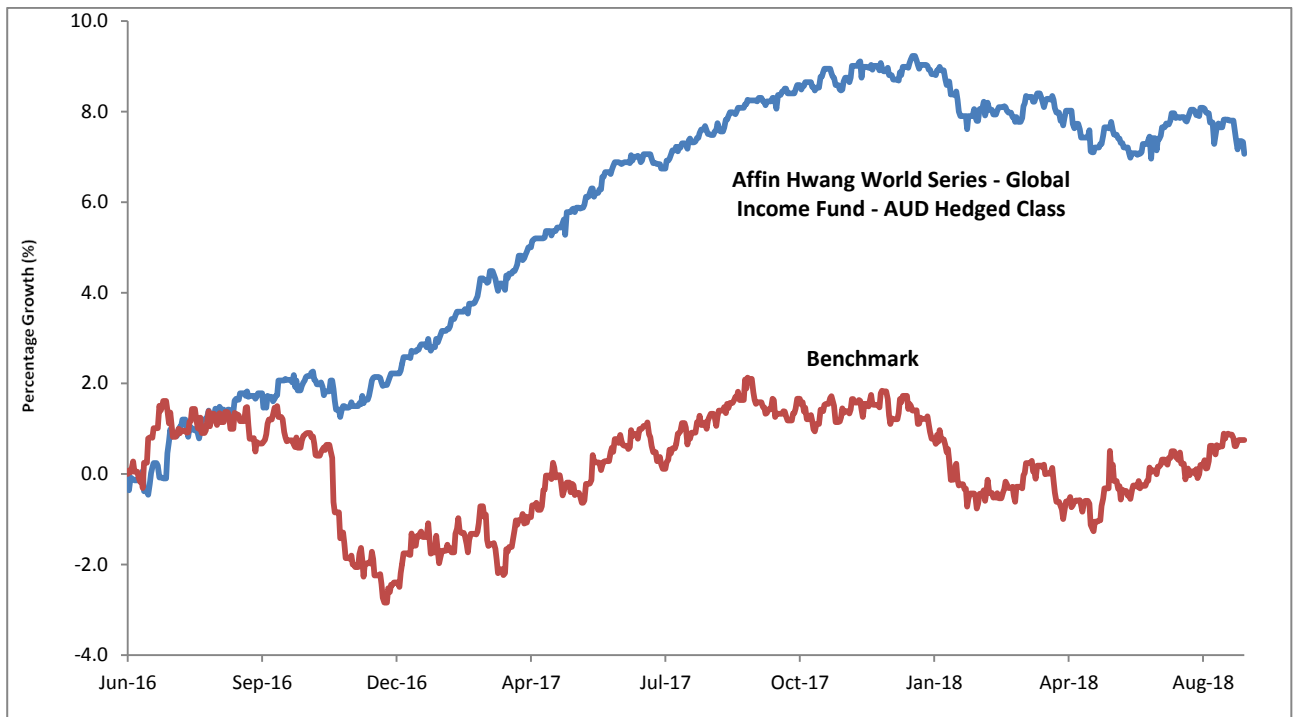
For the period under review from 31 August 2017 to 31 August 2018, the Fund – SGD Hedged – class registered a return of -1.46%. Compared to the Benchmark return of -1.05%, the Fund thus underperformed the Benchmark by 0.41%. The NAV per Unit of the Fund as at 31 August 2018 was SGD0.5112 while the NAV per Unit as at 31 August 2017 was SGD0.5288. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

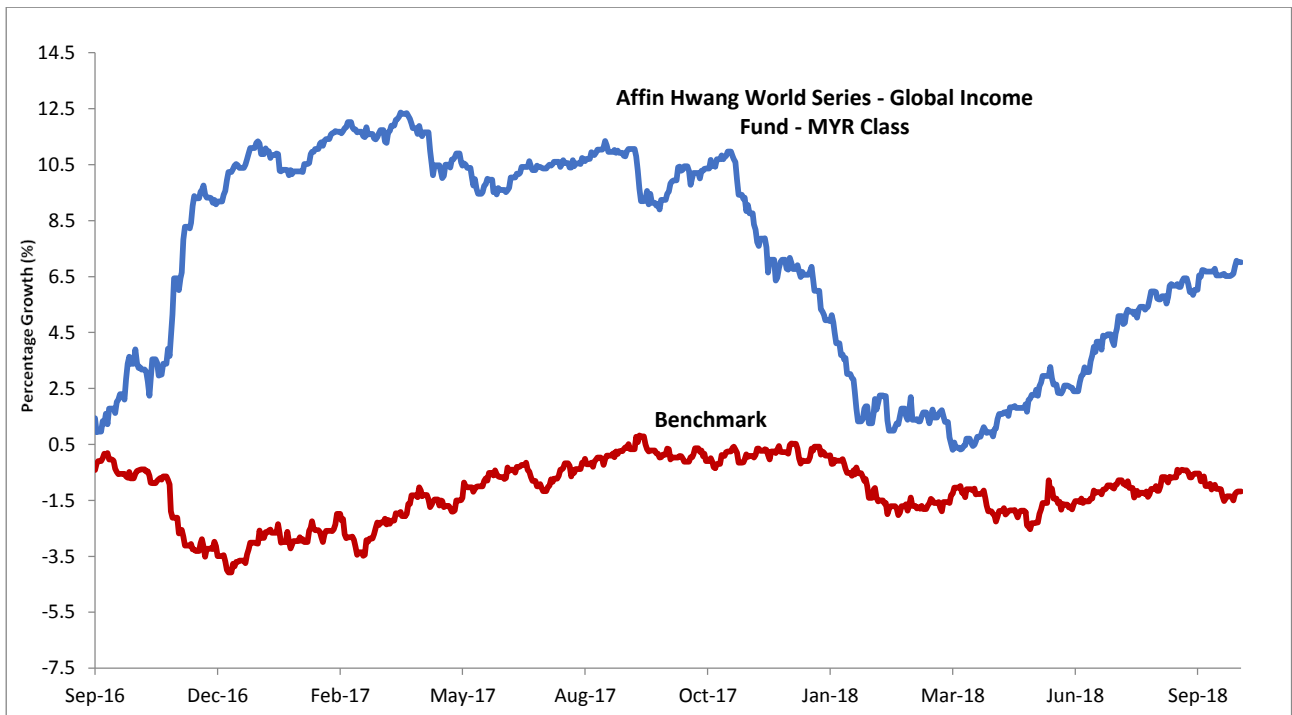
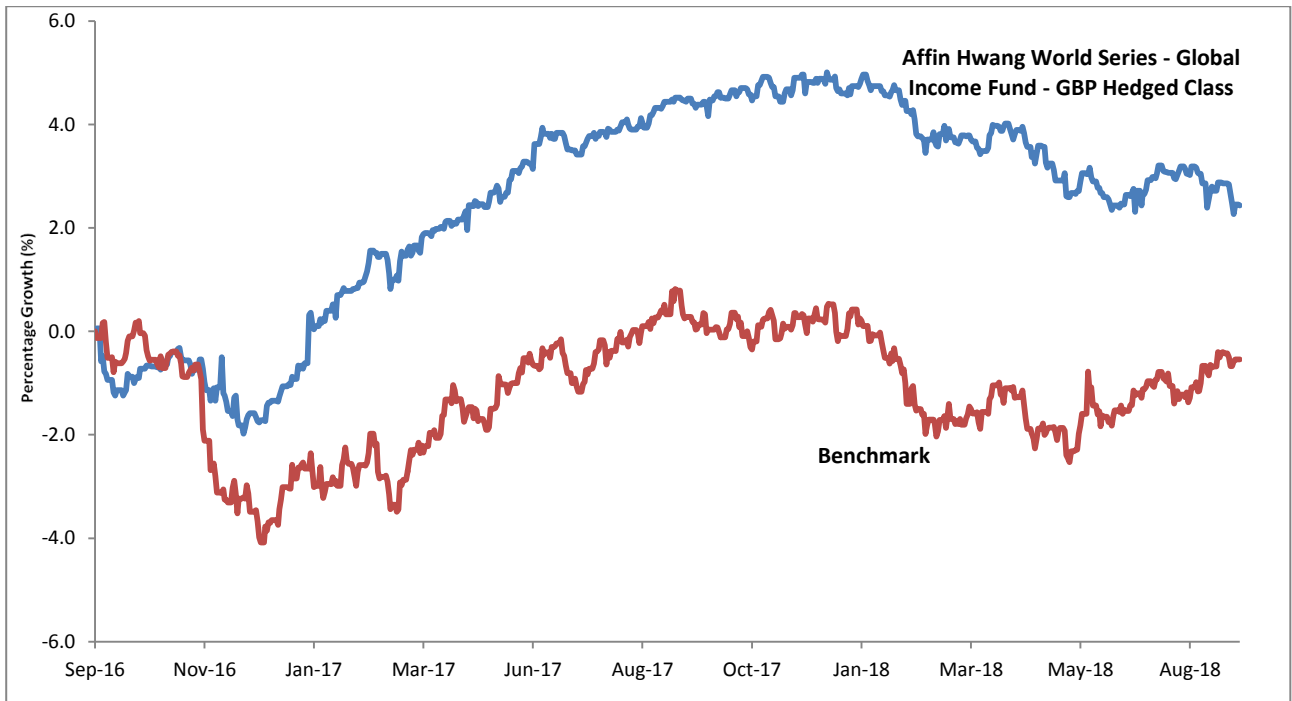
EUR Hedged-class

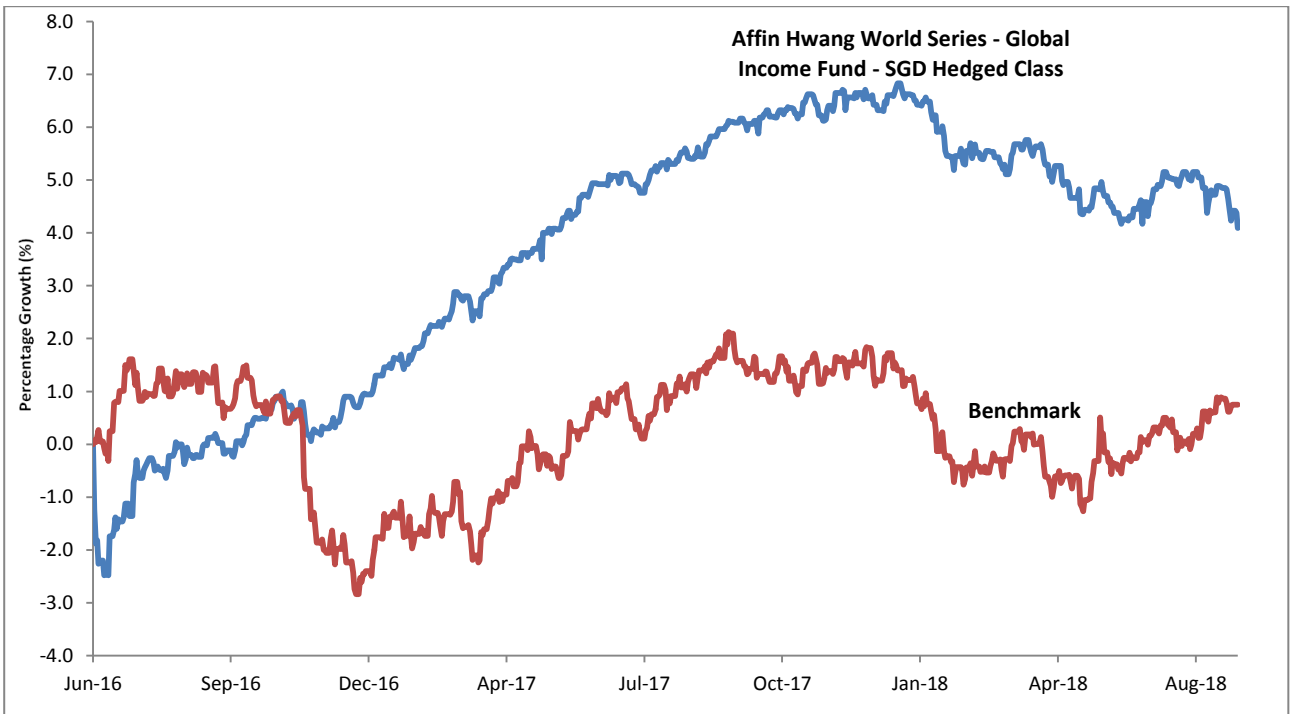
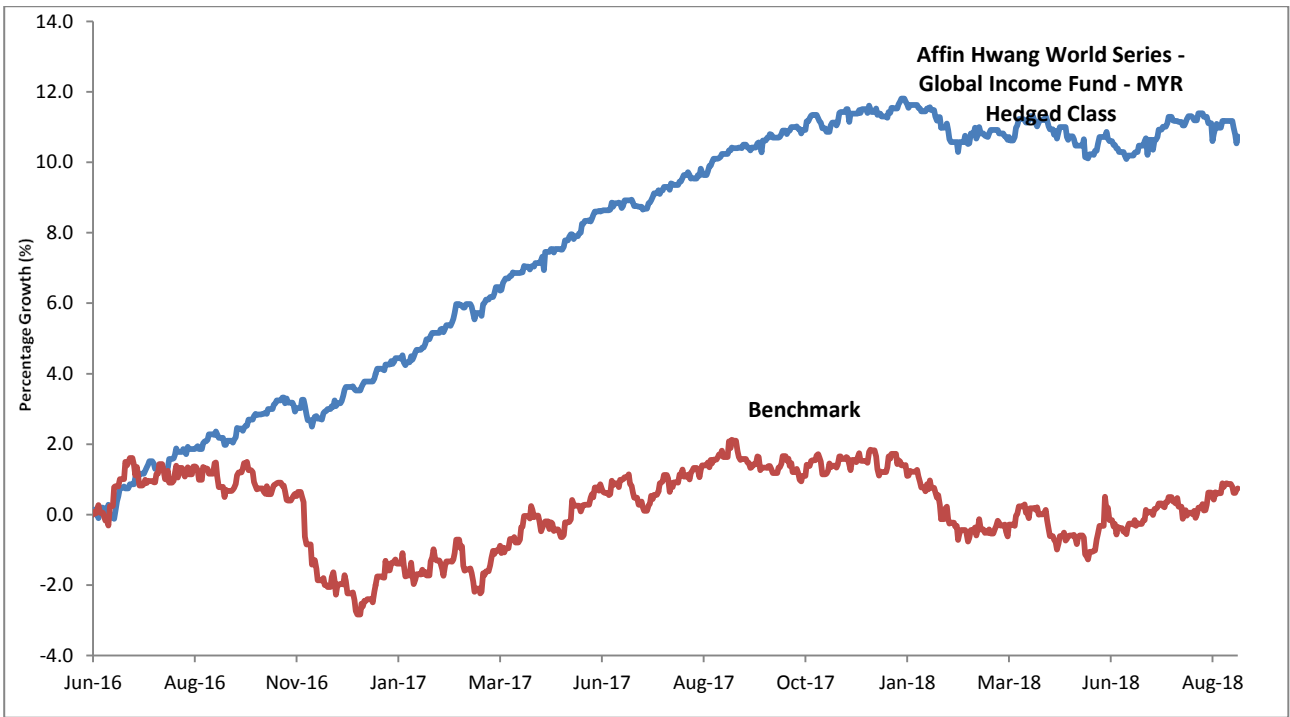
For the period under review from 22 February 2018 (date of commencement) to 31 August 2018, the Fund – EUR Hedged – class registered a return of -2.28%. Compared to the Benchmark return of 1.52%, the Fund thus underperformed the Benchmark by 3.80%. The NAV per Unit of the Fund as at 31 August 2018 was EUR0.4886 while the NAV per Unit as at 21 February 2018 was EUR0.5000. (See Figure 1 for movement of the Fund versus the Benchmark respectively).

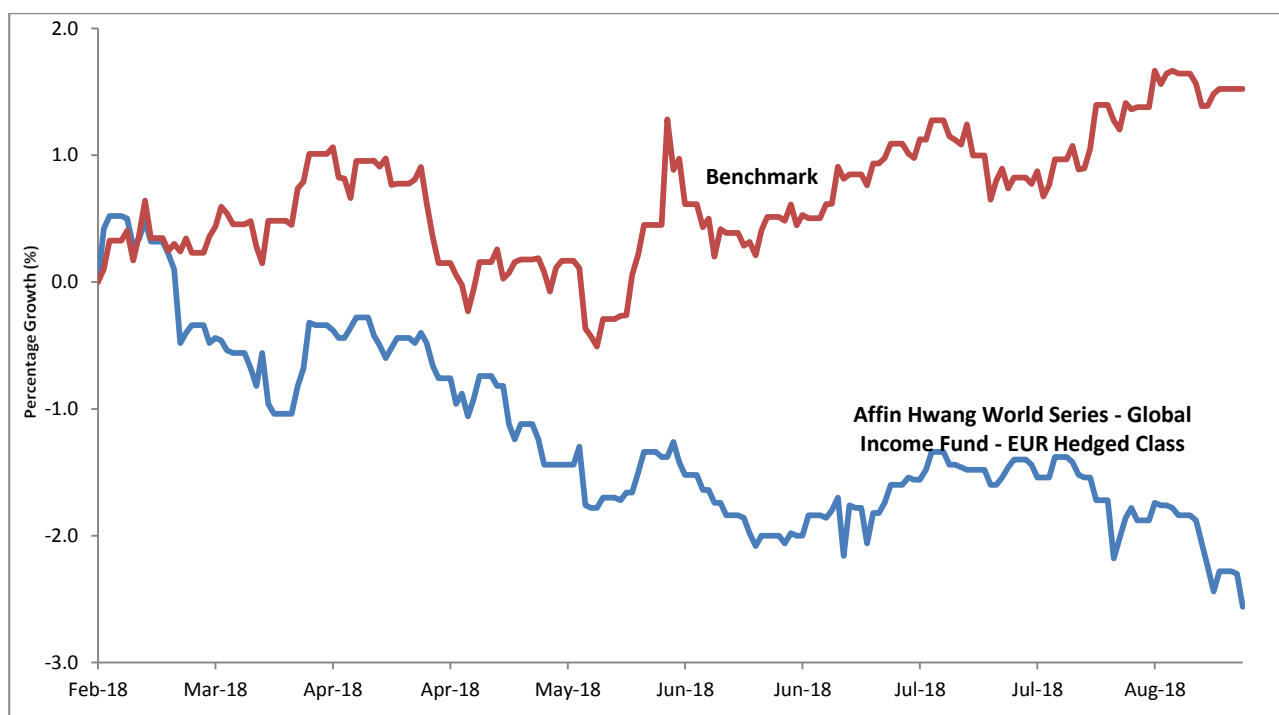
Over the period under review, we believe that the Fund's objective of providing investors with regular income is being met.

Figure 1: Movement of the Fund versus the Benchmark since commencement.









"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."
 Benchmark: Barclays U.S. Aggregate Index

Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of USD0.0140 per Unit (for USD Class), AUD0.0100 per Unit (for AUD Hedged-class), GBP0.0100 per Unit (for GBP Hedged-class), RM0.0097 per Unit (for MYR Class), RM0.0100 per Unit (for MYR Hedged-class) and SGD0.0100 per Unit (for SGD Hedged-class) to investors of the Affin Hwang World Series – Global Income Fund over the period under review.

During the period under review, no income distribution was declared for Affin World Series – Global Income Fund EUR Hedged-class.

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

USD Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5432	0.0025	0.5402
11 Dec 2017	12 Dec 2017	0.5437	0.0025	0.5407
16 Jan 2018	17 Jan 2018	0.5414	0.0010	0.5400
13 Feb 2018	14 Feb 2018	0.5350	0.0015	0.5321
14 Mar 2018	15 Mar 2018	0.5343	0.0015	0.5323
17 Apr 2018	18 Apr 2018	0.5344	0.0010	0.5329
15 May 2018	16 May 2018	0.5273	0.0010	0.5263
12 Jun 2018	13 Jun 2018	0.5263	0.0010	0.5248
17 Jul 2018	18 Jul 2018	0.5297	0.0010	0.5287
14 Aug 2018	15 Aug 2018	0.5268	0.0010	0.5267

AUD Hedged-class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5405	0.0025	0.5376
11 Dec 2017	12 Dec 2017	0.5414	0.0025	0.5385
14 Mar 2018	15 Mar 2018	0.5345	0.0025	0.5316
12 Jun 2018	13 Jun 2018	0.5270	0.0025	0.5240

GBP Hedged-class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5215	0.0025	0.5185
11 Dec 2017	12 Dec 2017	0.5208	0.0025	0.5179
14 Mar 2018	15 Mar 2018	0.5130	0.0025	0.5101
12 Jun 2018	13 Jun 2018	0.5039	0.0025	0.5009

MYR Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5447	0.0025	0.5417
11 Dec 2017	12 Dec 2017	0.5305	0.0025	0.5278
16 Jan 2018	17 Jan 2018	0.5128	0.0010	0.5109
13 Feb 2018	14 Feb 2018	0.5045	0.0015	0.4987
14 Mar 2018	15 Mar 2018	0.4993	0.0005	0.5001
15 May 2018	16 May 2018	0.4997	0.0005	0.5013
12 Jun 2018	13 Jun 2018	0.5035	0.0005	0.5029
17 Jul 2018	18 Jul 2018	0.5143	0.0002	0.5157
14 Aug 2018	15 Aug 2018	0.5186	0.0005	0.5201

MYR Hedged-class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5525	0.0025	0.5496
11 Dec 2017	12 Dec 2017	0.5550	0.0025	0.5520
14 Mar 2018	15 Mar 2018	0.5496	0.0025	0.5466
12 Jun 2018	13 Jun 2018	0.5435	0.0025	0.5405

SGD Hedged-class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Sep 2017	18 Sep 2017	0.5298	0.0025	0.5269
11 Dec 2017	12 Dec 2017	0.5296	0.0025	0.5266
14 Mar 2018	15 Mar 2018	0.5217	0.0025	0.5187
12 Jun 2018	13 Jun 2018	0.5130	0.0025	0.5100

No unit split were declared for the financial year ended 31 August 2018.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<u>31 Aug 2018</u>	<u>31 Aug 2017</u>
	(%)	(%)
Collective investment scheme	98.59	98.22
Cash & Cash equivalent	1.41	1.78
Total	100.00	100.00

As at 31 August 2018, the asset allocation of the Fund stood at 98.59% in collective investment scheme while the balance was held in cash and cash equivalent.

Strategies Employed

The target fund ("PIMCO GIS Income Fund – Institutional USD Class") is divided into two general sections: higher yielding assets that are expected to benefit when economic growth is robust and higher quality assets that are expected to benefit if economic growth is weak.

Within the higher quality section, we focus duration exposure in developed countries, primarily in the U.S. and Australia. We believe Australian rates have room to fall if the country's growth remains sluggish. To balance these positions, we also hold a short to Japanese duration as a hedge to global rates rising.

The higher yielding section is weighted toward senior positions in the capital structure. We allocate to investment grade corporate credits and other high quality "safe spread" sectors, such as Agency MBS and highly rated CMBS. We are cautious in our allocation to high yield corporates and are mindful of liquidity in the sector. In emerging markets, we focus on large, quasi-sovereign entities as well as exposures to local interest rate duration in select countries such as Mexico.

We remain tactical in our currency positioning, which is limited overall. We hold a long U.S. dollar position versus developed market currencies as a way of expressing our views on relative growth and the path of rates. We are also tactically long a basket of EM currencies for additional diversification.

Market Review

There was little evidence of a summer lull this August, turmoil in emerging market as well as ongoing trade policy developments kept markets on edge. Risk assets in developed markets were somewhat mixed, with U.S. assets outperforming – while core rates broadly rallied. The UK was an exception as yields rose in a month that saw the Bank of England hiking interest rates. Emerging markets struggled over the month with a number of markets – such as Turkey and Argentina – driving most of the price action.

Starting with emerging markets, a number of factors have weighed on the asset class in recent months. These include rising U.S. interest rates, stronger USD and shrinking Fed balance sheet – as well as the trade war rhetoric creating tension across the globe. Turkey was one of the most notable victims of such developments in August. The lira depreciated ~25% against the USD, marking the worst month on record for the "new lira" that was created in 2005. This has been driven by concerns over central bank independence, political tensions with the U.S. over a detained American pastor (which saw a doubling of tariffs on Turkish steel and aluminum), and a lack of coherent policy response. We saw rating agencies downgrading Turkey as a result, with the S&P taking the country's sovereign rating to B+ from BB- and Moody's to Ba3 from Ba2. Most recently, the Turkish lira took another hit as Moody's downgraded a large number of Turkish banks in the final week of August.

Argentina also competed for the limelight. Its central bank took drastic action near month end, increasing its interest rate by 15% to 60%. This was aimed at controlling the currency and stabilizing markets – but the move failed to defend the peso as it sold off by over 10% in a day in volatile trading. The currency has lost more than half its value so far in 2018, triggering President Macri to request the IMF for an expedited release of its \$50bn bailout package. In another sign of trouble in Latin America, Venezuela issued a new currency to curb hyperinflation. The country devalued its currency by 95% to issue a new currency, called "sovereign

bolivars". The largest denomination note – 500 bolivars – is worth 50,000,000 old bolivars. The new currency will be pegged to a state run cryptocurrency called the Petro.

Turning to developed markets, there were a number of developments on the monetary front. In the UK, the Monetary Policy Committee decided unanimously to hike the benchmark interest rate by 25 bps to 0.75%. This was largely anticipated by markets and came on the back of rosy labor market and wage inflation data. Jackson Hole was also in focus in August as central bank delegates gathered for the symposium. Powell told guests that "there does not seem to be an elevated risk" of the U.S. economy overheating. He also noted that "if the strong growth in income and jobs continues, further gradual increases in the target range for the federal funds rate will probably be appropriate." Staying with the Fed, PIMCO's own Richard Clarida received Senate confirmation to become the Vice Chairman of the Federal Reserve. Clarida's confirmation was the fourth of seven governors to be appointed to the Fed Board in Washington.

Finally, we saw positive developments on the trade front as the U.S. and Mexico announced a replacement trade deal to the NAFTA agreement. The bilateral trade deal will require 75% of auto content to be made in the U.S. and Mexico, up from the current level of 62.5%. The agreement maintains tariff-free trade for farm products but with new measures on labelling and health standards. The deal has a 16-year lifespan but may be reviewed by either party after 6 years.

Investment Outlook

PIMCO expects global growth to remain positive in 2018, especially in the U.S. and Europe. We see more synchronized growth underpinning the global expansion in 2018. In addition to the Federal Reserve remaining on its path towards policy normalization, we expect other global central banks to begin shifting toward reduced monetary policy accommodation.

We remain focused on diversification and staying senior in the capital structure as the aging U.S. economic expansion continues. In this environment, the Fund will seek to pay a consistent distribution while potentially generating capital appreciation and principal protection by focusing on the best opportunities around the globe. The Fund will seek to balance higher yielding exposures with high quality duration to protect against downside risk over the cyclical horizon. With the potential for interest rates to recalibrate higher, we are focused on tactically adjusting interest exposure globally to the most attractive countries, which is currently in the U.S. and Australia. We are also allocating to securities with floating interest rates in an effort to reduce sensitivity to interest rate volatility and seek to protect principal.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES – GLOBAL INCOME FUND

We have acted as Trustee of Affin Hwang World Series – Global Income Fund (“the Fund”) for the financial year ended 31 August 2018. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Unlisted Capital Market Product under the Lodge Framework and other applicable laws during the financial period then ended;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial year, the total distributions of 0.97 sen per Unit for MYR class, 1.40 cent per Unit for USD class, and 1.00 cent per Unit for AUD Hedged-class, GBP Hedged-class, MYR Hedged-class and SGD Hedged-class have been distributed to the Unitholders of the Fund. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For TMF Trustees Malaysia Berhad
(Company No.: 610812-W)

NORHAYATI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
12 October 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018**

	<u>Note</u>	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
INVESTMENT INCOME			
Dividend income		6,348,637	2,595,298
Interest income from deposits with licensed financial institutions		6,601	9,343
Net gain/(loss) on foreign currency exchange		92,498	(111,139)
Net gain on forward foreign currency contracts at fair value through profit or loss		2,136,389	1,538,897
Net (loss)/gain on financial assets at fair value through profit or loss	8	(5,718,823)	2,614,675
Rebates of management fee	4	929,854	360,428
		<u>3,795,156</u>	<u>7,007,502</u>
EXPENSES			
Management fee	4	(2,476,963)	(984,459)
Trustee fee	5	(102,495)	(40,736)
Auditors' remuneration		(1,762)	(1,747)
Tax agent's fee		(822)	(1,985)
Other expenses		(135,048)	(71,747)
		<u>(2,717,090)</u>	<u>(1,100,674)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		1,078,066	5,906,828
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions	6	(3,439,009)	(93,500)
NET (LOSS)/PROFIT BEFORE TAXATION		(2,360,943)	5,813,328
Taxation	7	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(2,360,943)</u>	<u>5,813,328</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

	<u>2018</u>	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u>
	USD	USD
(Decrease)/increase of net asset attributable to unitholders is made up of the following:		
Realised amount	4,584,851	2,883,478
Unrealised amount	<u>(6,945,794)</u>	<u>2,929,850</u>
	<u>(2,360,943)</u>	<u>5,813,328</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
ASSETS			
Cash and cash equivalents	9	5,206,273	4,654,363
Financial assets at fair value through profit or loss	8	145,566,010	132,194,675
Amount due from Manager			
- creation of units		71,993	1,195,487
Amount due from brokers		-	23,637
Dividend receivables		472,794	-
Rebate of management fee receivables		70,121	58,096
Forward foreign currency contracts at fair value through profit or loss	10	241,850	530,113
TOTAL ASSETS		<u>151,629,041</u>	<u>138,656,371</u>
LIABILITIES			
Amount due to Manager			
- management fee		187,108	159,516
- cancellation of units		2,224,154	162,432
Amount due to Trustee		7,742	6,600
Amount due to brokers		49,379	3,500,000
Auditors' remuneration		1,635	1,747
Tax agent's fee		1,927	1,985
Other payable and accruals		2,190	11,439
Forward foreign currency contracts at fair value through profit or loss	10	1,506,017	216,385
TOTAL LIABILITIES (EXCLUDING NET ASSET ATTRIBUTABLE TO UNITHOLDERS)		<u>3,980,152</u>	<u>4,060,104</u>
NET ASSET VALUE OF THE FUND		<u>147,648,889</u>	<u>134,596,267</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>147,648,889</u>	<u>134,596,267</u>

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		12,597,010	12,377,389
- EUR Hedged-class		2,394,721	-
- GBP Hedged-class		23,822,858	24,569,071
- MYR class		1,226,085	287,713
- MYR Hedged-class		48,790,065	56,899,002
- SGD Hedged-class		19,254,594	9,275,547
- USD class		39,563,556	31,187,545
		<u>147,648,889</u>	<u>134,596,267</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	11 (a)	32,862,000	28,845,000
- EUR Hedged-class	11 (b)	4,192,000	-
- GBP Hedged-class	11 (c)	36,520,000	36,502,000
- MYR class	11 (d)	9,698,000	2,217,000
- MYR Hedged-class	11 (e)	368,656,000	440,901,000
- SGD Hedged-class	11 (f)	51,455,000	23,802,000
- USD class	11 (g)	75,309,000	57,544,000
		<u>578,692,000</u>	<u>589,811,000</u>

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

	<u>Note</u>	<u>2018</u> USD	<u>2017</u> USD
REPRESENTED BY: (CONTINUED)			
NET ASSET VALUE PER UNIT (USD)			
- AUD Hedged-class		0.3833	0.4291
- EUR Hedged-class		0.5713	-
- GBP Hedged-class		0.6523	0.6731
- MYR class		0.1264	0.1298
- MYR Hedged-class		0.1323	0.1291
- SGD Hedged-class		0.3742	0.3897
- USD class		<u>0.5253</u>	<u>0.5420</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD 0.5258	AUD 0.5409
- EUR Hedged-class		EUR 0.4886	-
- GBP Hedged-class		GBP 0.5014	GBP 0.5223
- MYR class		RM 0.5194	RM 0.5543
- MYR Hedged-class		RM 0.5437	RM 0.5512
- SGD Hedged-class		SGD 0.5112	SGD 0.5287
- USD class		<u>USD 0.5253</u>	<u>USD 0.5420</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018**

	<u>Note</u>	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH		134,596,267	-
Movement due to units created and cancelled during the financial year/period:			
Creation of units arising from applications		85,029,052	141,784,129
- AUD Hedged-class		5,672,703	15,512,738
- EUR Hedged-class		2,560,284	-
- GBP Hedged-class		13,418,143	24,402,689
- MYR class		7,022,083	1,697,666
- MYR Hedged-class		17,270,964	57,314,435
- SGD Hedged-class		16,690,740	10,663,225
- USD class		22,394,135	32,193,376
Creation of units arising from distributions		2,657,985	-
- AUD Hedged-class		192,461	-
- EUR Hedged-class		-	-
- GBP Hedged-class		291,467	-
- MYR class		36,995	-
- MYR Hedged-class		984,456	-
- SGD Hedged-class		212,234	-
- USD class		940,372	-

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

	<u>Note</u>	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
Movement due to units created and cancelled during the financial year/period: (continued)			
Cancellation of units		(72,273,472)	(13,001,190)
- AUD Hedged-class		(4,080,316)	(4,097,680)
- EUR Hedged-class		-	-
- GBP Hedged-class		(13,871,714)	(345,968)
- MYR class		(6,063,434)	(1,433,146)
- MYR Hedged-class		(28,511,857)	(3,191,893)
- SGD Hedged-class		(6,054,297)	(1,925,819)
- USD class		(13,691,854)	(2,006,684)
(Decrease)/increase of net asset attributable to unitholders during the financial year/period		(2,360,943)	5,813,328
- AUD Hedged-class		(1,565,227)	962,331
- EUR Hedged-class		(165,563)	-
- GBP Hedged-class		(584,109)	512,350
- MYR class		(57,272)	23,193
- MYR Hedged-class		2,147,500	2,776,460
- SGD Hedged-class		(869,630)	538,141
- USD class		(1,266,642)	1,000,853
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD		<u>147,648,889</u>	<u>134,596,267</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018**

	<u>Note</u>	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		57,162,490	-
Purchase of investments		(79,679,632)	(126,080,000)
Dividend income received		5,875,843	2,595,298
Interest income received		6,601	9,343
Rebate management fee received		917,829	302,332
Management fee paid		(2,449,371)	(824,943)
Trustee fee paid		(101,353)	(34,136)
Payment for other fees and expenses		(147,051)	(60,308)
Realised gain on forward foreign currency contracts		3,714,284	1,201,532
Net realised gain/(loss) on foreign currency exchange		94,507	(112,586)
		<hr/>	<hr/>
Net cash used in operating activities		(14,605,853)	(123,003,468)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		86,152,546	140,588,641
Payments for cancellation of units		(70,211,750)	(12,838,758)
Payment for distribution		(781,024)	(93,500)
		<hr/>	<hr/>
Net cash generated from financing activities		15,159,772	127,656,383
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		553,919	4,652,915
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(2,009)	1,448
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH		4,654,363	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	9	5,206,273	4,654,363
		<hr/> <hr/>	<hr/> <hr/>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year/period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note N.

(a) Standards, amendments to published standards and interpretations that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning on 1 September 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.

The adoption of these amendments did not have any impact on the current year and is not likely to affect future years.

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows:

(i) Financial year beginning on/after 1 September 2018

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows: (continued)

(i) Financial year beginning on/after 1 September 2018 (continued)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund has reviewed its financial assets and liabilities and does not expect any impact from the adoption of the new standard on 1 September 2018.

There will be no impact on the Fund's accounting for financial assets as the Fund's collective investments scheme currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the Fund's investments in forward foreign currency contracts will continue to be measured on the same basis under MFRS9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

B INCOME RECOGNITION

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Interest income from short term deposits with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

For collective investment schemes ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial period.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's functional and presentation currency.

F FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund designates its investment in collective investments schemes as financial assets at fair value through profit or loss.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Derivatives are financial assets/ liabilities at fair value through profit or loss categorised as held for trading unless they are designated hedges (Note M).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loan and receivables comprise cash and cash equivalents, dividend receivables, rebate of management fee receivables, amount due from brokers and amount due from Manager.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

The Fund classifies amount due to Manager, amount due to Trustee, amount due to brokers, auditors' remuneration, tax agent's fee and other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the period which they arise.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Derivative investments consist of forward foreign currency contracts. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Investment in collective investment schemes is valued at the last published NAV per unit at the date of the statement of financial position.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I CREATION AND CANCELLATION OF UNITS

The unitholders' capital to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in seven classes of units, known respectively as the AUD hedged-class, EUR hedged-class, GBP hedged-class, MYR class, MYR hedged-class, SGD hedged-class and USD class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

I CREATION AND CANCELLATION OF UNITS (CONTINUED)

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

J AMOUNTS DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amount due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial re-organisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or loans expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

L SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

M DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

M DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note G.

N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

**N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES
(CONTINUED)**

Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) Significant portion of the NAV is investments denominated in USD.
- ii) Significant portion of the Fund's expenses are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Affin Hwang Global Income Fund (the "Fund") pursuant to the execution of a Deed dated 21 April 2016, Second Supplemental Deed dated 7 December 2017 and Third Supplemental Deed dated 26 January 2018. The Fund has changed its name from Affin Hwang Global Income Fund to Affin Hwang World Series - Global Income Fund as modified by the Supplemental Deed dated 10 August 2016 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee").

The Fund commenced operations on 13 June 2016 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest any of in the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the Securities Commission ("SC") and all relevant laws:

- (a) Collective investment scheme;
- (b) Money market instruments;
- (c) Fixed deposits and;
- (d) Derivatives;
- (e) Any other form of investments as may be determined by the Manager from time to time that is in line with the Funds objective.

All investments will be subjected to the SC's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide investors with regular income through investments in global fixed income instruments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 12 October 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	<u>Loans and receivables</u> USD	<u>Financial assets at at fair value through profit or loss</u> USD	<u>Total</u> USD
<u>2018</u>				
Collective investment scheme	8	-	145,566,010	145,566,010
Cash and cash equivalents	9	5,206,273	-	5,206,273
Amount due from Manager				
- creation of units		71,993	-	71,993
Dividend receivables		472,794	-	472,794
Rebate of management fee receivable		70,121	-	70,121
Forward foreign currency contracts	10	-	(1,264,167)	(1,264,167)
Total		<u>5,821,181</u>	<u>144,301,843</u>	<u>150,123,024</u>
<u>2017</u>				
Collective investment scheme	8	-	132,194,675	132,194,675
Cash and cash equivalents	9	4,654,363	-	4,654,363
Amount due from Manager				
- creation of units		1,195,487	-	1,195,487
Amount due from brokers		23,637	-	23,637
Rebate of management fee receivable		58,096	-	58,096
Forward foreign currency contracts	10	-	313,728	313,728
Total		<u>5,931,583</u>	<u>132,508,403</u>	<u>138,439,986</u>

All current liabilities except for forward foreign currency contracts are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), liquidity risk, credit risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(a) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	<u>2018</u> USD	<u>2017</u> USD
Collective investment schemes		
Collective investment schemes designated at fair value through profit or loss	145,566,010	132,194,675

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> USD	<u>Impact on profit after tax/NAV</u> USD
<u>2018</u>		
-5%	138,287,710	(7,278,301)
0%	145,566,010	-
+5%	152,844,311	7,278,301
<u>2017</u>		
-5%	125,584,941	(6,609,734)
0%	132,194,675	-
+5%	138,804,409	6,609,734

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short term basis.

The Fund's exposure to interest rate risk associated with deposit with licensed financial institutions is not material as the carrying value of the deposit is a reasonable estimate of fair value as the deposits are held on a short term basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk

Currency risk is associated with assets/ liabilities denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the assets/liabilities will face currency losses. The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Forward foreign currency contracts USD	Cash and cash equivalents USD	Other assets*/ (liabilities)** USD	Net assets attributable to unitholders USD	Total USD
<u>2018</u>					
Australian Dollar	(218,855)	43,344	(141,087)	(12,597,010)	(12,913,608)
Euro	7,721	7,322	-	(2,394,721)	(2,379,678)
British Pound Sterling	(194,242)	252,630	(254,041)	(23,822,858)	(24,018,511)
Malaysian Ringgit	(749,719)	704,452	(871,861)	(50,016,150)	(50,933,278)
Singapore Dollar	(109,072)	962,028	(957,165)	(19,254,594)	(19,358,803)
	<u>(1,264,167)</u>	<u>1,969,776</u>	<u>(2,224,154)</u>	<u>(108,085,333)</u>	<u>(109,603,878)</u>
<u>2017</u>					
Australian Dollar	162,080	281,972	273,920	(12,377,389)	(11,659,417)
British Pound Sterling	(146,962)	3,208	53,084	(24,569,071)	(24,659,741)
Malaysian Ringgit	265,351	35,179	(42,383)	(57,186,715)	(56,928,568)
Singapore Dollar	33,259	3,919	133,093	(9,275,547)	(9,105,276)
	<u>313,728</u>	<u>324,278</u>	<u>417,714</u>	<u>(103,408,722)</u>	<u>(102,353,002)</u>

*Other assets consist of amount due from Manager and rebate of management fee receivable

**Other liabilities consist of amount due to Manager .

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

	Change in price %	Impact on profit after tax/ NAV USD
<u>2018</u>		
Australian Dollar	+/- 5	+/- 645,680
Euro	+/- 5	+/- 118,984
British Pound Sterling	+/- 5	+/- 1,200,926
Malaysian Ringgit	+/- 5	+/- 2,546,664
Singapore Dollar	+/- 5	+/- 967,940
		<u><u> </u></u>
<u>2017</u>		
Australian Dollar	+/- 5	+/- 582,971
British Pound Sterling	+/- 5	+/- 1,232,987
Malaysian Ringgit	+/- 5	+/- 2,846,428
Singapore Dollar	+/- 5	+/- 455,264
		<u><u> </u></u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows.

	Within <u>one month</u> USD	Between <u>one month</u> <u>to one year</u> USD	<u>Total</u> USD
<u>2018</u>			
Amount due to Manager			
- management fees	187,108	-	187,108
- cancellation of units	2,224,154	-	2,224,154
Amount due to Trustee	7,742	-	7,742
Amount due to brokers	49,379	-	49,379
Auditors' remuneration	-	1,635	1,635
Tax agent fee	-	1,927	1,927
Other payables and accruals	-	2,190	2,190
Forward foreign currency contracts	409,517	1,096,500	1,506,017
Net asset attributable to unitholders*	147,648,889	-	147,648,889
	<u>150,526,789</u>	<u>1,102,252</u>	<u>151,629,041</u>
<u>2017</u>			
Amount due to Manager			
- management fees	159,516	-	159,516
- cancellation of units	162,432	-	162,432
Amount due to Trustee	6,600	-	6,600
Amount due to brokers	3,500,000	-	3,500,000
Auditors' remuneration	-	1,747	1,747
Tax agent fee	-	1,985	1,985
Other payables and accruals	9,967	1,472	11,439
Forward foreign currency contracts	46,314	170,071	216,385
Net asset attributable to unitholders*	134,596,267	-	134,596,267
	<u>138,481,096</u>	<u>175,275</u>	<u>138,656,371</u>

*Outstanding units are redeemed in demand of the unitholders option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the Securities Commission's (SC) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The following table sets out the credit risk concentration and counterparties of the Fund:

	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Other assets*</u> USD	<u>Total</u> USD
<u>2018</u>				
Finance				
- AAA	76,863	698,846	-	775,709
- AA1	-	4,507,427	-	4,507,427
- AA2	8,878	-	-	8,878
- AA3	77,018	-	-	77,018
- NR	79,091	-	-	79,091
Others				
- NR	-	-	614,908	614,908
	<u>241,850</u>	<u>5,206,273</u>	<u>614,908</u>	<u>6,063,031</u>
<u>2017</u>				
Finance				
- AAA	115,862	-	-	115,862
- AA1	61,514	4,654,363	-	4,715,877
- AA2	145,600	-	-	145,600
- AA3	81,279	-	-	81,279
- NR	125,858	-	23,637	149,495
Others				
- NR	-	-	1,253,583	1,253,583
	<u>530,113</u>	<u>4,654,363</u>	<u>1,277,220</u>	<u>6,461,696</u>

*Other assets consist of amount due from Manager and amount due from brokers, rebate of management fee receivables and dividend receivables.

The Fund's financial assets are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by the net asset attributable to unitholders. The amount of net asset attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATIONS

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

3 FAIR VALUE ESTIMATIONS (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

<u>2018</u>	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
Financial assets at fair value through profit or loss				
- collective investment schemes	145,566,010	-	-	145,566,010
- forward foreign currency contracts	-	241,850	-	241,850
	<u>145,566,010</u>	<u>241,850</u>	<u>-</u>	<u>145,807,860</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	(1,506,017)	-	(1,506,017)
	<u>-</u>	<u>(1,506,017)</u>	<u>-</u>	<u>(1,506,017)</u>
 <u>2017</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	132,194,675	-	-	132,194,675
- forward foreign currency contracts	-	530,113	-	530,113
	<u>132,194,675</u>	<u>530,113</u>	<u>-</u>	<u>132,724,788</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	(216,385)	-	(216,385)
	<u>-</u>	<u>(216,385)</u>	<u>-</u>	<u>(216,385)</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

3 FAIR VALUE ESTIMATIONS (CONTINUED)

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from brokers and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE AND REBATES OF MANAGEMENT FEE

In accordance with the Information Memorandum, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the net asset value ("NAV") of the Fund calculated on a daily basis.

For the financial year ended 31 August 2018, the management fee is recognised at a rate of 1.45% (2017: 1.45%) per annum on the NAV of the Fund, calculated on a daily basis. A portion of this fee is paid to PIMCO Global Advisors (Ireland) Limited, the Fund Manager of PIMCO GIS Income Fund.

As this Fund invests in units of PIMCO GIS Income Fund and Affin Hwang USD Cash Fund, any management fee charged to CIS are fully refunded to this Fund. Accordingly, there is no double charging of management fee.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

5 TRUSTEE FEE

In accordance with the Information Memorandum, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the net asset value ("NAV") of the Fund excluding of foreign custodian fees and charges.

For the financial year ended 31 August 2018, the Trustee's fee is recognised at a rate of 0.06% (2017: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

6 DISTRIBUTIONS

	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
Distribution to unitholders is from the following sources:		
Dividend income	2,611,153	134,292
Interest income	-	1,284
Previous year realised income	1,752,078	-
	<hr/>	<hr/>
Gross realised income	4,363,231	135,576
Less: Expenses	(924,222)	(42,076)
	<hr/>	<hr/>
Net distribution amount	<u>3,439,009</u>	<u>93,500</u>

	Gross/net distribution per unit (sen)					
	AUD Hedged- class AUD	GBP Hedged- class GBP	MYR class MYR	MYR Hedged- class MYR	SGD Hedged- class SGD	USD class USD
<u>2018</u>						
18.9.2017	0.25	0.25	0.25	0.25	0.25	0.25
12.12.2017	0.25	0.25	0.25	0.25	0.25	0.25
17.1.2018	-	-	0.10	-	-	0.10
14.2.2018	-	-	0.15	-	-	0.15
15.3.2018	0.25	0.25	0.05	0.25	0.25	0.15
18.4.2018	-	-	-	-	-	0.10
16.5.2018	-	-	0.05	-	-	0.10
13.6.2018	0.25	0.25	0.05	0.25	0.25	0.10
18.7.2018	-	-	0.02	-	-	0.10
15.8.2018	-	-	0.05	-	-	0.10
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1.00	1.00	0.97	1.00	1.00	1.40
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>2017</u>						
18.9.2017	0.10	0.10	0.10	-	0.10	0.10
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation for the respective classes.

Included in distribution for the financial year is an amount of USD1,752,078 (2017: USD Nil) made from previous year's realised income.

During the financial year ended 31 August 2018, the fund incurred unrealised losses of USD6,945,794 (2017: USD Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

7 TAXATION

	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
Current taxation	-	-
	<u> </u>	<u> </u>

The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<u>2018</u> USD	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> USD
Net profit before finance cost and taxation	1,078,066	5,906,828
	<u> </u>	<u> </u>
Tax at Malaysian statutory rate of 24% (2017: 24%)	258,736	1,417,639
Tax effects of:		
Investment gain exempted from tax	(687,672)	(1,595,298)
Expenses not deductible for tax purposes	56,869	27,119
Restriction on tax deductible expenses for Wholesale Fund	372,067	150,540
	<u> </u>	<u> </u>
Tax expense	-	-
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2018</u> USD	<u>2017</u> USD
Designated at fair value through profit or loss		
- collective investment scheme - local	-	2,000,199
- collective investment scheme - foreign	145,566,010	130,194,476
	<u>145,566,010</u>	<u>132,194,675</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised loss on sales of investments	(352,933)	-
- unrealised (loss)/gain on changes in fair value	(5,365,890)	2,614,675
	<u>(5,718,823)</u>	<u>2,614,675</u>

(a) Collective investment scheme - local

(i) There is no collective investment scheme - local as at 31 August 2018.

(ii) Collective investment scheme - local as at 31 August 2017 are as follows:

	<u>Quantity</u>	<u>Aggregate cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
Affin Hwang USD Cash Fund	1,987,281	2,000,000	2,000,199	1.49
Total collective investment scheme - local	<u>1,987,281</u>	2,000,000	<u>2,000,199</u>	<u>1.49</u>
Accumulated unrealised gain on collective investment scheme - local		<u>199</u>		
Total collective investment scheme - local		<u>2,000,199</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(b) Collective investment scheme - foreign

(i) Collective investment scheme - foreign as at 31 August 2018 are as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
PIMCO Funds GIS Income Fund	12,859,188	148,317,225	145,566,010	98.59
	<u>12,859,188</u>	<u>148,317,225</u>	<u>145,566,010</u>	<u>98.59</u>
Total collective investment scheme - foreign	<u>12,859,188</u>	<u>148,317,225</u>	<u>145,566,010</u>	<u>98.59</u>
Accumulated unrealised loss on collective investment scheme - foreign		<u>(2,751,215)</u>		
Total collective investment scheme - foreign		<u>145,566,010</u>		

(ii) Collective investment scheme - foreign as at 31 August 2017 are as follows:

	<u>Quantity</u>	Aggregate cost USD	Fair value USD	Percentage of NAV %
PIMCO Funds GIS Income Fund	11,127,733	127,580,000	130,194,476	96.73
	<u>11,127,733</u>	<u>127,580,000</u>	<u>130,194,476</u>	<u>96.73</u>
Total collective investment scheme - foreign	<u>11,127,733</u>	<u>127,580,000</u>	<u>130,194,476</u>	<u>96.73</u>
Accumulated unrealised gain on collective investment scheme - foreign		<u>2,614,476</u>		
Total collective investment scheme - foreign		<u>130,194,476</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

9 CASH AND CASH EQUIVALENTS

	<u>2018</u> RM	<u>2017</u> RM
Cash and bank balances	4,507,427	4,654,363
Deposits with licensed financial institutions	698,846	-
	<u>5,206,273</u>	<u>4,654,363</u>

Weighted average effective interest rates per annum and of deposits with licensed financial institutions are as follows:

	<u>2018</u> %	<u>2017</u> %
Deposits with licensed financial institutions	<u>3.25</u>	<u>-</u>

Deposits with licensed financial institutions have an average maturity of 3 days. (2017: nil day)

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 41 (2017: 88) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD108,480,737 (2017: USD289,042,787). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Euro, British Pound Sterling, Malaysian Ringgit and Singapore Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contract is recognised immediately in profit or loss.

11 NUMBER OF UNITS IN CIRCULATION

(a) AUD HEDGED-CLASS UNITS IN CIRCULATION

	<u>2018</u> No. of units	<u>2017</u> No. of units
At the beginning of the financial year/date of launch	28,845,000	-
Creation of units arising from applications during the financial year/period	13,612,410	39,268,000
Creation of units arising from distributions during the financial year/period	469,407	-
Cancellation of units during the financial year/period	(10,064,817)	(10,423,000)
At the end of the financial year/period	<u>32,862,000</u>	<u>28,845,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) EUR HEDGED-CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	-	-
Creation of units arising from applications during the financial year/period	4,192,000	-
At the end of the financial year/period	<u>4,192,000</u>	<u>-</u>

(c) GBP HEDGED-CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	36,502,000	-
Creation of units arising from applications during the financial year/period	19,334,193	37,018,000
Creation of units arising from distributions during the financial year/period	420,502	-
Cancellation of units during the financial year/period	(19,736,695)	(516,000)
At the end of the financial year/period	<u>36,520,000</u>	<u>36,502,000</u>

(d) MYR CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	2,217,000	-
Creation of units arising from applications during the financial year/period	54,705,177	13,674,000
Creation of units arising from distributions during the financial year/period	289,557	-
Cancellation of units during the financial year/period	(47,513,734)	(11,457,000)
At the end of the financial year/period	<u>9,698,000</u>	<u>2,217,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) MYR HEDGED-CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	440,901,000	-
Creation of units arising from applications during the financial year/period	128,534,480	466,827,000
Creation of units arising from distributions during the financial year/period	7,270,939	-
Cancellation of units during the financial year/period	<u>(208,050,419)</u>	<u>(25,926,000)</u>
At the end of the financial year/period	<u><u>368,656,000</u></u>	<u><u>440,901,000</u></u>

(f) SGD HEDGED-CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	23,802,000	-
Creation of units arising from applications during the financial year/period	42,744,529	28,841,884
Creation of units arising from distributions during the financial year/period	547,027	-
Cancellation of units during the financial year/period	<u>(15,638,556)</u>	<u>(5,039,884)</u>
At the end of the financial year/period	<u><u>51,455,000</u></u>	<u><u>23,802,000</u></u>

(g) USD CLASS UNITS IN CIRCULATION

	<u>2018</u>	<u>2017</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	57,544,000	-
Creation of units arising from applications during the financial year/period	41,706,717	61,345,000
Creation of units arising from distributions during the financial year/period	1,762,101	-
Cancellation of units during the financial year/period	<u>(25,703,818)</u>	<u>(3,801,000)</u>
At the end of the financial year/period	<u><u>75,309,000</u></u>	<u><u>57,544,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

12 TRANSACTIONS WITH BROKERS

- (a) Details of transaction with the top 2 brokers for the financial year ended 31 August 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Brown Brothers Harriman and Co.	131,365,877	98.50
Affin Hwang Investment Bank Bhd [^]	2,000,000	1.50
	<u>133,365,877</u>	<u>100.00</u>

- (b) Details of transaction with the top 3 brokers for the financial period from 23 May 2016 (date of launch) to 31 August 2017 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
Brown Brothers Harriman and Co.	126,680,000	97.76
Affin Hwang Investment Bank Bhd [^]	2,000,000	1.54
Citibank,N.A	900,000	0.70
	<u>129,580,000</u>	<u>100.00</u>

There is no brokerage fee paid to the broker/provider during the financial year.

Affin Hwang Asset Management Berhad, the Provider of the Fund, is the manager of Affin Hwang USD Cash Fund, the CIS that the Fund invests in during the financial year.

[^] Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting to USD2,000,000 (2017: USD2,000,000).

The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related party.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad (“ABB”)	Ultimate holding company of the Manager
Subsidiaries and associates of AHB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager
Director of Affin Hwang Asset Management Berhad	Director of the Manager

The units held by the Manager and party related to the Manager as at the end of the financial year/period are as follows:

	<u>2018</u>		<u>2017</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- AUD Hedged-class	2,688	1,030	2,303	988
- EUR Hedged-class	15,627	8,928	-	-
- GBP Hedged-class	3,125	2,038	3,437	2,313
- MYR class	2,607	330	2,727	354
- MYR Hedged-class	2,638	349	2,810	363
- SGD Hedged-class	2,301	861	2,103	820
- USD class	2,442	1,283	2,047	1,109
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Party related to the Manager:</u>				
Director of Affin Hwang Asset Management Berhad (The units are held beneficially)				
- MYR Hedged-class	456,578	60,405	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

14 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2018</u>	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u> %
MER	<u>1.05</u>	<u>1.39</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(\text{A} + \text{B} + \text{C} + \text{D} + \text{E}) \times 100}{\text{F}}$$

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year/period ended 31 August 2018 calculated on a daily basis is USD170,807,951 (2017: USD53,154,635).

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2018</u>	Financial period from 23.5.2016 (date of launch) to <u>31.8.2017</u>
PTR (times)	<u>0.39</u>	<u>1.22</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year/period} + \text{total disposal for the financial year/period}) \div 2}{\text{Average NAV of the Fund for the financial year/period calculated on a daily basis}}$$

where: total acquisition for the financial year/period = USD76,229,011 (2017: USD129,580,000)
total disposal for the financial year/period = USD57,491,786 (2017: USDnil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018 (CONTINUED)

16 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The Committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within each portfolio. These returns consist of interest and gains on the appreciation in the value of investments in and is derived from collective investment schemes in the United States of America.

The Fund has a diversified unitholder population. However, as at 31 August 2018, there were 2 unitholders (2017: 2 unitholders) who held more than 10% of the Fund's NAV. The unitholders' holdings were 23.00% and 10.30% (2017: 30.10% and 11.30%).

There were no changes in the reportable segments during the financial year/period.

The internal reporting provided to the committee for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 22 to 58 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2018 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2018 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AFFIN HWANG ASSET MANAGEMENT BERHAD

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
12 October 2018

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang World Series - Global Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2018, and of its financial performance and its cash flows for the year ended 31 August 2018 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2018, and the statement of comprehensive income, changes in net assets attributable to unitholders and statement of cash flows for the year ended 31 August 2018, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 22 to 58.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND (CONTINUED)

REPORT ON THE FINANCIAL STATEMENTS

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND (CONTINUED)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG WORLD SERIES - GLOBAL INCOME FUND (CONTINUED)**

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
12 October 2018

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