

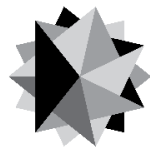
Affin Hwang

Select Asia Pacific (ex Japan)

Balanced Fund

Interim Report
31 October 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 Select Asia Pacific (ex Japan) Balanced Fund
Fund Type	Growth & Income
Fund Category	Balanced
Investment Objective	The Fund endeavours to provide investors an affordable access into a diversified investment portfolio containing a balanced mixture of equities and fixed income instruments to achieve a balance of growth and income over the medium to long-term period
Benchmark	50% MSCI AC Asia Pacific ex Japan Index + 50% RAM Quantshop MGS All Index
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year

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

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	191	491
5,001 to 10,000	152	1,132
10,001 to 50,000	407	9,550
50,001 to 500,000	167	21,215
500,001 and above	30	190,502
Total	947	222,890

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE AUD HEDGED-CLASS AS AT 31 OCTOBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	2	26
50,001 to 500,000	1	200
500,001 and above	0	0
Total	3	226

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE EUR HEDGED-CLASS AS AT 31 OCTOBER 2021

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

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE USD HEDGED-CLASS AS AT 31 OCTOBER 2021

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

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE RMB HEDGED-CLASS AS AT 31 OCTOBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	3	104
50,001 to 500,000	0	0
500,001 and above	2	1,623
Total	5	1,727

** 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			
Quoted equities - local			
Utilities	-	-	1.50
Total quoted equities – local	-	-	1.50
Quoted equities - foreign			
Basic materials	1.87	-	-
Consumer staples	7.46	-	-
Consumer discretionary	16.47	-	-
Consumer goods	-	7.95	1.89
Consumer services	-	14.67	9.76
Energy	0.94	-	5.07
Financial services	8.82	10.56	14.76
Health care	1.05	-	-
Industrials	4.29	3.40	8.36
Technology	-	9.76	5.74
Real Estate	5.55	-	-
Technology	7.58	-	-
Telecommunications	-	-	1.29
Utilities	-	0.44	-
Preference Shares	0.91	1.73	0.75
Total quoted equities – foreign	54.94	48.51	47.62
Unquoted fixed income securities – local	10.77	15.02	13.63
Unquoted fixed income securities – foreign	31.13	32.79	31.50
Exchange-traded fund	-	-	1.67
Cash	3.16	3.68	4.08
Total	100.00	100.00	100.00

FUND PERFORMANCE DATA (CONTINUED)

Category	As At 31 Oct 2021 (%)					As At 31 Oct 2020 (%)					As At 31 Oct 2019 (%)				
	MYR Class	AUDH Class	EURH Class	USDH Class	RMBH Class	MYR Class	AUDH Class	EURH Class	USDH Class	RMBH Class	MYR Class	AUDH Class	EURH Class	USDH Class	RMBH Class
Total NAV (million)	152.566	0.136	0.001	0.002	1.024	104.881	0.001	0.001	0.001	0.010	126.281	0.0006	0.0006	0.0005	0.0005
NAV per Unit (in respective currencies)	0.6843	0.5928	0.6135	0.6176	0.5921	0.6413	0.5780	0.5659	0.5612	0.5459	0.6094	0.5510	0.5542	0.5258	0.5398
Unit in Circulation (million)	222.960	0.229	0.001	0.003	1.730	163.537	0.001	0.001	0.001	0.018	207.215	0.001	0.001	0.001	0.001
Highest NAV	0.7135	0.6169	0.6194	0.6467	0.6172	0.6564	0.5896	0.5765	0.5753	0.5647	0.6106	0.5586	0.5648	0.5352	0.5410
Lowest NAV	0.6753	0.5861	0.6002	0.6078	0.5836	0.5815	0.5372	0.5262	0.4880	0.5075	0.5797	0.5213	0.5257	0.4984	0.5032
Return of the Fund (%) ⁱⁱⁱ	-1.97	-1.43	0.71	-2.40	-1.92	9.33	5.19	6.13	13.10	6.83	2.49	3.57	1.91	1.41	6.11
- Capital Return (%) ⁱ	-2.66	-1.43	-0.11	-3.17	-2.73	8.97	5.19	6.13	13.10	6.83	2.49	3.57	1.91	1.41	6.11
- Income Return (%) ⁱⁱ	0.71	Nil	0.82	0.79	0.82	0.33	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	0.50	Nil	0.50	0.50	0.50	0.20	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	0.50	Nil	0.50	0.50	0.50	0.20	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management Expenses Ratio (%) ¹			0.93					0.91					0.89		
Portfolio Turnover Ratio (times) ²			0.64					0.53					0.59		

¹ The Fund's higher MER was due to higher expenses incurred for the Fund for the financial period.

² The Fund's PTR was higher than previous year as the Fund recorded a higher trading activities during the financial period.

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

MANAGER'S REPORT

Income Distribution / Unit Split

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

MYR Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.7084	0.0050	0.7015

EUR Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.6138	0.0050	0.6076

USD Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.6418	0.0050	0.6350

RMB Hedged-Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.6130	0.0050	0.6063

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

MYR Class

For the period 1 May 2021 to 31 October 2021, the Fund registered a -1.97% return compared to the benchmark return of -2.95%. The Fund thus outperformed the Benchmark by 0.98%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2021 was MYR0.6843 while the NAV as at 30 April 2021 was MYR0.7030. During the same period under review, the Fund has declared a gross income distribution of MYR0.0050 per unit.

Since commencement, the Fund has registered a return of 50.63% compared to the benchmark return of 67.73%, underperforming by 17.10%. The Fund has met its investment objective.

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 (29/12/14 - 31/10/21)
Fund	(1.97%)	8.75%	27.44%	32.16%	50.63%
Benchmark	(2.95%)	5.30%	26.60%	33.44%	67.73%
Outperformance	0.98%	3.45%	0.84%	(1.28%)	(17.10%)

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 (29/12/14 - 31/10/21)
Fund	8.75%	8.41%	5.73%	6.17%
Benchmark	5.30%	8.17%	5.94%	7.85%
Outperformance	3.45%	0.24%	(0.21%)	(1.68%)

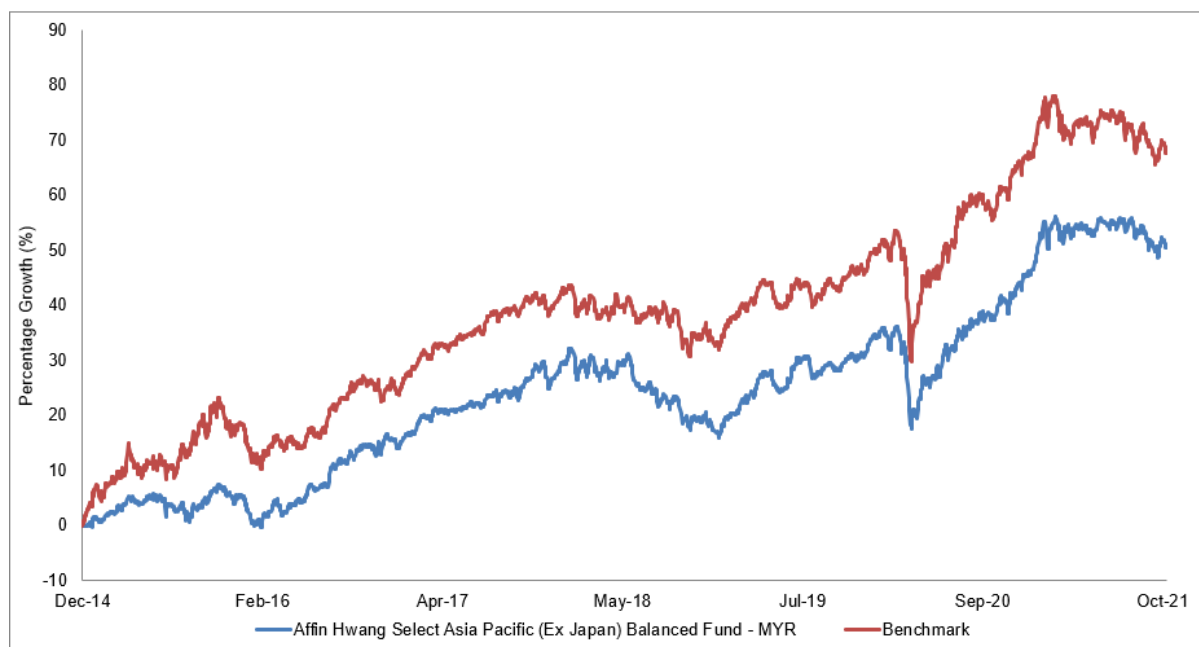
Source of Benchmark: Bloomberg

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	21.28%	(0.55%)	(0.51%)	5.86%	16.71%
Benchmark	18.22%	1.63%	3.37%	4.68%	15.75%
Outperformance	3.06%	(2.18%)	(3.88%)	1.18%	0.96%

Source of Benchmark: Bloomberg

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



AUD Hedged-Class

For the period 1 May 2021 to 31 October 2021, the Fund registered a -1.43% return compared to the benchmark return of -1.59%. The Fund thus outperformed the Benchmark by 0.16%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2021 was AUD0.5928 while the NAV as at 30 April 2021 was AUD0.6014.

Since commencement, the Fund has registered a return of 18.56% compared to the benchmark return of 16.65%, outperforming by 1.91%. The Fund has met its investment objective.

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	(1.43%)	2.56%	22.08%	18.56%
Benchmark	(1.59%)	(1.20%)	20.56%	16.65%
Outperformance	0.16%	3.76%	1.52%	1.91%

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	2.56%	6.87%	5.65%
Benchmark	(1.20%)	6.42%	5.09%
Outperformance	3.76%	0.45%	0.56%

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 (27/9/18 - 30/4/19)
Fund	9.44%	3.29%	6.40%
Benchmark	11.70%	3.87%	5.11%
Outperformance	(2.26%)	(0.58%)	1.29%

Source of Benchmark: Bloomberg

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



EUR Hedged-Class

For the period 1 May 2021 to 31 October 2021, the Fund registered a 0.71% return compared to the benchmark return of -0.19%. The Fund thus outperformed the Benchmark by 0.90%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2021 was EUR0.6135 while the NAV as at 30 April 2021 was EUR0.6142. During the same period under review, the Fund has declared a gross income distribution of EUR0.0050 per unit.

Since commencement, the Fund has registered a return of 23.71% compared to the benchmark return of 22.73%, outperforming by 0.98%. The Fund has met its investment objective.

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	0.71%	9.30%	25.62%	23.71%
Benchmark	(0.19%)	6.55%	25.37%	22.73%
Outperformance	0.90%	2.75%	0.25%	0.98%

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	9.30%	7.89%	7.11%
Benchmark	6.55%	7.82%	6.83%
Outperformance	2.76%	0.07%	0.28%

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 (27/9/18 - 30/4/19)
Fund	15.19%	(1.95%)	8.76%
Benchmark	13.12%	0.24%	8.44%
Outperformance	2.07%	(2.19%)	0.32%

Source of Benchmark: Bloomberg

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



RMB Hedged-Class

For the period 1 May 2021 to 31 October 2021, the Fund registered a -1.92% return compared to the benchmark return of -5.08%. The Fund thus outperformed the Benchmark by 3.16%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 October 2021 was RMB0.5921 while the NAV as at 30 April 2021 was RMB0.6087. During the same period under review, the Fund has declared a gross income distribution of RMB0.0050 per unit.

Since commencement, the Fund has registered a return of 19.40% compared to the benchmark return of 12.39%, outperforming by 7.01%. The Fund has met its investment objective.

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	(1.92%)	9.36%	23.80%	19.40%
Benchmark	(5.08%)	1.08%	17.58%	12.39%
Outperformance	3.16%	8.28%	6.22%	7.01%

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	9.36%	7.37%	5.89%
Benchmark	1.08%	5.54%	3.84%
Outperformance	8.28%	1.83%	2.05%

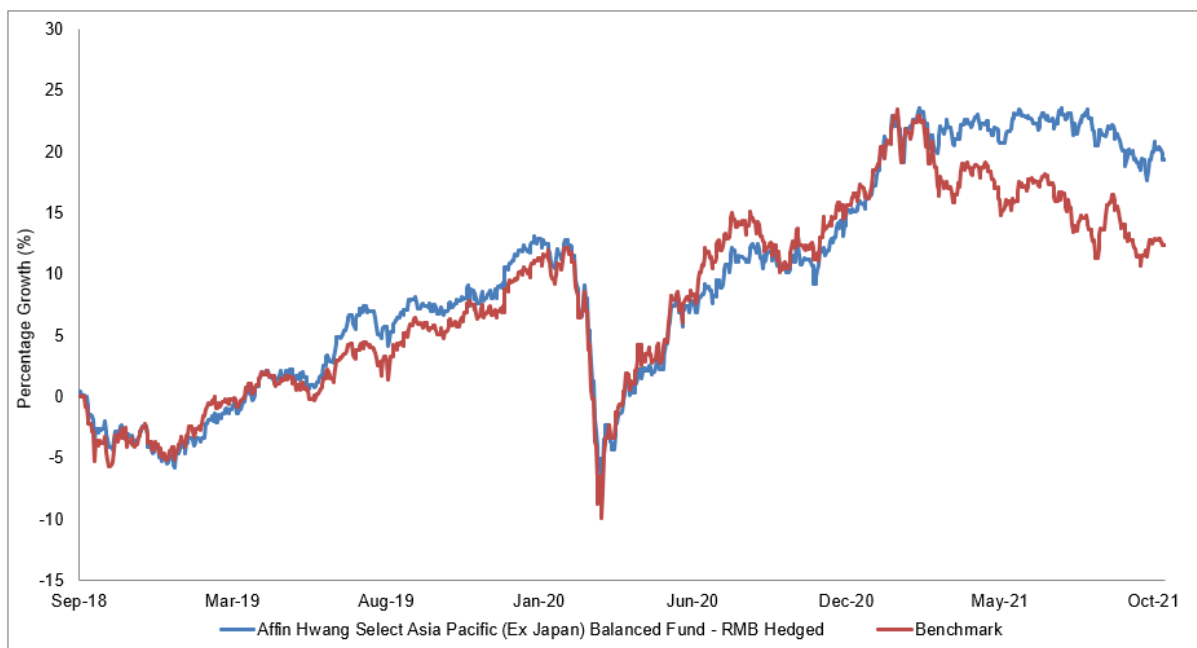
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	19.12%	0.45%	1.74%
Benchmark	13.58%	2.80%	1.42%
Outperformance	5.54%	(2.35%)	0.32%

Source of Benchmark: Bloomberg

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



USD Hedged-Class

For the period 1 May 2021 to 31 October 2021, the Fund registered a -2.40% return compared to the benchmark return of -4.11%. The Fund thus outperformed the Benchmark by 1.71%. The Net Asset Value per unit (“NAV”) of the Fund as at 31 October 2021 was USD0.6176 while the NAV as at 30 April 2021 was USD0.6378. During the same period under review, the Fund has declared a gross income distribution of USD0.0050 per unit.

Since commencement, the Fund has registered a return of 24.49% compared to the benchmark return of 20.66%, outperforming by 3.83%. The Fund has met its investment objective.

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	(2.40%)	10.92%	31.02%	24.49%
Benchmark	(4.11%)	5.65%	28.01%	20.66%
Outperformance	1.71%	5.27%	3.01%	3.83%

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)	Since Commencement (27/9/18 - 31/10/21)
Fund	10.92%	9.41%	7.33%
Benchmark	5.65%	8.57%	6.25%
Outperformance	5.26%	0.84%	1.08%

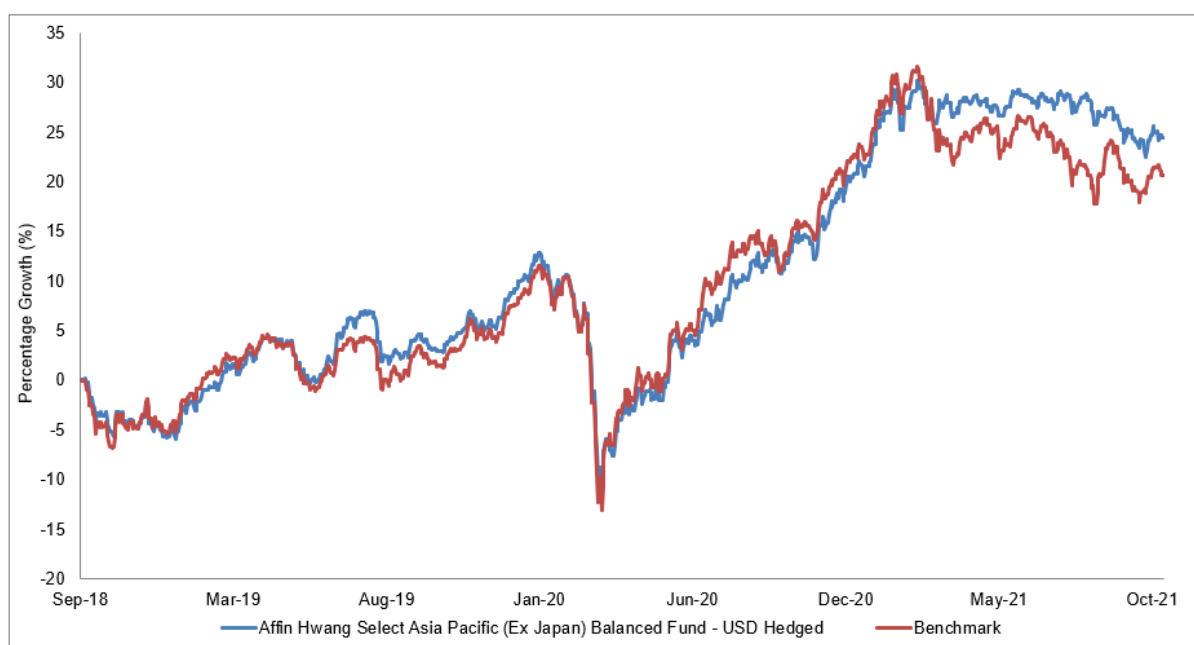
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	28.54%	(4.30%)	3.70%
Benchmark	24.25%	(2.19%)	3.55%
Outperformance	4.29%	(2.11%)	0.15%

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: 50% MSCI AC Asia Pacific ex Japan Index + 50% RAM Quantshop MGS All Index

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 asset allocation of the Fund stood at 54.94% in equities, 41.90% in fixed income securities and the remaining was held in cash and cash equivalent. The Manager had further increased allocation in foreign equities, through real estate and technology sectors. On the other hand, local fixed income securities have be reduced from the portfolio.

Strategies Employed

With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare event of global pandemic.

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 TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

We have acted as the Trustee of Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund ("the Fund") for the financial period ended 31 October 2021. To the best of our knowledge, for the financial period under review, Affin Hwang Asset Management Berhad ("the Manager"), has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

We are of the view that the distributions made during this financial period ended 31 October 2021 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
15 December 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (LOSS)/INCOME			
Dividend income		1,313,338	863,452
Interest income from financial assets at amortised cost		8,776	3,517
Interest income from financial assets at fair value through profit or loss		935,297	1,309,240
Net loss on foreign currency exchange		(53,410)	(112,057)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(133,673)	599,008
Net (loss)/gain on financial assets at fair value through profit or loss	8	(3,387,824)	8,295,676
		<u>(1,317,496)</u>	<u>10,958,836</u>
EXPENSES			
Management fee	4	(1,259,752)	(900,195)
Trustee fee	5	(45,819)	(32,790)
Auditors' remuneration		(4,789)	(1,667)
Tax agent's fee		(1,715)	(1,915)
Transaction costs		(354,546)	(213,396)
Other expenses		(165,035)	(74,018)
		<u>(1,831,656)</u>	<u>(1,223,981)</u>
NET (LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(3,149,152)	9,734,855
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions	6	(1,052,209)	(360,350)
NET (LOSS)/PROFIT BEFORE TAXATION		(4,201,361)	9,374,505
TAXATION	7	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(4,201,361)</u>	<u>9,374,505</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
(Decrease)/increase of net asset attributable to unitholders is made up of the following:		
Realised amount	4,393,733	2,514,015
Unrealised amount	(8,595,094)	6,860,490
	<u>(4,201,361)</u>	<u>9,374,505</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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	3,162,431	5,497,063
Amount due from brokers		4,103,677	-
Amount due from Manager			
- creation of units		220,703	-
Dividends receivable		43,418	27,762
Financial assets at fair value through profit or loss	8	148,808,436	101,033,170
Forward foreign currency contract at fair value through profit or loss	11	234,532	190,081
TOTAL ASSETS		<u>156,573,197</u>	<u>106,748,076</u>
LIABILITIES			
Forward foreign currency contract at fair value through profit or loss	11	-	2,853
Amount due to brokers		2,567,197	1,078,957
Amount due to Manager			
- management fee		215,439	150,096
- cancellation of units		86,038	579,967
Amount due to Trustee		7,834	5,458
Auditors' remuneration		4,789	9,168
Tax agent's fee		5,915	6,115
Other payables and accruals		23,416	21,418
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>2,910,628</u>	<u>1,854,032</u>
NET ASSET VALUE OF THE FUND		<u>153,662,569</u>	<u>104,894,044</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>153,662,569</u>	<u>104,894,044</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- AUD Hedged-class		423,510	1,688
- EUR Hedged-class		2,958	2,743
- RM Class		152,566,161	104,881,184
- RMB Hedged-class		662,271	6,098
- USD Hedged-class		7,669	2,331
		<u>153,662,569</u>	<u>104,894,044</u>
NUMBER OF UNITS IN CIRCULATION			
- AUD Hedged-class	10(a)	229,000	1,000
- EUR Hedged-class	10(b)	1,000	1,000
- RM Class	10(c)	222,960,000	163,537,000
- RMB Hedged-class	10(d)	1,730,000	18,000
- USD Hedged-class	10(e)	3,000	1,000
		<u>224,923,000</u>	<u>163,558,000</u>
NET ASSET VALUE PER UNIT (RM)			
- AUD Hedged-class		1.8494	1.6885
- EUR Hedged-class		2.9584	2.7427
- RM Class		0.6843	0.6413
- RMB Hedged-class		0.3828	0.3388
- USD Hedged-class		2.5562	2.3305
		<u>2.5562</u>	<u>2.3305</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD Hedged-class		AUD0.5928	AUD0.5780
- EUR Hedged-class		EUR0.6135	EUR0.5659
- RM Class		RM0.6843	RM0.6413
- RMB Hedged-class		RMB0.5921	RMB0.5459
- USD Hedged-class		USD0.6176	USD0.5612
		<u>USD0.6176</u>	<u>USD0.5612</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

	6 months financial period ended 31.10.2021 RM	6 months financial period ended 31.10.2020 RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	142,806,227	107,578,653
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	16,446,969	4,707,097
- AUD Hedged-class	435,944	-
- RM Class	15,673,852	4,701,256
- RMB Hedged-class	335,123	5,841
- USD Hedged-class	2,050	-
Creation of units arising from distributions	1,043,466	360,008
- RM Class	1,037,661	360,008
- RMB Hedged-class	5,226	-
- USD Hedged-class	579	-
Cancellation of units	(2,432,732)	(17,126,219)
- RM Class	(2,350,913)	(17,126,219)
- RMB Hedged-class	(14,878)	-
- USD Hedged-class	(66,941)	-
Net (decrease)/increase in net assets attributable to unitholders during the financial period	(4,201,361)	9,374,505
- AUD Hedged-class	(18,173)	144
- EUR Hedged-class	(84)	235
- RM Class	(4,174,224)	9,373,980
- RMB Hedged-class	(7,894)	(54)
- USD Hedged-class	(986)	200
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	153,662,569	104,894,044

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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		89,738,114	60,783,979
Purchase of investments		(106,361,842)	(58,110,234)
Dividends received		1,347,242	835,690
Interest received		1,431,529	1,294,958
Management fee paid		(1,237,779)	(893,105)
Trustee fee paid		(45,020)	(32,532)
Payment for other fees and expenses		(529,156)	(295,290)
Net gain/(loss) realised foreign currency exchange		647,072	(281,740)
Realised loss on forward foreign currency contracts		(271,827)	(72,733)
		<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities		(15,281,667)	3,228,993
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		16,274,281	4,808,078
Payments for cancellations of units		(2,421,598)	(16,595,137)
Payment for distribution		(8,744)	(342)
		<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities		13,843,939	(11,787,401)
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,437,728)	(8,558,408)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(4,763)	190,375
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		4,604,922	13,865,096
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	3,162,431	5,497,063
		<hr/> <hr/>	<hr/> <hr/>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 the 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 N.

(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 SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 asset 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 based on effective interest rate 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 quoted equities, 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 a weighted average cost basis.

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.

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

E TAXATION

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

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

Withholding taxes on investment income from foreign investment are based on tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

D DISTRIBUTION

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

F 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.

G FOREIGN CURRENCY TRANSLATION

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured 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 and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager and dividends receivable 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 brokers, 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

Unquoted fixed income 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 Commissions ("SC") as per the SC Guidelines on Unit Trust Funds. Where such quotation are 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; and
- (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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

Unquoted fixed income securities denominated in foreign currencies are revalued at least twice a week by reference to the mid price quoted in Bloomberg using the Composite Bloomberg Bond Trader (CBBT) which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

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 months 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 unlikeliness 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 SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H 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.

I CASH AND CASH EQUIVALENTS

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

J CREATION AND CANCELLATION OF UNITS

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

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

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

K AMOUNT DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note H 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 brokers/dealers, probability that the brokers/dealers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

L INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

M DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities at fair value through profit or loss.

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

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

N CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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.

O REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Fund.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 Hwang Select Asia Pacific (ex Japan) Balanced Fund (the "Fund") pursuant to the execution of a Deed dated 1 July 2013 as modified by Supplemental Deed dated 5 November 2014 and Second Supplemental Deed dated 17 April 2018 ("the Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager"), and Deutsche Trustees Malaysia Berhad (the "Trustee") and the registered unitholders of the Fund. The Fund has changed its name from Hwang Select Asia Pacific (ex Japan) Balanced Fund to Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund as amended by the Supplemental Deed dated 5 November 2014.

The Fund commenced operations on 29 December 2014 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deeds.

The Fund may invest in any of the following investments:

- (a) Listed securities;
- (b) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities;
- (c) Government bonds, treasury bills and other government approved or guaranteed bonds;
- (d) Debentures;
- (e) Money market instruments;
- (f) Deposits with financial institutions;
- (g) Structured products such as credit linked-notes;
- (h) Derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- (i) Warrants;
- (j) Units/shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- (k) Any other form of investments permitted by the SC from time to time which are in line with the objective of the Fund.

All investments will be subjected to the SC's Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide investor an affordable access into a diversified investment portfolio containing a balanced mixture of equities and fixed income instruments to achieve a balance of growth and income over the medium to long-term period.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-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 SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 are as follows:

	<u>Note</u>	At amortised costs RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	3,162,431	-	3,162,431
Amount due from brokers		4,103,677	-	4,103,677
Amount due from Manager				
- creation of units		220,703	-	220,703
Dividends receivable		43,418	-	43,418
Quoted equities	8	-	84,424,996	84,424,996
Unquoted fixed income securities	8	-	64,383,440	64,383,440
Forward foreign currency contracts		-	234,532	234,532
Total		<u>7,530,229</u>	<u>149,042,968</u>	<u>156,573,197</u>
<u>Financial liabilities</u>				
Amount due to brokers		2,567,197	-	2,567,197
Amount due to Manager				
- management fee		215,439	-	215,439
- cancellation of units		86,038	-	86,038
Amount due to Trustee		7,834	-	7,834
Auditors' remuneration		4,789	-	4,789
Tax agent's fee		5,915	-	5,915
Other payables and accruals		23,416	-	23,416
Total		<u>2,910,628</u>	<u>-</u>	<u>2,910,628</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	5,497,063	-	5,497,063
Dividends receivable		27,762	-	27,762
Quoted equities	8	-	50,881,798	50,881,798
Unquoted fixed income securities	8	-	50,151,372	50,151,372
Forward foreign currency contracts		-	190,081	190,081
Total		<u>5,524,825</u>	<u>101,223,251</u>	<u>106,748,076</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>costs</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Forward foreign currency contracts		-	2,853	2,853
Amount due to brokers		1,078,957	-	1,078,957
Amount due to Manager				
- management fee		150,096	-	150,096
- cancellation of units		579,967	-	579,967
Amount due to Trustee		5,458	-	5,458
Auditors' remuneration		9,168	-	9,168
Tax agent's fee		6,115	-	6,115
Other payables and accruals		21,418	-	21,418
Total		<u>1,851,179</u>	<u>2,853</u>	<u>1,854,032</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency 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 and the Deeds.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

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.

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

	<u>2021</u> RM	<u>2020</u> RM
Quoted investments		
Quoted equities	84,424,996	50,881,798
	<u> </u>	<u> </u>
Unquoted investments*		
Unquoted fixed income securities	64,383,440	50,151,372
	<u> </u>	<u> </u>

* Includes interest receivable of RM692,194 (2020: RM661,774).

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movement. The analysis is based on the assumptions that the market price increased by 7.5% (2020: 7.5%) and decreased by 7.5% (2020: 7.5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit</u> <u>after tax/NAV</u> RM
<u>2021</u>		
-7.5%	137,007,524	(11,108,718)
0%	148,116,242	-
+7.5%	159,224,960	11,108,718
	<u> </u>	<u> </u>
<u>2020</u>		
-7.5%	92,843,541	(7,527,855)
0%	100,371,396	-
+7.5%	107,899,251	7,527,855
	<u> </u>	<u> </u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (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 securities until 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 summarises the sensitivity of the Fund's profit after taxation and NAV 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% (200 basis points) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2021</u> RM	<u>2020</u> RM
+ 2%	(190,172)	(109,292)
- 2%	198,109	133,990

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

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movements against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from brokers</u> RM	<u>Dividend receivable</u> RM	<u>Total</u> RM
<u>2021</u>							
<u>Financial assets</u>							
Australian Dollar	7,568,558	-	9,662	219,786	-	-	7,798,006
Chinese Yuan	2,732,692	1,306,480	5,749	416	-	-	4,045,337
Hong Kong Dollar	28,653,356	-	-	25,485	-	-	28,678,841
Indonesia Rupiah	5,877,098	-	-	9,411	1,615,395	-	7,501,904
Korean Won	2,653,708	-	-	-	-	-	2,653,708
Pound Sterling	-	-	-	12,283	2,488,282	-	2,500,565
Singapore Dollar	15,057,028	9,245,879	-	1,030,244	-	33,721	25,366,872
Taiwan Dollar	5,720,170	-	-	-	-	-	5,720,170
Thailand Baht	1,107,391	-	-	-	-	-	1,107,391
Unites States Dollar	15,054,995	37,276,859	219,121	1,644,915	-	9,697	54,205,587
	<u>84,424,996</u>	<u>47,829,218</u>	<u>234,532</u>	<u>2,942,540</u>	<u>4,103,677</u>	<u>43,418</u>	<u>139,578,381</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

(c) Currency risk (continued)

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

	Amount due to <u>Manager</u> RM	Amount due to <u>brokers</u> RM	Net assets attributable to <u>unitholders</u> RM	<u>Total</u> RM
<u>2021 (continued)</u>				
<u>Financial liabilities</u>				
Australian Dollar	-	-	423,510	423,510
Chinese Yuan	-	-	662,271	662,271
Euro	-	-	2,958	2,958
Hong Kong Dollar	-	710,970	-	710,970
Unites States Dollar	66,796	1,856,227	7,669	1,930,692
	<u>66,796</u>	<u>2,567,197</u>	<u>1,096,408</u>	<u>3,730,401</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividend receivable</u> RM	<u>Total</u> RM
<u>2020</u>						
<u>Financial assets</u>						
Australian Dollar	-	-	-	6,619	-	6,619
Chinese Yuan	-	-	-	2,449	-	2,449
Euro	-	-	-	2,132	-	2,132
Hong Kong Dollar	29,493,468	-	-	3,781,567	-	33,275,035
Korean Won	1,816,695	-	-	-	-	1,816,695
Singapore Dollar	12,356,314	7,038,748	-	700,027	27,762	20,122,851
Taiwan Dollar	3,788,848	-	-	-	-	3,788,848
Unites States Dollar	3,426,473	27,355,907	190,081	856,474	-	31,828,935
	<u>50,881,798</u>	<u>34,394,655</u>	<u>190,081</u>	<u>5,349,268</u>	<u>27,762</u>	<u>90,843,564</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> RM	<u>Amount due to brokers</u> RM	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	-	-	1,689	1,689
Chinese Yuan	18	-	6,098	6,116
Euro	-	-	2,743	2,743
Singapore Dollar	-	1,078,957	-	1,078,957
Unites States Dollar	2,835	-	2,331	5,166
	<u>2,853</u>	<u>1,078,957</u>	<u>12,861</u>	<u>1,094,671</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2020: 10%), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 10% (2020: 10%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/ <u>NAV</u> RM
<u>2021</u>		
Australian Dollar	+/-10	+/- 737,450
China Yuan	+/-10	+/- 338,307
Euro	+/-10	+/- 296
Hong Kong Dollar	+/-10	+/- 2,796,787
Indonesia Rupiah	+/-10	+/- 750,190
Korean Won	+/-10	+/- 265,371
Pound Sterling	+/-10	+/- 250,057
Singapore Dollar	+/-10	+/- 2,536,687
Taiwan Dollar	+/-10	+/- 572,017
Thailand Baht	+/-10	+/- 110,739
Unites States Dollar	+/-10	<u>+/- 5,227,490</u>
<u>2020</u>		
Australian Dollar	+/-10	+/- 493
Chinese Yuan	+/-10	+/- 367
Euro	+/-10	+/- 61
Hong Kong Dollar	+/-10	+/- 3,327,504
Korean Won	+/-10	+/- 181,670
Singapore Dollar	+/-10	+/- 1,904,389
Taiwan Dollar	+/-10	+/- 378,885
Unites States Dollar	+/-10	<u>+/- 3,182,377</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (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 investment. 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 amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchanges.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines 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:

	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>					
Consumer Discretionary					
- BBB-	1,633,367	-	-	-	1,633,367
- NR	753,520	-	-	-	753,520
Consumer Staples					
- NR	-	-	-	9,697	9,697
Energy					
- Baa3	890,523	-	-	-	890,523
- NR	-	-	-	2,488,282	2,488,282
Financials Services					
- AAA	-	38,029	208,606	-	246,635
- AA1	-	-	2,953,825	-	2,953,825
- AA2	-	56,765	-	-	56,765
- AA3	-	139,738	-	-	139,738
- Ba1	2,530,730	-	-	-	2,530,730
- Ba2	846,201	-	-	-	846,201
- Ba3	2,075,523	-	-	-	2,075,523
- Baa1	1,034,646	-	-	-	1,034,646
- Baa2	1,081,515	-	-	-	1,081,515
- Baa3	6,711,852	-	-	-	6,711,852
- BBB-	823,488	-	-	-	823,488
- NR	4,232,982	-	-	1,615,395	5,848,377

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2021</u> (continued)					
Government					
- AAA	2,220,621	-	-	-	2,220,621
Health Care					
- NR	840,380	-	-	-	840,380
Industrials					
- A	3,053,195	-	-	-	3,053,195
- AA3	6,181,609	-	-	-	6,181,609
- Baa3	873,296	-	-	-	873,296
- BBB-	842,201	-	-	-	842,201
- NR	5,432,801	-	-	-	5,432,801
Real Estate					
- A2	2,885,245	-	-	-	2,885,245
- Baa2	841,215	-	-	-	841,215
- Baa3	784,895	-	-	-	784,895
- Ba3	1,681,832	-	-	-	1,681,832
- BB-	1,983,621	-	-	-	1,983,621
- BBB-	3,101,629	-	-	-	3,101,629
- B2	1,931,810	-	-	-	1,931,810
- B3	784,671	-	-	-	784,671
- NR	6,253,356	-	-	33,721	6,287,077
Tecommunication					
- NR	842,286	-	-	-	842,286
Technology					
- Baa2	1,234,430	-	-	-	1,234,430
Others					
- NR	-	-	-	220,703	220,703
	<u>64,383,440</u>	<u>234,532</u>	<u>3,162,431</u>	<u>4,367,798</u>	<u>72,148,201</u>

2020

Basic Materials					
- Ba3	1,309,507	-	-	-	1,309,507
- Baa2	1,494,263	-	-	-	1,494,263
Consumer Services					
- Ba3	807,364	-	-	-	807,364
Financials Services					
- A2	2,106,513	-	-	-	2,106,513
- A3	2,109,754	-	-	-	2,109,754

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (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	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)					
Financials Services (continued)					
- AA1	-	-	5,376,901	-	5,376,901
- AA2	-	166,266	-	-	166,266
- AA3	-	23,815	-	-	23,815
- AAA	-	-	120,162	-	120,162
- B1	2,593,440	-	-	-	2,593,440
- B2	1,232,526	-	-	-	1,232,526
- Ba1	1,599,542	-	-	-	1,599,542
- Ba2	5,745,799	-	-	-	5,745,799
- Ba3	884,247	-	-	-	884,247
- Baa2	820,555	-	-	-	820,555
- Baa3	4,719,327	-	-	-	4,719,327
- BB-	756,378	-	-	-	756,378
- BBB-	925,446	-	-	-	925,446
- NR	5,396,846	-	-	27,762	5,424,608
Government					
- AAA	3,969,560	-	-	-	3,969,560
Industrials					
- A1	6,143,604	-	-	-	6,143,604
- BBB-	2,530,412	-	-	-	2,530,412
- NR	4,571,623	-	-	-	4,571,623
Oil & Gas					
- Baa1	434,666	-	-	-	434,666
	<u>50,151,372</u>	<u>190,081</u>	<u>5,497,063</u>	<u>27,762</u>	<u>55,866,278</u>

*Other assets consist of amount due from brokers, amount due from Manager and dividend receivable.

Liquidity risk

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

Liquidity risk (continued)

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 brokers	2,567,197	-	2,567,197
Amount due to Manager			
- management fee	215,439	-	215,439
- cancellation of units	86,038	-	86,038
Amount due to Trustee	7,834	-	7,834
Auditors' remuneration	-	4,789	4,789
Tax agent's fee	-	5,915	5,915
Other payables and accruals	-	23,416	23,416
Net assets attributable to unitholders*	153,662,569	-	153,662,569
	<u>156,539,077</u>	<u>34,120</u>	<u>156,573,197</u>
<u>2020</u>			
Forward foreign currency contracts	18	2,835	2,853
Amount due to brokers	1,078,957	-	1,078,957
Amount due to Manager			
- management fee	150,096	-	150,096
- cancellation of units	579,967	-	579,967
Amount due to Trustee	5,458	-	5,458
Auditors' remuneration	-	9,168	9,168
Tax agent's fee	-	6,115	6,115
Other payables and accruals	-	21,418	21,418
Net assets attributable to unitholders*	104,894,044	-	104,894,044
	<u>106,708,540</u>	<u>39,536</u>	<u>106,748,076</u>

*Outstanding units are redeemed on demand at the unitholder's option (Note J). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of the instruments typically retain them for the medium to long term.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 (CONTINUED)

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active market (such as trading securities) is based on quoted market prices at the close of trading on the year 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 categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 Fund's 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				
- quoted equities	84,424,996	-	-	84,424,996
- unquoted fixed income securities	-	64,383,440	-	64,383,440
- forward foreign currency contracts	-	234,532	-	234,532
	<u>84,424,996</u>	<u>64,617,972</u>	<u>-</u>	<u>149,042,968</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	50,881,798	-	-	50,881,798
- unquoted fixed income securities	-	50,151,372	-	50,151,372
- forward foreign currency contracts	-	190,081	-	190,081
	<u>50,881,798</u>	<u>50,341,453</u>	<u>-</u>	<u>101,223,251</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	2,853	-	2,853

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and exchange-traded fund. The Fund does not adjust the quoted prices for these instruments.

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on 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 1.65% (2020:1.65%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee, inclusive of local custodian fees, at a rate not exceeding 0.10% per annum on the NAV of the Fund subject to a minimum fee of RM12,000 per annum calculated and accrued daily, excluding foreign sub-custodian fees.

For the 6 months financial period ended 31 October 2021, the Trustee fee is recognised at a rate of 0.06% (2020:0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee, calculated on daily basis as stated in the Fund's Propsectus.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

6 DISTRIBUTIONS

	6 months financial period ended 31.10.2021 RM	6 months financial period ended 31.10.2020 RM
Distributions to unitholders are from the following sources:		
Dividend income	1,119	-
Previous year's realised income	1,051,090	360,350
Gross realised income	1,052,209	360,350
Less: Expenses	-	-
Net distribution amount	<u>1,052,209</u>	<u>360,350</u>

During the 6 months financial period ended 31 October 2021, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen/cent)</u>			
	EUR hedged- class EUR	RM class RM	RMB hedged- class RMB	USD class USD
<u>Ex-date</u>				
16.6.2021	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>

During the 6 months financial period ended 31 October 2020, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen)</u>
	RM class RM
<u>Ex-date</u>	
17.6.2020	<u>0.20</u>

Gross distribution per unit is derived from gross realised income less expense 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 distributions for the financial period is an amount of RM1,051,090 (2020: RM360,350) made from previous year's realised income.

There is an unrealised loss of RM8,595,094 during the financial period (2020: RM nil).

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

7 TAXATION

	6 months financial period ended <u>31.10.2021</u> RM	6 months financial period ended <u>31.10.2020</u> RM
Current taxation	-	-
The numerical reconciliation between net (loss)/profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:		
Net (loss)/profit before finance cost and taxation	<u>(3,149,152)</u>	<u>9,734,855</u>
Tax at Malaysian statutory rate of 24% (2020: 24%)	(755,796)	2,336,365
Tax effects of:		
Investment loss not brought to tax/ (investment income not subject to tax)	316,200	(2,630,120)
Expenses not deductible for tax purposes	136,106	76,705
Restriction on tax deductible expenses for Unit Trust Funds	<u>303,490</u>	<u>217,050</u>
Tax expense	<u>-</u>	<u>-</u>

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:		
- quoted equities - foreign	84,424,996	50,881,798
- unquoted fixed income securities - local	16,554,222	15,756,717
- unquoted fixed income securities - foreign	47,829,218	34,394,655
	<u>148,808,436</u>	<u>101,033,170</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	4,619,706	2,353,049
- unrealised (loss)/gain on changes in fair value	(8,007,530)	5,942,627
	<u>(3,387,824)</u>	<u>8,295,676</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities - foreign

(i) Quoted equities – foreign as at 31 October 2021 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic material</u>				
BHP Group Ltd	12,132	1,661,846	1,384,153	0.90
<u>Consumer staples</u>				
Bega Cheese Ltd	94,295	1,571,365	1,588,580	1.03
<u>Energy</u>				
Woodside Petroleum Ltd	19,991	1,529,179	1,450,678	0.94
<u>Health Care</u>				
Ramsay Health Care Ltd	7,372	1,548,605	1,614,541	1.05
<u>Industrials</u>				
Arcor PLC Depository Receipt	30,740	1,522,606	1,530,606	1.00
<u>China</u>				
<u>Consumer Discretionary</u>				
China Tourism Group Duty Free	7,100	1,319,135	1,231,463	0.80
<u>Industrials</u>				
Nari Technology Co Ltd	59,700	1,182,213	1,501,229	0.98
<u>Hong Kong</u>				
<u>Basic material</u>				
Ganfeng Lithium Co Ltd	19,200	1,505,233	1,490,561	0.97
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	17,200	2,046,204	1,491,796	0.97
JD.com Inc	11,250	1,851,105	1,858,093	1.21
Topsports International Holdings	304,000	1,482,483	1,526,999	0.99
Yum China Holdings Inc	13,078	3,148,668	3,173,215	2.07
	<u>345,528</u>	<u>8,528,460</u>	<u>8,050,103</u>	<u>5.24</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 October 2021 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continue)</u>				
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	154,000	3,003,043	4,056,198	2.64
<u>Financials Services</u>				
AIA Group Ltd	80,400	3,492,273	3,758,297	2.45
Ping An Insurance Grp Co China	45,000	1,503,912	1,338,498	0.87
Prudential Plc	30,000	2,320,069	2,522,154	1.64
	<u>155,400</u>	<u>7,316,254</u>	<u>7,618,949</u>	<u>4.96</u>
<u>Industrials</u>				
Swire Pacific Limited - CL A	91,500	2,855,877	2,383,236	1.55
<u>Real Estate</u>				
Link REIT	42,434	1,507,939	1,557,960	1.01
Longfor Group Holdings Ltd	39,000	771,557	783,384	0.51
	<u>81,434</u>	<u>2,279,496</u>	<u>2,341,344</u>	<u>1.52</u>
<u>Technology</u>				
Tencent Holdings Ltd	10,600	2,571,486	2,712,965	1.77
<u>Indonesia</u>				
<u>Consumer Discretionary</u>				
Astra International Tbk PT	895,300	1,565,056	1,575,641	1.03
Mitra Adiperkasa Tbk PT	3,534,300	906,635	903,323	0.59
	<u>4,429,600</u>	<u>2,471,691</u>	<u>2,478,964</u>	<u>1.62</u>
<u>Real Estate</u>				
Ciputra Development Tbk PT	4,805,600	1,546,114	1,508,995	0.98
<u>Technology</u>				
Bukalapak.com Tbk PT	9,373,100	2,343,134	1,889,139	1.23

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 October 2021 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Korea</u>				
<u>Consumer Staples</u>				
BGF Retail Co Ltd	2,193	1,432,170	1,250,549	0.81
<u>Preference Shares</u>				
Samsung Electronics Co Ltd	6,190	1,127,404	1,403,159	0.91
<u>Singapore</u>				
<u>Consumer Discretionary</u>				
ComfortDelGro Corporation Ltd	460,300	2,261,323	2,209,782	1.44
Genting Singapore Ltd	316,900	774,760	760,678	0.50
SATS Ltd	181,200	2,260,098	2,336,448	1.52
	<u>958,400</u>	<u>5,296,181</u>	<u>5,306,908</u>	<u>3.46</u>
<u>Financials Services</u>				
Capitaland Investment Ltd	187,100	1,520,087	1,980,689	1.29
DBS Group Holdings Ltd	23,900	2,286,604	2,319,027	1.51
	<u>211,000</u>	<u>3,806,691</u>	<u>4,299,716</u>	<u>2.80</u>
<u>Industrials</u>				
Credit Bureau Asia Ltd	311,700	882,862	1,170,255	0.76
<u>Real Estate</u>				
CapitaLand China Trust	405,840	1,711,756	1,523,697	0.99
CapitaLand Integrated Comm Trust	311,039	1,944,416	2,057,962	1.34
	<u>716,879</u>	<u>3,656,172</u>	<u>3,581,659</u>	<u>2.33</u>
<u>Technology</u>				
AEM Holdings Ltd	54,300	684,453	698,490	0.45

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 October 2021 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Consumer Discretionary</u>				
Gourmet Master Co Ltd	64,000	1,575,506	1,242,778	0.81
<u>Technology</u>				
Taiwan Semiconductor Manufac	51,000	2,036,601	4,477,392	2.91
<u>Thailand</u>				
<u>Real Estate</u>				
Central Pattana PCL	150,000	1,081,026	1,107,391	0.72
<u>United States</u>				
<u>Consumer Discretionary</u>				
Amazon.com Inc	253	3,376,493	3,531,497	2.30
New York Times Company	8,476	1,689,371	1,913,732	1.25
Walmart Inc	2,466	1,570,955	1,525,096	0.99
	11,195	6,636,819	6,970,325	4.54
<u>Consumer Staples</u>				
Coca-cola European Partners	5,788	1,469,827	1,259,635	0.82
Mondelez International Inc-A	4,130	1,093,360	1,037,952	0.68
Procter & Gamble Co	3,848	2,180,438	2,277,224	1.48
	13,766	4,743,625	4,574,811	2.98
<u>Financials Services</u>				
JPMorgan Chase & Co	2,319	1,170,807	1,630,758	1.06
<u>Technology</u>				
NVIDIA Corp	1,776	1,005,804	1,879,101	1.22

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 October 2021 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Total quoted equities	22,252,010	79,891,858	84,424,996	54.94
Accumulated unrealised gain on quoted equities - foreign		4,533,138		
Total quoted equities - foreign		84,424,996		

(ii) Quoted equities – foreign as at 31 October 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	80,000	1,243,195	1,561,810	1.49
Nissin Foods Co Ltd	672,000	2,309,050	2,613,042	2.49
Nongfu Spring Co Ltd	82,800	956,145	1,574,343	1.50
Shenzhou Intl Group Holdings	15,800	876,795	1,132,280	1.08
	<u>850,600</u>	<u>5,385,185</u>	<u>6,881,475</u>	<u>6.56</u>
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	33,200	3,498,909	5,213,659	4.97
Chow Tai Fook Jewellery Group	191,800	764,796	1,015,981	0.97
MTR Corporation Ltd	14,500	312,949	297,445	0.28
Sun Art Retail Group Ltd	361,500	2,232,012	1,620,594	1.54
Topsports International Holdings	458,000	2,448,177	2,595,325	2.48
Yum China Holdings Inc	9,678	2,160,156	2,149,094	2.05
	<u>1,068,678</u>	<u>11,416,999</u>	<u>12,892,098</u>	<u>12.29</u>
<u>Financials Services</u>				
AIA Group Ltd	80,200	3,383,986	3,137,872	2.99
Link REIT	18,300	633,622	578,777	0.55
Ping An Insurance Grp Co China	36,500	1,660,054	1,554,177	1.48
	<u>135,000</u>	<u>5,677,662</u>	<u>5,270,826</u>	<u>5.02</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 October 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Technology</u>				
Tencent Holdings Ltd	12,600	2,605,149	3,985,025	3.80
<u>Utilities</u>				
Guangdong Investment Ltd	76,000	542,017	464,044	0.44
<u>Korea</u>				
<u>Preference Shares</u>				
Samsung Electronics Co Ltd	9,911	1,642,096	1,816,695	1.73
<u>Singapore</u>				
<u>Consumer Goods</u>				
Wilmar International Ltd	118,200	1,650,650	1,452,783	1.39
<u>Consumer Services</u>				
ComfortDelGro Corporation Ltd	345,200	1,672,074	1,417,773	1.35
Sheng Siong Group Ltd	214,000	666,078	1,080,747	1.03
	559,200	2,338,152	2,498,520	2.38
<u>Financials Services</u>				
CapitaLand Retail China Trust	391,800	1,767,015	1,394,609	1.33
DBS Group Holdings Ltd	16,400	1,070,338	1,015,337	0.97
Frasers Centrepoint Trust	222,000	1,582,786	1,425,074	1.36
Frasers Logistics & Comm Trust	272,000	1,005,579	1,017,832	0.97
Manulife US REIT	324,872	1,081,804	957,927	0.91
	1,227,072	6,507,522	5,810,779	5.54
<u>Industrials</u>				
Nanofilm Technologies Intl PL	135,000	1,078,526	1,191,060	1.14
Singapore Tech Engineering Ltd	155,600	1,641,734	1,652,103	1.58
Venture Corp Ltd	12,100	599,945	708,996	0.68
	302,700	3,320,205	3,552,159	3.40

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 October 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Technology</u>				
MediaTek Inc	6,000	603,340	589,802	0.56
Taiwan Semiconductor Manufacturing	51,000	2,036,601	3,199,046	3.05
	<u>57,000</u>	<u>2,639,941</u>	<u>3,788,848</u>	<u>3.61</u>
<u>United States</u>				
<u>Technology</u>				
Facebook Inc	1,113	773,617	1,217,881	1.16
Microsoft Corporation	1,487	1,027,985	1,250,665	1.19
	<u>2,600</u>	<u>1,801,602</u>	<u>2,468,546</u>	<u>2.35</u>
Total quoted equities	<u>4,419,561</u>	<u>45,527,180</u>	<u>50,881,798</u>	<u>48.51</u>
Accumulated unrealised gain on quoted equities - foreign		<u>5,354,618</u>		
Total quoted equities - foreign		<u>50,881,798</u>		

(b) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 31 October 2021 is 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>Bond</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	4,000,000	4,109,028	4,232,982	2.75
5.65% IJM Land Bhd Call: 19.03.2026 (A2)	2,000,000	2,013,003	2,071,083	1.35
4.6% Lafarge Cement Sdn Bhd 13.01.2023 (AA3)	4,000,000	4,057,154	4,122,676	2.68
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	2,000,000	2,031,756	2,058,933	1.34
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	1,000,000	1,005,293	1,015,353	0.66

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 is as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bond</u> (continued)				
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	3,000,000	3,058,656	3,053,195	1.99
Total unquoted fixed income securities – local	<u>16,000,000</u>	<u>16,274,890</u>	<u>16,554,222</u>	<u>10.77</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>279,332</u>		
Total unquoted fixed income securities – local		<u>16,554,222</u>		

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bond</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	4,000,000	4,110,933	4,357,662	4.16
5.8% AFFIN Bank Bhd Call: 31.07.2023 (A3)	2,000,000	2,029,874	2,109,754	2.01
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	2,000,000	2,012,693	2,106,513	2.01
4.6% Lafarge Cement Sdn Bhd 13.01.2023 (A1)	4,000,000	4,058,306	4,084,316	3.89
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	2,000,000	2,033,479	2,059,288	1.96
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	1,000,000	1,005,104	1,039,184	0.99
Total unquoted fixed income securities – local	<u>15,000,000</u>	<u>15,250,389</u>	<u>15,756,717</u>	<u>15.02</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>506,328</u>		
Total unquoted fixed income securities – local		<u>15,756,717</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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)

(c) Unquoted fixed income securities - foreign

(i) Unquoted fixed income securities – foreign as at 31 October 2021 is as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bond</u>				
5.00% Adani Ports&Spec Eco Zone Ltd Call: 02.02.2041 (Baa3)	827,800	856,232	873,296	0.57
5.5% Agile Group Holdings Ltd Call: 17.05.2024 (BB-)	827,800	838,032	671,144	0.44
3.75% Bank Negara Indonesia 30.03.2026 (Ba2)	827,800	827,073	846,201	0.55
4.25% Celestial Dynasty Ltd 27.06.2029 (NR)	827,800	835,414	847,203	0.55
3% Dah Sing Bank Ltd Call: 02.11.2026 (Baa1)	1,034,750	1,029,919	1,034,646	0.67
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	827,800	845,272	841,215	0.55
4.25% Far East Horizon Ltd 26.10.2026 (BBB-)	827,800	826,891	823,488	0.54
4.25% Franshion Brilliant Ltd 23.07.2029 (Baa3)	827,800	824,758	784,895	0.51
4.2% Globe Telecom Inc Call: 02.08.2026 (NR)	827,800	829,000	842,286	0.55
3.7% HDFC Bank Ltd Call: 25.08.2026 (Ba3)	1,241,700	1,278,923	1,245,405	0.81
3.3% Henderson Land MTN Ltd 13.05.2023 (NR)	1,292,200	1,289,967	1,306,480	0.85
2.25% Hongkong Land Finance Call: 15.04.2031 (A2)	827,800	831,886	814,162	0.53
4.7% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	1,538,700	1,559,074	1,576,551	1.03
5% HSBC Holdings PLC Call: 24.09.2023 (Baa3)	769,350	786,029	791,281	0.51
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	1,241,700	1,254,586	1,303,409	0.85
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	1,655,600	1,654,899	1,733,398	1.13
4.4% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	827,800	825,442	830,118	0.54
6.3% KWG Group Holdings Ltd Call: 13.02.2024 (BB-)	1,655,600	1,667,728	1,312,477	0.85
4.2% Lendlease Global Commer REIT Call: 04.06.2026 (NR)	1,538,700	1,582,724	1,575,721	1.03
4.25% LS Finance 2022 Ltd 16.10.2022 (BBB-)	1,655,600	1,639,772	1,633,367	1.06
3.5% Mapletree North Asia Com Trust Call: 08.06.2026 (NR)	1,538,700	1,566,574	1,530,853	1.00
4.625% Minejesa Capital BV 10.08.2030 (Baa3)	2,069,500	2,231,000	2,156,225	1.40
5.625% Minejesa Capital BV 10.08.2037 (Baa3)	827,800	868,811	884,386	0.57
3.8% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	1,034,750	1,094,236	1,081,515	0.70
4.125% NWD Finance BVI Ltd Call: 10.03.2028 (NR)	827,800	841,174	824,949	0.54
4.25% Parkway Pantai Ltd Call: 27.07.2022 (NR)	827,800	840,903	840,380	0.55

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020 (CONTINUED)

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

(c) Unquoted fixed income securities – foreign (continued)

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bond</u> (continued)				
5.95% Powerlong Real Estate Call: 30.04.2023 (B2)	1,241,700	1,246,035	1,134,125	0.74
6.95% Powerlong Real Estate Call: 29.11.2021 (B2)	827,800	849,181	797,685	0.52
5.2% Shimao Group Holdings Ltd Call: 16.09.2024 (BBB-)	827,800	833,997	753,464	0.49
5.2% Shimao Group Holdings Ltd Call: 30.01.2022 (BBB-)	2,483,400	2,524,390	2,348,165	1.53
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	769,350	768,461	797,332	0.52
4.875% Thaioil Treasury Center Co Ltd 23.01.2043 (Baa3)	827,800	887,527	890,523	0.58
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB)	827,800	817,768	842,201	0.55
4.35% Wing Tai Properties Fin Ltd Call: 24.02.2022 (NR)	769,350	69,188	753,520	0.49
2.875% Xiaomi Best Time International Call: 14.04.2031 (Baa2)	1,241,700	1,248,870	1,234,430	0.80
6.75% Yanlord Land HK Co Ltd Call: 11.11.2021 (Ba3)	827,800	779,138	836,078	0.54
6.8% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	827,800	845,207	845,754	0.55
8.1% Yinson Juniper Ltd Call: 29.03.2024 (NR)	4,139,000	4,093,301	4,585,598	2.98
6.35% Yuzhou Group Holdings Co Ltd Call: 13.01.2025 (B3)	1,655,600	1,576,773	784,671	0.51
2.25% Singapore Government Bond 01.08.2036 (AAA)	1,538,700	1,754,521	1,577,667	1.03
2.375% Singapore Government Bond 01.07.2039 (AAA)	615,480	727,588	642,954	0.42
Total unquoted fixed income securities - foreign	<u>48,449,330</u>	<u>48,548,264</u>	<u>47,829,218</u>	<u>31.13</u>
Accumulated unrealised loss on unquoted fixed income securities - foreign		(719,046)		
Total unquoted fixed income - foreign		<u>47,829,218</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020 (CONTINUED)

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

(d) Unquoted fixed income securities – foreign (continued)

(ii) Unquoted fixed income securities – foreign as at 31 October 2020 is as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bond</u>				
5.50% Bank of East Asia Ltd Call: 02.12.2020 (Ba2)	2,907,100	3,008,269	2,972,696	2.83
5.625% Bank of East Asia Ltd Call: 18.05.2022 (Ba2)	1,038,250	1,112,568	1,075,698	1.03
6.125% Bayan Resources Tbk PT 24.01.2023 (Ba3)	830,600	821,962	822,962	0.79
4.85% Ciputra Development Tbk PT 20.09.2021 (BB-)	760,575	782,770	756,378	0.72
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	830,600	841,181	820,555	0.78
4% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	830,600	827,704	847,636	0.81
4.7% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	1,521,150	1,558,443	1,540,621	1.47
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	1,245,900	1,263,805	1,263,963	1.20
6.375% Indo Energy Finance II BV Call: 23.11.2020 (Ba3)	830,600	473,434	486,545	0.46
5.8% Indonesia Asahan Aluminium Tbk Call: 15.11.2049 (Baa2)	1,245,900	1,240,809	1,494,263	1.42
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	830,600	832,369	827,353	0.79
4.5% LS Finance Ltd 26.06.2025 (Ba3)	830,600	863,461	807,364	0.77
3.8% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa3)	1,038,250	1,091,036	1,067,107	1.02
5% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	1,661,200	1,674,785	1,697,405	1.62
5.95% Powerlong Real Estate Call: 30.04.2023 (B2)	1,245,900	1,237,655	1,232,526	1.18
2.587% PTTEP Treasury Center Co Ltd Call: 10.04.2027 (Baa1)	415,300	431,408	434,666	0.41
5.6% Shimao Group Holdings Limited Call: 15.07.2023 (BBB-)	830,600	848,074	925,446	0.88
2.25% Singapore Government Bond 01.08.2036 (AAA)	1,521,150	1,767,753	1,781,761	1.70
2.875% Singapore Government Bond 01.09.2030 (AAA)	1,825,380	2,191,988	2,187,799	2.09
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	760,575	768,423	772,189	0.74
7.625% Times China Holdings Ltd Call: 21.02.2021 (B1)	1,245,900	1,248,339	1,291,034	1.23
7.85% Times China Holdings Ltd Call: 02.12.2020 (B1)	1,245,900	1,319,500	1,302,406	1.24
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	2,491,800	2,422,522	2,530,412	2.41

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2020 (CONTINUED)

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

(d) Unquoted fixed income securities – foreign (continued)

(ii) Unquoted fixed income securities – foreign as at 31 October 2020 is 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>Bond</u> (continued)				
6.8% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	830,600	845,241	884,247	0.84
8.1% Yinson Juniper Ltd Call: 29.03.2024 (NR)	4,153,000	4,093,402	4,571,623	4.36
Total unquoted fixed income securities - foreign	<u>32,968,030</u>	<u>33,566,901</u>	<u>34,394,655</u>	<u>32.79</u>
Accumulated unrealised gain on unquoted fixed income securities - foreign		<u>827,754</u>		
Total unquoted fixed income - foreign		<u>34,394,655</u>		

9 CASH AND CASH EQUIVALENTS

	<u>2021 RM</u>	<u>2020 RM</u>
Cash and bank balances	2,953,825	5,376,901
Deposit with a licensed financial institution	208,606	120,162
	<u>3,162,431</u>	<u>5,497,063</u>

Weighted average effective interest rates per annum and weighted average maturity of deposit with a licensed financial institution is as follows:

	<u>2021 %</u>	<u>2020 %</u>
Deposit with a licensed financial institution	<u>1.75</u>	<u>3.00</u>

Deposit with licensed financial institutions have an average maturity of 1 day (2020: 1 day).

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

10 NUMBER OF UNITS IN CIRCULATION

(a)	AUD Hedged-class units in circulation	<u>2021</u>	<u>2020</u>
		No. of units	No. of units
	At the beginning of the financial period	3,000	1,000
	Creation of units arising from applications	226,000	-
	At the end of the financial period	<u>229,000</u>	<u>1,000</u>
(b)	EUR Hedged-class units in circulation	<u>2021</u>	<u>2020</u>
		No. of units	No. of units
	At the beginning of the financial period	1,000	1,000
	At the end of the financial period	<u>1,000</u>	<u>1,000</u>
(c)	RM Class units in circulation	<u>2021</u>	<u>2020</u>
		No. of units	No. of units
	At the beginning of the financial period	202,540,000	182,783,000
	Creation of units arising from applications	22,364,430	7,472,693
	Creation of units arising from distribution	1,478,570	589,307
	Cancellation of units	(3,423,000)	(27,308,000)
	At the end of the financial period	<u>222,960,000</u>	<u>163,537,000</u>
(d)	RMB Hedged-class units in circulation	<u>2021</u>	<u>2020</u>
		No. of units	No. of units
	At the beginning of the financial period	896,000	1,000
	Creation of units arising from applications	858,000	17,000
	Creation of units arising from distribution	13,424	-
	Cancellation of units	(37,424)	-
	At the end of the financial period	<u>1,730,000</u>	<u>18,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) USD Hedged-class units in circulation	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial period	28,000	1,000
Creation of units arising from applications	780	-
Creation of units arising from distribution	220	-
Cancellation of units	(26,000)	-
At the end of the financial period	<u>3,000</u>	<u>1,000</u>

11 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 7 (2020: 4) forward currency contracts outstanding. The notional principal amount of the outstanding forward currency contracts amounted to RM27,184,194 (2020: RM24,979,638). The forward currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Chinese Yuan, and United States Dollar. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

12 TRANSACTIONS WITH BROKERS AND DEALERS

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

<u>Name of dealers</u>	<u>Value of trade</u>	<u>Percentage</u>	<u>Brokerage</u>	<u>Percentage</u>
	RM	of	fees	of total
		total trade	RM	brokerage
		%		%
Euroclear Bank S.A / N.V	48,933,328	25.59	-	-
Macquarie Group	16,850,523	8.81	45,404	12.81
Morgan Financial Ltd	15,295,861	8.00	38,240	10.79
Robert W. Baird & Co.	13,413,115	7.02	2,897	0.82
Bank Of America Group	10,798,106	5.65	25,272	7.13
CLSA Group	10,715,775	5.61	42,146	11.89
Citigroup Global Markets Ltd	7,029,698	3.68	19,905	5.61
DBS Vickers Securities (Singapore) Pte Ltd	5,554,978	2.91	18,913	5.33
Sanford C. Bernstein And Co., Llc	5,190,802	2.70	12,418	3.50
CIMB Securities (Singapore) Pte Ltd	4,523,350	2.37	11,278	3.18
Others#	52,887,034	27.66	138,079	38.94
	<u>191,192,570</u>	<u>100.00</u>	<u>354,552</u>	<u>100.00</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

(ii) Details of transactions with the top 10 brokers and 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	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Euroclear Bank S.A / N.V	25,634,095	22.77	-	-
China International Capital Co Hong Kong Securities Ltd	9,304,323	8.26	27,506	12.89
Macquarie Bank Ltd (Hong Kong)	8,867,966	7.88	20,217	9.47
CLSA Ltd (Hong Kong)	7,195,910	6.39	25,076	11.75
Robert W.Baird & Co.	4,681,835	4.16	-	-
DBS Vickers Securities (Singapore) Pte Ltd	4,600,252	4.09	15,969	7.48
Masterlink Securities Co. Ltd	4,378,141	3.89	23,914	11.21
CLSA Ltd (India)	3,849,197	3.42	9,023	4.23
Affin Hwang Investment Bank Bhd*	3,496,003	3.10	8,390	3.93
CLSA Pte Ltd (Singapore)	3,464,284	3.07	13,474	6.32
Others#	37,116,013	32.97	69,827	32.72
	<u>112,588,019</u>	<u>100.00</u>	<u>213,396</u>	<u>100.00</u>

* Included in transactions with brokers and dealers are trades conducted with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RMNil (2020: RM3,496,003). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

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

	<u>2021</u> RM	<u>2020</u> RM
Nomura Singapore Ltd	-	1,293,689
RHB Investment Bank Bhd	1,015,600	-
	<u>1,015,600</u>	<u>1,293,689</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Flexible Maturity Income Fund 9	-	1,293,689
Affin Hwang Flexible Maturity Income Fund 14	1,015,600	-
	<u>1,015,600</u>	<u>1,293,689</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

<u>Related parties</u>	<u>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

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

	<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 purpose)				
- AUD Hedged-class	2,642	4,886	1,000	1,689
- EUR Hedged-class	1,000	2,958	1,000	2,743
- RM Class	69,608	47,633	129,293	82,916
- RMB Hedged-class	2,799	1,071	2,899	982
- USD Hedged-class	3,000	7,669	1,000	2,331
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

14 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>0.93</u>	<u>0.91</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 fees
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding sales and service tax on transaction costs and withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM151,469,725 (2020: RM108,397,171).

15 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>0.64</u>	<u>0.53</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM106,033,707 (2020: RM55,832,139)
total disposal for the financial period = RM87,419,264 (2020: RM58,451,622)

16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED 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 49 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 net assets attributable to unitholders and cash flows for the financial period ended 31 October 2021 in accordance with the Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 December 2021

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