

Affin Hwang

Select Asia (ex Japan)

Opportunity Fund

Interim Report
31 July 2019

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



AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
HSBC (Malaysia) Trustee Berhad (1281-T)

AFFIN HWANG SELECT ASIA (EX JAPAN) OPPORTUNITY FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 July 2019

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FUND INFORMATION

Fund Name	Affin Hwang Select Asia (ex Japan) Opportunity Fund
Fund Type	Growth
Fund Category	Equity
Investment Objective	The Fund seeks to provide capital appreciation over the medium to long-term by investing in equities and Equity-linked instruments in Asian markets (ex Japan)
Benchmark	MSCI AC Asia Ex Japan Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever appropriate

BREAKDOWN OF UNITHOLDERS BY MYR CLASS SIZE AS AT 31 JULY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1,120	3,080
5,001 to 10,000	1,197	8,771
10,001 to 50,000	3,176	73,321
50,001 to 500,000	1,104	127,891
500,001 and above	55	794,712
Total	6,652	1,007,775

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD CLASS SIZE AS AT 31 JULY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	68
500,001 and above	1	568
Total	2	636

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD CLASS SIZE AS AT 31 JULY 2019

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

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY GBP CLASS SIZE AS AT 31 JULY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	10
5,001 to 10,000	-	-
10,001 to 50,000	1	29
50,001 to 500,000	-	-
500,001 and above	-	-
Total	2	39

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SGD CLASS SIZE AS AT 31 JULY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	366
500,001 and above	1	2,619
Total	2	2,985

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Jul 2019 (%)	As at 31 Jul 2018 (%)	As at 31 Jul 2017 (%)
Portfolio composition			
Quoted equities – local			
- Consumer Products & Services	4.81	-	-
- Technology	4.10	-	-
- Utilities	2.35	-	-
- Financials	-	2.06	1.04
- Trading / services	-	-	2.67
Total quoted equities – local	11.26	2.06	3.71
Quoted equities – foreign			
- Banks	-	3.13	-
- Basic materials	0.32	-	3.00
- Consumer goods	3.24	5.98	9.06
- Consumer service	18.92	8.41	10.95
- Financials	26.31	23.23	17.77
- Healthcare	-	-	1.71
- Industrials	3.66	4.43	11.77
- Insurance	-	-	5.48
- Oil & Gas	-	4.92	2.91
- Real estate	-	4.46	4.83
- REITs	-	-	1.73
- Technology	24.25	15.78	12.68
- Telecommunications	3.32	-	-
- Utilities	2.32	1.12	2.93
Total quoted equities – foreign	82.34	71.46	84.82
Exchange-traded fund - foreign	-	2.12	-
Cash & cash equivalent	6.40	24.36	11.47
Total	100.00	100.00	100.00

Category	As at 31 Jul 2019 (%)					As at 31 Jul 2018 (%)					As at 31 Jul 2017 (%)
Currency class	MYR Class	AUD Class	USD Class	GBP Class	SGD Class	MYR Class	AUD Class	USD Class	GBP Class	SGD Class	MYR Class
Total NAV (million)	723.743	0.337	0.001	0.022	1.480	766.301	0.0005	0.005	0.0005	0.0005	382.686
NAV per Unit (in respective currencies)	0.7179	0.5268	0.4239	0.5292	0.4953	0.7162	0.4948	0.4991	0.4953	0.4971	0.6963
Unit in Circulation (million)	1,008.157	0.639	0.002	0.041	2.987	1,069,965	0.001	0.001	0.001	0.001	549.625
Highest NAV	0.7283	0.5330	0.5010	0.5292	0.5035	0.7752	0.5037	0.5053	0.5030	0.5934	0.6991
Lowest NAV	0.6641	0.4688	0.4042	0.4570	0.4570	0.7036	0.4948	0.4988	0.4953	0.4971	0.6111
Return of the Fund (%) ⁱⁱⁱ	7.55	12.37	-8.48	15.80	8.38	-7.61	-1.04	-0.18	-0.94	-0.58	13.94
- Capital Growth (%) ⁱ	7.55	12.37	-8.48	15.80	8.38	-7.61	-1.04	-0.18	-0.94	-0.58	13.94
- Income Distribution (%) ⁱⁱ	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%) ¹	0.80					0.85					0.88
Portfolio Turnover Ratio (times) ²	0.94					1.69					1.30

¹The MER of the Fund was lower than previous year due to lower average NAV of the Fund the during the period under review.

²The PTR of the Fund was lower than previous year as the Manager had decreased trading activities during the period under review.

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

MYR Class

Capital Returnⁱ = (NAV per Unit @ 31/7/19 ÷ NAV per Unit @ 31/1/19* - 1) x 100
= (0.7179 ÷ 0.6675 - 1) x 100
= **7.55%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] – 1 x 100
= [(1 + 7.55%) x (1 + 0.00%)] – 1 x 100
= **7.55%**

AUD Class

Capital Returnⁱ = (NAV per Unit @ 31/7/19 ÷ NAV per Unit @ 31/1/19* - 1) x 100
= (0.5268 ÷ 0.4688 - 1) x 100
= **12.37%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] – 1 x 100
= [(1 + 12.37%) x (1 + 0.00%)] – 1 x 100
= **12.37%**

USD Class

Capital Returnⁱ = (NAV per Unit @ 31/7/19 ÷ NAV per Unit @ 31/1/19* - 1) x 100
= (0.4239 ÷ 0.4632 - 1) x 100
= **-8.48%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] – 1 x 100
= [(1 + (-8.48%)) x (1 + 0.00%)] – 1 x 100
= **-8.48%**

GBP Class

Capital Returnⁱ = (NAV per Unit @ 31/7/19 ÷ NAV per Unit @ 31/1/19* - 1) x 100
= (0.5292 ÷ 0.4570 - 1) x 100
= **15.80%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] – 1 x 100
= [(1 + 15.80%) x (1 + 0.00%)] – 1 x 100
= **15.80%**

SGD Class

Capital Returnⁱ = (NAV per Unit @ 31/7/19 ÷ NAV per Unit @ 1/2/19* - 1) x 100
= (0.4953 ÷ 0.4570 - 1) x 100
= **8.38%**

Total Income Returnⁱⁱ = **Nil**

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] - 1 x 100
= [(1 + 8.38%) x (1 + 0.00%)] - 1 x 100
= **8.38%**

* Source – HSBC Trustee

MYR Class

Table 1: Performance of the Fund

	6 Months (1/2/19 - 31/7/19)	1 Year (1/8/18 - 31/7/19)	3 Years (1/8/16 - 31/7/19)	5 Years (1/8/14 - 31/7/19)	Since Commencement (11/8/06 - 31/7/19)
Fund	7.55%	0.24%	26.64%	37.11%	64.85%
Benchmark	0.35%	(3.56%)	23.47%	36.87%	42.15%
Outperformance / (Underperformance)	7.20%	3.80%	3.17%	0.24%	22.70%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	3 Years (1/8/16 - 31/7/19)	5 Years (1/8/14 - 31/7/19)	Since Commencement (11/8/06 - 31/7/19)
Fund	0.24%	8.19%	6.51%	3.93%
Benchmark	(3.56%)	7.28%	6.48%	2.75%
Outperformance / (Underperformance)	3.80%	0.91%	0.03%	1.18%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (01/2/18 - 31/1/19)	FYE 2018 (01/2/17 - 31/1/18)	FYE 2017 (01/2/16 - 31/1/17)	FYE 2016 (1/2/15 - 31/1/16)	FYE 2015 (1/2/14 - 31/1/15)
Fund	(13.89%)	26.85%	20.91%	(1.52%)	9.94%
Benchmark	(12.39%)	23.70%	26.36%	(8.91%)	19.96%
Outperformance / (Underperformance)	(1.50%)	3.15%	(5.45%)	7.39%	(10.02%)

Source of Benchmark: Bloomberg

AUD Class

Table 1: Performance of the Fund

	6 Months (1/2/19 - 31/7/19)	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	12.37%	6.47%	5.36%
Benchmark	5.42%	2.31%	2.72%
Outperformance	6.95%	4.16%	2.64%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	6.47%	5.16%
Benchmark	2.31%	2.62%
Outperformance / (Underperformance)	4.16%	2.54%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (18/7/18 - 31/1/19)
Fund	(6.24%)
Benchmark	(2.57%)
Outperformance / (Underperformance)	(3.67%)

Source of Benchmark: Bloomberg

GBP Class

Table 1: Performance of the Fund

	6 Months (1/2/19 - 31/7/19)	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	15.80%	6.84%	5.84%
Benchmark	7.17%	1.73%	2.94%
Outperformance	8.63%	5.11%	2.90%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	6.84%	5.62%
Benchmark	1.73%	2.83%
Outperformance	5.11%	2.79%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (18/7/18 - 31/1/19)
Fund	(8.60%)
Benchmark	(3.95%)
Outperformance / (Underperformance)	(4.65%)

Source of Benchmark: Bloomberg

SGD Class

Table 1: Performance of the Fund

	6 Months (1/2/19 - 31/7/19)	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	8.38%	(0.36%)	(0.94%)
Benchmark	1.47%	(4.74%)	(3.96%)
Outperformance / (Underperformance)	6.91%	4.38%	3.02%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	(0.36%)	(0.91%)
Benchmark	(4.74%)	(3.81%)
Outperformance	4.38%	2.90%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (18/7/18 - 31/1/19)
Fund	(8.60%)
Benchmark	(5.35%)
Outperformance / (Underperformance)	(3.25%)

Source of Benchmark: Bloomberg

USD Class

Table 1: Performance of the Fund

	6 Months (1/2/19 - 31/7/19)	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	(8.48%)	(15.07%)	(15.22%)
Benchmark	(0.25%)	(5.34%)	(4.27%)
Outperformance / (Underperformance)	(8.23%)	(9.73%)	(10.95%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	Since Commencement (18/7/18 - 31/7/19)
Fund	(15.07%)	(14.70%)
Benchmark	(5.34%)	(4.11%)
Outperformance / (Underperformance)	(9.73%)	(10.59%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (18/7/18 - 31/1/19)
Fund	(7.36%)
Benchmark	(4.03%)
Outperformance / (Underperformance)	(3.33%)

Source of Benchmark: Bloomberg

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

MANAGER'S REPORT

Performance Review

MYR Class

For the period 1 February 2019 to 31 July 2019, the Fund registered a return of 7.55% outperforming the benchmark return of 0.35% by 7.20 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 July 2019 was 0.7179 while the NAV per unit as at 31 January 2019 was 0.6675. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark).

Since commencement, the Fund registered a return of 64.85%, compared to the benchmark of 42.15% the Fund outperformed the Benchmark by 22.70 percentage points. The Fund has declared a total gross income distribution of RM0.050 per unit to date. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has been met.

AUD Class

For the period 1 February 2019 to 31 July 2019, the Fund registered a return of 12.37% outperforming the benchmark return of 5.42% by 6.95 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 July 2019 was 0.5268 while the NAV per unit as at 31 January 2019 was 0.4688. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark).

Since commencement, the Fund registered a return of 5.36%, compared to the benchmark of 2.72% the Fund outperformed the Benchmark by 2.64 percentage points. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has been met.

GBP Class

For the period 1 February 2019 to 31 July 2019, the Fund registered a return of 15.80% outperforming the benchmark return of 7.17% by 8.63 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 July 2019 was 0.5292 while the NAV per unit as at 31 January 2019 was 0.4570. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark).

Since commencement, the Fund registered a return of 5.84%, compared to the benchmark of 2.94% the Fund outperformed the Benchmark by 2.90 percentage points. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has been met.

SGD Class

For the period 1 February 2019 to 31 July 2019, the Fund registered a return of 8.38% outperforming the benchmark return of 1.47% by 6.91 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 July 2019 was 0.4953 while the NAV per unit as at 31 January 2019 was 0.4570. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark).

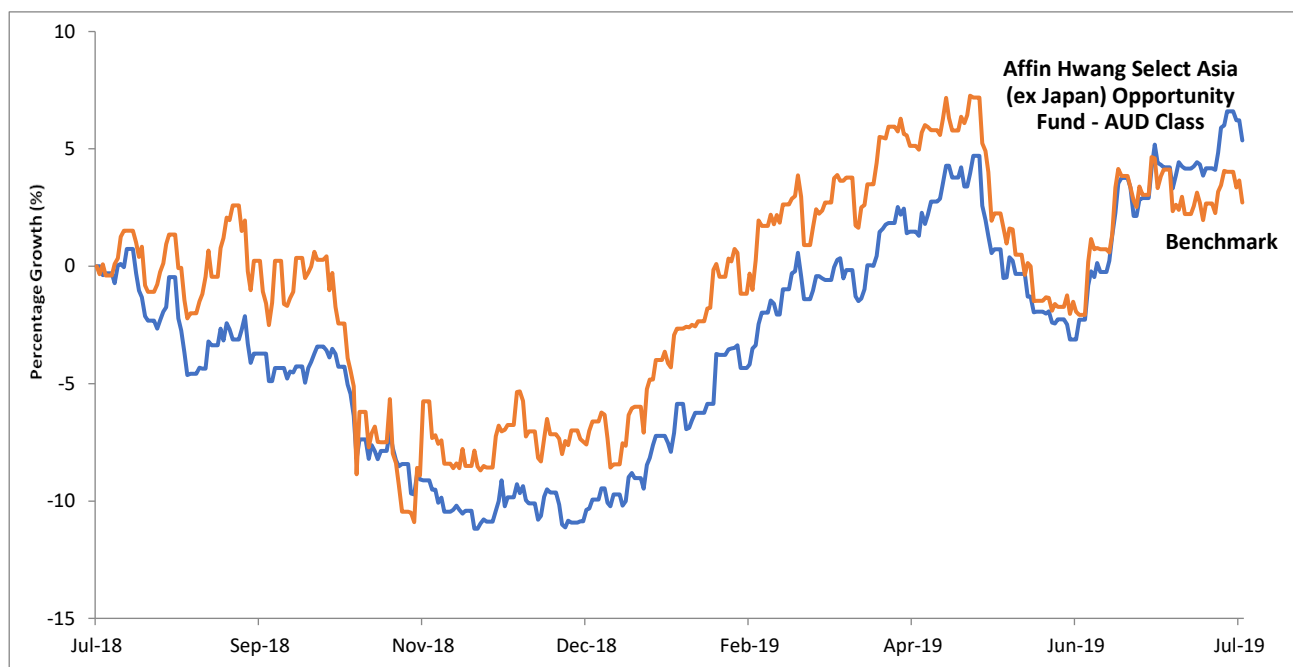
Since commencement, the Fund registered a return of -0.94%, compared to the benchmark of -3.96% the Fund outperformed the Benchmark by 3.02 percentage points. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has been met.

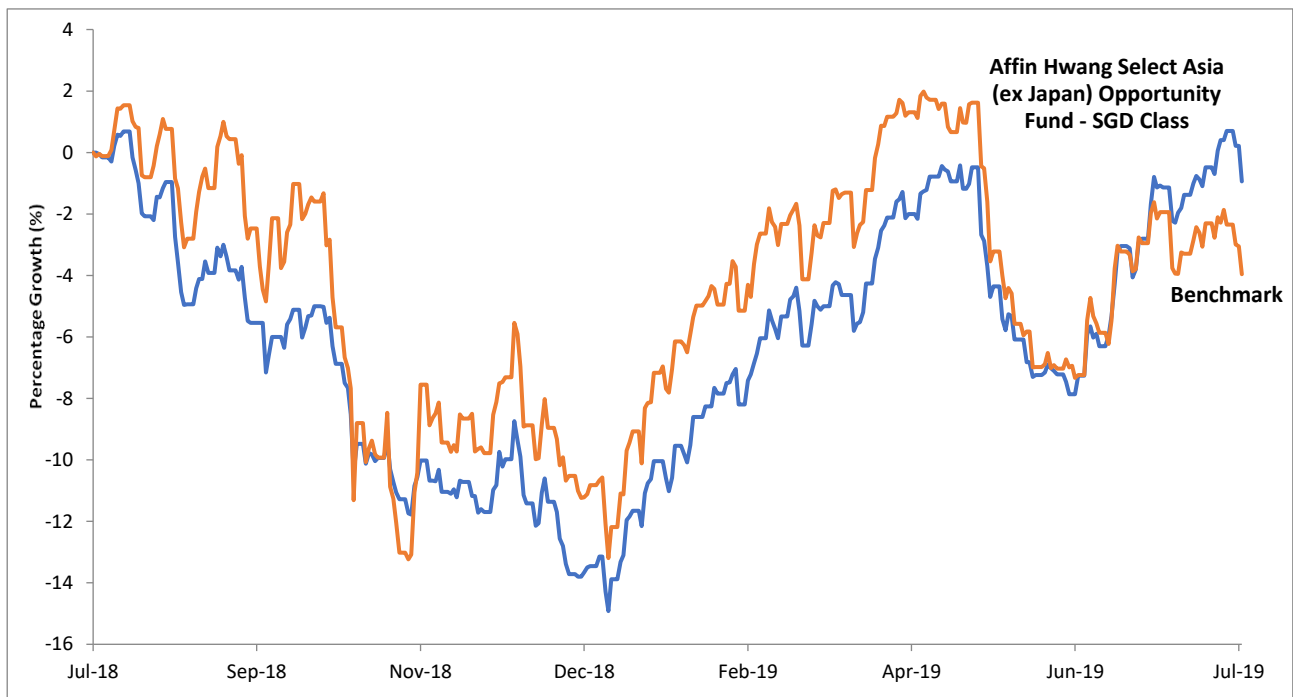
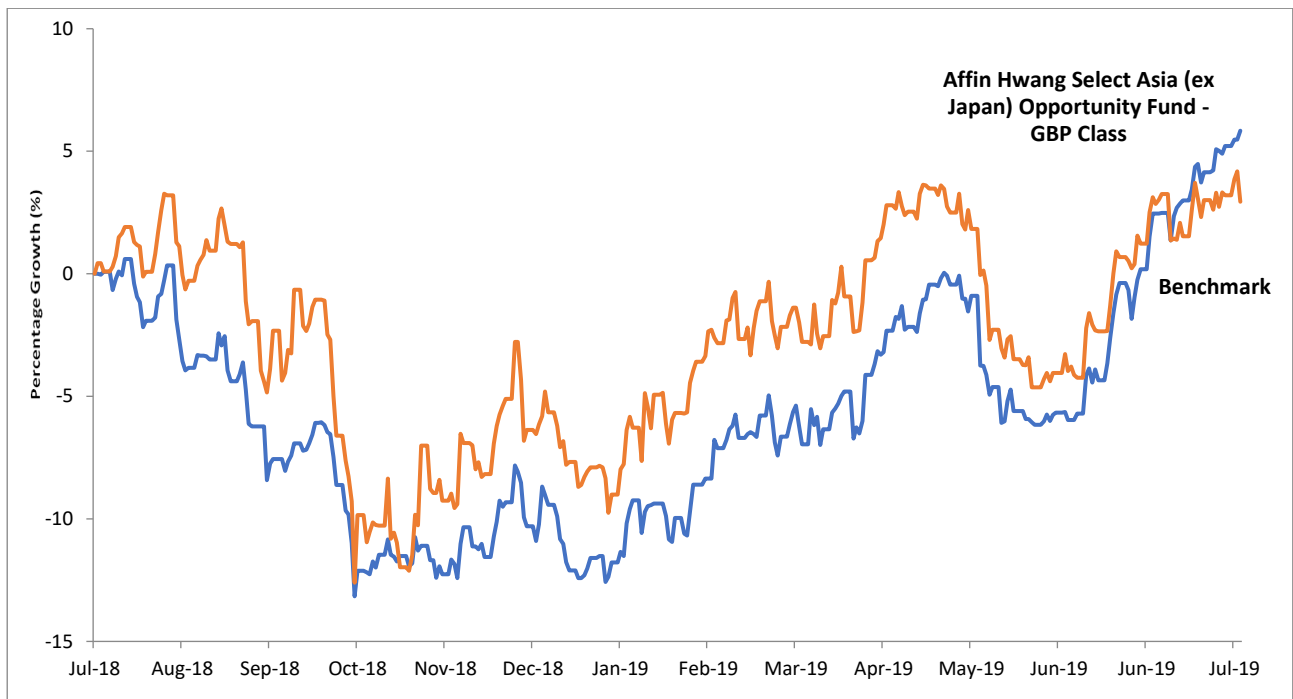
USD Class

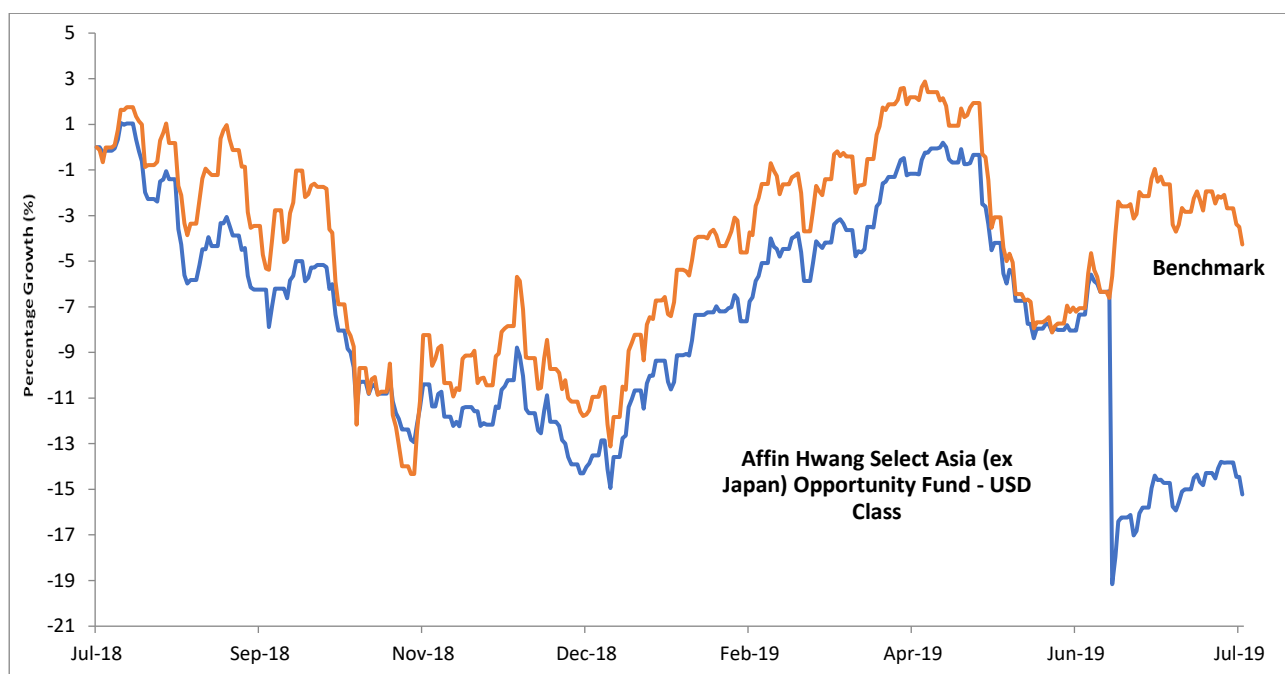
For the period 1 February 2019 to 31 July 2019, the Fund registered a return of -8.48% underperforming the benchmark return of -0.25% by 8.23 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 July 2019 was 0.4239 while the NAV per unit as at 31 January 2019 was 0.4632. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark).

Since commencement, the Fund registered a return of -15.22%, compared to the benchmark of -4.27% the Fund underperformed the Benchmark by 10.95 percentage points. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has not been met, but will continue to strive to meet its objective.

Figure 1: Movement of Fund versus Benchmark







"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 the Benchmark is from Bloomberg." Benchmark: MSCI AC Asia Ex Japan Index

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 31 July 2019.

Asset Allocation

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

Figure 2: Asset allocation of the Fund

	<u>31 Jul 2019</u>	<u>31 Jul 2018</u>	<u>31 Jul 2017</u>
	<u>(%)</u>	<u>(%)</u>	<u>(%)</u>
Quoted equities – local	11.26	2.06	3.71
Quoted equities – foreign	82.34	71.46	84.82
Exchange-traded fund - foreign	-	2.12	-
Cash & Cash equivalent	6.40	24.36	11.47
Total	100.00	100.00	100.00

As at 31 July 2019, the Fund's equities weighting in the portfolio had increased to 93.60% of the Fund's NAV – 20.08 percentage points higher than 73.52% a year ago while the cash holdings dropped to a level of 6.40%. The overall equities exposure into both foreign and domestic market had increased during the period under review as the Manager redeployed into the market as opportunities arose.

Strategies Employed

With the return of volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation, deploying into domestic-driven sectors that are less directly impacted from trade tariffs. As the sell-down accelerated, we took a view that the correction was overdone and a recession was not imminent, where we then deployed into the market with a focus on quality.

Market Review

Emerging markets (EMs) saw a “tantrum-like” sell-off in 2018 where investors’ appetite for risk-assets tapered off significantly on the back of fractious developments within Turkey and Argentina that have sent both their currencies into free fall.

Trade remained a key overhang of markets following tit-for-tat tariffs. A sharp depreciation of the Chinese yuan also dragged down the rest of EMs, as a high correlation between markets led to further pain within other Asian currencies. The yuan has shed its value when trade tensions started to brew. Due to concerns over trade-frictions with the US and possible second-order impacts on the Chinese economy that could manifest into slower investment and softer consumption, Beijing has shifted slightly towards a more neutral tone that leaves more room for China to loosen its grip on deleveraging and policy easing.

On the local front, the 14th General Election (GE14) concluded with jaw-dropping results that stunned political pundits and pollsters. In a watershed election, the opposition won GE14 by wresting traditionally held strongholds from the incumbent by taking over states such as Johor, Kedah, and Melaka. Tun Dr. Mahathir aged 93 returns to parliament with a second stint as Prime Minister pledging institutional and fiscal reforms for the country.

Extensive kitchen-sinking and cost-cutting exercises embarked by the new government led to a fierce sell-off at the initial stage of the power transition. Construction stocks and politically-linked counters bore the brunt of the sell-off, as major infrastructure projects were reviewed and big-ticket items such as the Kuala Lumpur-Singapore High-Speed Rail (HSR) and the Mass Rapid Transit Line 3 (MRT3) project were scrapped. A massive clean-up that has swept across various institutions in the country post GE-14 saw numerous GLC & GLIC heads fall into the fray.

Coming into 2019, after a yearlong bitter trade conflict, we’ve since seen the two economic powerhouses change their political rhetoric to one of compromise and cooperation after extending the initial 1 March deadline. Some of the headwinds pressuring emerging markets (EMs) before are now receding with the US Federal Reserve turning more dovish and the US dollar strength starting to top-out. A gradual step-up in stimulus measures from China would also be supportive of markets and help drive growth.

However, “Sell in May and go away” has again proven to be a recurring theme this year after deteriorating trade relations between US and China wreaked further havoc across global financial markets in May. Trump raised the tariff on some US\$200 billion worth of Chinese imports to 25.0% from 10.0% earlier that month in an extreme bid to speed up trade negotiations. While the tariff hike was initially downplayed, things took a swift turn on when Trump banned Huawei with a national security order; thus prompting US companies to sever all business ties with the Chinese smartphone and telecommunications giant.

For the first time in more than a decade, the US Federal Reserve (“Fed”) reduced interest rates by 25bps in July; effectively lowering the benchmark rate to a new range of 2.00-2.25%. Fed Chair Jerome Powell struck a neutral tone; explaining that the rate cut was a mid-cycle adjustment to better sustain the US’ current economic expansion. While it was also highlighted that the Fed would do whatever it takes to support the economy, Powell’s statement stopped short of committing to a series of near-term interest rate cuts.

Meanwhile, Hong Kong continues to be plagued by protests which are starting to hurt businesses and dent economic growth. The unrest in Hong Kong started since early June when protesters took to the streets to oppose an extradition bill proposal that has since been suspended, but not fully withdrawn. The demonstrations have shifted into a movement now calling for more autonomy, full democracy and the ousting of Hong Kong’s embattled leader Carrie Lam.

On a side note, BNM cut the Overnight Policy Rate by 25 bps to 3.00% on 7 May – likely a pre-emptive measure against a weakening external environment as well as slowing domestic growth. The announcement was largely priced in by investors, which saw the MGS market rallied strongly in the few weeks prior to the announcement, though the buying subsequently eased up amid the addition of risks on the global trade front.

Investment Outlook

The global economy is poised to continue to grow at an even keel albeit at a slower pace. We do not see major economic imbalances that would lead to a recession in the immediate term. That said, as we head into a late cycle, we are mindful that uncertainty will stay high from economic, policy and politics perspective.

Given the re-escalation of trade tension and Trump pressured on the Fed to cut rate, markets will look ahead to the upcoming US Federal Reserve policy meeting on the 17-18 September. Although Jerome Powell mentioned that the rate cut in July was a mid-cycle adjustment, market still expecting a 25-50 bps rate cut in September. Nonetheless, negative news flow on trade may lead to volatility in the near term as investors price in the effects of protectionist measures.

Similarly, there may be room for Bank Negara Malaysia (“BNM”) to cut rates if macro conditions deteriorate and if the trade war stays protracted becoming a drag on global growth. The trade impasse which has stretched into a yearlong skirmish between US and China shows no signs of abating yet with negotiations ongoing which could lead to more choppy market conditions.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA (EX JAPAN) OPPORTUNITY FUND

We have acted as Trustee of Affin Hwang Select Asia (Ex Japan) Opportunity Fund ("the Fund") for the financial period ended 31 July 2019. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
11 September 2019

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

	<u>Note</u>	6 months financial period ended 31.7.2019 RM	6 months financial period ended 31.7.2018 RM
INVESTMENT INCOME/(LOSS)			
Dividend income		10,279,951	9,869,833
Interest income from financial assets at amortised cost		259,045	567,891
Net gain on foreign currency exchange		278,752	828,152
Net loss on forward foreign currency contract at fair value through profit or loss		(4,325,137)	(2,936,886)
Net gain/(loss) on financial assets at fair value through profit or loss	7	59,530,717	(47,187,080)
		<u>66,023,328</u>	<u>(38,858,090)</u>
EXPENSES			
Management fee	4	(5,669,185)	(5,171,898)
Trustee fee	5	(267,937)	(246,728)
Auditors' remuneration		(3,719)	(3,719)
Tax agent's fee		(10,317)	(79,797)
Transaction cost		(2,846,481)	(7,682,289)
Other expenses		(727,946)	(675,230)
		<u>(9,525,585)</u>	<u>(13,859,661)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		56,497,743	(52,717,751)
TAXATION	6	-	(1,428,934)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>56,497,743</u>	<u>(54,146,685)</u>
Increase/(decrease) in net asset attributable to unitholders is made up of the following:			
Realised amount		2,945,144	11,371,344
Unrealised amount		53,552,599	(65,518,029)
		<u>56,497,743</u>	<u>(54,146,685)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
ASSETS			
Cash and cash equivalents	8	50,429,710	217,935,412
Financial assets at fair value through profit or loss	7	682,501,347	579,538,854
Dividend receivables		479,268	1,083,142
Amount due to Manager			
- creation of units		-	4,087,088
Amount due from brokers		-	87,223
Forward foreign currency contracts at fair value through profit or loss	9	394,325	-
TOTAL ASSETS		<u>733,804,650</u>	<u>802,731,719</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	9	-	840,523
Amount due to Manager			
- management fee		949,595	955,100
- cancellation of units		3,526,709	-
Amount due to Trustee		44,315	44,571
Amount due to brokers		-	34,601,012
Auditors' remuneration		7,174	7,174
Tax agent's fee		1,884	5,784
Other payables and accruals		592	2,174
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>4,530,269</u>	<u>36,456,338</u>
NET ASSETS VALUE OF THE FUND		<u>729,274,381</u>	<u>766,275,381</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>729,274,381</u>	<u>766,275,381</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019 (CONTINUED)**

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- MYR Class		723,742,972	766,267,731
- AUD Class		958,169	1,492
- GBP Class		108,945	2,646
- SGD Class		4,460,797	1,484
- USD Class		3,498	2,028
		<u>729,274,381</u>	<u>766,275,381</u>
NUMBER OF UNITS IN CIRCULATION			
- MYR Class	10 (a)	1,008,157,000	1,069,965,000
- AUD Class	10 (b)	639,000	1,000
- GBP Class	10 (c)	41,000	1,000
- SGD Class	10 (d)	2,987,000	1,000
- USD Class	10 (e)	2,000	1,000
		<u>1,011,826,000</u>	<u>1,069,969,000</u>
NET ASSET VALUE PER UNIT (RM)			
- MYR Class		0.7179	0.7162
- AUD Class		1.4995	1.4921
- GBP Class		2.6572	2.6459
- SGD Class		1.4934	1.4836
- USD Class		<u>1.7490</u>	<u>2.0286</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR Class		RM 0.7179	RM 0.7162
- AUD Class		AUD 0.5268	AUD 0.4948
- GBP Class		GBP 0.5292	GBP 0.4953
- SGD Class		SGD 0.4953	SGD 0.4971
- USD Class		<u>USD 0.4239</u>	<u>USD 0.4991</u>

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2019**

	6 months financial period ended 31.7.2019 RM	6 months financial period ended 31.7.2018 RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	769,657,497	669,635,450
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	15,046,097	183,379,976
- MYR Class	14,864,305	183,372,284
- AUD Class	104,698	1,502
- GBP Class	77,094	2,681
- SGD Class	-	1,487
- USD Class	-	2,022
Cancellation of units	(111,926,956)	(32,593,360)
- MYR Class	(111,215,577)	(32,593,360)
- AUD Class	-	-
- GBP Class	(180,658)	-
- SGD Class	-	-
- USD Class	(530,721)	-
Net (decrease)/increase in net assets attributable to unitholders during the financial period	56,497,743	(54,146,685)
- MYR Class	56,095,369	(54,146,144)
- AUD Class	59,046	(106)
- GBP Class	13,707	(187)
- SGD Class	313,094	(105)
- USD Class	16,527	(143)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>729,274,381</u>	<u>766,275,381</u>

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

**STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

	<u>Note</u>	6 months financial period ended <u>31.7.2019</u> RM	6 months financial period ended <u>31.7.2018</u> RM
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		805,605,160	1,229,193,801
Purchase of investments		(694,188,590)	(1,189,831,145)
Dividends received		9,596,335	7,752,513
Interest received		259,045	567,891
Management fee paid		(5,651,304)	(5,041,265)
Trustee fee paid		(267,102)	(240,632)
Realised (loss)/gains on forward foreign currency contracts		(4,282,100)	2,754,617
Payment for other fees and expenses		(3,007,636)	(8,568,566)
Net realised foreign currency exchange loss		(13,736)	(20,863,054)
Net cash generated from operating activities		<u>108,050,072</u>	<u>15,724,160</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from creation of units		15,805,501	183,908,226
Payments for cancellation of units		(108,416,697)	(32,593,360)
Net cash (used in)/generated from financing activities		<u>(92,611,196)</u>	<u>151,314,866</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,438,876	167,039,026
EFFECTS OF FOREIGN CURRENCY EXCHANGE		944,867	2,095,786
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>34,045,967</u>	<u>48,800,600</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	<u><u>50,429,710</u></u>	<u><u>217,935,412</u></u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial 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) New standards, amendments and interpretations effective after 1 February 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 February 2019 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Dividend Income

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

Interest income

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 investments, realised gain and losses on sale of investment is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

D TAXATION

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia, which is the Fund’s functional and presentation currency.

F 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.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or 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, 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification (continued)

The Fund classifies cash and cash equivalents, dividend receivables, amount due from brokers, amount due from Manager and other receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

(ii) Recognition and measurement

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

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

Financial liabilities are 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 foreign transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the financial period which they arise.

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

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

Derivative investment consists of forward foreign currency contracts. Financial derivative position 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

Deposits with a licensed financial institution is stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the deposit.

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

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

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 impairment gains. There are no write-offs/recoveries during the financial year.

H CASH AND CASH EQUIVALENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

I CREATION AND CANCELLATION OF UNITS

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

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

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

J 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

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

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

L SEGMENT REPORTING

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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.

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

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

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

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

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

N CRITICAL ACCOUNTING ESTIMATES AND 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name HwangDBS Global Opportunities Fund ("Fund") pursuant to the execution of a Master Deed dated 20 March 2006, as modified by first Supplemental Deed dated 13 December 2006, Second Supplemental Master Deed dated 18 June 2007, Third Supplemental Master Deed dated 28 August 2008, Fourth Supplemental Master Deed dated 27 September 2011, Fifth Supplemental Master Deed dated 18 January 2012 and Eight Supplemental Deed dated 28 April 2017. The Fund has changed its name from Hwang Global Opportunities Fund to Hwang Select Asia (Ex Japan) Opportunity Fund as amended by the Sixth Supplemental Deed dated 2 May 2012, and from Hwang Select Asia (Ex Japan) Opportunity Fund to Affin Hwang Select Asia (Ex Japan) Opportunity Fund as amended by the Seventh Supplemental Deed dated 27 June 2014 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager"), HSBC (Malaysia) Trustee Berhad (the "Trustee") and the registered unitholders of the Fund.

The Fund commenced operations on 19 July 2006 and will continue its operations until terminated by the Trustee as provided under Clause 12.2 of the Deeds.

The Fund has introduced other classes of units in accordance with the unitholders' resolution passed on 8 December 2017.

The Fund may invest in any of the following investments:

- (i) Securities of companies listed on Bursa Malaysia and any other exchanges of countries who are members of International Organization of Securities Commission
- (ii) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities
- (iii) Debentures
- (iv) Money market instruments
- (v) Deposits
- (vi) Derivatives, for the purpose of hedging only
- (vii) Warrants
- (viii) Structured products
- (ix) Units or shares in collective investments schemes
- (x) Any other form of investments as may be 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 capital appreciation over the medium to long term by investing in equities and equity-linked investments in Asian markets (ex Japan).

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 series to private clients.

The financial statements were authorised for issue by the Manager on 11 September 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
<u>2019</u>				
Quoted equities	7	-	682,501,347	682,501,347
Cash and cash equivalents	8	50,429,710	-	50,429,710
Dividend receivables		479,268	-	479,268
Forward foreign currency contracts	9	-	394,325	394,325
Total		<u>50,908,978</u>	<u>682,895,672</u>	<u>733,804,650</u>

	Note	Loans and receivables RM	Financial assets/ (liabilities) at fair value through profit or loss RM	Total RM
<u>2018</u>				
Quoted equities	7	-	563,302,993	563,302,993
Exchange-traded funds	7	-	16,235,861	16,235,861
Cash and cash equivalents	8	217,935,412	-	217,935,412
Dividend receivables		1,083,142	-	1,083,142
Amount due from Manager				
- creation of units		4,087,088	-	4,087,088
Amount due from brokers		87,223	-	87,223
Forward foreign currency contracts	9	-	(840,523)	(840,523)
Total		<u>223,192,865</u>	<u>578,698,331</u>	<u>801,891,196</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (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>2019</u> RM	<u>2018</u> RM
Quoted investments		
Quoted equities	682,501,347	563,302,993
Exchange-traded funds	-	16,235,861
	<u>682,501,347</u>	<u>579,538,854</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable 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	Impact on profit after <u>tax/NAV</u> RM
<u>2019</u>		
-5%	716,626,414	(34,125,067)
0%	682,501,347	-
+5%	648,376,280	34,125,067
	<u>682,501,347</u>	<u>579,538,854</u>
<u>2018</u>		
-5%	550,561,911	(28,976,943)
0%	579,538,854	-
+5%	608,515,797	28,976,943
	<u>579,538,854</u>	<u>579,538,854</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

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

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

The Fund's exposure to interest rate risk associated with deposit with a licensed financial institution is not material as the deposit 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 movement 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.

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

	Quoted equities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets* RM	Net assets attributable to unitholders RM	Total RM
<u>2019</u>						
Australian Dollar	2,344,010	-	-	-	958,170	3,302,180
China Renminbi	12,578,151	-	-	-	-	12,578,151
Hong Kong Dollar	200,377,750	-	31,511,396	-	-	231,889,146
Indonesian Rupiah	8,724,135	-	2	-	-	8,724,137
Indian Rupee	39,799,935	-	-	146,023	-	39,945,958
Korea Won	19,386,299	-	-	118,036	-	19,504,335
Pound Sterling	-	-	49,657	-	108,945	158,602
Singapore Dollar	101,229,188	-	14,442,498	138,019	4,460,796	120,270,501
Taiwan Dollar	32,788,312	-	-	-	-	32,788,312
United States Dollar	183,147,663	394,325	3,640,532	-	3,498	187,186,018
	<u>600,375,443</u>	<u>394,325</u>	<u>49,644,085</u>	<u>402,078</u>	<u>5,531,409</u>	<u>656,347,340</u>

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

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

Market risk (continued)

(c) Currency risk (continued)

	Quoted equities RM	Exchange- traded funds RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets*/ (payables)** RM	Net assets attributable to unitholders RM	Total RM
2018							
Australian Dollar	-	-	-	1,508	-	1,492	3,000
China Renminbi	21,480,759	-	-	17,948,094	-	-	39,428,853
Hong Kong Dollar	269,066,920	-	-	8,043,803	(532,805)	-	276,577,918
Indonesian Rupiah	3,977,511	-	-	1	972,033	-	4,949,545
Indian Rupee	56,736,741	-	-	31,425,307	-	-	88,162,048
Korea Won	35,915,731	16,235,861	(558,884)	38	11,177,156	-	62,769,902
Pound Sterling	-	-	-	2,671	-	2,646	5,317
Singapore Dollar	58,391,358	-	-	11,883,364	(1,910,358)	1,484	68,365,848
Taiwan Dollar	46,555,234	-	-	287,561	-	-	46,842,795
Thailand Bath	-	-	-	-	3,691,638	-	3,691,638
United States Dollar	55,425,841	-	(281,639)	69,271,152	12,065,941	2,028	136,483,323
	<u>547,550,095</u>	<u>16,235,861</u>	<u>(840,523)</u>	<u>138,863,499</u>	<u>25,463,605</u>	<u>7,650</u>	<u>727,280,187</u>

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

** Other payables consist of amount due to brokers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (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 ("NAV") to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables 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 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/ NAV RM
<u>2019</u>		
Australian Dollar	+/-5	+/- 165,109
China Renminbi	+/-5	+/- 628,908
Hong Kong Dollar	+/-5	+/- 11,594,457
Indonesian Rupiah	+/-5	+/- 436,207
Indian Rupee	+/-5	+/- 1,997,298
Korean Won	+/-5	+/- 975,217
Pound Sterling	+/-5	+/- 7,930
Singapore Dollar	+/-5	+/- 6,013,525
Taiwan Dollar	+/-5	+/- 1,639,416
United States Dollar	+/-5	+/- 9,359,301
<u>2018</u>		
Australian Dollar	+/-5	+/- 150
China Renminbi	+/-5	+/- 1,971,443
Hong Kong Dollar	+/-5	+/- 13,828,896
Indonesian Rupiah	+/-5	+/- 247,477
Indian Rupee	+/-5	+/- 4,408,102
Korean Won	+/-5	+/- 3,138,495
Pound Sterling	+/-5	+/- 266
Singapore Dollar	+/-5	+/- 3,418,292
Taiwan Dollar	+/-5	+/- 2,342,140
Thailand Baht	+/-5	+/- 184,582
United States Dollar	+/-5	+/- 6,824,166

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

Liquidity risk

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

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

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

	Within one month RM	Between one month and one year RM	Total RM
<u>2019</u>			
Amount due to Manager			
- management fee	949,595	-	949,595
- cancellation of units	3,526,709	-	3,526,709
Amount due to Trustee	44,315	-	44,315
Auditors' remuneration	-	7,174	7,174
Tax agent's fee	-	1,884	1,884
Other payables and accruals	-	592	592
Net assets attributable to unitholders*	729,274,381	-	729,274,381
	<u>733,795,000</u>	<u>9,650</u>	<u>733,804,650</u>
<u>2018</u>			
Amount due to Manager			
- management fee	955,100	-	955,100
Amount due to Trustee	44,571	-	44,571
Amount due to brokers	34,601,012	-	34,601,012
Auditors' remuneration	-	7,174	7,174
Tax agent's fee	-	5,784	5,784
Other payables and accruals	-	2,174	2,174
Forward foreign currency contracts at fair value through profit or loss	840,523	-	840,523
Net assets attributable to unitholders*	766,275,381	-	766,275,381
	<u>802,716,587</u>	<u>15,132</u>	<u>802,731,719</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (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 investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from placements of deposit in a licensed financial institution 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.

The following table set out the credit risk concentration of the Fund:

	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2019</u>				
Consumer Goods				
- NR	-	-	118,036	118,036
Financials				
- AAA	-	50,429,710	-	50,429,710
- NR	394,325	-	284,042	678,367
Industrials				
- NR	-	-	77,190	77,190
	<u>394,325</u>	<u>50,429,710</u>	<u>479,268</u>	<u>51,303,303</u>
<u>2018</u>				
Financials				
- AAA	-	192,830,722	-	192,830,722
- NR	840,522	25,104,690	620,032	26,565,244
Industrials				
- NR	-	-	251,347	251,347
Technology				
- NR	-	-	211,763	211,763
Other				
- NR	-	-	4,174,311	4,174,311
	<u>840,522</u>	<u>217,935,412</u>	<u>5,257,453</u>	<u>224,033,387</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (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 unitholders 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 markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is 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.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

3 FAIR VALUE ESTIMATION (CONTINUED)

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

(i) Fair value hierarchy (continued)

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.

The following table analyses within the fair value hierarchy the Fund's financial assets/ (liabilities) (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>2019</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	682,501,347	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2018</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	563,302,993	-	-	563,302,993
- exchange-traded funds	16,235,861	-	-	16,235,861
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	579,538,854		-	579,538,854
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	(840,523)	-	(840,523)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and exchanged 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, dividend receivables, amount due from Manager, amount due from brokers and all current liabilities (except for forward foreign currency contracts) are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE AND MANAGEMENT FEE REBATE

	6 months financial period ended <u>31.7.2019</u> RM	6 months financial period ended <u>31.7.2018</u> RM
Gross management fee	5,741,515	5,287,032
Management fee rebate		
- interest income earned on collection accounts	(72,330)	(115,134)
Net management fee	<u>5,669,185</u>	<u>5,171,898</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

4 MANAGEMENT FEE AND MANAGEMENT FEE REBATE (CONTINUED)

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund calculated on daily basis.

For the 6 months financial period ended 31 July 2019, the management fee is recognised at a rate of 1.50% (2018: 1.50%) per annum on the NAV of the Fund calculated on daily basis.

The interest income earned by the Manager from the Fund's trust collection account maintained by the Manager is netted off against the gross management fee charged by the Manager.

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

5 TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee, inclusive of local custodian fees, at a rate not exceeding 0.30% per annum on the NAV of the Fund for local investments, excluding foreign sub-custodian fees.

For the 6 months financial period ended 31 July 2019, the Trustee fee is recognised at a rate of 0.07% (2018: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

6 TAXATION

	6 months financial period ended <u>31.7.2019</u> RM	6 months financial period ended <u>31.7.2018</u> RM
Current tax		
- local	-	425,646
- foreign	-	1,003,288
	<u>-</u>	<u>1,428,934</u>

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

6 TAXATION (CONTINUED)

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

	6 months financial period ended <u>31.7.2019</u> RM	6 months financial period ended <u>31.7.2018</u> RM
Net profit/(loss) before taxation	56,497,743	(52,717,751)
Tax at Malaysian statutory rate of 24% (2018: 24%)	13,559,458	(12,652,260)
Tax effects of:		
Investment income/(loss) not subject to tax	(15,845,599)	9,325,941
Expenses not deductible for tax purposes	922,259	2,083,278
Restrictions on tax deductible expenses for unit trust fund	1,363,882	1,243,041
Income subject to different tax rate	-	1,428,934
Tax expense	-	1,428,934

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2019</u> RM	<u>2018</u> RM
Financial assets at fair value through profit or loss		
- quoted equities – local	82,125,904	15,752,898
- quoted equities – foreign	600,375,443	547,550,095
- exchange-traded funds – foreign	-	16,235,861
	<u>682,501,347</u>	<u>579,538,854</u>
Net gain/(loss) on assets at fair value through profit or loss		
- realised gain on sale of investments	6,879,948	14,735,233
- unrealised gain/(loss) on changes in fair value	52,650,769	(61,922,313)
	<u>59,530,717</u>	<u>(47,187,080)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

(a) Quoted equities - local

(i) Quoted equities - local as at 31 July 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products & Services</u>				
Genting Bhd	1,237,300	8,268,083	8,487,878	1.16
Genting Malaysia Bhd	6,869,400	22,156,764	26,584,578	3.65
	<u>8,106,700</u>	<u>30,424,847</u>	<u>35,072,456</u>	<u>4.81</u>
<u>Technology</u>				
My EG Services Bhd	15,438,000	21,289,943	23,774,520	3.26
Inari Amertron Bhd	3,745,200	5,999,770	6,142,128	0.84
	<u>19,183,200</u>	<u>27,289,713</u>	<u>29,916,648</u>	<u>4.10</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	1,240,000	15,870,140	17,136,800	2.35
	<u>28,529,900</u>	<u>73,584,700</u>	<u>82,125,904</u>	<u>11.26</u>
Total quoted equities - local				
Accumulated unrealised gain on quoted equities - local		8,541,204		
Total quoted equities - local		<u>82,125,904</u>		

(ii) Quoted equities - local as at 31 July 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Financials</u>				
Malayan Banking Bhd	1,605,800	15,777,744	15,752,898	2.06
	<u>1,605,800</u>	<u>15,777,744</u>	<u>15,752,898</u>	<u>2.06</u>
Total quoted equities - local				
Accumulated unrealised loss on quoted equities - local		(24,846)		
Total quoted equities - local		<u>15,752,898</u>		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

(b) Quoted equities - foreign

(i) Quoted equities - foreign as at 31 July 2019 are 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 Materials</u>				
Hastings Technology Metals Ltd	6,100,000	3,846,074	2,344,010	0.32
<u>CHINA</u>				
<u>Consumer Services</u>				
China Intl Travel Serv Corp Ltd	232,300	8,640,643	12,578,151	1.72
<u>HONG KONG</u>				
<u>Consumer Goods</u>				
Nissin Foods Co Ltd	1,414,000	2,677,109	4,255,774	0.58
<u>Consumer Services</u>				
China Education Group Holdings	2,049,000	13,162,342	13,262,742	1.82
<u>Financials</u>				
AIA Group Ltd	907,400	33,776,133	38,645,876	5.30
Ping An Insurance Grp Co China	790,000	32,233,916	38,850,960	5.33
	1,697,400	66,010,049	77,496,836	10.63
<u>Technology</u>				
HKBN Ltd	3,119,500	14,431,767	23,283,124	3.19
Tencent Holdings Ltd	256,400	45,858,627	49,761,656	6.82
	3,375,900	60,290,394	73,044,780	10.01
<u>Telecommunications</u>				
HKT Trust & HKT Ltd	2,342,000	15,083,536	15,430,852	2.12
<u>Utilities</u>				
Guangdong Investment Ltd	1,944,000	12,856,807	16,886,766	2.32

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 July 2019 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>INDIA</u>				
<u>Financials</u>				
HDFC Bank Ltd	80,000	11,855,035	10,798,080	1.48
Housing Development Finance	103,698	10,803,204	13,198,785	1.81
ICICI Bank Ltd	619,000	15,738,359	15,803,070	2.17
	<u>802,698</u>	<u>38,396,598</u>	<u>39,799,935</u>	<u>5.46</u>
<u>INDONESIA</u>				
<u>Telecommunications</u>				
Telekomunikasi Indonesia	6,917,000	7,757,453	8,724,135	1.20
<u>KOREA</u>				
<u>Consumer Goods</u>				
Samsung Electronics Co Ltd	122,593	19,800,008	19,386,299	2.66
<u>SINGAPORE</u>				
<u>Financials</u>				
Ascendas Real Estate InvTrust	1,624,700	12,894,744	14,989,320	2.06
DBS Group Holdings Ltd	332,559	25,592,098	26,480,393	3.63
Mapletree Industrial Trust	1,634,322	9,520,737	11,037,557	1.51
Mapletree North Asia Com Trust	5,140,000	16,686,271	22,005,882	3.02
	<u>8,731,581</u>	<u>64,693,850</u>	<u>74,513,152</u>	<u>10.22</u>
<u>Industrials</u>				
Singapore Tech Engineering Ltd	1,035,000	11,096,198	13,231,026	1.81
Venture Corp Ltd	288,000	15,555,739	13,485,010	1.85
	<u>1,323,000</u>	<u>26,651,937</u>	<u>26,716,036</u>	<u>3.66</u>
<u>TAIWAN</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Company Ltd	954,000	29,913,030	32,788,312	4.50

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 July 2019 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>UNITED STATES</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	78,186	53,623,281	55,831,592	7.66
Amazon.com Inc	4,303	29,976,089	33,136,043	4.54
Autohome Inc	17,846	6,528,689	6,258,771	0.86
Ctrip.com International Ltd	105,190	16,028,225	16,909,183	2.32
	<u>205,525</u>	<u>106,156,284</u>	<u>112,135,589</u>	<u>15.38</u>
<u>Technology</u>				
Adobe Inc	6,459	8,204,730	7,964,569	1.09
Alphabet Inc - Class C	3,489	15,684,694	17,514,856	2.40
Facebook Inc	32,835	23,686,781	26,311,029	3.61
Microsoft Corporation	34,197	15,835,600	19,221,620	2.64
	<u>76,980</u>	<u>63,411,805</u>	<u>71,012,074</u>	<u>9.74</u>
Total quoted equities - foreign	<u>38,287,977</u>	539,347,919	<u>600,375,443</u>	<u>82.34</u>
Accumulated unrealised gain on quoted equities - foreign		<u>61,027,524</u>		
Total quoted equities - foreign		<u>600,375,443</u>		

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 July 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>CHINA</u>				
<u>Consumer Goods</u>				
Midea Group Co Ltd	260,600	7,650,112	7,379,473	0.96
Sunwoda Electronic Co Ltd	1,095,200	8,028,566	5,753,049	0.75
	<u>1,355,800</u>	<u>15,678,678</u>	<u>13,132,522</u>	<u>1.71</u>
<u>Consumer Services</u>				
China Xinhua Education Group	4,310,000	8,408,179	8,348,237	1.09
<u>HONG KONG</u>				
<u>Consumer Goods</u>				
Nissin Foods Co Ltd	5,261,000	9,960,589	11,634,349	1.52
<u>Consumer Services</u>				
China Yuhua Education Corp Ltd	3,594,000	8,395,252	10,870,182	1.42
Galaxy Entertainment Group Ltd	254,000	8,460,151	8,294,013	1.08
	<u>3,848,000</u>	<u>16,855,403</u>	<u>19,164,195</u>	<u>2.50</u>
<u>Industrials</u>				
Anhui Conch Cement Co Ltd	394,000	9,098,663	10,253,643	1.34
China Resources Cement Holding	1,474,000	5,956,018	6,824,658	0.89
China State Const Int Holding Ltd	1,817,000	8,504,758	8,789,167	1.15
	<u>3,685,000</u>	<u>23,559,439</u>	<u>25,867,468</u>	<u>3.38</u>
<u>Finance</u>				
China Construction Bank Corp	8,488,000	31,373,562	31,211,140	4.07
Colour Life Services Group Co	2,000,000	8,842,011	8,358,906	1.09
Indust & Comm Bank of China	5,348,000	16,105,884	16,092,127	2.10
Longfor Group Holdings Ltd	1,375,000	16,810,777	15,702,081	2.05
Ping An Insurance Group Co China	999,500	38,665,113	37,658,386	4.91
Shimao Property Holdings Ltd	724,000	8,625,949	8,342,851	1.09
	<u>18,934,500</u>	<u>120,423,296</u>	<u>117,365,491</u>	<u>15.31</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 July 2018 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>HONG KONG (CONTINUED)</u>				
<u>Oil & Gas</u>				
Huaneng Renewables Corp Ltd	4,290,000	6,529,772	6,465,412	0.84
PetroChina Company Ltd	10,098,000	31,642,344	31,273,930	4.08
	14,388,000	38,172,116	37,739,342	4.92
<u>Technology</u>				
Chinasoft International Ltd	2,724,000	8,682,031	8,605,634	1.12
HKBN Ltd	3,119,500	14,431,767	19,645,563	2.56
Tencent Holdings Ltd	111,500	21,677,898	20,499,777	2.68
	5,955,000	44,791,696	48,750,974	6.36
<u>Utilities</u>				
Guangdong Investment Ltd	1,224,000	7,155,948	8,545,101	1.12
<u>INDONESIA</u>				
<u>Finance</u>				
Bank Mandiri Persero Tbk PT	2,121,000	3,877,707	3,977,511	0.52
<u>KOREA</u>				
<u>Consumer Goods</u>				
Hugel Inc	3,791	7,443,276	6,571,902	0.86
Samsung Electronics Co Ltd	104,144	15,318,118	14,468,101	1.89
- Pref Shares	107,935	22,761,394	21,040,003	2.75
<u>Technology</u>				
Eo Technics Co Ltd	29,465	8,870,482	6,838,379	0.89
SK Hynix Inc	25,672	8,738,061	8,037,349	1.05
	55,137	17,608,543	14,875,728	1.94

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 July 2018 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>INDIA</u>				
<u>Finance</u>				
Housing Development Finance	104,804	11,459,051	12,360,148	1.61
ICICI Prudential Life Insurance	360,000	8,773,672	8,904,251	1.16
Yes Bank Ltd	267,352	5,610,148	5,822,372	0.76
HDFC Asset Management Co Ltd	454,545	29,549,970	29,649,970	3.87
	<u>1,186,701</u>	<u>55,392,841</u>	<u>56,736,741</u>	<u>7.40</u>
<u>TAIWAN</u>				
<u>Industrials</u>				
Compeq Manufacturing Co Ltd	1,998,000	8,147,472	8,060,092	1.05
<u>Technology</u>				
Globalwafers Co Ltd	110,000	6,112,024	7,546,649	0.99
Parade Technologies Ltd	226,000	14,364,855	13,975,433	1.82
Taiwan Semiconductor Manufacturing Company Ltd	521,000	15,038,500	16,973,060	2.22
	<u>857,000</u>	<u>35,515,379</u>	<u>38,495,142</u>	<u>5.03</u>
<u>SINGAPORE</u>				
<u>Financials</u>				
DBS Group Holdings Ltd	299,959	23,021,051	23,948,142	3.13
<u>Consumer Services</u>				
Sheng Siong Group Ltd	81,100	249,987	256,574	0.03
<u>Real Estate</u>				
CDL Hospitality Trusts	1,320,700	6,604,041	6,385,653	0.83
Frasers Logistic & Indus Trust	4,060,450	12,033,607	12,724,760	1.66
Mapletree Greater China	4,431,000	13,848,222	15,076,229	1.97
	<u>9,812,150</u>	<u>32,485,870</u>	<u>34,186,642</u>	<u>4.46</u>

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 July 2018 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>UNITED STATES</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	48,196	32,893,130	36,663,267	4.79
<u>Technology</u>				
Facebook Inc	13,089	9,459,158	9,181,297	1.20
YY Inc Depositary Receipt	25,293	11,615,870	9,581,277	1.25
	38,382	21,075,028	18,762,574	2.45
Total quoted equities - foreign	<u>75,566,860</u>	<u>538,033,746</u>	<u>547,550,095</u>	<u>71.46</u>
Accumulated unrealised gain on quoted equities - foreign		<u>9,516,349</u>		
Total quoted equities - foreign		<u>547,550,095</u>		

(c) Exchange-traded funds – foreign

(i) There is no investment in exchange-traded funds – foreign as at 31 July 2019.

(ii) Exchange-traded funds – foreign as at 31 July 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Samsung Kodex KOSDAQ150 Inv	645,520	14,898,605	16,235,861	2.12
	<u>645,520</u>	<u>14,898,605</u>	<u>16,235,861</u>	<u>2.12</u>
Accumulated unrealised gain on exchange-traded funds – foreign		<u>1,337,256</u>		
Total exchange-traded funds – foreign		<u>16,235,861</u>		

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

8 CASH AND CASH EQUIVALENTS

	<u>2019</u> RM	<u>2018</u> RM
Cash and bank balances	49,688,279	138,891,128
Deposits with a licensed financial institution	741,431	79,044,284
	<u>50,429,710</u>	<u>217,935,412</u>

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

	<u>2019</u> %	<u>2018</u> %
Deposits with a licensed financial institution	<u>3.00</u>	<u>3.40</u>

Deposits with a licensed financial institution of the Fund have an average of 1 day (2018: 9 days).

9 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 2 (2018:2) forward foreign currency contract outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM110,567,710 (2018: RM134,454,261). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign securities denominated in United States Dollar and Korea Won. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

10 NUMBER OF UNIT IN CIRCULATION

(a) MYR class units in circulation

	<u>2019</u> No. of units	<u>2018</u> No. of units
At the beginning of the financial period	1,144,567,000	863,871,000
Creation of units arising from applications during the financial period	21,481,000	249,988,000
Cancellation of units during the financial period	<u>(157,891,000)</u>	<u>(43,894,000)</u>
At the end of the financial period	<u>1,008,157,000</u>	<u>1,069,965,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

10 NUMBER OF UNIT IN CIRCULATION (CONTINUED)

(b) AUD class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	570,000	-
Creation of units arising from applications during the financial period	69,000	1,000
At the end of the financial period	<u>639,000</u>	<u>1,000</u>

(c) GBP class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	81,000	-
Creation of units arising from applications during the financial period	29,000	1,000
Cancellation of units during the financial period	(69,000)	-
At the end of the financial period	<u>41,000</u>	<u>1,000</u>

(d) SGD class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	2,987,000	-
Creation of units arising from applications during the financial period	-	1,000
At the end of the financial period	<u>2,987,000</u>	<u>1,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)**

10 NUMBER OF UNIT IN CIRCULATION (CONTINUED)

(e) USD class units in circulation

	<u>2019</u> No. of units	<u>2018</u> No. of units
At the beginning of the financial period	273,000	-
Creation of units arising from applications during the financial period	-	1,000
Cancellation of units during the financial period	(271,000)	-
At the end of the financial period	<u>2,000</u>	<u>1,000</u>

11 TRANSACTIONS WITH BROKERS

(a) Detail of transactions with the top 10 brokers for the 6 months financial period ended 31 July 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
China Intl Capital Corp HK Sec Ltd	282,524,062	19.45	290,044	14.17
CLSA Ltd	224,239,196	15.44	171,908	8.40
Macquarie Bank Ltd Hong Kong	197,862,265	13.62	100,984	4.94
Citigroup Global Mkts Ltd	100,982,777	6.95	201,966	9.87
Robert W. Baird & Co. Inc. Ny	72,395,260	4.99	30,619	1.50
UOB Kay Hian Pte Ltd	58,366,593	4.02	145,916	7.13
Daiwa Securities Co Ltd	44,367,604	3.06	110,919	5.42
CCB International Securities Ltd	44,251,720	3.05	110,629	5.41
Morgan Stanley And Co. International Plc	43,316,543	2.98	86,633	4.23
CIMB-Gk Securities Pte Ltd	41,846,184	2.88	56,916	2.78
Other	342,176,111	23.56	739,747	36.15
	<u>1,452,328,315</u>	<u>100.00</u>	<u>2,046,281</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

11 TRANSACTIONS WITH BROKERS (CONTINUED)

(a) Detail of transactions with the top 10 brokers for the 6 months financial period ended 31 July 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
CLSA Ltd	274,055,279	11.33	615,729	11.04
China Intl Capital Corp				
HK Securities Ltd	192,968,404	7.98	416,624	7.47
Citigroup Global Mkts Ltd London	172,802,278	7.14	394,818	7.08
JP Morgan Securities				
(Asia Pac) Ltd HK	141,362,015	5.84	289,207	5.18
Daiwa Securities Co Ltd, Seoul	141,144,279	5.84	352,860	6.33
CCB International Securities Ltd	140,288,315	5.80	350,721	6.29
Instinet Pacific Ltd	127,487,149	5.27	320,045	5.74
Kim Eng Securities				
(Hong Kong) Ltd	101,295,718	4.19	253,239	4.54
Macquarie Bank Ltd Hong Kong	97,573,758	4.03	242,117	4.34
UOB Kay Hian Pte Ltd	87,968,121	3.64	219,920	3.94
Other	941,702,123	38.94	2,122,060	38.05
	<u>2,418,647,439</u>	<u>100.00</u>	<u>5,577,340</u>	<u>100.00</u>

Included in transactions with brokers are trades conducted on normal terms in the stock broking industry with Affin Hwang Investment Bank Bhd, the holding company of the Manager amounting RM Nil (2018: RM13,067,396). The Manager is of the opinion that all transactions with the related companies have been entered in the normal course of business as agreed terms between the related party.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

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

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

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

The number of units held by the Manager and party related to the Manager as follows:

	<u>2019</u>		<u>2018</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- MYR class	382,023	274,254	2,502,121	1,792,019
- AUD class	2,411	3,615	1,000	1,492
- GBP class	2,211	5,875	1,000	2,646
- SGD class	1,707	2,549	1,000	1,484
- USD class	2,000	3,498	1,000	2,028

Parties related to the Manager

Director of Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- MYR class	2,307,284	1,656,399	1,701,070	1,218,306

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended <u>31.7.2019</u> %	6 months financial period ended <u>31.7.2018</u> %
MER	<u>0.80</u>	<u>0.85</u>

MER is derived from the following calculation:

MER	=	$\frac{(A + B + C + D + E) \times 100}{F}$
A	=	Management fee, excluding management fee rebate
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding goods and service tax on transaction cost 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 RM772,228,518 (2018: RM709,862,188).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended <u>31.7.2019</u>	6 months financial period ended <u>31.7.2018</u>
PTR (times)	<u>0.94</u>	<u>1.69</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 = RM674,126,985 (2018: RM1,216,840,938)
total disposal for the financial period = RM772,002,423 (2018: RM1,188,075,491)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019 (CONTINUED)

15 SEGMENT INFORMATION

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

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

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in the value of investments and are derived from quoted equities in China, Hong Kong, India, Indonesia, Korea, Taiwan, Singapore, Malaysia and United States.

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

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

AFFIN HWANG SELECT ASIA (EX JAPAN) OPPORTUNITY FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 39 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 July 2019 and of its financial performance, net assets attributable to unitholders and cash flows for the financial period ended 31 July 2019 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/ MANAGING DIRECTOR

Kuala Lumpur
11 September 2019

DIRECTORY OF SALES OFFICE

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