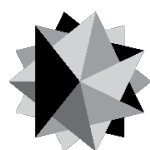


# Affin Hwang Perwira Fund

Interim Report  
31 October 2020

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
TMF Trustees Malaysia Berhad (610812-W)

# AFFIN HWANG PERWIRA FUND

## Interim Report and Unaudited Financial Statements For the Financial Period From 12 December 2019 (Date of Launch) To 31 October 2020

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DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	Affin Hwang Perwira Fund
Fund Type	Income & Growth
Fund Category	Mixed Asset
Investment Objective	The Fund seeks to provide investor with a consistent income stream, while achieving long-term capital appreciation
Benchmark	6.0% per annum
Distribution Policy	Subject to the availability of income, the Fund will provide Unit Holders with annual income distribution by way of reinvestment in the form of additional Units

## BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 31 OCTOBER 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	31,918	48,911
5,001 to 10,000	9,070	68,696
10,001 to 50,000	48,967	1,215,544
50,001 to 500,000	3,306	233,755
500,001 and above	0	0
<b>Total</b>	<b>93,261</b>	<b>1,566,906</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 31 Oct 2020 (%)
Portfolio composition	
Collective investment schemes – local	100.00
Cash & cash equivalent	-
<b>Total</b>	<b>100.00</b>
Total NAV (RM'million)	888.746
NAV per Unit (RM)	0.5672
Unit in Circulation (million)	1,566.908
Highest NAV	0.5763
Lowest NAV	0.4722
Return of the Fund (%) <sup>iii</sup>	13.44
- Capital Growth (%) <sup>i</sup>	13.44
- Income Distribution (%) <sup>ii</sup>	Nil
Gross Distribution per Unit (sen)	Nil
Net Distribution per Unit (sen)	Nil
Management Expense Ratio (%)	1.39
Portfolio Turnover Ratio (times)	0.81

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

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

An illustration of the above would be as follow:-

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

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial period ended 31 October 2020.

### Performance Review

For the period 13 December 2019 to 31 October 2020, the Fund registered a return of 13.44%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2020 was RM0.5672 while the initial NAV per unit was RM0.5000. The Benchmark for the period registered a return of 5.31%. The Fund outperformed the Benchmark by 8.13%.

Table 1: Performance of the Fund

	Since Commencement (13/12/19 - 31/10/20)
<b>Fund</b>	<b>13.44%</b>
<b>Benchmark</b>	<b>5.31%</b>
<b>Outperformance</b>	<b>8.13%</b>

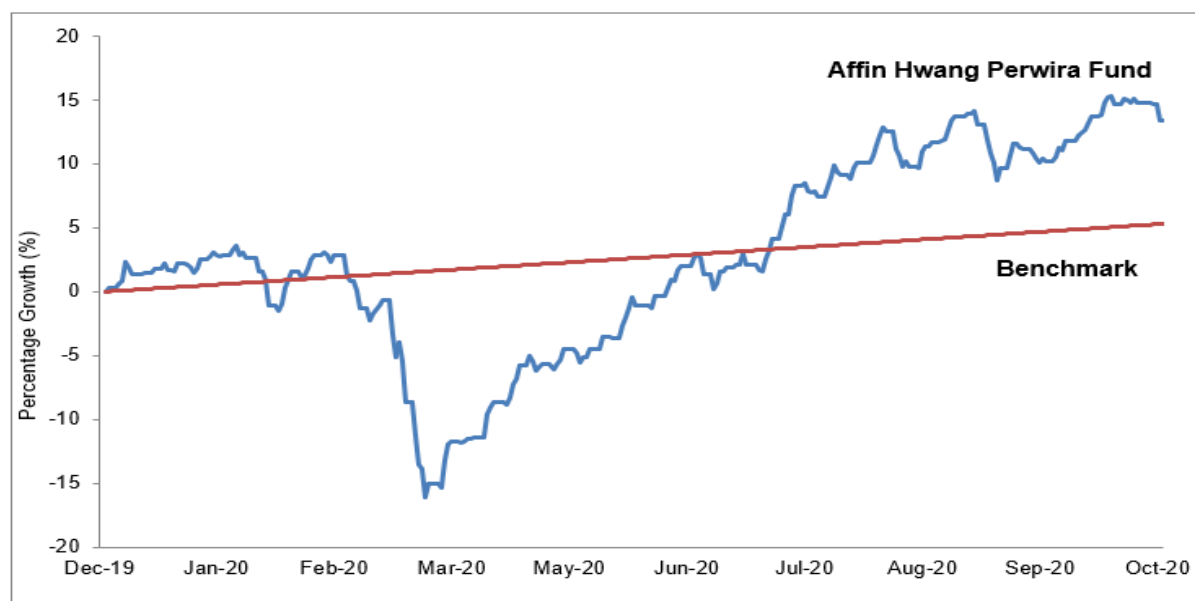
Table 2: Average Total Return

	Since Commencement (13/12/19 - 31/10/20)
<b>Fund</b>	<b>13.44%</b>
<b>Benchmark</b>	<b>5.31%</b>
<b>Outperformance</b>	<b>8.13%</b>

Table 3: Annual Total Return

N/A

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



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

Benchmark: 6.0% per annum

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

## **Asset Allocation**

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

As at 31 October 2020, the Fund's exposure into the collective investment scheme stood at 100.00% of the Fund's NAV.

## **Strategies Employed**

The Manager continues to hold the flexibility to invest into a range of asset classes depending on the prevailing market conditions. Over the period under review, the Fund was fully invested into collective investment schemes.

## **Market Review**

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The World Health Organization declared a global health emergency as soon as the coronavirus outbreak has claimed the lives of at least 300 people with rates of infection rapidly increasing. The global equities trended lower as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows.

Coming into March, the global markets faced a washout, as few asset classes were spared from the selloff due to the pandemic fears as infection rates continue to escalate rapidly. The MSCI Asia ex-Japan index closed 12.2% lower in the month. In the US, the S&P 500 index closed 12.5% lower that month. In an attempt to stem the fallout from the coronavirus, major economies led by the US has introduced an unprecedented relief package to cushion its economy. The relief package comes as the US also reports the most number of Covid-19 cases, making it the country with the largest outbreak in the world surpassing that of Italy and China.

However, global equities staged a rebound in April as markets looked past recent softness in economic data and were instead buoyed by stimulus optimism as well as encouraging developments on the COVID-19 front. The rally was fuelled by a volley of stimulus measures rolled out by major central banks including an expansion package by the US Federal Reserve and the European Union (EU). The S&P 500 index advanced since; while positive effects were also felt in Asia in which the Hong Kong Hang Seng and the broader MSCI Asia ex-Japan index rose by 4.4% and 8.9% respectively.

The US unveiled its Main Street Lending Program which is designed to provide support and ensure credit flow into SMEs that were in "good financial standing". Similarly, the EU proposed a European Stability Mechanism ("ESM") which offers a credit line of up to 240 billion Euros to EU members.

Tensions between the two global powerhouse rose recently after China ordered the US to close its Chengdu-based consulate. The order followed the US closure of the Chinese consulate in Houston. On the other hand, remarks by US President Donald Trump that he will move to ban Chinese-owned video app TikTok in the US also added fuel to this fire.

On commodities, crude oil prices slid by about 40% YTD as at end of October, after oil prices rebounded in June following a move by Organization of the Petroleum Exporting Countries ("OPEC") and its oil-producing allies to extend the group's historic production cut.

On the domestic front, the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Malaysia's economy posted a smaller contraction of 2.7 per cent in the third quarter (3Q) of 2020, surpassing consensus estimate of -4.6 per cent, as well as the Gross Domestic Product (GDP) contraction of 17.1 per cent in 2Q, supported by improvements in all sectors.

Prime Minister Tan Sri Muhyiddin Yassin unveiled a RM250 billion economic stimulus package to soften the economic blow due to the impact of Covid-19 with businesses shuttered due to the movement control order (MCO). Called the Pakej Rangsangan Ekonomi Prihatin Rakyat or Prihatin, the package comprises RM128 billion to protect the welfare of the people, RM100 billion to protect the welfare of small and medium enterprises (“SMEs”) and RM2 billion to strengthen the country’s economy according to The Edge. This was on top of the RM20 billion stimulus that was earlier announced on 27 February.

Whilst RM250 billion seems like a massive amount on the surface, the actual fiscal spending outlay amounts to 10.0% or RM25billion. The rest of the relief package comes in the form of loan guarantees, moratorium in loan repayments, EPF withdrawals, among others. In April, Prime Minister had announced an additional RM10billion package to help SMEs cope during the pandemic.

Recent placement exercises by Tenaga Nasional Bhd (“TNB”) and Serba Dinamik Holdings Bhd point to strong appetite. Khazanah raised RM1 billion from TNB placement (3x oversubscribed) while Serba Dinamik raised RM456.7 million (1.5x oversubscribed). We could see more placement exercises in the market with ample liquidity on the side-lines as most funds are sitting on decent amounts of cash.

The Malaysia bond market treaded quietly for the most part of October as investors opted to stay on the side lines ahead of the several risk events lined-up, including BNM’s monetary policy committee (“MPC”) meeting as well as the tabling of the Malaysia Budget 2021. It was also quiet in terms of supply pipeline, though several new issuances are expected to roll out in the coming weeks.

## **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers’ confidence return following the low death rates despite the rise in infections. The accelerated efforts to shorten the timeline for a successful vaccine inoculation also lessened market’s response towards increasing infection rates. Economic restarts have since moved at different paces between countries, each depending on their own ways of dealing with Covid-19.

A Biden presidency may be positive for the Asian stock markets. Biden prides himself as one who respects international laws, supporting more coordinated foreign policies. Trade tensions might ease, with technology sector equities and high-yield credits benefitting provided the ongoing Huawei and TikTok issues can be solved amicably. Biden’s clean energy revolution plan could also revitalise US’ energy sector and create more well-paying jobs, further boosting US economy. Considering that the World Trade Organisation (“WTO”) has recently ruled Trump’s China tariff as illegal, Biden may also consider reducing or removing tariffs on China imports.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe’s continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe’s exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

On the other hand, recent alarming increase in Covid-19 cases caused targeted lockdowns in Malaysia, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. gloves, electromotive force and technology stocks. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

Inflows into global equity funds surge past US\$100 billion in the last 3 weeks of November as investors continue to pile into equities with markets turning risk-on. Buoyed by a “Goldilocks” environment with a favourable US election outcome, low interest rates and positive developments on the vaccine front, we could see additional support for risk assets.

Earnings momentum is expected to continue into 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages.

### **State of Affairs of the Fund**

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

### **Soft Commissions received from Brokers**

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

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

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

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.



## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG PERWIRA FUND**

We have acted as Trustee of Affin Hwang Perwira Fund ("the Fund") for the financial period ended 31 October 2020. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the Fund in accordance with the following:-

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

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

**NORHAYATI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
11<sup>th</sup> December 2020

**AFFIN HWANG PERWIRA FUND**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH)  
TO 31 OCTOBER 2020**

# **AFFIN HWANG PERWIRA FUND**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH)  
TO 31 OCTOBER 2020**

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## AFFIN HWANG PERWIRA FUND

### UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020

	<u>Note</u>	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
<b>INVESTMENT INCOME</b>		
Dividend income		20,947,820
Interest income from financial assets at amortised cost		4,901
Net gain on financial assets at fair value through profit or loss	7	101,674,019
		<u>122,626,740</u>
<b>EXPENSES</b>		
Management fee	4	(11,412,745)
Trustee fee	5	(456,838)
Auditors' remuneration		(5,774)
Tax agent's fee		(2,245)
Other expenses		(5,746)
		<u>(11,883,348)</u>
<b>NET PROFIT BEFORE TAXATION</b>		110,743,392
Taxation	6	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u><u>110,743,392</u></u>
Net profit after taxation is made up of the following:		
Realised amount		17,623,293
Unrealised amount		93,120,099
		<u><u>110,743,392</u></u>

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

## AFFIN HWANG PERWIRA FUND

### UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2020

	<u>Note</u>	<u>2020</u> RM
<b>ASSETS</b>		
Cash and cash equivalents		5,983
Amount due from brokers		1,375,000
Amount due from Manager		
- management fee rebate receivables		1,053,120
Financial assets at fair value through profit or loss	7	888,706,803
<b>TOTAL ASSETS</b>		<u>891,140,906</u>
<b>LIABILITIES</b>		
Amount due to Manager		
- management fee		1,142,318
- cancellation of units		1,194,880
Amount due to Trustee		45,693
Auditors' remuneration		5,774
Tax agent's fee		2,245
Other payable and accruals		4,490
<b>TOTAL LIABILITIES</b>		<u>2,395,400</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>888,745,506</u>
<b>EQUITY</b>		
Unitholders' capital		778,002,114
Retained earnings		110,743,392
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>888,745,506</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>1,566,908,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5672</u>

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

## AFFIN HWANG PERWIRA FUND

### UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 12 December 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	110,743,392	110,743,392
Movement in unitholders' capital:			
Creation of units arising from applications	860,603,506	-	860,603,506
Cancellation of units	(82,601,392)	-	(82,601,392)
Balance as at 31 October 2020	<u>778,002,114</u>	<u>110,743,392</u>	<u>888,745,506</u>

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

## AFFIN HWANG PERWIRA FUND

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020

Financial  
period from  
12.12.2019  
(date of  
launch) to  
31.10.2020  
RM

#### CASH FLOWS FROM OPERATING ACTIVITIES

Proceeds from sale of investments	288,277,851
Purchase of investments	(1,087,501,349)
Dividends received	20,947,820
Interest received	4,901
Management fee rebate received	9,762,594
Management fee paid	(10,270,427)
Trustee fee paid	(411,145)
Payment for other fees and expenses	(1,256)
Net cash used in operating activities	<u>(779,191,011)</u>

#### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	860,603,506
Payments for cancellation of units	(81,406,512)
Net cash generated from financing activities	<u>779,196,994</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 5,983

**CASH AND CASH EQUIVALENTS AT THE  
DATE OF LAUNCH**

-

**CASH AND CASH EQUIVALENTS AT THE  
END OF THE FINANCIAL PERIOD**

5,983

Cash and cash equivalents as at 31 October 2020 comprise of bank balances.

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

## AFFIN HWANG PERWIRA FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020

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

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of 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 I.

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

- IC Interpretation 23 ‘Uncertainty over Income Tax Treatments’ (effective 1 January 2019)
- Annual Improvements to MFRSs 2015 – 2017 Cycle (effective 1 January 2019)

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

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

- Amendments to MFRS 3 ‘Definition of a Business’ (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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



## AFFIN HWANG PERWIRA FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### B INCOME RECOGNITION

##### Dividend income

Dividend income for financial asset at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### Interest income

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

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

##### Realised gains and losses on sale of investments

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

#### C TAXATION

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

Withholding taxes on investment income from investment which are not "income tax" in nature are recognised and measured based on the requirements of MFRS 137. They are presented within the other expenses line in the statement of comprehensive income.

#### D FUNCTIONAL AND PRESENTATION CURRENCY

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

#### E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

## AFFIN HWANG PERWIRA FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (i) Classification (continued)

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 and CIS as fair value through other comprehensive income.

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

##### (ii) Recognition and measurement

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

Financial liabilities, within the scope of MFRS 9 are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

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

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

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

## AFFIN HWANG PERWIRA FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (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

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

##### Quantitative criteria:

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

##### Qualitative criteria:

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

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

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

##### Write-off

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

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

## **AFFIN HWANG PERWIRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)**

#### **F CASH AND CASH EQUIVALENTS**

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

#### **G UNITHOLDERS' CAPITAL**

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

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

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

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

#### **H AMOUNTS DUE FROM/(TO) BROKERS**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from broker balance is held for collection. Refer to Note E for accounting policy on recognition and measurement.

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

#### **I CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commissions's ("SC") Guidelines on Unit Trust Funds.

## **AFFIN HWANG PERWIRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)**

#### **J REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

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

## **AFFIN HWANG PERWIRA FUND**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020**

#### **1 INFORMATION ON THE FUND**

The Wholesale Fund was constituted under the name Affin Hwang Perwira Fund (the “Fund”) pursuant to the execution of a Deed dated 10 June 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 12 December 2019 and will continue its operations until terminated by the Trustee as provided under Division 12.3 of the Deed.

The Fund may invest in any of the following assets:

- (a) Equities
- (b) Equity-linked instruments;
- (c) Debentures;
- (d) Money market instruments;
- (e) Deposits;
- (f) Derivatives;
- (g) Units or shares in collective investment schemes; and
- (h) Any other form of investments as may be permitted by the SC from time to time which are in line with objective of the Fund .

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

The main objective of the Fund is to provide investor with a consistent income stream, while achieving long-term capital appreciation.

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

The financial statements were authorised for issue by the Manager on 11 December 2020.

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

<u>2020</u>	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>Financial assets</u>				
Cash and cash equivalents	8	5,983	-	5,983
Amount due from brokers		1,375,000	-	1,375,000
Amount due from Manager - management fee rebate receivable		1,053,120	-	1,053,120
Collective investment scheme	7	-	888,706,803	888,706,803
Total		<u>2,434,103</u>	<u>888,706,803</u>	<u>891,140,906</u>
<u>Financial liabilities</u>				
Amount due to Manager - management fee		1,142,318	-	1,142,318
- cancellation of units		1,194,880	-	1,194,880
Amount due to Trustee		45,693	-	45,693
Auditors' remuneration		5,774	-	5,774
Tax agent's fee		2,245	-	2,245
Other payables and accruals		4,490	-	4,490
Total		<u>2,395,400</u>	<u>-</u>	<u>2,395,400</u>

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

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (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>2020</u> RM
<b>Quoted investment</b>	
Collective investment scheme	888,706,803

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% and decreased by 10% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the CIS, 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>2020</u>		
-10%	799,836,123	(88,870,680)
0%	888,706,803	-
+10%	977,577,483	88,870,680

##### (b) Interest rate risk

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

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

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



## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (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. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders, liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2020</u>			
Amount due to Manager			
- management fee	1,142,318	-	1,142,318
- cancellation of units	1,194,880	-	1,194,880
Amount due to Trustee	45,693	-	45,693
Auditors' remuneration	-	5,774	5,774
Tax agent fee	-	2,245	2,245
Other payables and accruals	-	4,490	4,490
	<u>2,382,891</u>	<u>12,509</u>	<u>2,395,400</u>

##### Credit risk

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

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

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

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

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

##### Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from Manager RM	Amount due from broker RM	Total RM
<u>2020</u>				
Financials				
- AAA	5,983	-	-	5,983
Others				
- NR	-	1,053,120	1,375,000	2,428,120
	<u>5,983</u>	<u>1,053,120</u>	<u>1,375,000</u>	<u>2,434,103</u>

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah compliant 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 financial period end date.

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

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

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss - collective investment scheme	888,706,803	-	-	888,706,803

Investment whose value is based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for this instrument.

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

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the Net Asset Value (“NAV”) of the Fund calculated on a daily basis.

For the financial period from 12 December 2019 (date of launch) to 31 October 2020, management fee is recognised at a rate of 1.50% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund’s Prospectus.

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

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the Net Asset Value (NAV) of the Fund, excluding foreign custodian fees and charges.

For the financial period from 12 December 2019 (date of launch) to 31 October 2020, the Trustee fee is recognised at a rate of 0.06% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund’s Prospectus.

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

#### 6 TAXATION

	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
Current taxation	-

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 6 TAXATION (CONTINUED)

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

	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
Net profit before taxation	110,743,392
Tax at Malaysian statutory rate of 24%	26,578,414
Tax effects of:	
Investment income not subject to tax	(29,430,417)
Expenses not deductible for tax purposes	110,481
Restriction on tax deduction expenses for Unit Trust Funds	2,741,522
Tax expense	-

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
Financial assets at fair value through profit or loss:	
- collective investment scheme – local	888,706,803
Net gain on financial assets at fair value through profit or loss	
- realised loss on sale of investments	(2,261,794)
- unrealised gain on change in fair value	93,120,099
- management fee rebate on collective investment scheme#	10,815,714
	<u>101,674,019</u>

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

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

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

(a) Collective investment schemes – local

(i) Collective investment schemes – local as at 31 October 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Asia (ex Japan) Growth Fund	145,395,613	93,452,222	110,951,392	12.48
Affin Hwang Aiiman Growth Fund	41,584,406	43,103,637	51,348,425	5.78
Affin Hwang Aiiman Income Plus Fund	80,116,182	49,379,404	49,471,743	5.57
Affin Hwang Aiiman Quantum Fund (formerly known as Affin Hwang Aiiman Equity Fund)	38,735,842	17,655,797	20,103,902	2.26
Affin Hwang Bond Fund	257,677,915	157,149,607	159,657,236	17.97
Affin Hwang Equity Fund	36,350,210	19,509,158	21,871,921	2.46
Affin Hwang Growth Fund	322,183,400	94,009,965	101,101,151	11.38
Affin Hwang Principled Growth Fund	222,774,527	66,854,635	75,008,183	8.44
Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund	394,872,578	250,272,279	294,377,507	33.12
Aiiman Asia Pacific (ex-Japan) Dividend Fund	8,075,370	4,200,000	4,815,343	0.54
Total collective investment scheme – local	<u>1,547,766,043</u>	<u>795,586,704</u>	<u>888,706,803</u>	<u>100.00</u>
Accumulated unrealised gain on collective investment scheme – local		<u>93,120,099</u>		
Total collective investment scheme – local		<u>888,706,803</u>		

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 8 NUMBER OF UNITS IN CIRCULATION

	<u>2020</u> No. of units
At the date of launch	-
Creation of units arising from applications	1,721,207,000
Cancellation of units	<u>(154,299,000)</u>
At the end of the financial period	<u><u>1,566,908,000</u></u>

#### 9 TRANSACTIONS WITH BROKER

(i) Details of transaction with the dealers for the financial period from 12 December 2019 (date of launch) to 31 October 2020 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Affin Hwang Asset Management Berhad	<u>495,604,108</u>	<u>100.00</u>

Included in transactions with broker are trades conducted with Affin Hwang Asset Management Bhd, the Manager amounting to RM495,604,108. The Manager is of the opinion that all the transactions have been entered into in the normal course of business at agreed terms between the related parties.

#### 10 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

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

## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 10 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

	<u>2020</u>
	No. of units
	RM
<u>The Manager:</u>	
Affin Hwang Asset Management Berhad (the units are held legally for booking purposes)	2,282
	<u>1,294</u>

#### 11 MANAGEMENT EXPENSE RATIO ("MER")

	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
MER	<u>1.39</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period from 12 December 2019 (date of launch) to 31 October 2020 calculated on a daily basis is RM856,028,558.



## AFFIN HWANG PERWIRA FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 12 DECEMBER 2019 (DATE OF LAUNCH) TO 31 OCTOBER 2020 (CONTINUED)

#### 12 PORTFOLIO TURNOVER RATIO (“PTR”)

Financial  
period from  
12.12.2019  
(date of  
launch) to  
31.10.2020  
RM

PTR (times)

0.81

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 = RM1,087,501,349

total disposal for the financial period = RM291,914,645

#### 13 COMPARATIVES

There are no comparative figures as this is the first set of unaudited interim financial statements prepared since the launch of the Fund.

#### 14 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

## **AFFIN HWANG PERWIRA FUND**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 22 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2020 and of its financial performance, net assets attributable to unitholders and cash flows for the financial period From 12 December 2019 (date of launch) to 31 October 2020 in accordance with the Malaysia Financial Reporting Standards, 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 December 2020

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

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