

Affin Hwang Bond Fund

Interim Report
31 October 2021

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



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
AmanahRaya Trustees Berhad (766894-T)

AFFIN HWANG BOND FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 October 2021

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FUND INFORMATION

Fund Name	Affin Hwang Bond Fund
Fund Type	Income & Growth
Fund Category	Bond
Investment Objective	To achieve steady capital growth at a rate better than the average deposit rates over a long-term period by investing in a wide portfolio of authorized securities and other investments
Benchmark	12-month fixed deposit rate quoted by Maybank
Distribution Policy	Distribution (if any) is on annual basis and will be subject to the availability of income

BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 31 OCTOBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	7,992	10,376
5,001 to 10,000	1,493	10,967
10,001 to 50,000	393	8,946
50,001 to 500,000	298	51,907
500,001 and above	173	1,519,765
Total	10,349	1,601,961

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Oct 2021 (%)	As at 31 Oct 2020 (%)	As at 31 Oct 2019 (%)
Portfolio composition			
Unquoted fixed income securities – local			
- Bonds	94.67	88.54	91.67
Collective investment scheme - local	-	-	0.91
Cash & cash equivalent	5.33	11.46	7.42
Total	100.00	100.00	100.00
Total NAV (RM'million)	947.861	1,186.280	548.953
NAV per Unit (RM)	0.5915	0.6196	0.6030
Unit in Circulation (million)	1,602.416	1,914.562	910.400
Highest NAV	0.6044	0.6258	0.6088
Lowest NAV	0.5894	0.6100	0.5872
Return of the Fund (%) ⁱⁱⁱ	0.51	2.53	4.07
- Capital Growth (%) ⁱ	-0.89	1.13	2.69
- Income Distribution (%) ⁱⁱ	1.41	1.39	1.34
Gross Distribution per Unit (sen)	0.84	0.85	0.80
Net Distribution per Unit (sen)	0.84	0.85	0.80
Management Expense Ratio (%) ¹	0.55	0.55	0.55
Portfolio Turnover Ratio (times) ²	0.09	0.48	0.56

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

¹The Fund's MER was unchanged for the financial period.

² The Fund's PTR decreased over the period under review due to lesser trading activities for the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.5993	0.0042	0.5952
19 Sep 2021	20 Sep 2021	0.6044	0.0042	0.6000

No unit splits were declared for the financial period ended 31 October 2021.

Performance Review

For the period 1 May 2021 to 31 October 2021, the Fund has registered a return of 0.51% as compared to the benchmark return of 0.93%. The Fund thus underperformed the benchmark by 0.42%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2021 was RM 0.5915 while the NAV per unit on 30 April 2021 was RM 0.5968. During the same period under review, the Fund has declared a total gross income distribution of RM0.0084 per unit.

Since commencement, the Fund has outperformed the benchmark by 26.48% with returns of 115.01% compared to the benchmark return of 88.53%. Although the Fund underperformed the benchmark in the near term, the Fund has met its investment objective of achieving steady capital growth at a rate better than the average deposit rates over a long-term period by investing in a wide portfolio of authorized securities and other investments.

Table 1: Performance of the Fund

	6 Months (1/5/21 - 31/10/21)	1 Year (1/11/20 - 31/10/21)	3 Years (1/11/18 - 31/10/21)	5 Years (1/11/16 - 31/10/21)	Since Commencement (14/12/01 - 31/10/21)
Fund	0.51%	(1.82%)	12.24%	21.89%	115.01%
Benchmark	0.93%	1.85%	7.70%	14.69%	88.53%
Outperformance	(0.42%)	(3.67%)	4.54%	7.20%	26.48%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/20 - 31/10/21)	3 Years (1/11/18 - 31/10/21)	5 Years (1/11/16 - 31/10/21)	Since Commencement (14/12/01 - 31/10/21)
Fund	(1.82%)	3.92%	4.04%	3.92%
Benchmark	1.85%	2.50%	2.78%	3.24%
Outperformance	(3.67%)	1.42%	1.26%	0.68%

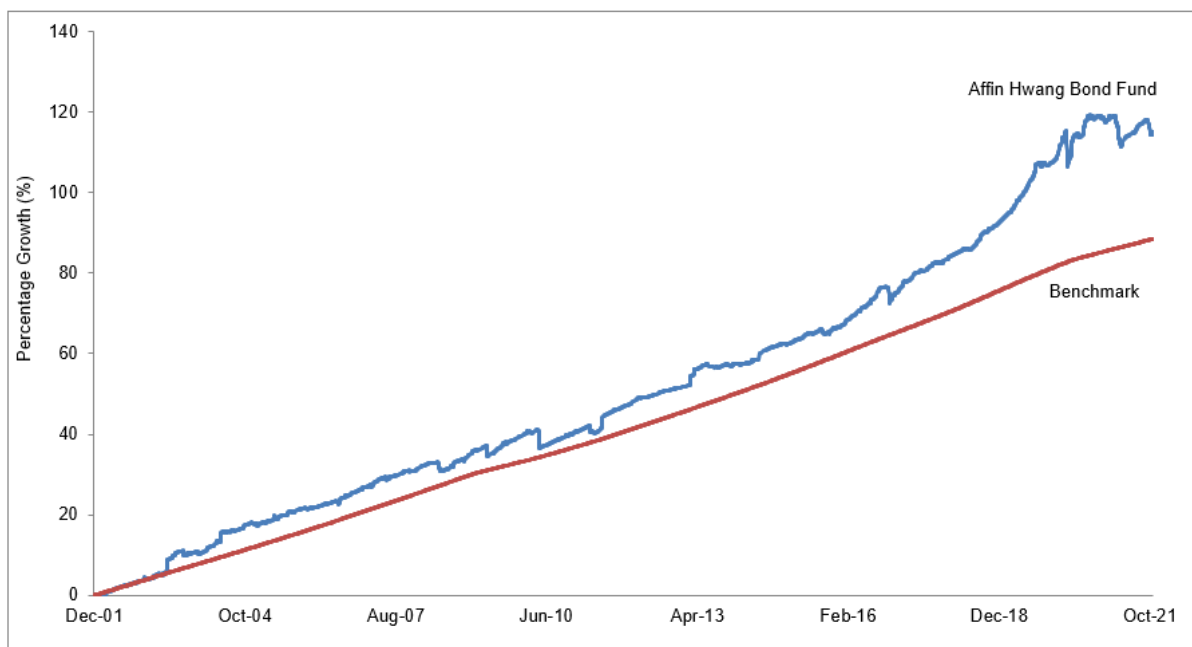
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (1/5/18 - 30/4/19)	FYE 2018 (1/5/17 - 30/4/18)	FYE 2017 (1/5/16 - 30/4/17)
Fund	0.16%	7.51%	6.80%	3.69%	5.04%
Benchmark	1.91%	3.02%	3.35%	3.16%	3.14%
Outperformance	(1.75%)	4.49%	3.45%	0.53%	1.90%

Source of Benchmark: Bloomberg

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. Source of Benchmark is from Bloomberg."

Benchmark: Maybank 12-month fixed deposit rate

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

Asset Allocation

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

As at 31 October 2021, the Fund's exposure into the fixed income securities stood at 94.67% of the Fund's NAV, while the balance was held in cash and cash equivalent. During the period under review, the manager had decreased cash slightly while deploying into the local bonds.

Strategies Employed

Over the period under review, the Manager maintained a focus on high conviction credit names across domestic space. To date, the Fund's bond holdings have continued to meet their respective financial obligations in respect of their outstanding debt. Emphasis was placed on Investment Grade names, while cash level of the Fund was kept at a lower level to capture market opportunities. However, in a late cycle environment, default rates tend to rise as growth slows, thus it is important to stick to quality credits.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite

directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed’s dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank’s view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker in June as sentiment was dampened on geopolitical tensions and consolidation seen in China’s economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

The local equity market’s performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM’s announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Fiscal deficit is expected to breach above the government’s target of 6.0%. With the unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia’s sovereign rating.

On the monetary policy side, Bank Negara Malaysia (“BNM”) kept Overnight Policy Rates (“OPR”) at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia’s growth

outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The next Parliament sitting is slated in September which Datuk Seri Ismail Sabri will face a test of majority support through a vote of confidence. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of August with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. We have already seen the rotation from growth to value take place in the start of 2021.

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

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.

Cross Trade

Cross trade transactions have been carried out during the reported period and that the Investment Committee of the fund has reviewed that such transactions are in the best interest of the fund and transacted on an arm's length and fair value basis.

TRUSTEE'S REPORT

For the Six Months Financial Period Ended 31 October 2021.

To the Unit Holders of
AFFIN HWANG BOND FUND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG BOND FUND for the six months financial period ended 31 October 2021. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG BOND FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 31 October 2021.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and
- (c) The distribution of returns made by AFFIN HWANG BOND FUND as declared by the Manager is in accordance with the investment objective of AFFIN HWANG BOND FUND.

Yours faithfully
AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI
Chief Executive Officer

Kuala Lumpur, Malaysia
15 December 2021

AFFIN HWANG BOND FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

AFFIN HWANG BOND FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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AFFIN HWANG BOND FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

	<u>Note</u>	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
INVESTMENT INCOME			
Dividend income		-	42,728
Interest income for financial assets at amortised cost		481,540	724,282
Interest income for financial assets at fair value through profit or loss		19,132,406	17,959,964
Net (loss)/gain on financial assets at fair value through profit or loss	8	(7,885,713)	8,388,481
		<u>11,728,233</u>	<u>27,115,455</u>
EXPENSES			
Management fee	4	(4,942,236)	(4,875,497)
Trustee fee	5	(395,607)	(395,729)
Auditors' remuneration		(4,033)	(4,789)
Tax agent's fee		-	(2,208)
Other expenses		(20,153)	(29,274)
		<u>(5,362,029)</u>	<u>(5,307,497)</u>
NET PROFIT BEFORE TAXATION		6,366,204	21,807,958
Taxation	6	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>6,366,204</u>	<u>21,807,958</u>
Net profit after taxation is made up of the following:			
Realised amount		16,195,506	19,977,886
Unrealised amount		(9,829,302)	1,830,072
		<u>6,366,204</u>	<u>21,807,958</u>

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

AFFIN HWANG BOND FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	9	51,236,829	144,898,632
Amount due from dealer		-	2,874,507
Amount due from Manager - creation of units		164,973	233,438
Financial assets at fair value through profit or loss	8	897,350,542	1,050,331,236
TOTAL ASSETS		<u>948,752,344</u>	<u>1,198,337,813</u>
LIABILITIES			
Amount due from dealer		-	10,958,433
Amount due to Manager - management fee		803,834	998,383
Amount due to Trustee		64,306	79,871
Auditors' remuneration		5,623	6,379
Tax agent's fee		12,500	14,708
Other payable and accruals		5,261	452
TOTAL LIABILITIES		<u>891,524</u>	<u>12,058,226</u>
NET ASSET VALUE OF THE FUND		<u>947,860,820</u>	<u>1,186,279,587</u>
EQUITY			
Unitholders' capital		957,820,998	1,147,548,930
(Accumulated losses)/retained earnings		(9,960,178)	38,730,657
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>947,860,820</u>	<u>1,186,279,587</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>1,602,416,000</u>	<u>1,914,562,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5915</u>	<u>0.6196</u>

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

AFFIN HWANG BOND FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2021	1,009,578,049	(2,540,844)	1,007,037,205
Total comprehensive income for the financial period	-	6,366,204	6,366,204
Distributions (Note 7)	-	(13,785,538)	(13,785,538)
Movement in unitholders' capital:			
Creation of units arising from applications	70,155,853	-	70,155,853
Creation of units arising from distributions	11,825,415	-	11,825,415
Cancellation of units	(133,738,319)	-	(133,738,319)
Balance as at 31 October 2021	<u>957,820,998</u>	<u>(9,960,178)</u>	<u>947,860,820</u>
Balance as at 1 May 2020	773,019,526	31,127,586	804,147,112
Total comprehensive income for the financial period	-	21,807,958	21,807,958
Distributions (Note 7)	-	(14,204,887)	(14,204,887)
Movement in unitholders' capital:			
Creation of units arising from applications	644,364,310	-	644,364,310
Creation of units arising from distributions	12,287,123	-	12,287,123
Cancellation of units	(282,122,029)	-	(282,122,029)
Balance as at 31 October 2020	<u>1,147,548,930</u>	<u>38,730,657</u>	<u>1,186,279,587</u>

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

AFFIN HWANG BOND FUND

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

	<u>Note</u>	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		113,353,927	316,416,987
Purchase of investments		(76,374,400)	(619,189,229)
Dividend received		-	42,728
Interest received		22,178,339	17,122,479
Management fee rebate received		-	8,562
Management fee paid		(4,960,648)	(4,486,202)
Trustee's fee paid		(397,081)	(364,585)
Payment for other fees and expenses		(27,591)	(39,675)
Net cash flows generated from/(used in) operating activities		<u>53,772,546</u>	<u>(290,488,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		69,990,880	665,378,308
Payments for cancellation of units		(133,828,987)	(282,122,029)
Payment for distributions		(1,960,123)	(1,917,764)
Net cash flows (used in)/generated from financing activities		<u>(65,798,230)</u>	<u>381,338,515</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,025,684)	90,849,580
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>63,262,513</u>	<u>54,049,052</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u><u>51,236,829</u></u>	<u><u>144,898,632</u></u>

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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 summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards (“MFRS”).

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 revenues and expenses during the reported financial 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 J.

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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 on the ex-dividend date, when the right to receive the dividend has been established.

Interest income

Interest income from short term deposits with licensed financial institutions and unquoted fixed income securities are recognised on an effective interest method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gains and losses on sale of investments

For unquoted fixed income securities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium on investments.

For collective investment scheme ("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

C TAXATION

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

D DISTRIBUTIONS

A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

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 Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from dealer, and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

(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 9, 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 derecognised 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 derecognised 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 is presented in the statement of comprehensive income within 'net gain or (loss) on financial assets at fair value through profit or loss' in the financial period in which they arise.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

Unquoted fixed income securities (including money market securities) denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency (“BPA”) registered with the Securities Commission’s (“SC”) as per the SC’s Guidelines on Unit Trust Funds. Where such quotation is not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

Investment in CIS are valued at the last published net asset value (“NAV”) per unit at the date of the statement of financial position.

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

(iii) Impairment

The Fund’s financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor’s financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial period.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposit 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.

H AMOUNTS DUE FROM/(TO) DEALERS

Amounts due from and to dealers 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. The due from dealers' balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit impaired.

Significant financial difficulties of the dealer, probability that the dealer will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

I UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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 content of the estimates, certain key variables that are anticipated to have material impact 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.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

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 Unit Trust Funds.

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Capital Fund (the “Fund”) pursuant to the execution of a Master Deed dated 3 December 2001, First Supplemental Deed dated 29 August 2002, Second Supplemental Deed dated 23 August 2007, Third Supplemental Deed dated 8 September 2008, Fourth Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 22 July 2014 and Sixth Supplemental Deed dated 6 August 2015 and Seventh Supplemental Deed dated 10 April 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Fund changed its name from Affin Capital Fund to Affin Hwang Bond Fund as amended by the Fifth Supplemental Deed dated 22 July 2014.

The objective of the Fund is to provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

The Fund commenced operations on 12 December 2002 and will continue its operations until terminated by the Trustee as provided under Clause 23 of the Deed.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the SC and/or the relevant authorities and/or the Deed:

- (i) Listed securities;
- (ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
- (iii) Fixed deposits with financial institutions;
- (iv) Money market instruments;
- (v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
- (vi) Debentures including private debt securities and bonds;
- (vii) Units/shares in collective investment schemes, both local and foreign which are in line with the objective of the Trust; and
- (viii) Any other form of investments as may be permitted by the Securities Commissions from time to time that is in line with the Trust’s objectives.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchanged-traded 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 15 December 2021.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	51,236,829	-	51,236,829
Amount due from Manager				
- creation of units		164,973	-	164,973
Unquoted fixed income securities	8	-	897,350,542	897,350,542
Total		<u>51,401,802</u>	<u>897,350,542</u>	<u>948,752,344</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		803,834	-	803,834
Amount due to Trustee		64,306	-	64,306
Auditor's remuneration		5,623	-	5,623
Tax agent's fee		12,500	-	12,500
Other payables and accruals		5,261	-	5,261
Total		<u>891,524</u>	<u>-</u>	<u>891,524</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	144,898,632	-	144,898,632
Amount due from dealer		2,874,507	-	2,874,507
Amount due from Manager				
- creation of units		233,438	-	233,438
Unquoted fixed income securities	8	-	1,050,331,236	1,050,331,236
Total		<u>148,006,577</u>	<u>1,050,331,236</u>	<u>1,198,337,813</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Financial instruments of the Fund are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to dealers		10,958,433	-	10,958,433
Amount due to Manager				
- management fee		998,383	-	998,383
Amount due to Trustee		79,871	-	79,871
Auditor's remuneration		6,379	-	6,379
Tax agent's fee		14,708	-	14,708
Other payables and accruals		452	-	452
		<u>12,058,226</u>	<u>-</u>	<u>12,058,226</u>

The Fund is exposed to a variety of risks which include market risk (including interest rate risk and price risk), credit risk, liquidity 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 SC's Guidelines on Unit Trust Funds.

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.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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

	<u>2021</u> RM	<u>2020</u> RM
Unquoted investment		
Unquoted fixed income securities	897,350,542	1,050,331,236

* Include interest receivable of RM10,007,985 (2020: RM11,403,256).

The following table summaries the sensitivity of the Fund's profit after taxation and NAV 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 shift in unquoted investments, having regard to the historical volatility of the prices.

<u>% change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2021</u>		
-5%	931,709,685	44,367,128
0%	887,342,557	-
+%	842,975,429	(44,367,128)
<u>2020</u>		
-5%	986,981,581	(51,946,399)
0%	1,038,927,980	-
+%	1,090,874,379	51,946,399

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income security till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial in an unquoted fixed income securities fund since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted fixed income securities and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summaries the sensitivity of the Fund's profit after taxation net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% with all other variables held constant.

<u>% change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2%	(4,553,971)	(6,071,845)
- 2%	4,599,054	6,144,197

The Fund's exposure to interest rate risk associated with deposit with a licensed financial institution is not material as the deposit are held on a short-term basis.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Credit risk

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

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

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 amount due from dealer is governed by the relevant rules and regulations as described by the respective stock exchange.

The settlement terms of the proceeds from the creation of unit receivable from the Manager are governed by the SC's Guideline on Unit Trust Funds.

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Unit Trust Funds.

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2021</u>				
Consumer Discretionary				
-A+	5,141,510	-	-	5,141,510
-A1	26,540,319	-	-	26,540,319
-AA-	21,666,210	-	-	21,666,210
-AA+	4,976,012	-	-	4,976,012
Consumer Staples				
-AA	5,400,561	-	-	5,400,561
-AA3	15,437,458	-	-	15,437,458
Energy				
-AA	23,686,264	-	-	23,686,264
Financial				
-A1	4,624,896	-	-	4,624,896
-A3	35,801,359	-	-	35,801,359
-AA	2,086,288	-	-	2,086,288
-AA-	20,130,905	-	-	20,130,905
-AA1	16,434,771	-	-	16,434,771
-AA2	17,473,393	-	-	17,473,393
-AA3	12,050,936	1,150,522	-	13,201,458
-AAA	91,128,005	41,362,372	-	132,490,377
-NR	22,129,333	8,723,935	-	30,853,268

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Credit risk (continued)

The following table sets out the credit risk concentrations and counterparties of the Fund: (continued)

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
Government				
-SOV	76,200,275	-	-	76,200,275
Healthcare				
-AA-	4,283,969	-	-	4,283,969
Industrial				
-A	25,354,217	-	-	25,354,217
-AA	5,649,025	-	-	5,649,025
-AA-	35,367,643	-	-	35,367,643
-AA+	10,472,000	-	-	10,472,000
-AA1	10,952,486	-	-	10,952,486
-AA3	24,962,856	-	-	24,962,856
-C	996,995	-	-	996,995
-GG	5,296,114	-	-	5,296,114
-NR	29,078,810	-	-	29,078,810
Quasi-Gov				
-AAA	68,356,614	-	-	68,356,614
Real Estate				
-A+	15,273,723	-	-	15,273,723
-A2	10,373,124	-	-	10,373,124
-AA	15,192,766	-	-	15,192,766
-AA-	15,345,441	-	-	15,345,441
-AA1	12,855,793	-	-	12,855,793
-AA3	3,070,690	-	-	3,070,690
-NR	22,950,598	-	-	22,950,598
Telecommunication				
-AA+	16,631,073	-	-	16,631,073
Utilities				
-AA	4,241,313	-	-	4,241,313
-AA-	52,461,180	-	-	52,461,180
-AA1	35,385,803	-	-	35,385,803
-AA3	34,620,140	-	-	34,620,140
-AAA	37,269,674	-	-	37,269,674
Others				
-NR	-	-	164,973	164,973
	<u>897,350,542</u>	<u>51,236,829</u>	<u>164,973</u>	<u>948,752,344</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Credit risk (continued)

The following table sets out the credit risk concentrations and counterparties of the Fund: (continued)

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealer</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2020</u>					
Consumer Goods					
-A1	48,884,705	-	-	-	48,884,705
-AA1	5,263,716	-	-	-	5,263,716
-AA3	21,231,443	-	-	-	21,231,443
-AAA	10,049,451	-	-	-	10,049,451
-NR	5,048,222	-	-	-	5,048,222
Financial					
-A1	12,172,079	-	-	-	12,172,079
-A2	10,568,765	-	-	-	10,568,765
-A3	29,244,220	-	-	-	29,244,220
-AA-	50,539,374	-	-	-	50,539,374
-AA	23,191,990	-	-	-	23,191,990
-AA1	31,951,414	-	-	-	31,951,414
-AA2	17,983,834	-	-	-	17,983,834
-AA3	44,729,328	8,459,682	-	-	53,189,010
-AAA	81,565,871	108,859,220	-	-	190,425,091
-NR	42,024,217	27,579,730	-	-	69,603,947
Government					
-SOV	133,341,150	-	-	-	133,341,150
Healthcare					
-AA-	6,498,669	-	-	-	6,498,669
Industrial					
-A	27,588,876	-	-	-	27,588,876
-A1	3,088,932	-	-	-	3,088,932
-AA-	42,670,214	-	-	-	42,670,214
-AA	16,724,610	-	-	-	16,724,610
-AA+	10,867,371	-	-	-	10,867,371
-AA1	11,922,577	-	-	-	11,922,577
-AA3	26,984,364	-	-	-	26,984,364
-GG	5,868,949	-	-	-	5,868,949
-NR	31,389,856	-	-	-	31,389,856
Oil & Gas					
-AA-	13,905,569	-	-	-	13,905,569
Quasi-Gov					
-AAA	91,199,804	-	2,874,507	-	94,074,311
Telecommunication					
-AA+	18,822,870	-	-	-	18,822,870

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Credit risk (continued)

The following table sets out the credit risk concentrations and counterparties of the Fund: (continued)

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealer</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2020</u> (continued)					
Utilities					
-AA-	49,915,810	-	-	-	49,915,810
-AA	4,359,655	-	-	-	4,359,655
-AA1	38,619,371	-	-	-	38,619,371
-AA3	36,490,445	-	-	-	36,490,445
-AAA	45,623,515	-	-	-	45,623,515
Others					
-NR	-	-	-	233,438	233,438
	<u>1,050,331,236</u>	<u>144,898,632</u>	<u>2,874,507</u>	<u>233,438</u>	<u>1,198,337,813</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its principal obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other investments 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.

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

	<u>Within one month</u> RM	<u>Between one month to one-year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	803,834	-	803,834
Amount due to Trustee	64,306	-	64,306
Auditors' remuneration	-	5,623	5,623
Tax agent's fee	-	12,500	12,500
Other payables and accruals	-	5,261	5,261
Total	<u>868,140</u>	<u>23,384</u>	<u>891,524</u>
<u>2020</u>			
Amount due to dealers	10,958,433	-	10,958,433
Amount due to Manager			
- management fee	998,383	-	998,383
Amount due to Trustee	79,871	-	79,871
Auditors' remuneration	-	6,379	6,379
Tax agent's fee	-	14,708	14,708
Other payables and accruals	-	452	452
Total	<u>12,036,687</u>	<u>21,539</u>	<u>12,058,226</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and net of accumulated losses/retained earnings. The amount of equity can change significantly daily as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as 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. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

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 categorized in its entirety is determined based on 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 an input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement 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.

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	897,350,542	-	897,350,542

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Funds financial assets (by class) measured at fair value: (continued)

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss - unquoted fixed income securities	-	1,050,331,236	-	1,050,331,236

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 investments in unquoted fixed income securities. 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.

- (ii) The carrying value of cash and cash equivalents, amount due from dealer, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management at a rate not exceeding 1.50% per annum of the NAV of the Fund, calculated on a daily basis.

For the 6 months financial period ended 31 October 2021, the management fee is recognised at a rate of 1.00% (2020: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

5 TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.08% per annum, calculated daily based on the NAV of the Fund.

For the 6 months financial period ended 31 October 2021, the Trustee fee is recognised at a rate of 0.08% (2020: 0.08%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

6 TAXATIONS

	6 months financial period ended 31.10.2021 RM	6 months financial period ended 31.10.2020 RM
Current taxation	-	-

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

	6 months financial period ended 31.10.2021 RM	6 months financial period ended 31.10.2020 RM
Net profit before taxation	6,366,204	21,807,958
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	1,527,889	5,233,910
Tax effect of:		
Investment income not subject to tax	(2,814,776)	(6,507,710)
Expenses not deductible for tax purposes	95,486	98,234
Restriction on tax deductible expenses for Unit Trust Funds	1,191,401	1,175,566
Tax expense	-	-

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

7 DISTRIBUTIONS

Distributions to unitholders are from the following sources:

	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
Current year's realised income	-	2,682,799
Previous years' realised income	13,785,538	11,594,181
	<hr/>	<hr/>
Gross realised income	13,785,538	14,276,980
Less: Expenses	-	(72,093)
	<hr/>	<hr/>
Net distribution amount	<u>13,785,538</u>	<u>14,204,887</u>
		<u>Gross/Net distribution per unit (sen)</u>
<u>Ex-date</u>		
16.06.2021		0.42
20.09.2021		0.42
		<hr/>
		0.84
		<hr/>
<u>Ex-date</u>		
17.06.2020		0.35
17.09.2020		0.50
		<hr/>
		0.85
		<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.

Included in distribution for the financial period is an amount of RM13,785,538 (2020: RM11,594,181) made from previous years' realised income.

The Fund has incurred an unrealised loss of RM9,829,302 (2020: RM Nil) for the 6 months financial period ended 31 October 2021.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	<u>897,350,542</u>	<u>1,050,331,236</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised (loss)/gain on sale of investments	(463,342)	4,457,416
- unrealised (loss)/gain on changes in fair value	(7,422,371)	3,922,503
- management fee rebate on collective investment scheme#	-	8,562
	<u>(7,885,713)</u>	<u>8,388,481</u>

#In arriving at the fair value of CIS, the management fee initially paid to the Manager of CIS have been considered as part of its NAV. In order to prevent the double charging of management fee, which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in CIS have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of CIS is reflected as an increase in the NAV of the CIS.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

a) Unquoted fixed income securities - local

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	6,500,000	6,790,911	6,878,597	0.73
5.20% Amlslamic Bank Bhd Call: 15.03.2022 (A1)	2,000,000	2,027,675	2,029,032	0.21
6.00% Anih Bhd 29.11.2028 (AA)	5,000,000	5,983,268	5,649,025	0.60
5.50% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,305,862	1.61
4.70% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	15,000,000	15,300,605	15,433,720	1.63
4.85% AZRB Capital Sdn Bhd 26.12.2024 (AA-)	3,000,000	3,137,708	3,095,707	0.33
5.10% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,088,027	5,063,177	0.53
4.50% Bank Muamalat Malaysia Bhd Call: 15.06.2026 (A3)	7,000,000	7,118,981	7,106,521	0.75
3.00% Bank Pembangunan Malaysia Bhd 12.10.2027 (AAA)	5,000,000	5,008,219	4,798,119	0.51
3.18% Bank Pembangunan Malaysia Bhd 11.10.2030 (AAA)	5,000,000	5,008,712	4,660,712	0.49
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	5,500,000	5,679,381	5,839,424	0.62
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	5,000,000	5,862,630	5,344,082	0.56
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,569,014	5,362,671	0.57
5.40% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,048,248	2,107,349	0.22
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,059,036	2,133,964	0.23
5.45% BGSM Management Sdn Bhd 28.06.2024 (AA3)	5,000,000	5,427,169	5,389,669	0.57
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,048,571	1,075,240	0.11
4.10% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,057,288	5,163,488	0.55
4.20% Bumitama Agri Ltd 22.07.2026 (AA3)	10,000,000	10,339,637	10,273,970	1.08
2.78% Cagamas Berhad 30.09.2024 (AAA)	5,000,000	5,012,948	4,984,498	0.53

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	505,091	529,393	0.06
5.20% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	15,000,000	16,392,357	16,101,680	1.70
4.70% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,316,898	5,345,471	0.56
4.90% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	2,000,000	2,063,621	2,086,288	0.22
5.40% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,502,589	2,595,864	0.27
3.27% DanaInfra Nasional Bhd 18.05.2035 (NR)	5,000,000	5,073,911	4,580,411	0.48
3.57% DanaInfra Nasional Bhd 18.05.2040 (NR)	5,000,000	5,080,692	4,517,992	0.48
4.85% DanaInfra Nasional Bhd 03.05.2041 (NR)	5,000,000	5,407,179	5,350,518	0.57
5.06% DanaInfra Nasional Bhd 12.02.2049 (NR)	5,000,000	5,959,349	5,362,795	0.57
5.02% Danga Capital Bhd 21.09.2033 (AAA)	5,000,000	5,949,376	5,384,345	0.57
3.42% Danum Capital Bhd 21.02.2035 (AAA)	30,000,000	30,143,833	27,332,067	2.88
4.30% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,062,843	2,082,683	0.22
4.55% DRB-Hicom Bhd 12.12.2024 (A+)	5,000,000	5,170,223	5,141,510	0.54
6.50% Eco World Capital Services Bhd 12.08.2022 (NR)	15,000,000	15,345,971	15,436,985	1.63
5.88% Edra Energy Sdn Bhd 03.07.2026 (AA3)	5,000,000	5,627,779	5,518,152	0.58
5.97% Edra Energy Sdn Bhd 05.01.2028 (AA3)	20,000,000	23,185,171	22,337,677	2.36
6.12% Edra Energy Sdn Bhd 05.07.2030 (AA3)	5,000,000	5,974,368	5,690,664	0.60
3.985% Fortune Premiere Sdn Bhd 11.09.2026 (AA)	10,000,000	10,072,423	10,039,497	1.06
4.80% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,103,865	5,153,269	0.54
4.117% Gamuda Bhd 18.11.2026 (AA3)	10,000,000	10,198,172	10,263,467	1.08

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
4.119% GII 30.11.2034 (SOV)	10,000,000	11,088,576	10,103,913	1.07
4.13% GII 09.07.2029 (SOV)	1,000,000	1,105,601	1,038,906	0.11
4.467% GII 15.09.2039 (SOV)	10,000,000	11,601,902	10,129,997	1.07
4.638% GII 15.11.2049 (SOV)	10,000,000	11,009,586	10,410,655	1.10
4.30% Hong Leong Financial Group Bhd Call: 14.06.2024 (AA2)	7,500,000	7,623,699	7,804,149	0.82
4.64% IJM Corporation Bhd 02.06.2023 (AA3)	1,000,000	1,045,688	1,047,589	0.11
5.05% IJM Corporation Bhd 18.08.2028 (AA3)	10,000,000	10,676,487	10,563,400	1.11
5.65% IJM Land Bhd Call: 19.03.2026 (A2)	5,000,000	5,032,507	5,177,707	0.55
5.73% IJM Land Bhd Call: 19.03.2027 (A2)	5,000,000	5,032,967	5,195,417	0.55
3.20% Imtiaz Sukuk II Bhd 07.10.2027 (AA2)	5,000,000	5,010,959	4,805,309	0.51
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	3,000,000	3,047,634	3,088,400	0.33
3.95% Leader Energy Sdn Bhd 16.07.2025 (AA-)	3,000,000	3,059,153	3,001,013	0.32
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,029,442	1,061,131	0.11
6.13% Lebuhraya DUKE Fasa 3 Sdn Bhd 22.08.2036 (AA-)	5,000,000	5,481,036	5,339,681	0.56
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	10,000,000	11,475,119	10,729,080	1.13
4.90% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,000,000	3,146,618	3,120,432	0.33
6.90% Mah Sing Group Bhd Call: 04.04.2022 (NR)	7,400,000	7,510,532	7,513,613	0.79
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA3)	5,000,000	5,019,801	5,074,501	0.54
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,059,619	5,236,419	0.55
2.88% Malaysia Rail Link Sdn Bhd 23.07.2026 (NR)	5,000,000	5,039,847	4,932,447	0.52
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	12,000,000	12,317,094	12,703,336	1.34
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,286,952	15,991,502	1.69

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6.30% MEX II Sdn Bhd 29.04.2033 (C)	2,500,000	2,548,264	996,995	0.11
3.733% MGS 15.06.2028 (SOV)	10,000,000	10,340,422	10,321,772	1.09
3.757% MGS 22.05.2040 (SOV)	20,000,000	21,355,155	19,232,821	2.03
3.885% MGS 15.08.2029 (SOV)	4,000,000	4,412,095	4,113,618	0.43
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,445,788	10,848,593	1.15
5.70% MMC Corp Berhad 24.03.2028 (AA-)	16,000,000	17,005,346	17,247,292	1.82
5.80% MMC Corp Berhad 12.11.2025 (AA-)	5,000,000	5,209,247	5,508,252	0.58
5.95% MMC Corp Berhad 12.11.2027 (AA-)	5,000,000	5,589,138	5,586,457	0.59
2.88% MUFG Bank Malaysia 24.03.2023 (AAA)	10,000,000	10,027,616	10,072,416	1.06
5.5% Northern Gateway Infra Sdn Bhd 29.08.2033 (AA1)	5,000,000	5,904,661	5,487,066	0.58
3.15% Pelabuhan Tanjung Pelepas SB 28.08.2025 (AA-)	5,000,000	5,027,185	4,933,885	0.52
3.30% Pelabuhan Tanjung Pelepas SB 27.08.2027 (AA-)	5,000,000	5,028,479	4,819,079	0.51
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	2,500,000	2,540,389	2,593,764	0.27
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,057,049	9,555,407	1.01
3.90% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,801	2,468,351	0.26
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	3,000,000	3,048,537	3,070,690	0.32
4.86% Plus Bhd 12.01.2038 (GG)	5,000,000	5,889,783	5,296,114	0.56
3.80% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,035,397	4,334,647	0.46
4.849% PTPTN 26.07.2041 (NR)	11,500,000	12,967,571	12,130,304	1.28
2.85% RHB Bank Bhd 20.10.2025 (AA2)	5,000,000	5,004,685	4,863,935	0.51
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	500,000	502,311	511,526	0.05
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,108,761	5,238,675	0.55
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,007,207	1,019,791	0.11

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.30% Sarawak Energy Bhd 14.06.2030 (AAA)	10,000,000	10,125,671	9,569,771	1.01
3.65% Sarawak Energy Bhd 15.06.2035 (AAA)	5,000,000	5,069,500	4,683,850	0.49
4.70% Sarawak Energy Bhd 24.11.2028 (AAA)	7,500,000	8,463,455	7,997,889	0.84
4.85% Sarawak Energy Bhd 19.01.2027 (AAA)	10,000,000	11,024,080	10,734,621	1.13
5.18% Sarawak Energy Bhd 25.04.2036 (AAA)	15,000,000	17,803,883	16,109,751	1.70
5.28% Sarawak Energy Bhd 17.08.2035 (AAA)	5,000,000	6,052,674	5,491,697	0.58
5.32% Sarawak Energy Bhd 03.12.2032 (AAA)	2,500,000	2,940,965	2,813,500	0.30
5.65% Sarawak Energy Bhd 23.06.2026 (AAA)	5,000,000	5,716,013	5,571,190	0.59
4.43% Sarawak Hidro Sdn Bhd 11.08.2026 (AAA)	5,000,000	5,412,365	5,256,162	0.55
4.56% Sarawak Hidro Sdn Bhd 10.08.2029 (AAA)	5,000,000	5,364,137	5,235,722	0.55
5.10% Segi Astana Sdn Bhd 07.01.2022 (A+)	15,000,000	15,256,944	15,273,723	1.61
5.65% Sime Darby Plantation Bhd Call: 24.03.2026 (AA)	5,000,000	5,085,641	5,400,561	0.57
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,207	525,697	0.06
5.06% Southern Power Generation SB 31.10.2028 (AA-)	20,000,000	22,218,065	20,999,718	2.22
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	26,000,000	26,534,019	26,540,319	2.80
5.70% Tanjung Bin Energy Sdn Bhd 16.03.2027 (AA3)	1,000,000	1,046,056	1,073,647	0.11
2.90% Tenaga Nasional Bhd 12.08.2030 (AAA)	10,000,000	10,026,676	9,232,656	0.97
3.25% Tenaga Nasional Bhd 10.08.2035 (AAA)	5,000,000	5,036,062	4,450,462	0.47
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	4,250,000	4,280,356	4,283,969	0.45
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,025,056	1,070,914	0.11

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
5.60% TRIpIc Medical Sdn Bhd 21.10.2033 (AA1)	5,000,000	5,917,640	5,465,420	0.58
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	2,000,000	2,001,595	2,022,075	0.21
3.90% UEM Sunrise Bhd 21.09.2023 (AA-)	5,000,000	5,062,966	5,036,904	0.53
5.05% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,113,392	5,187,921	0.55
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,048,035	5,120,616	0.54
6.20% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,017,243	2,134,179	0.23
6.30% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,355,369	10,734,530	1.13
6.40% UiTM Solar Power Sdn Bhd 27.04.2034 (AA-)	5,000,000	5,739,568	5,393,934	0.57
6.60% UiTM Solar Power Sdn Bhd 25.04.2036 (AA-)	5,000,000	5,796,621	5,423,621	0.57
3.03% UMW Holdings Bhd 05.11.2025 (AA+)	5,000,000	5,074,712	4,976,012	0.52
6.35% UMW Holdings Bhd Call: 20.04.2028 (AA-)	19,500,000	20,900,516	21,666,210	2.29
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	1,500,000	1,582,269	1,649,452	0.17
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	5,000,000	5,770,789	5,590,766	0.59
5.87% UniTapah Sdn Bhd 10.12.2027 (AA1)	5,000,000	5,826,243	5,615,575	0.59
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	5,000,000	5,036,986	4,939,886	0.52
5.80% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,055,616	10,177,316	1.07
6.00% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,086,301	15,176,901	1.60
4.68% Westports Malaysia Sdn Bhd 23.10.2025 (AA+)	10,000,000	10,693,693	10,472,000	1.11
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,737,479	14,889,610	1.57
4.49% YTL Power International Bhd 24.03.2023 (AA1)	10,000,000	10,161,329	10,172,055	1.07

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(i) Unquoted fixed income securities – local as at 31 October 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,097,885	5,126,384	0.54
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,145,421	5,197,754	0.55
Total unquoted fixed income securities – local	<u>871,150,000</u>	<u>924,265,650</u>	<u>897,350,542</u>	<u>94.67</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(26,915,108)</u>		
Total unquoted fixed income securities – local		<u>897,350,542</u>		

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
5.59% UniTapah Sdn Bhd 12.12.2024 (AA1)	400,000	421,873	449,179	0.04
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	1,500,000	1,593,393	1,720,285	0.15
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	5,000,000	5,877,880	5,903,561	0.50
5.87% UniTapah Sdn Bhd 10.12.2027 (AA1)	5,000,000	5,931,734	5,959,634	0.50
4.13% GII 09.07.2029 (SOV)	1,000,000	1,116,275	1,122,096	0.10
3.465% GII 15.10.2030 (SOV)	5,000,000	5,362,451	5,390,091	0.45
4.119% GII 30.11.2034 (SOV)	10,000,000	11,143,920	11,193,313	0.94
4.467% GII 15.09.2039 (SOV)	20,000,000	23,328,715	22,741,994	1.92
4.638% GII 15.11.2049 (SOV)	10,000,000	11,024,369	11,303,355	0.95
3.885% MGS 15.08.2029 (SOV)	14,000,000	15,594,616	15,480,283	1.30
3.502% MGS 31.05.2027 (SOV)	20,000,000	21,803,127	21,734,704	1.83
4.232% MGS 30.06.2031 (SOV)	10,000,000	11,552,668	11,452,600	0.97
3.757% MGS 22.05.2040 (SOV)	20,000,000	21,394,209	21,212,821	1.79
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,496,350	11,709,893	0.99
4.9% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	7,000,000	7,293,990	7,462,647	0.63
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,028,397	1,114,024	0.09
5.60% TRIpIc Medical Sdn Bhd 21.10.2033 (AA1)	5,000,000	5,978,690	5,936,254	0.50
4.385% TNB Northern Energy Bhd 29.11.2029 (AAA)	500,000	504,464	565,886	0.05
5.80% CIMB Group Holdings Bhd Call: 25.05.2021 (A1)	3,000,000	3,082,973	3,121,041	0.26
5.40% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,503,329	2,651,004	0.22
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	3,500,000	3,594,626	3,812,955	0.32
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	5,000,000	5,031,733	5,266,283	0.44
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,032,182	5,302,482	0.45
4.88% CIMB Group Holdings Bhd Call: 28.06.2024 (A1)	6,000,000	6,100,274	6,400,034	0.54
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	4,250,000	4,280,355	4,436,755	0.37
2.70% Mercedes-Benz Services MY 28.09.2023 (AAA)	10,000,000	10,025,151	10,049,451	0.85

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
5.10% Segi Astana Sdn Bhd 07.01.2022 (AA-)	15,000,000	15,340,051	15,471,273	1.30
6.50% Eco World Capital Assets Bhd 12.08.2022 (NR)	8,000,000	8,158,973	8,438,868	0.71
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	26,000,000	26,476,747	26,629,595	2.24
5.50% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,806,412	1.33
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,003,110	1,042,767	0.09
4.49% YTL Power International Bhd 24.03.2023 (AA1)	10,000,000	10,245,180	10,418,315	0.88
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,124,400	5,360,834	0.45
4.70% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,350,160	5,672,221	0.48
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	500,000	502,245	521,305	0.04
4.98% AmBank (M) Bhd Call: 15.11.2023 (AA3)	7,500,000	7,716,454	8,127,084	0.69
4.30% Hong Leong Financial Group Bhd Call: 14.06.2024 (AA2)	7,500,000	7,622,815	7,966,240	0.67
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	5,000,000	5,036,986	5,062,636	0.43
5.50% Northern Gateway Infra Sdn Bhd 29.08.2033 (AA1)	5,000,000	5,962,976	5,986,323	0.50
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,801,024	17,229,010	1.45
4.60% MBSB Bank Bhd 10.12.2020 (AA1)	1,000,000	1,017,944	1,020,488	0.09
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	8,000,000	8,145,868	8,272,932	0.70
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	3,000,000	3,050,219	3,088,932	0.26
4.70% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	10,000,000	10,164,822	10,362,022	0.87
3.90% UEM Sunrise Bhd 21.09.2023 (AA-)	5,000,000	5,083,709	5,028,104	0.42
5.00% Perbadanan Kemajuan N Selangor 02.12.2022 (AA3)	10,000,000	10,395,505	10,575,150	0.89
3.96% Danum Capital Bhd 09.05.2023 (AAA)	5,000,000	5,097,713	5,285,347	0.45

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	2,000,000	2,001,594	2,061,914	0.17
4.825% Gamuda Bhd 23.11.2022 (AA3)	5,000,000	5,133,117	5,285,181	0.45
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,125,870	5,235,821	0.44
4.80% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,153,636	5,253,862	0.44
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,085,251	5,305,677	0.45
4.1% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,057,288	5,251,388	0.44
3.15% Pelabuhan Tanjung Pelepas SB 28.08.2025 (AA-)	5,000,000	5,028,048	5,050,598	0.43
2.85% RHB Bank Bhd 20.10.2025 (AA2)	5,000,000	5,004,685	5,004,885	0.42
5.40% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,057,425	2,158,513	0.18
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	6,500,000	6,509,028	6,581,449	0.55
5.00% UEM Sunrise Bhd 19.05.2023 (AA-)	1,000,000	1,027,363	1,051,283	0.09
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,067,991	2,201,142	0.19
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	505,475	547,197	0.05
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,057,507	5,257,661	0.44
4.30% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,072,768	2,176,914	0.18
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,115,305	5,442,945	0.46
4.20% Bumitama Agri Ltd 22.07.2026 (AA3)	15,000,000	15,573,069	15,980,055	1.35
3.985% Fortune Premiere Sdn Bhd 11.09.2026 (AA)	10,000,000	10,078,106	10,475,481	0.88
4.117% Gamuda Bhd 18.11.2026 (AA3)	10,000,000	10,199,921	10,613,967	0.90
2.58% PR1MA Corp Malaysia 30.07.2027 (NR)	5,000,000	5,033,222	5,048,222	0.43
4.25% (Malaysian Resources Corp Bhd 13.08.2027 (AA-)	10,000,000	10,152,067	10,255,286	0.86

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.30% Pelabuhan Tanjung Pelepas SB 27.08.2027 (AA-)	5,000,000	5,029,384	5,057,484	0.43
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,061,660	10,091,207	0.85
3.2% Imtiaz Sukuk II Bhd 07.10.2027 (AA2)	5,000,000	5,010,959	5,012,709	0.42
3.00% Bank Pembangunan Malaysia Bhd 12.10.2027 (AAA)	5,000,000	5,008,219	5,018,769	0.42
2.78% Prasarana Malaysia Bhd 20.10.2028 (NR)	5,000,000	5,003,808	5,013,708	0.42
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,068,152	1,117,225	0.09
4.38% Sarawak Hidro Sdn Bhd 11.08.2025 (AAA)	10,000,000	10,713,354	10,865,100	0.92
5.88% Edra Energy Sdn Bhd 03.07.2026 (AA3)	5,000,000	5,730,363	5,731,397	0.48
5.1% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,089,425	5,363,375	0.45
5.45% BGSM Management Sdn Bhd 28.06.2024 (AA3)	5,000,000	5,545,412	5,554,422	0.47
5.8% MMC Corp Berhad 12.11.2025 (AA-)	5,000,000	5,224,805	5,628,902	0.47
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	502,562	564,129	0.05
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	10,500,000	10,863,208	11,667,318	0.98
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,147,745	5,611,212	0.47
5.20% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	15,500,000	17,140,519	17,711,544	1.49
5.97% Edra Energy Sdn Bhd 05.01.2028 (AA3)	20,000,000	23,581,393	23,526,805	1.98
5.70% MMC Corp Berhad 24.03.2028 (AA-)	11,000,000	11,591,168	12,357,945	1.04
5.05% IJM Corporation Bhd 18.08.2028 (AA3)	10,000,000	10,747,260	11,085,216	0.94
4.70% Sarawak Energy Berhad 24.11.2028 (AAA)	7,500,000	8,564,368	8,624,170	0.73
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,059,619	5,349,919	0.45
3.75% Kuala Lumpur Kepong Bhd 27.09.2029 (AA1)	5,000,000	5,017,466	5,263,716	0.44

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.90% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,534	2,688,134	0.23
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	12,000,000	12,324,924	12,895,476	1.09
3.30% Sarawak Energy Berhad 14.06.2030 (AAA)	10,000,000	10,125,671	10,341,671	0.87
2.90% Tenaga Nasional Bhd 12.08.2030 (AAA)	10,000,000	10,022,995	9,982,456	0.84
3.18% Bank Pembangunan Malaysia Bhd 11.10.2030 (AAA)	5,000,000	5,008,712	5,031,162	0.42
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,138	565,818	0.05
5.06% Southern Power Generation SB 31.10.2028 (AA-)	20,000,000	22,491,666	22,752,145	1.92
4.68% Westports Holdings Bhd 23.10.2025 (AA+)	10,000,000	10,855,493	10,867,371	0.92
5.95% MMC Corp Berhad 12.11.2027 (AA-)	5,000,000	5,653,024	5,791,907	0.49
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,284,794	16,348,744	1.38
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	2,500,000	2,540,068	2,819,093	0.24
6.12% Edra Energy Sdn Bhd 05.07.2030 (AA3)	5,000,000	6,057,401	6,072,176	0.51
6.20% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,018,277	2,300,639	0.19
5.65% Sarawak Energy Berhad 23.06.2026 (AAA)	10,000,000	11,663,024	11,734,581	0.99
4.85% Sarawak Energy Berhad 19.01.2027 (AAA)	25,000,000	27,944,002	28,336,058	2.39
5.70% Tanjung Bin Energy Issuer Bhd 16.03.2027 (AA3)	1,000,000	1,052,202	1,160,067	0.10
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,610,169	5,857,571	0.49
4.86% PTPTN 12.03.2032 (NR)	6,000,000	6,339,907	7,053,487	0.60
5.32% Sarawak Energy Berhad 03.12.2032 (AAA)	2,500,000	2,970,015	3,068,518	0.26
4.90% PTPTN 21.01.2033 (NR)	5,000,000	5,516,162	5,927,016	0.50
6.30% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,375,999	11,604,930	0.98
4.00% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,001,096	5,386,696	0.45

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
3.42% Danum Capital Bhd 21.02.2035 (AAA)	25,000,000	25,168,657	25,050,157	2.11
3.27% Danalnfra Nasional Bhd 18.05.2035 (NR)	5,000,000	5,073,911	4,991,861	0.42
3.65% Sarawak Energy Berhad 15.06.2035 (AAA)	5,000,000	5,069,500	5,174,150	0.44
3.25% Tenaga Nasional Bhd 10.08.2035 (AAA)	5,000,000	5,036,062	4,930,012	0.42
5.02% Danga Capital Berhad 21.09.2033 (AAA)	5,000,000	6,012,309	5,905,194	0.50
6.00% Anih Bhd 29.11.2028 (AA)	5,000,000	6,090,758	6,093,719	0.51
6.30% MEX II Sdn Bhd 29.04.2033 (A)	2,500,000	2,550,602	2,051,713	0.17
6.15% Anih Bhd 29.11.2029 (AA)	4,000,000	4,870,733	4,975,180	0.42
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,030,218	1,141,218	0.10
5.28% Sarawak Energy Berhad 17.08.2035 (AAA)	5,000,000	6,108,336	6,093,347	0.51
5.18% Sarawak Energy Berhad 25.04.2036 (AAA)	10,000,000	11,978,095	11,922,115	1.01
6.13% Lebuhraya DUKE Fasa 3 Sdn Bhd 22.08.2036 (AA-)	5,000,000	5,498,612	5,762,441	0.49
3.57% Danalnfra Nasional Bhd 18.05.2040 (NR)	5,000,000	5,080,692	4,973,742	0.42
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	10,000,000	11,528,755	11,591,573	0.98
4.86% Plus Bhd 12.01.2038 (GG)	5,000,000	5,925,472	5,868,949	0.49
5.65% Sime Darby Bhd Call: 24.03.2026 (AA)	5,000,000	5,096,763	5,655,711	0.48
4.85% Danalnfra Nasional Bhd 03.05.2041 (NR)	5,000,000	5,415,616	5,887,253	0.50
4.85% PTPTN 26.07.2041 (NR)	11,500,000	13,010,773	13,359,999	1.13
4.90% Lembaga Pembiayaan Perumahan SA 21.09.2046 (NR)	3,000,000	3,149,369	3,431,892	0.29
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	19,500,000	21,074,025	22,255,110	1.88
5.06% Danalnfra Nasional Bhd 12.02.2049 (NR)	5,000,000	5,977,442	5,809,895	0.49
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA-)	5,000,000	5,020,933	5,255,533	0.44

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – local (continued)

(ii) Unquoted fixed income securities – local as at 31 October 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
5.80% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,054,027	10,216,327	0.86
6.00% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,083,836	15,320,836	1.29
3.80% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,035,397	4,713,397	0.40
Total unquoted fixed income securities – local	<u>964,650,000</u>	<u>1,029,033,108</u>	<u>1,050,331,236</u>	<u>88.54</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>21,298,128</u>		
Total unquoted fixed income securities – local		<u>1,050,331,236</u>		

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	1,150,522	8,459,682
Deposits with licensed financial institutions	50,086,307	136,438,950
	<u>51,236,829</u>	<u>144,898,632</u>

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

	<u>2021</u> %	<u>2020</u> %
Deposits with licensed financial institutions	<u>1.75</u>	<u>1.75</u>

Deposits with licensed financial institutions have an average maturity period of 1 day (2020: 2 days).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial period	1,688,731,000	1,312,374,000
Creation of units arising from application	117,385,000	1,038,242,265
Creation of units arising from distributions	19,796,107	19,969,897
Cancellation of units	<u>(223,496,107)</u>	<u>(456,024,162)</u>
As at the end of the financial period	<u>1,602,416,000</u>	<u>1,914,562,000</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

11 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the 6 months financial period ended 31 October 2021 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %
Affin Hwang Investment Bank Bhd#	35,572,800	20.97
RHB Investment Bank Bhd	29,847,800	17.60
Hong Leong Bank Bhd	16,182,900	9.54
CIMB Bank Bhd	14,956,500	8.82
Standard Chartered Bank Malaysia Bhd	11,912,550	7.02
Bank of America Merrill Lynch	10,632,800	6.27
JP Morgan Chase Bank Bhd	10,615,000	6.26
Citibank (M) Bhd	10,200,400	6.01
CIMB Islamic Bank Bhd	10,200,000	6.01
Ambank (M) Bhd	10,000,000	5.90
Others	9,500,000	5.60
	<u>169,620,750</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the 6 months financial period ended 31 October 2020 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %
Affin Hwang Investment Bank Bhd#*	229,928,498	25.32
Citibank (M) Bhd	86,678,000	9.54
CIMB Bank Bhd	82,392,000	9.07
Malayan Banking Bhd	68,984,000	7.60
Hong Leong Bank Bhd	64,184,350	7.07
Standard Chartered Bank Malaysia Bhd	61,341,100	6.75
RHB Investment Bank Bhd*	61,043,000	6.72
Citibank Bhd	58,997,000	6.50
JP Morgan Chase Bank Bhd	48,854,800	5.38
AmBank Islamic Bhd	22,395,000	2.47
Others*	123,361,600	13.58
	<u>908,159,348</u>	<u>100.00</u>

There is no brokerage fee paid to the dealer.

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

11 TRANSACTIONS WITH DEALERS (CONTINUED)

Included in transactions with dealers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM35,572,800 (2020: RM229,928,498). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

* Included in the transactions with dealers are cross trades conducted between the Fund and other Funds managed by the Manager amounting to:

<u>Name of dealers</u>	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
Affin Hwang Investment Bank Bhd	10,219,300	15,562,950
Bank Muamalat Malaysia Bhd	-	11,261,000
RHB Investment Bank Bhd	2,028,800	10,156,000
	<u>12,248,100</u>	<u>36,979,950</u>

The cross trades are conducted between the Funds and other funds managed by the Manager as follows:

	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
Affin Hwang AIIIMAN Income Plus Fund	-	11,261,000
Affin Hwang Aiiman Global Sukuk Fund	2,028,800	-
Affin Hwang Flexible Maturity Income Fund 9	-	10,156,000
Affin Hwang Income Fund I	-	10,495,000
Affin Hwang Select Cash Fund	10,219,300	5,067,950
	<u>12,248,100</u>	<u>36,979,950</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	<u>454,481</u>	<u>268,825</u>	<u>57,034</u>	<u>35,338</u>
<u>Parties related to the Manager:</u>				
Affin Hwang Investment Bank Berhad (The units are held beneficially)	<u>160,989,556</u>	<u>95,225,322</u>	<u>160,989,556</u>	<u>99,749,129</u>
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	<u>121,251</u>	<u>71,720</u>	<u>-</u>	<u>-</u>

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>31.10.2021</u> %	6 months financial period ended <u>31.10.2020</u> %
MER	<u>0.55</u>	<u>0.55</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM980,897,125 (2020: RM981,198,527).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.10.2021</u>	6 months financial period ended <u>31.10.2020</u>
PTR (times)	<u>0.09</u>	<u>0.48</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM76,374,400 (2020: RM624,617,854)
 total disposal for the financial period = RM103,209,692 (2020: RM314,834,078)

AFFIN HWANG BOND FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (CONTINUED)

15 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

AFFIN HWANG BOND FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 45 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 October 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 31 October 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR / MANAGING DIRECTOR

Kuala Lumpur
15 December 2021

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