

Affin Hwang

Select Cash Fund

Interim Report
31 May 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
HSBC (Malaysia) Trustee Berhad
193701000084 (001281T)

AFFIN HWANG SELECT CASH FUND

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

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FUND INFORMATION

Fund Name	Affin Hwang Select Cash Fund
Fund Type	Income
Fund Category	Money Market
Investment Objective	The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation
Benchmark	The performance benchmark of the Fund is the Maybank Overnight Repo Rate
Distribution Policy	The Fund endeavours to distribute income on a monthly basis

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

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	49	66
5,001 to 10,000	14	107
10,001 to 50,000	37	945
50,001 to 500,000	111	22,066
500,001 and above	206	2,051,354
Total	417	2,074,538

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 May 2021 (%)	As at 31 May 2020 (%)	As at 31 May 2019 (%)
Portfolio Composition			
Unquoted fixed income securities – local			
- Bonds	38.04	33.03	21.26
- Commercial papers	5.70	13.74	4.58
Total unquoted fixed income securities – local	43.74	46.77	25.84
Cash & cash equivalent	56.26	53.23	74.16
Total	100.00	100.00	100.00
Total NAV (RM'million)	2,189.246	2,238.855	1,936.711
NAV per Unit (RM)	1.0553	1.0538	1.0524
Unit in Circulation (million)	2,074.541	2,124.506	1,840.356
Highest NAV	1.0560	1.0554	1.0527
Lowest NAV	1.0539	1.0531	1.0485
Return of the fund ⁱⁱⁱ (%)	1.01	1.57	1.85
- Capital Return ⁱ (%)	0.10	-0.04	0.37
- Income Return ⁱⁱ (%)	0.90	1.57	1.48
Gross Distribution per Unit (sen)	0.95	1.68	1.54
Net Distribution per Unit (sen)	0.95	1.68	1.54
Management Expense Ratio (%) ¹	0.17	0.27	0.26
Portfolio Turnover Ratio (times) ²	0.39	0.39	0.28

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

¹ The Fund's MER was lower than previous year due to lower expenses incurred by the Fund during the financial period.

² The Fund's PTR was unchanged during the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

The Net Asset Value per Unit prior and subsequent to the distributions was as follows:

Cum-Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
08-Dec-20	09-Dec-20	1.0547	0.0008	1.0539
22-Dec-20	23-Dec-20	1.0547	0.0008	1.0540
12-Jan-21	13-Jan-21	1.0552	0.0008	1.0545
26-Jan-21	27-Jan-21	1.0553	0.0008	1.0545
09-Feb-21	10-Feb-21	1.0553	0.0008	1.0546
23-Feb-21	24-Feb-21	1.0554	0.0008	1.0546
09-Mar-21	10-Mar-21	1.0549	0.0008	1.0541
23-Mar-21	24-Mar-21	1.0547	0.0007	1.0541
13-Apr-21	14-Apr-21	1.0553	0.0008	1.0546
27-Apr-21	28-Apr-21	1.0555	0.0008	1.0548
16-May-21	17-May-21	1.0560	0.0008	1.0552
26-May-21	27-May-21	1.0558	0.0008	1.0551

No unit split was declared for the financial period ended 31 May 2021.

Performance Review

For the period 1 December 2020 to 31 May 2021, the Fund registered a 1.01% return compared to the benchmark return of 0.12%. The Fund thus outperformed the Benchmark by 0.89%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2021 was RM1.0553 while the NAV as at 30 November 2020 was RM1.0542. During the period under review, the Fund has declared a total gross income distribution of RM0.0095 per unit.

Since commencement, the Fund has registered a return of 65.58% compared to the benchmark return of 31.79%, outperforming by 33.79%. The fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/12/20 - 31/5/21)	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (6/4/05 - 31/5/21)
Fund	1.01%	2.17%	9.50%	17.30%	65.58%
Benchmark	0.12%	0.28%	3.57%	7.31%	31.79%
Outperformance	0.89%	1.89%	5.93%	9.99%	33.79%

Source of Benchmark: Maybank

Table 2: Average Total Return

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (6/4/05 - 31/5/21)
Fund	2.17%	3.07%	3.24%	3.17%
Benchmark	0.28%	1.18%	1.42%	1.72%
Outperformance	1.89%	1.89%	1.82%	1.45%

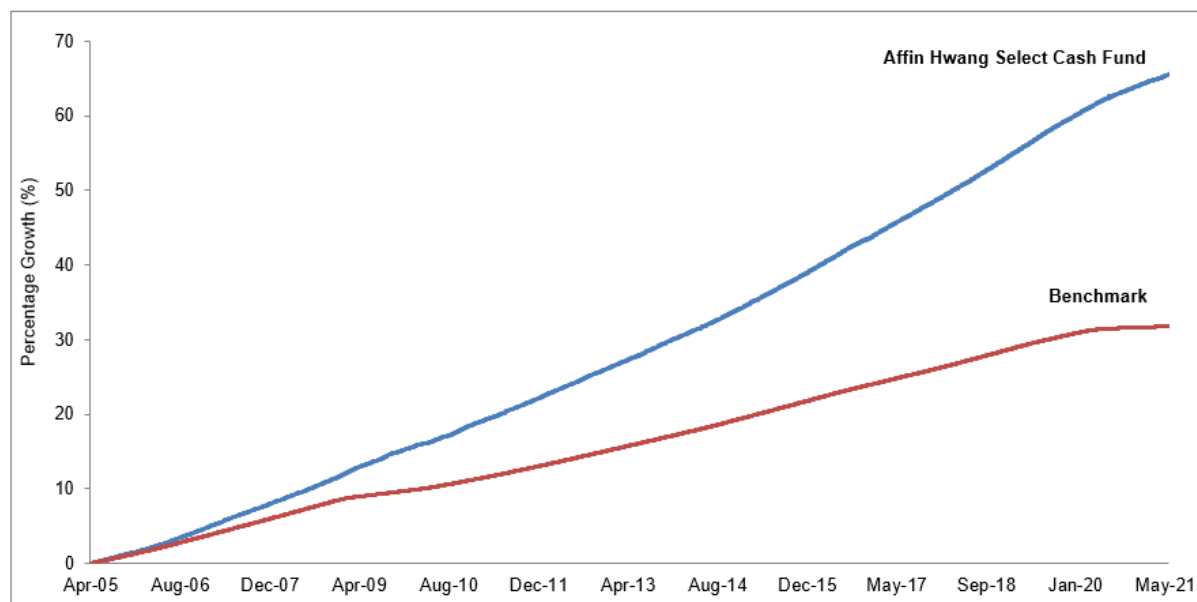
Source of Benchmark: Maybank

Table 3: Annual Total Return

	FYE 2020 (1/12/19 - 30/11/20)	FYE 2019 (1/12/18 - 30/11/19)	FYE 2018 (1/12/17 - 30/11/18)	FYE 2017 (1/12/16 - 30/11/17)	FYE 2016 (1/12/15 - 30/11/16)
Fund	2.73%	3.61%	3.61%	3.53%	3.60%
Benchmark	0.73%	1.73%	1.87%	1.75%	1.91%
Outperformance	2.00%	1.88%	1.74%	1.78%	1.69%

Source of Benchmark: Maybank

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



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

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

Asset Allocation

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

As at 31 May 2021, the asset allocation of the Fund stood at 43.74% of the Fund's NAV in fixed income instruments while the balance was held in cash and cash equivalent. During the period under review, allocation to commercial papers was reduced and bonds were increased. Overall, cash level of the Fund increased slightly to 56.26%.

Strategies Employed

Over the period under review, the Fund has generally maintained a higher exposure into money market placements in order to maintain high liquidity to meet investors' cash flow requirements. Additionally, the Manager also held on some exposure into short-term commercial papers to enhance portfolio yield.

Market Review

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

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. The S&P 500 index rose 4.4% higher as the latest US labour data showed signs of a rebound. In Asia, the MSCI Asia ex-Japan index fell 2.5% as increased regulatory scrutiny prompted a selloff in Chinese technology stocks. The Hong Kong Hang Seng index dropped 1.8% in March. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Earnings season continues with technology and banking stocks leading way in terms of results. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

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

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 14.15% in the quarter. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

In February and March, the local equity market's performance was muted relative to regional peers, gaining by 0.8% and 1.0% in the respective months. February was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. Meanwhile, Finance Minister Tengku Zafrul clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government is mulling new taxes to widen its revenue base once the economy is on a more stable footing.

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

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

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan (“NRP”), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed’s meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia’s GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

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

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate (“OPR”) to cushion the economic impact of COVID-19. Malaysia’s inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise 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. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

Cross trade transactions have been carried out during the reported period and the Investment Committee of the Fund has reviewed that such transaction are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT CASH FUND

We have acted as Trustee of Affin Hwang Select Cash Fund ("the Fund") for the financial period ended 31 May 2021. 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.

During this financial period, a total distribution of 0.95 sen per unit (gross) has been distributed to the unitholders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 July 2021

AFFIN HWANG SELECT CASH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

AFFIN HWANG SELECT CASH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

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AFFIN HWANG SELECT CASH FUND

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

	<u>Note</u>	6 months financial period ended <u>31.5.2021</u> RM	6 months financial period ended <u>31.5.2020</u> RM
INVESTMENT INCOME			
Interest income from financial assets at fair value through profit or loss	4	21,684,675	38,739,589
Net (loss)/gain on financial assets at fair value through profit or loss	9	(723,468)	2,485,714
		<u>20,961,207</u>	<u>41,225,303</u>
EXPENSES			
Management fee	5	(2,654,520)	(5,566,693)
Trustee fee	6	(311,381)	(396,119)
Auditors' remuneration		(4,488)	(4,574)
Tax agent's fee		(1,895)	(1,905)
Other expenses		(2,311)	(641)
		<u>(2,974,595)</u>	<u>(5,969,932)</u>
NET PROFIT BEFORE TAXATION		17,986,612	35,255,371
Taxation	7	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>17,986,612</u>	<u>35,255,371</u>
Net profit after taxation is made up of the following:			
Realised amount		21,522,493	32,718,406
Unrealised amount		(3,535,881)	2,536,965
		<u>17,986,612</u>	<u>35,255,371</u>

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

AFFIN HWANG SELECT CASH FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents		530,102	851,821
Financial assets at fair value through profit or loss	9	2,189,373,544	2,244,187,424
TOTAL ASSETS		<u>2,189,903,646</u>	<u>2,245,039,245</u>
LIABILITIES			
Amount due to dealers		-	5,151,325
Amount due to Manager - management fee		565,280	941,342
Amount due to Trustee		65,949	65,894
Auditors' remuneration		4,488	3,557
Tax agent's fee		6,176	6,605
Other payables and accruals		15,428	15,464
TOTAL LIABILITIES		<u>657,321</u>	<u>6,184,187</u>
NET ASSET VALUE OF THE FUND		<u>2,189,246,325</u>	<u>2,238,855,058</u>
EQUITY			
Unitholders' capital		2,108,958,228	2,160,483,905
Retained earnings		80,288,097	78,371,153
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>2,189,246,325</u>	<u>2,238,855,058</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>2,074,541,000</u>	<u>2,124,506,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0553</u>	<u>1.0538</u>

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

AFFIN HWANG SELECT CASH FUND

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

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 December 2020	1,470,987,017	78,569,456	1,549,556,473
Total comprehensive income for the financial period	-	17,986,612	17,986,612
Distributions (Note 8)	-	(16,267,971)	(16,267,971)
Movement in unitholders' capital:			
Creation of units arising from applications	1,534,537,215	-	1,534,537,215
Creation of units arising from distributions	16,137,053	-	16,137,053
Cancellation of units	(912,703,057)	-	(912,703,057)
Balance as at 31 May 2021	<u>2,108,958,228</u>	<u>80,288,097</u>	<u>2,189,246,325</u>
Balance as at 1 December 2019	2,139,459,072	79,012,003	2,218,471,075
Total comprehensive income for the financial period	-	35,255,371	35,255,371
Distributions (Note 8)	-	(35,896,221)	(35,896,221)
Movement in unitholders' capital:			
Creation of units arising from applications	553,695,350	-	553,695,350
Creation of units arising from distributions	35,856,335	-	35,856,335
Cancellation of units	(568,526,852)	-	(568,526,852)
Balance as at 31 May 2020	<u>2,160,483,905</u>	<u>78,371,153</u>	<u>2,238,855,058</u>

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

AFFIN HWANG SELECT CASH FUND

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

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	601,486,000	701,776,811
Purchase of investments	(802,236,702)	(1,033,800,363)
Placement of deposits with licensed financial institutions	(26,605,060,286)	(21,252,086,168)
Proceeds from maturity of deposits with licensed financial institutions	26,157,815,748	21,548,795,921
Interest received	28,738,000	56,600,104
Management fee paid	(2,463,039)	(5,546,191)
Trustee fee paid	(289,042)	(394,684)
Payment for other fees and expenses	(15,502)	(10,779)
Net cash (used in)/generated from operating activities	<u>(622,024,823)</u>	<u>15,334,651</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,534,537,215	553,695,350
Payments for cancellation of units	(912,703,057)	(568,526,852)
Payment for distributions	(130,918)	(39,886)
Net cash generated from/(used in) financing activities	<u>621,703,240</u>	<u>(14,871,388)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(321,583)	463,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>851,685</u>	<u>388,558</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>530,102</u></u>	<u><u>851,821</u></u>

Cash and cash equivalents as at 31 May 2021 and 31 May 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 SELECT CASH FUND

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

AFFIN HWANG SELECT CASH FUND

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

B INCOME RECOGNITION

Interest income

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

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

Realised gains and losses on sale of investments

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

C DISTRIBUTION

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

D TAXATION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

- The Fund classifies its financial assets in the following measurement categories:
- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

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

AFFIN HWANG SELECT CASH FUND

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification

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

The Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

(ii) Recognition and measurement

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

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

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

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

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

Unquoted fixed income including money market instruments denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA"). Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

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

AFFIN HWANG SELECT CASH FUND

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider 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.

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

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

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

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 SELECT CASH FUND

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

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which is subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) DEALERS

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

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

I UNIT HOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there 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 year if unitholder exercises the right to put the unit back to the Fund.

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

AFFIN HWANG SELECT CASH FUND

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

J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information 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 Commission's ("SC") Guidelines on Unit Trust Funds.

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG SELECT CASH FUND

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

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name HwangDBS Select Cash Fund (the "Fund") pursuant to the execution of a Deed dated 21 March 2005 as modified by First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 15 October 2008, Fourth Supplemental Deed dated 19 March 2010, Fifth Supplemental Deed dated 18 January 2012, Sixth Supplemental Deed dated 27 June 2014 and Seventh Supplemental Deed dated 19 December 2016 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee"). The Fund has changed its name from HwangDBS Select Cash Fund to Hwang Select Cash Fund as amended by Fifth Supplemental Deed dated 18 January 2012 and from Hwang Select Cash Fund to Affin Hwang Select Cash Fund as amended by Sixth Supplemental Deed dated 27 June 2014.

The Fund commenced operations on 31 March 2005 and will continue its operations until terminated by the Trustee as provided under Clause 3.1 of the Deed.

The Fund may invest in any of the following investments:

- (a) Debentures
- (b) Unlisted securities, including without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities
- (c) Money market instruments
- (d) Deposits
- (e) Derivatives
- (f) Units or shares in collective investment schemes
- (g) 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 investors with a regular income stream and high level of liquidity to meet cash flow requirement while maintaining capital preservation.

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

The financial statements were authorised for issue by the Manager on 15 July 2021.

AFFIN HWANG SELECT CASH FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the fund are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		530,102	-	530,102
Unquoted fixed income securities	9	-	957,586,476	957,586,476
Deposits with licensed financial institutions	9	-	1,231,787,068	1,231,787,068
Total		<u>530,102</u>	<u>2,189,373,544</u>	<u>2,189,903,646</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		565,280	-	565,280
Amount due to Trustee		65,949	-	65,949
Auditors' remuneration		4,488	-	4,488
Tax agent's fee		6,176	-	6,176
Other payables and accruals		15,428	-	15,428
Total		<u>657,321</u>	<u>-</u>	<u>657,321</u>

AFFIN HWANG SELECT CASH FUND

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

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

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

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u>				
Cash and cash equivalents		851,821	-	851,821
Unquoted fixed income securities	9	-	1,046,960,031	1,046,960,031
Deposits with licensed financial institutions	9	-	1,197,227,393	1,197,227,393
Total		<u>851,821</u>	<u>2,244,187,424</u>	<u>2,245,039,245</u>
<u>Financial liabilities</u>				
Amount due to dealers		5,151,325	-	5,151,325
Amount due to Manager - management fee		941,342	-	941,342
Amount due to Trustee		65,894	-	65,894
Auditors' remuneration		3,557	-	3,557
Tax agent's fee		6,605	-	6,605
Other payables and accruals		15,464	-	15,464
Total		<u>6,184,187</u>	<u>-</u>	<u>6,184,187</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 SELECT CASH FUND

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

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

Market risk

(a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Unquoted investments		
Unquoted fixed income securities*	957,586,476	1,046,960,031

* Include interest receivable RM7,514,836 (2020: RM8,481,736)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2020: 5%) and decreased by 5% (2020: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted investments, 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>2021</u>		
-5%	902,568,058	(47,503,582)
0%	950,071,640	-
+5%	997,575,222	47,503,582
<u>2020</u>		
-5%	986,554,380	(51,923,915)
0%	1,038,478,295	-
+5%	1,090,402,210	51,923,915

AFFIN HWANG SELECT CASH FUND

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

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

Market risk (continued)

(b) Interest rate risk

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

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

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

The table below summarises the sensitivity of the Fund's profit after taxation net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% (2020: 2%) with all other variables held constant.

<u>% change in interest rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2%	(341,514)	(356,337)
- 2%	332,399	349,162

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

AFFIN HWANG SELECT CASH FUND

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

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

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Manager manages the 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 Guideline on Unit Trust Funds.

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

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

	Unquoted fixed income <u>securities</u> RM	Deposits with licensed financial <u>institutions</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2021</u>				
Consumer Discretionary				
- AA2	30,422,665	-	-	30,422,665
- A1	30,099,004	-	-	30,099,004
- AA-	35,550,378	-	-	35,550,378
Consumer Staples				
- AA2	35,487,924	-	-	35,487,924
Financials				
- AAA	121,825,494	451,872,406	530,102	574,228,002
- AA2	35,519,144	332,394,726	-	367,913,870
- AA1	91,226,804	-	-	91,226,804
- AA3	30,426,241	362,686,484	-	393,112,725
- AA-	-	84,833,452	-	84,833,452
- P1	70,093,710	-	-	70,093,710
- NR	54,880,674	-	-	54,880,674
Health Care				
- AA-	10,230,336	-	-	10,230,336
Industrials				
- AAA	40,670,061	-	-	40,670,061
- AA	10,127,697	-	-	10,127,697
AA-	16,321,912	-	-	16,321,912
- P1	39,844,518	-	-	39,844,518
Quasi- Government				
- AAA	51,394,825	-	-	51,394,825
Real Estate				
- AA1	10,250,256	-	-	10,250,256
- AA3	15,281,940	-	-	15,281,940
- AA-	22,513,388	-	-	22,513,388

AFFIN HWANG SELECT CASH FUND

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

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

Credit risk (continued)

The following table sets out the credit risk concentration of the Fund: (continued)

	<u>Unquoted fixed income securities</u> RM	<u>Deposits with licensed financial institutions</u> RM	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
Telecommunications				
- AAA	25,882,210	-	-	25,882,210
- AA+	5,203,616	-	-	5,203,616
Utilities				
- AAA	91,817,610	-	-	91,817,610
- AA1	51,082,787	-	-	51,082,787
- AA3	5,025,926	-	-	5,025,926
- AA-	26,407,356	-	-	26,407,356
	<u>957,586,476</u>	<u>1,231,787,068</u>	<u>530,102</u>	<u>2,189,903,646</u>

AFFIN HWANG SELECT CASH FUND

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

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

Credit risk (continued)

The following table sets out the credit risk concentration of the Fund: (continued)

	Unquoted fixed income <u>securities</u> RM	Deposits with licensed financial <u>institutions</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2020</u>				
Consumer goods				
- A1	30,389,815	-	-	30,389,815
- AA2	71,736,068	-	-	71,736,068
- AAA	15,260,509	-	-	15,260,509
Consumer services				
- AA-	46,108,822	-	-	46,108,822
- AAA	81,470,259	-	-	81,470,259
- P1	34,930,181	-	-	34,930,181
Financials				
- AA-	30,893,353	-	-	30,893,353
- AA1	51,815,731	-	-	51,815,731
- AA2	-	403,625,475	-	403,625,475
- AA3	72,941,171	140,760,961	-	213,702,132
- AAA	119,230,757	622,781,409	851,821	742,863,987
- P1	233,430,002	-	-	233,430,002
- NR	-	30,059,548	-	30,059,548
Industrials				
- A1	10,322,648	-	-	10,322,648
- AA	10,216,801	-	-	10,216,801
- AA-	10,152,766	-	-	10,152,766
- AA3	58,129,539	-	-	58,129,539
- AAA	6,078,564	-	-	6,078,564
- P1	39,352,892	-	-	39,352,892
Government				
- AAA	20,987,529	-	-	20,987,529
Utilities				
- AA	33,703,347	-	-	33,703,347
- AA-	33,909,682	-	-	33,909,682
- AA1	30,813,481	-	-	30,813,481
- AA2	5,086,114	-	-	5,086,114
	<u>1,046,960,031</u>	<u>1,197,227,393</u>	<u>851,821</u>	<u>2,245,039,245</u>

AFFIN HWANG SELECT CASH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (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 payments and cancellations of units by unitholders. Liquid assets comprise cash, deposits 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.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	565,280	-	565,280
Amount due to Trustee	65,949	-	65,949
Auditors' remuneration	-	4,488	4,488
Tax agent's fee	-	6,176	6,176
Other payables and accruals	-	15,428	15,428
	<u>631,229</u>	<u>26,092</u>	<u>657,321</u>
<u>2020</u>			
Amount due to dealers	5,151,325	-	5,151,325
Amount due to Manager			
- management fee	941,342	-	941,342
Amount due to Trustee	65,894	-	65,894
Auditors' remuneration	-	3,557	3,557
Tax agent's fee	-	6,605	6,605
Other payables and accruals	-	15,464	15,464
	<u>6,158,561</u>	<u>25,626</u>	<u>6,184,187</u>

AFFIN HWANG SELECT CASH FUND

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

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

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 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 (i.e. exit price).

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 year end date.

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

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

(i) Fair value hierarchy

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

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

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

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

AFFIN HWANG SELECT CASH FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	957,586,476	-	957,586,476
- deposits with licensed financial institutions	-	1,231,787,068	-	1,231,787,068
	-	2,189,373,544	-	2,189,373,544
	-	-	-	-
<u>2020</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	1,046,960,031	-	1,046,960,031
- deposits with licensed financial institutions	-	1,197,227,393	-	1,197,227,393
	-	2,244,187,424	-	2,244,187,424
	-	-	-	-

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 income securities and deposits in licensed financial institutions. 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 equivalent and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

AFFIN HWANG SELECT CASH FUND

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

4 INTEREST INCOME

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Interest income from financial assets at fair value through profit or loss:		
- unquoted fixed income securities	11,508,561	13,904,789
- deposits with licensed financial institutions	10,176,114	24,834,800
	<u>21,684,675</u>	<u>38,739,589</u>

5 MANAGEMENT FEE

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

For the 6 months financial period ended 31 May 2021, the management fee is recognised at a rate of 0.30% (2020: 0.50%) per annum of 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.

6 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum of the NAV of the Fund.

For the 6 months financial period ended 31 May 2021, the Trustee fee is recognised at a rate of 0.035% (2020: 0.035%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis 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.

AFFIN HWANG SELECT CASH FUND

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

7 TAXATION

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Current taxation	-	-

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

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Net profit before taxation	17,986,612	35,255,371
Tax at Malaysian statutory rate of 24% (2020: 24%)	4,316,787	8,461,289
Tax effects of:		
Investment income exempt from tax	(5,030,690)	(9,887,824)
Expenses not deductible for tax purposes	75,741	89,431
Restriction on tax deductible expenses for Unit Trust Funds	638,162	1,337,104
Tax expense	-	-

AFFIN HWANG SELECT CASH FUND

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

8 DISTRIBUTIONS

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	16,267,971	35,896,221
Gross realised income	16,267,971	35,896,221
Less: expenses	-	-
Net distribution amount	16,267,971	35,896,221

During the financial period ended 31 May 2021, distributions (sen) were made as follows:

<u>Ex-Date</u>	Gross/net distribution per unit (sen)
09.12.2020	0.08
23.12.2020	0.08
13.01.2021	0.08
27.01.2021	0.08
10.02.2021	0.08
24.02.2021	0.08
10.03.2021	0.08
24.03.2021	0.07
14.04.2021	0.08
28.04.2021	0.08
17.05.2021	0.08
27.05.2021	0.08
	0.95

AFFIN HWANG SELECT CASH FUND

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

8 DISTRIBUTIONS (CONTINUED)

During the financial period ended 31 May 2020, distributions (sen) were made as follows:

<u>Ex-Date</u>	Gross/net distribution <u>per unit</u> (sen)
11.12.2019	0.14
26.12.2019	0.14
08.01.2020	0.14
22.01.2020	0.14
12.02.2020	0.14
26.02.2020	0.14
11.03.2020	0.14
25.03.2020	0.14
08.04.2020	0.14
22.04.2020	0.14
13.05.2020	0.14
27.05.2020	0.14
	<hr/>
	1.68
	<hr/> <hr/>

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

Included in distribution for the financial period is an amount of RM16,267,971 (2020: RM35,896,221) made from previous year's realised income.

During the 6 months financial period 31 May 2021, there were unrealised losses of RM3,535,881 (2020: RMNil).

AFFIN HWANG SELECT CASH FUND

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

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss		
- unquoted fixed income securities - local	957,586,476	1,046,960,031
- deposits with licensed financial institutions	1,231,787,068	1,197,227,393
	<u>2,189,373,544</u>	<u>2,244,187,424</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	198,291	78,752
- unrealised (loss)/gain on change in fair value	(921,759)	2,406,962
	<u>(723,468)</u>	<u>2,485,714</u>

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities - local as at 31 May 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
3.15% Aeon Company (M) Berhad 12.07.2021 (AA2)	20,000,000	20,244,073	20,254,970	0.93
4.10% Aman Sukuk Bhd 21.10.2021 (AAA)	20,000,000	20,242,698	20,241,710	0.92
4.13% Aman Sukuk Bhd 12.04.2022 (AAA)	20,000,000	20,399,929	20,428,351	0.93
3.55% AmBank Islamic Bhd 25.03.2022 (AA3)	20,000,000	20,272,489	20,251,693	0.94
5.10% Anih Bhd 29.11.2021 (AA)	10,000,000	10,121,925	10,127,697	0.46
4.70% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	5,000,000	5,163,559	5,175,994	0.24
4.67% BGSM Management Sdn Bhd 27.08.2021 (AA3)	10,000,000	10,171,439	10,174,548	0.46
2% Cagamas Berhad 03.06.2021 (P1)	30,000,000	30,295,874	30,296,190	1.38
1.99% Cagamas Berhad 23.08.2021 (P1)	10,000,000	10,004,353	10,004,354	0.46
2.15% Cagamas Berhad 17.12.2021 (AAA)	30,000,000	30,301,001	30,303,810	1.38
2.5% Cagamas Berhad 29.05.2023 (AAA)	20,000,000	20,006,808	20,026,449	0.91
3.1% Cagamas Berhad 18.04.2022 (AAA)	10,000,000	10,114,077	10,119,368	0.46
4.1% Cagamas Berhad 08.10.2021 (AAA)	5,000,000	5,066,589	5,065,979	0.23

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.85% Celcom Networks Sdn Bhd 29.08.2022 (AA+)	5,000,000	5,207,366	5,203,616	0.24
3.95% CIMB Group Holdings Bhd 10.06.2022 (AA1)	20,000,000	20,679,394	20,654,781	0.94
4.38% Digi Telecommunications Sdn Bhd 14.04.2022 (AAA)	5,000,000	5,116,107	5,118,500	0.23
4.85% First Resources Ltd 27.10.2021 (AA2)	35,000,000	35,397,873	35,487,924	1.62
3.52% Gas Malaysia Distribution 13.12.2022 (AAA)	5,000,000	5,166,600	5,151,640	0.24
4.52% GULF Investment Corp 06.02.2023 (AAA)	10,000,000	10,391,716	10,396,049	0.47
4.57% Imtiaz Sukuk II Bhd 17.10.2022 (AA2)	5,000,000	5,142,947	5,151,669	0.24
4.65% Imtiaz Sukuk II Bhd 24.11.2021 (AA2)	30,000,000	30,363,987	30,367,475	1.39
5.17% Jimah East Power Sdn Bhd 02.12.2022 (AA-)	25,000,000	26,475,764	26,407,356	1.21
4.15% Manjung Island Energy Bhd 25.11.2021 (AAA)	30,000,000	30,281,934	30,297,777	1.38
4.22% Manjung Island Energy Bhd 25.11.2022 (AAA)	15,000,000	15,431,673	15,398,090	0.70
4.7% MBSB Bank Bhd 10.12.2021 (AA1)	5,000,000	5,164,868	5,166,484	0.24
2.88% MUFG Bank Malaysia 24.03.2023 (AAA)	30,000,000	30,157,897	30,253,397	1.38
4.12% Pengurusan Air SPV Bhd 25.02.2022 (AAA)	30,000,000	30,719,592	30,714,485	1.40
4.19% Pengurusan Air SPV Bhd 07.02.2022 (AAA)	10,000,000	10,267,937	10,255,618	0.47
4.58% Perbadanan Kemajuan N Selangor 01.04.2022 (AA3)	10,000,000	10,197,061	10,185,833	0.47
5% Perbadanan Kemajuan N Selangor 10.08.2021 (AA3)	5,000,000	5,093,440	5,096,107	0.23
2.95% Sabah Credit Corp 25.04.2022 (AA1)	20,000,000	20,080,777	20,095,441	0.92
2.65% Sabah Credit Corp 28.03.2022 (AA1)	20,000,000	20,102,432	20,083,888	0.92
2.75% Sabah Credit Corp 07.04.2022 (AA1)	20,000,000	20,092,480	20,081,784	0.92
5.05% Sabah Development Bank Bhd 27.12.2021 (AA1)	5,000,000	5,155,994	5,144,426	0.23

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
4.50% Sarawak Energy Berhad 19.01.2022 (AAA)	30,000,000	30,907,696	30,907,118	1.41
5.15% Sarawak Energy Berhad 23.06.2021 (AAA)	20,000,000	20,481,371	20,487,707	0.94
5.1% Segi Astana Sdn Bhd 07.01.2022 (AA-)	5,000,000	5,122,747	5,142,453	0.23
3.53% Solar Mgmt Seremban 21.10.2022 (AA3)	5,000,000	5,028,461	5,025,926	0.23
4.75% Sports Toto Malaysia Sdn Bhd 30.06.2021 (AA-)	5,000,000	5,096,308	5,102,951	0.23
4.9% Sports Toto Malaysia Sdn Bhd 17.09.2021 (AA-)	30,000,000	30,355,776	30,447,427	1.39
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	30,000,000	30,108,636	30,099,004	1.37
4.23% Telekom Malaysia Bhd 10.06.2022 (AAA)	20,000,000	20,803,350	20,763,710	0.95
4.65% Toyota Capital Malaysia 24.01.2023 (AAA)	15,000,000	15,648,564	15,660,442	0.72
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	10,000,000	10,222,091	10,230,336	0.47
4.9% UEM Sunrise Bhd 30.06.2021 (AA-)	17,000,000	17,371,702	17,370,935	0.79
5.02% UMW Holdings Bhd 04.10.2021 (AA2)	10,000,000	10,166,931	10,167,695	0.46
5.23% UniTapah Sdn Bhd 11.06.2021 (AA1)	10,000,000	10,246,738	10,250,256	0.47
5.32% WCT Holdings Bhd 11.05.2022 (AA-)	5,000,000	5,084,503	5,084,904	0.23
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	6,000,000	6,060,521	6,061,014	0.28
4.49% YTL Power International Bhd 24.03.2023 (AA1)	20,000,000	20,637,764	20,674,499	0.94
4.7% YTL Power International 13.10.2021 (AA1)	30,000,000	30,374,430	30,408,288	1.39
	<u>818,000,000</u>	<u>832,810,242</u>	<u>833,068,118</u>	<u>38.04</u>

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Commercial papers</u>				
0.00% Gamuda Bhd 27.08.2021 (P1)	30,000,000	29,849,831	29,849,832	1.36
0.00% Gamuda Land T12 Sdn Bhd 10.06.2021 (P1)	10,000,000	9,994,686	9,994,686	0.46
0.00% Malayan Banking Bhd 05.11.2021 (P1)	20,000,000	19,830,418	19,830,419	0.91
0.00% Pac Lease Bhd 30.06.2021 (NR)	25,000,000	24,955,314	24,955,314	1.14
0.00% Sunway Treasury Sukuk Sdn Bhd 08.07.2021 (NR)	30,000,000	29,925,360	29,925,360	1.37
0.00% Toyota Capital Malaysia 23.07.2021 (P1)	10,000,000	9,962,747	9,962,747	0.46
	<u>125,000,000</u>	<u>124,518,356</u>	<u>124,518,358</u>	<u>5.70</u>
Total unquoted fixed income securities - local	<u>943,000,000</u>	<u>957,328,598</u>	<u>957,586,476</u>	<u>43.74</u>
Accumulated unrealised gain on unquoted fixed income securities- local		<u>257,878</u>		
Total unquoted fixed income securities - local		<u>957,586,476</u>		

AFFIN HWANG SELECT CASH FUND

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

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

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

(ii) Unquoted fixed income securities - local as at 31 May 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.72% Besraya Malaysia Sdn Bhd 28.07.2020 (AA3)	12,000,000	12,216,395	12,229,083	0.55
4.90% National Bank of Abu Dhabi 28.12.2020 (AAA)	20,000,000	20,533,806	20,672,679	0.92
5.17% UniTapah Sdn Bhd 11.12.2020 (AA1)	5,000,000	5,166,541	5,182,864	0.23
5.23% UniTapah Sdn Bhd 11.06.2021 (AA1)	10,000,000	10,419,082	10,478,955	0.47
4.5% Premier Auto Assets Berhad 17.07.2020 (AAA)	15,000,000	15,245,381	15,260,509	0.68
3.85% Impian Ekspresi Sdn Bhd 30.11.2020 (AAA)	10,000,000	10,005,618	10,045,064	0.45
3.885% Berjaya Land Berhad 17.12.2020 (AAA)	30,000,000	30,549,131	30,663,649	1.37
4.75% Sports Toto Malaysia Sdn Bhd 30.06.2021 (AA-)	5,000,000	5,100,549	5,156,903	0.23
3.8% Pac Lease Bhd 23.03.2021 (AA3)	17,000,000	17,129,690	17,224,870	0.77
2.75% Cagamas Berhad 23.05.2022 (AAA)	20,000,000	20,014,981	20,067,868	0.90
4.65% Sports Toto Malaysia Sdn Bhd 30.06.2020 (AA-)	10,000,000	10,202,870	10,206,292	0.46
5% Segi Astana Sdn Bhd 08.01.2021 (AA-)	15,000,000	15,293,580	15,394,545	0.69
4.9% Sports Toto Malaysia Sdn Bhd 17.09.2021 (AA-)	30,000,000	30,553,159	30,745,627	1.37
5.05% Sabah Development Bank Bhd 27.12.2021 (AA1)	5,000,000	5,240,737	5,264,210	0.24
5.1% Segi Astana Sdn Bhd 07.01.2022 (AA-)	5,000,000	5,159,476	5,170,101	0.23
4.5% GENM Capital Bhd 24.08.2020 (AAA)	50,000,000	50,676,620	50,806,610	2.27
4.6% WCT Holdings Bhd 28.08.2020 (AA-)	10,000,000	10,136,856	10,152,766	0.45
4.7% YTL Power International 13.10.2021 (AA1)	25,000,000	25,708,020	25,722,240	1.15
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	30,000,000	30,255,339	30,389,815	1.36
4.15% Zamarad Assets Bhd 27.07.2020 (AAA)	2,000,000	2,028,352	2,031,305	0.09
3.9% Zamarad Assets Bhd 19.11.2020 (AAA)	10,000,000	10,047,699	10,084,045	0.45

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.6% Perbadanan Kemajuan N Selangor 23.11.2020 (AA3)	25,000,000	25,030,219	25,112,957	1.12
3.5% Perbadanan Kemajuan N Selangor 31.05.2021 (AA3)	15,000,000	15,018,952	15,084,853	0.67
4.41% Sabah Credit Corp 18.12.2020 (AA1)	15,000,000	15,427,382	15,435,072	0.69
5.1% BEWG M Sdn Bhd 17.07.2020 (AA)	33,000,000	33,788,221	33,703,347	1.51
4.93% Al Dzahab Assets Bhd 11.09.2020 (AAA)	10,000,000	10,148,086	10,165,356	0.45
4.8% UEM Sunrise Bhd 11.12.2020 (AA-)	10,000,000	10,244,632	10,328,707	0.46
5% Kedah Cement Sdn Bhd 11.12.2020 (A1)	10,000,000	10,310,962	10,322,648	0.46
4.85% Al Dzahab Assets Bhd 16.03.2021 (AAA)	15,000,000	15,287,569	15,366,773	0.69
4.6% MBSB Bank Bhd 10.12.2020 (AA1)	5,000,000	5,144,470	5,153,694	0.23
4.65% MBSB Bank Bhd 24.12.2020 (AA1)	10,000,000	10,234,007	10,300,936	0.46
5% Perbadanan Kemajuan N Selangor 10.08.2021 (AA3)	5,000,000	5,179,974	5,194,223	0.23
4.67% BGSM Management Sdn Bhd 27.08.2021 (AA3)	10,000,000	10,318,211	10,324,268	0.46
5.2% MMC Corp Bhd 12.11.2020 (AA-)	33,500,000	33,847,321	33,909,682	1.51
4.30% Rantau Abang Capital 03.12.2020 (AAA)	5,900,000	6,073,366	6,078,564	0.27
5.10% GULF Investment Corp 16.03.2021 (AAA)	30,000,000	30,762,609	30,797,667	1.38
4.62% Gamuda Bhd 23.04.2021 (AA3)	45,000,000	45,544,258	45,900,456	2.05
4.35% First Resources Ltd 05.06.2020 (AA2)	40,000,000	40,853,743	40,854,948	1.82
4.85% First Resources Ltd 27.10.2021 (AA2)	30,000,000	30,665,379	30,881,120	1.38
4.66% Tanjung Bin Power Sdn Bhd 14.08.2020 (AA2)	5,000,000	5,081,449	5,086,114	0.23
4.55% Teknologi Tenaga Perlis Consor 31.07.2020 (AA1)	5,000,000	5,086,882	5,091,241	0.23
5.00% Anih Bhd 27.11.2020 (AA)	5,000,000	5,043,327	5,056,155	0.23
5.15% Sarawak Energy Berhad 23.06.2021 (AAA)	20,000,000	20,977,212	20,987,529	0.94

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
5.10% Anih Bhd 29.11.2021 (AA)	5,000,000	5,145,956	5,160,646	0.23
	<u>723,400,000</u>	<u>736,898,069</u>	<u>739,246,956</u>	<u>33.03</u>
<u>Commercial papers</u>				
0% Pac Lease Bhd 17.07.2020 (P1)	40,000,000	39,840,896	39,840,896	1.78
0% Hong Leong Financial Group Bhd 29.07.2020 (P1)	30,000,000	29,852,018	29,852,018	1.33
0% Hong Leong Financial I Group Bhd 13.08.2020 (P1)	30,000,000	29,814,669	29,814,669	1.33
0% Aeon Company (M) Bhd 15.06.2020 (P1)	5,000,000	4,994,627	4,994,627	0.22
0% Aeon Company (M) Berhad 29.06.2020 (P1)	30,000,000	29,935,554	29,935,554	1.34
0% Perbadanan Kemajuan N Selangor 27.07.2020 (P1)	10,000,000	9,957,803	9,957,803	0.44
0% Sunway Treasury Sukuk Sdn Bhd 10.07.2020 (P1)	30,000,000	29,892,360	29,921,877	1.34
0% Gamuda Bhd 16.07.2020 (P1)	20,000,000	19,917,222	19,935,800	0.89
0% Sunway Bhd 06.08.2020 (P1)	35,000,000	34,787,732	34,787,732	1.55
0% Sabah Credit Corp 08.10.2020 (P1)	30,000,000	29,670,556	29,670,556	1.33
0% Sabah Credit Corp 30.10.2020 (P1)	20,000,000	19,722,412	19,722,412	0.88
0% Kedah Cement Sdn Bhd 09.07.2020 (P1)	19,500,000	19,417,092	19,417,092	0.87
0% Sabah Credit Corp 20.11.2020 (P1)	10,000,000	9,841,398	9,862,039	0.44
	<u>309,500,000</u>	<u>307,644,339</u>	<u>307,713,075</u>	<u>13.74</u>

AFFIN HWANG SELECT CASH FUND

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

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

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

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

<u>Name of issuer</u>	Nominal <u>value</u> RM	Adjusted <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Total unquoted fixed income securities - local	1,032,900,000	1,044,542,408	1,046,960,031	46.77
Accumulated unrealised gain on unquoted fixed income securities- local		2,417,623		
Total unquoted fixed income securities - local		1,046,960,031		

AFFIN HWANG SELECT CASH FUND

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

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

(b) Deposits with licensed financial institutions

	<u>2021</u> RM	<u>2020</u> RM
Designated at fair value through profit or loss at inception		
- Deposits with licensed financial institutions*	1,231,787,068	1,197,227,393
	<u>1,231,787,068</u>	<u>1,197,227,393</u>

* Include interest receivable RM5,063,448 (2020: RM7,770,993).

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

	<u>2021</u> %	<u>2020</u> %
Deposits with licensed financial institutions	2.06	2.91
	<u>2.06</u>	<u>2.91</u>

The deposits have an average remaining maturity of 16 days (2020: 29 days).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial period	1,469,877,000	2,104,488,000
Creation of units arising from applications during the financial period	1,454,579,021	525,180,179
Creation of units arising from distributions during the financial period	15,302,161	34,031,590
Cancellation of units during the financial period	(865,217,182)	(539,193,769)
At the end of the financial period	<u>2,074,541,000</u>	<u>2,124,506,000</u>

AFFIN HWANG SELECT CASH FUND

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

11 TRANSACTIONS WITH DEALERS

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

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
RHB Investment Bank Bhd	182,304,514	12.20
AmBank (M) Bhd	174,429,788	11.67
Hong Leong Bank Bhd	172,431,200	11.54
CIMB Bank Bhd	149,640,064	10.01
Affin Hwang Investment Bank Bhd*#	143,437,950	9.60
Malayan Banking Bhd	135,043,930	9.04
OCBC Bank (M) Bhd	129,731,035	8.68
Kenanga Investment Bank Bhd	89,405,390	5.98
United Overseas Bank (Malaysia) Bhd	71,209,970	4.77
HSBC Bank (M) Bhd	65,993,069	4.42
Others	180,623,576	12.09
	<u>1,494,250,486</u>	<u>100.00</u>

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

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
HSBC Bank (M) Bhd	294,957,175	22.27
OCBC Bank (M) Bhd	199,236,743	15.04
CIMB Bank Bhd	171,815,932	12.97
Affin Hwang Investment Bank Bhd*#	152,232,000	11.50
Malayan Banking Bhd	130,317,584	9.84
Hong Leong Bank Bhd	86,287,750	6.52
AmBank (M) Bhd	74,866,539	5.65
Hong Leong Investment Bank Bhd	64,548,321	4.87
Kenanga Investment Bank Bhd	64,453,906	4.87
RHB Investment Bank Bhd#	60,434,690	4.56
Others	25,293,048	1.91
	<u>1,324,443,688</u>	<u>100.00</u>

There is no brokerage fee paid to the dealer.

* Included in the transactions with dealers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM143,437,950 (2020: RM152,232,000). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

AFFIN HWANG SELECT CASH FUND

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

11 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	<u>2021</u> RM	<u>2020</u> RM
RHB Investment Bank Bhd	10,185,500	35,443,500
Affin Hwang Investment Bank Bhd	36,654,400	55,734,500
	<u>46,839,900</u>	<u>91,178,000</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Asia Bond Fund	-	2,105,000
Affin Hwang Aiiman Income Plus Fund	-	15,109,500
Affin Hwang Enhanced Income Fund	5,144,500	20,276,000
Affin Hwang Flexible Maturity Income Fund 11	6,059,400	-
Affin Hwang Income Extra Fund	35,636,000	30,520,000
Affin Hwang Income Fund 3	-	15,167,500
Affin Hwang PRS Conservative Fund	-	300,000
Affin Hwang Select Bond Fund	-	7,700,000
	<u>46,839,900</u>	<u>91,178,000</u>

AFFIN HWANG SELECT CASH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (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>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

The units held by the Manager as at the end of the financial period are as follows:

	<u>2021</u>		<u>2020</u>	
	<u>No of units</u>	<u>RM</u>	<u>No of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (the units are held legally for booking purposes)	3,285	3,467	3,579	3,772
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Subsidiary of the Manager:</u>				
Accelvantage Academy Sdn Bhd (The units are held beneficially)	1,021,462	1,077,948	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG SELECT CASH FUND

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

13 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended <u>31.5.2021</u> %	6 months financial period ended <u>31.5.2020</u> %
MER	<u>0.17</u>	<u>0.27</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM1,784,191,245 (2020: RM2,257,320,422).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended <u>31.5.2021</u>	6 months financial period ended <u>31.5.2020</u>
PTR (times)	<u>0.39</u>	<u>0.39</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 = RM802,236,702 (2020: RM1,038,951,688)
total disposal for the financial period = RM601,287,709 (2020: RM701,698,059)

15 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

AFFIN HWANG SELECT CASH FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, Affin Hwang Asset Management Berhad, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 38 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 May 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 31 May 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 July 2021

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