

Affin Hwang

ASEAN Flexi Fund

Semi-Annual Report
31 May 2022

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG ASEAN FLEXI FUND

Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 May 2022

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FUND INFORMATION

Fund Name	Affin Hwang ASEAN Flexi Fund
Fund Type	Income & Growth
Fund Category	Mixed Assets
Investment Objective	The Fund aims to provide investors with capital appreciation and regular income over the medium to long-term period
Benchmark	50% FTSE/ASEAN 40 Index (for equity and structured products investments) + 50% RAM Quantshop MGS All Index (for fixed income instruments)
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year of the Fund

FUND PERFORMANCE DATA

Category	As at 31 May 2022 (%)	As at 31 May 2021 (%)	As at 31 May 2020 (%)
Portfolio Composition			
Quoted equities – local			
- Construction	-	2.04	-
- Consumer product and services	4.71	5.53	1.60
- Financial services	4.10	3.75	3.81
- Health Care	0.10	-	2.16
- Utilities	-	-	3.69
- Industrial product and services	1.58	7.09	1.68
- Technology	3.05	6.98	1.98
- Telecommunications & Media	-	0.93	-
- Warrant	-	-	1.28
Total quoted equities – local	13.54	26.32	16.20
Quoted equities – foreign			
- Basic materials	1.46	3.19	-
- Consumer Discretionary	13.94	-	-
- Consumer staples	8.3	1.11	-
- Consumer goods	-	-	6.00
- Energy	6.9	2.89	1.44
- Financial services	33.38	30.37	38.52
- Healthcare	-	1.55	1.76
- Industrials	7.56	7.01	11.23
- Real estate	8.23	11.48	-
- Technology	1.18	11.89	9.24
- Telecommunications	1.44	1.64	4.16
Total quoted equities – foreign	82.39	71.13	72.34
Collective investment scheme - foreign	-	-	7.73
Cash & cash equivalent	4.07	2.55	3.73
Total	100.00	100.00	100.00
Total NAV (RM'million)	15.709	11.234	11.718
NAV per Unit (RM)	0.6065	0.6158	0.5134
Unit in Circulation (million)	25.899	18.243	22.826
Highest NAV	0.6161	0.6408	0.5605
Lowest NAV	0.5540	0.5432	0.4159
Return of the fund ⁱⁱⁱ (%)	3.23	15.32	-7.74
- Capital Return ⁱ (%)	3.23	15.32	-7.74
- Income Return ⁱⁱ (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expense Ratio (%) ¹	1.20	1.15	1.13
Portfolio Turnover Ratio (times) ²	0.80	0.45	1.87

¹ The Fund's TER was higher than previous year due to lower average net asset value of the Fund during the financial period.

² The Fund's PTR was higher than previous year due to lower average net asset value of the Fund during the financial period.

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

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

An illustration of the above would be as follow:-

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

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split was declared for the financial period ended 31 May 2022.

Performance Review

For the period under review from 1 December 2021 to 31 May 2022, the Fund registered a return of 3.23%. Compared to the Benchmark return of 4.02%, the Fund underperformed the Benchmark by 0.79%. The Net Asset Value ("NAV") per unit of the Fund as at 31 May 2022 was RM 0.6065 compared to the NAV per unit of RM 0.5875 as at 30 November 2021.

Since commencement, the Fund has registered a return of 51.93% compared to the benchmark return of 50.78%, outperformed by 1.15%.

Table 1: Performance of the Fund

	6 Months (1/12/21 - 31/5/22)	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (29/9/14 - 31/5/22)
Fund	3.23%	4.80%	26.78%	34.13%	51.93%
Benchmark	4.02%	3.63%	6.37%	13.38%	50.78%
Outperformance	(0.79%)	1.17%	20.41%	20.75%	1.15%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (29/9/14 - 31/5/22)
Fund	4.80%	8.22%	6.04%	5.60%
Benchmark	3.63%	2.08%	2.54%	5.49%
Outperformance	1.17%	6.14%	3.50%	0.11%

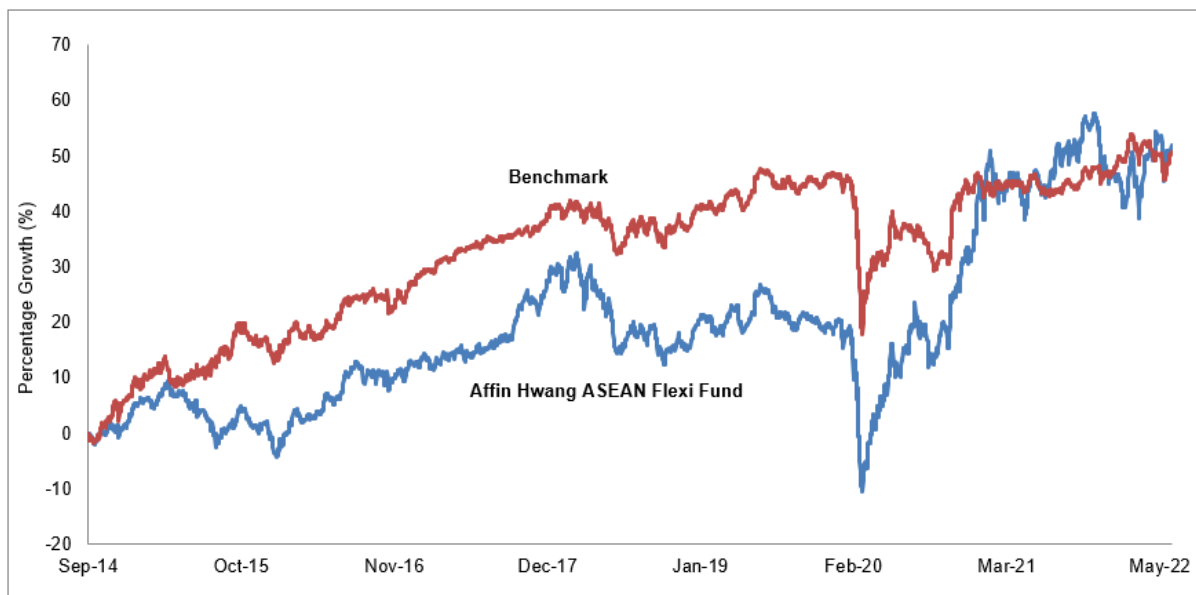
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/12/20 - 30/11/21)	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)
Fund	17.07%	4.95%	2.85%	(5.56%)	11.45%
Benchmark	3.26%	(3.09%)	4.95%	1.01%	11.05%
Outperformance	13.81%	8.04%	(2.10%)	(6.57%)	0.40%

Source of Benchmark: Bloomberg

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



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

Benchmark: 50% FTSE/ASEAN 40 Index + 50% RAM Quantshop MGS All Index

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

Asset Allocation

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

As at 31 May 2022, the asset allocation of the Fund stood at 95.93% in equities compared to 97.45% as at 31 May 2021, while the balance was held in cash and cash equivalent. During the period under review, no significant changes have been made to the Fund's portfolio. The Manager had decreased its exposure in domestic equities mainly through the industrials and technology sectors. Meanwhile the Manager had increased the exposure within the foreign equities space.

Strategies Employed

With the return of volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation.

Market Review

Uncertainty has been an ongoing theme in economies and markets. While global equities started on a strong note at the start of 2021 due to policy easing and optimism surrounding vaccination rollout, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook. For the most of the second half of 2021, expensive valuations in both fixed income and equities loomed over investors. However, the challenging market conditions in the first quarter of 2022 addressed some of these concerns as Chinese equities both onshore and offshore traded below their 15-year average and the Standard & Poor's ("S&P") plummeted 8.7% in April 2022.

Real GDP growth for US in the first quarter of 2022 was weaker than expected, falling 1.4% on an annualized basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualized basis.

In the Eurozone, equities continue to decline as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 8.1% in May, an increase from 7.4% in April. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and industrials fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

In China, although first quarter 2022 GDP has shown that the Chinese economy began to rebound in January and February, the impact the pandemic had on consumption, investment and production overshadowed the growth as Covid-19 continued to put downward pressure on the Chinese economy. The tightened credit conditions that persisted until early 2022 and regulatory policies in place as a result of the government's common prosperity initiative have slowed growth.

However, a decline in new Covid infection numbers as cases in China have seemingly peaked out as we approach the second half of the year could be the first step in restoring market confidence. We saw ease in lockdown measures in various cities, including Shanghai's reopening on 1 June. Manufacturing PMI's rose in May, signalling a production and sentiment recovery. The Chinese Yuan experienced some sharp depreciation during the quarter as the 2-year US Treasury yield rose above its Chinese equivalent.

Asia equities were lower in the first half of 2022 as China fought hard to contain its worst outbreak of Covid-19, implementing measures that affected the market adversely. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to supply chain disruptions brought upon by lockdowns in Shanghai and neighbouring cities.

Bond yields continued to rise in April 2022 and the curve steepened, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 8.5% year on year in March though the core personal consumption expenditure index fell slightly to an annualised 5.2% from 5.3%. Corporate bonds garnered negative total returns and underperformed government bonds in general.

The S&P GSCI Index reported a positive return in May 2022. Higher prices in agricultural and energy components supported weaker prices for livestock, industrial and precious metals. Energy was the top performing component of the index as the global economy normalises after the Covid-19 pandemic and supplies are disrupted due to geopolitical unrest.

On the domestic front, Bank Negara Malaysia ("BNM") raised the Overnight Policy Rate by 25bps to 2% on 11 May 2022, signalling further policy tightening ahead. May exports jumped 30.5% year on year, exceeding consensus estimates amid increasing commodity prices. The growth was largely attributed to electrical & electronic and commodities-based products such as palm oil. In the local bond market, Malaysia's sovereign bonds' trading volume declined to RM48.1b in May 2022, a 14.4% reduction since April 2022. A decline in trading volume of corporate bonds from RM5.7b in April to in RM4.1b in May was also recorded.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalization of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with it peak GDP growth during the pandemic era also likely realized in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from

geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

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 Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by Affin Hwang Asset Management. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

Cross Trade

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

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

Changes Made to the Fund's Prospectus

There were no changes made to the prospectus during the financial year under review.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG ASEAN FLEXI FUND (“Fund”)

We have acted as Trustee of the Fund for the financial period ended 31 May 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AFFIN HWANG ASSET MANAGEMENT BERHAD has operated and managed the fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Gerald Ang
Chief Executive Officer

Kuala Lumpur
18 July 2022

AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENT

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENT

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

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AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

	<u>Note</u>	6 months financial period ended 31.5.2022 RM	6 months financial period ended 31.5.2021 RM
INVESTMENT INCOME			
Dividend income		224,036	112,224
Interest income from financial assets at amortised cost		1,195	711
Net loss on foreign currency exchange		(15,060)	(1,031)
Net gain on financial assets at fair value through profit or loss	7	490,405	1,403,810
		<u>700,576</u>	<u>1,515,714</u>
EXPENSES			
Management fee	4	(121,298)	(94,305)
Trustee fee	5	(4,044)	(3,148)
Auditors' remuneration		(4,488)	(4,488)
Tax agent's fee		(1,396)	-
Transaction costs		(77,402)	(31,380)
Other expenses		(31,425)	(19,612)
		<u>(240,053)</u>	<u>(152,933)</u>
NET PROFIT BEFORE TAXATION		460,523	1,362,781
Taxation	6	(2,177)	-
		<u>458,346</u>	<u>1,362,781</u>
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>458,346</u>	<u>1,362,781</u>
Net profit after taxation is made up of the following:			
Realised amount		224,959	1,015,106
Unrealised amount		233,387	347,675
		<u>458,346</u>	<u>1,362,781</u>

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

AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	8	733,092	149,105
Amount due from brokers		-	206,629
Amount due from Manager			
- creation of units		210,718	17,850
Dividend receivables		20,968	14,275
Financial assets at fair value through profit or loss	7	15,069,932	10,947,465
TOTAL ASSETS		<u>16,034,710</u>	<u>11,335,324</u>
LIABILITIES			
Amount due to brokers		280,473	-
Amount due to Manager			
- management fee		22,769	16,721
- cancellation of units		-	61,671
Amount due to Trustee		759	557
Auditors' remuneration		4,488	4,488
Tax agent's fee		5,596	7,700
Tax payable		2,177	-
Other payables and accruals		9,680	10,195
TOTAL LIABILITIES		<u>325,942</u>	<u>101,332</u>
NET ASSET VALUE OF THE FUND		<u>15,708,768</u>	<u>11,233,992</u>
EQUITY			
Unitholders' capital		6,778,931	2,109,752
Retained earnings		8,929,837	9,124,240
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>15,708,768</u>	<u>11,233,992</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>25,899,000</u>	<u>18,243,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6065</u>	<u>0.6158</u>

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

AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES OF EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 December 2021	4,089,097	8,471,491	12,560,588
Total comprehensive income for the financial period	-	458,346	458,346
Movement in unitholders' capital:			
Creation of units arising from applications	3,743,425	-	3,743,425
Cancellation of units	(1,053,591)	-	(1,053,591)
Balance as at 31 May 2022	<u>6,778,931</u>	<u>8,929,837</u>	<u>15,708,768</u>
Balance as at 1 December 2020	1,565,311	7,761,459	9,326,770
Total comprehensive income for the financial period	-	1,362,781	1,362,781
Movement in unitholders' capital:			
Creation of units arising from applications	3,774,800	-	3,774,800
Cancellation of units	(3,230,359)	-	(3,230,359)
Balance as at 31 May 2021	<u>2,109,752</u>	<u>9,124,240</u>	<u>11,233,992</u>

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

AFFIN HWANG ASEAN FLEXI FUND

UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

	6 months financial period ended <u>31.5.2022</u> RM	6 months financial period ended <u>31.5.2021</u> RM
	<u>Note</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	9,913,829	4,839,882
Purchase of investments	(12,084,065)	(5,802,631)
Dividends received	209,277	117,183
Interest received	1,195	75,096
Management fee paid	(118,151)	(91,042)
Trustee fee paid	(3,939)	(3,040)
Payment for other fees and expenses	(118,224)	(60,507)
Net realised foreign currency exchange loss	(12,198)	(7,936)
	<hr/>	<hr/>
Net cash flows used in operating activities	(2,212,276)	(932,995)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	3,544,094	4,192,040
Payments for cancellation of units	(1,634,362)	(3,168,688)
	<hr/>	<hr/>
Net cash flows generated from financing activities	1,909,732	1,023,352
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(302,544)	90,357
EFFECTS OF FOREIGN CURRENCY EXCHANGE	986	184
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,034,650	58,564
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8 733,092	149,105
	<hr/> <hr/>	<hr/> <hr/>

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

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS and IFRS 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 K.

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.
- The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

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

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

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

For quoted equities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

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

D 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.

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

Financial liabilities, within the scope 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.

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

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

(iii) Impairment

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

Significant increase in credit risk

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

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 write 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.

H CASH AND CASH EQUIVALENTS

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

I AMOUNT DUE FROM/(TO) BROKERS

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

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

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

AFFIN HWANG ASEAN FLEXI FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

J 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 ("NAV");
- the units are the most subordinated class and class features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

K 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 judgements 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.

L 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 ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang ASEAN Flexi Fund (the “Fund”) pursuant to the execution of a Deed dated 12 November 2013 and modified by the First Supplemental Deed dated 5 November 2014 and Second Supplemental Deed dated 5 October 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) . The Fund changed its name from Hwang ASEAN Flexi Fund to Affin Hwang ASEAN Flexi Fund as amended by the Supplemental Deed dated 5 November 2014.

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

The Fund may invest in any of the following investments:

- (a) Equities listed or traded on the recognised Malaysian stock exchange or any other foreign exchanges where the regulatory authority is a member of International Organization of Securities Commission (IOSCO);
- (b) Unlisted equities;
- (c) Fixed income securities listed or traded on the recognised Malaysian stock exchange or any other foreign exchanges where the regulatory authority is a member of International Organization of Securities Commission (IOSCO);
- (d) Unlisted fixed income securities;
- (e) Debt securities which are sovereign issued, sovereign backed or sovereign guaranteed;
- (f) Debentures;
- (g) Money market instruments;
- (h) Deposits with financial institutions;
- (i) Structured products;
- (j) Derivatives;
- (k) REITs;
- (l) Warrants;
- (m) Units/ shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- (n) 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 capital appreciation and regular income over the medium to long term period.

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

The financial statements were authorised for issue by the Manager on 15 July 2022.

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	733,092	-	733,092
Amount due from Manager				
- creation of units		210,718	-	210,718
Dividend receivables		20,968	-	20,968
Quoted equities	7	-	15,069,932	15,069,932
Total		<u>964,778</u>	<u>15,069,932</u>	<u>16,034,710</u>
<u>Financial liabilities</u>				
Amount due to brokers		280,473	-	280,473
Amount due to Manager				
- management fee		22,769	-	22,769
Amount due to Trustee		759	-	759
Auditors' remuneration		4,488	-	4,488
Tax agent's fee		5,596	-	5,596
Other payables and accruals		9,680	-	9,680
Total		<u>323,765</u>	<u>-</u>	<u>323,765</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	149,105	-	149,105
Amount due from brokers		206,629	-	206,629
Amount due from Manager				
- creation of units		17,850	-	17,850
Dividend receivables		14,275	-	14,275
Quoted equities	7	-	10,947,465	10,947,465
Total		<u>387,859</u>	<u>10,947,465</u>	<u>11,335,324</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Financial instruments 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>2021 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		16,721	-	16,721
- cancellation of units		61,671	-	61,671
Amount due to Trustee		557	-	557
Auditors' remuneration		4,488	-	4,488
Tax agent's fee		7,700	-	7,700
Other payables and accruals		10,195	-	10,195
Total		<u>101,332</u>	<u>-</u>	<u>101,332</u>

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust.

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>2022</u> RM	<u>2021</u> RM
Quoted investments		
Quoted equities	<u>15,069,932</u>	<u>10,947,465</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and NAV to price risk movement. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Fund's investments.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2022</u>		
-4%	14,467,135	(602,797)
0%	15,069,932	-
+4%	15,672,729	602,797
	<u> </u>	<u> </u>
<u>2021</u>		
-10%	9,852,718	(1,094,747)
0%	10,947,465	-
+10%	12,042,212	1,094,747
	<u> </u>	<u> </u>

(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 deposit placements with licensed financial institutions. 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 a licensed financial institution is not material as the deposit are held on a short-term basis.

(c) Currency risk

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

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividend receivables</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Hong Kong Dollar	-	3	-	3
Indonesian Rupiah	3,192,187	-	-	3,192,187
Philippine Peso	-	-	11,024	11,024
Singapore Dollar	6,129,806	54,657	5,434	6,189,897
Thai Baht	3,621,063	-	-	3,621,063
United States Dollar	-	415,148	-	415,148
	<u>12,943,056</u>	<u>469,808</u>	<u>16,458</u>	<u>13,429,322</u>
			<u>Amount due to brokers</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Thai Baht			<u>280,473</u>	<u>280,473</u>
	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Hong Kong Dollar	-	1,129	-	1,129
Indonesian Rupiah	1,981,066	-	-	1,981,066
Singapore Dollar	3,342,303	17,141	13,407	3,372,851
Thai Baht	1,621,711	-	206,629	1,828,340
United States Dollar	1,045,186	23,281	-	1,068,467
	<u>7,990,266</u>	<u>41,551</u>	<u>220,036</u>	<u>8,251,853</u>

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

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2021: 10%) with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2021: 10%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/NAV RM
<u>2022</u>		
Indonesia Rupiah	+/- 10	+/- 319,219
Singapore Dollar	+/- 10	+/- 618,990
Thailand Baht	+/- 10	+/- 334,059
United States Dollar	+/- 10	+/- 41,515
<u>2021</u>		
Hong Kong Dollar	+/- 10	+/- 113
Indonesia Rupiah	+/- 10	+/- 198,107
Singapore Dollar	+/- 10	+/- 337,285
Thailand Baht	+/- 10	+/- 182,834
United States Dollar	+/- 10	+/- 106,847

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. 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 amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchange.

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

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

	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2022</u>			
Consumer Products & Services			
- NR	-	11,024	11,024
Financial Services			
- AAA	240,932	-	240,932
- AA1	492,160	-	492,160
Industrials Products & Services			
- NR	-	9,944	9,944
Other			
- NR	-	210,718	210,718
	<u>733,092</u>	<u>231,686</u>	<u>964,778</u>
<u>2021</u>			
Consumer Products & Services			
- NR	-	868	868
Financial Services			
- AA1	149,105	-	149,105
- NR	-	13,407	13,407
Industrials			
- NR	-	206,629	206,629
Other			
- NR	-	17,850	17,850
	<u>149,105</u>	<u>238,754</u>	<u>387,859</u>

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

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash and bank balances, 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>2022</u>			
Amount due to brokers	280,473	-	280,473
Amount due to Manager			
- management fee	22,769	-	22,769
Amount due to Trustee	759	-	759
Auditors' remuneration	-	4,488	4,488
Tax agent's fee	-	5,596	5,596
Other payables and accruals	-	9,680	9,680
	<u>304,001</u>	<u>19,764</u>	<u>323,765</u>
<u>2021</u>			
Amount due to Manager			
- management fee	16,721	-	16,721
- cancellation of units	61,671	-	61,671
Amount due to Trustee	557	-	557
Auditors' remuneration	-	4,488	4,488
Tax agent's fee	-	7,700	7,700
Other payables and accruals	-	10,195	10,195
	<u>78,949</u>	<u>22,383</u>	<u>101,332</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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 defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is 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 ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>2022</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	<u>15,069,932</u>	<u>-</u>	<u>-</u>	<u>15,069,932</u>
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	<u>10,947,465</u>	<u>-</u>	<u>-</u>	<u>10,947,465</u>

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

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

4 MANAGEMENT FEE

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

For the 6 months financial period ended 31 May 2022, the management fee is recognised at a rate of 1.80% (2021: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in Fund's Prospectus.

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

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

5 TRUSTEE'S 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 NAV of the Fund, exclusive of foreign custodian fees, subject to a minimum fee of RM12,000 per annum.

For the 6 months financial period ended 31 May 2022, the Trustee fee is recognised at a rate of 0.06% (2021: 0.06%) per annum on the NAV of the Fund, exclusive of foreign custodian fees, calculated on a daily basis, as stated in Fund's Prospectus.

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

6 TAXATION

	6 months financial period ended 31.5.2022 RM	6 months financial period ended 31.5.2021 RM
Current taxation	2,177	-

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 31.5.2022 RM	6 months financial period ended 31.5.2021 RM
Net profit before taxation	460,523	1,362,781
Tax at Malaysian statutory rate of 24% (2021: 24%)	110,526	327,067
Tax effects of:		
Investment income not subject to tax	(168,138)	(363,771)
Expenses not deductible for tax purposes	27,424	12,994
Restriction on tax deductible expenses for Unit Trust Fund	30,188	23,710
Foreign income subject to different tax rate	2,177	-
Tax expense	2,177	-

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities - local	2,126,876	2,957,199
- quoted equities - foreign	12,943,056	7,990,266
	<u>15,069,932</u>	<u>10,947,465</u>
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	258,004	1,056,319
- unrealised gain on changes in fair value	232,401	347,491
	<u>490,405</u>	<u>1,403,810</u>

(a) Quoted equities - local

(i) Quoted equities - local as at 31 May 2022 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Consumer Products & Services</u>				
Formosa Prosonic Industries Bhd	79,400	143,967	250,904	1.60
Heineken Malaysia Bhd	7,300	161,258	179,872	1.15
Power Root Bhd	202,900	310,101	308,408	1.96
	<u>289,600</u>	<u>615,326</u>	<u>739,184</u>	<u>4.71</u>
<u>Financial Services</u>				
Aeon Credit Service M Bhd	18,200	214,772	264,992	1.68
AMMB Holdings Bhd	104,400	326,142	380,016	2.42
	<u>122,600</u>	<u>540,914</u>	<u>645,008</u>	<u>4.10</u>
<u>Health Care</u>				
Kossan Rubber Industries Bhd	9,900	24,440	16,236	0.10
<u>Industrial Products & Services</u>				
Dufu Technology Corp Bhd	90,200	268,944	236,324	1.50
Ta Win Holdings Bhd - Warrant	349,280	-	12,225	0.08
	<u>439,480</u>	<u>268,944</u>	<u>248,549</u>	<u>1.58</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(a) Quoted equities - local (continued)

(i) Quoted equities - local as at 31 May 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Technology</u>				
D&O Green Technologies Bhd	81,100	313,662	327,644	2.09
Pentamaster Corporation Bhd	40,500	171,301	150,255	0.96
	<u>121,600</u>	<u>484,963</u>	<u>477,899</u>	<u>3.05</u>
Total quoted equities – local	<u>983,180</u>	<u>1,934,587</u>	<u>2,126,876</u>	<u>13.54</u>
Accumulated unrealised gain on quoted equities – local		<u>192,289</u>		
Total quoted equities – local		<u>2,126,876</u>		

(ii) Quoted equities - local as at 31 May 2021 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
Gamuda Bhd	72,300	223,602	229,191	2.04
<u>Consumer Product and Services</u>				
Formosa Prosonic Industries Bhd	78,100	139,385	216,337	1.93
Guan Chong Bhd	86,800	224,899	233,492	2.08
Heineken Malaysia Bhd	7,300	161,259	170,820	1.52
	<u>172,200</u>	<u>525,543</u>	<u>620,649</u>	<u>5.53</u>
<u>Financial Services</u>				
Aeon Credit Service M Bhd	17,900	186,335	213,010	1.89
AMMB Holdings Bhd	73,500	227,034	208,740	1.86
	<u>91,400</u>	<u>413,369</u>	<u>421,750</u>	<u>3.75</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(a) Quoted equities - local (continued)

(ii) Quoted equities - local as at 31 May 2021 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Product and Services</u>				
ATA IMS Bhd	44,300	110,458	104,991	0.94
Supercomnet Technologies Bhd	151,800	303,985	259,578	2.31
Ta Win Holdings Bhd	873,200	100,571	135,346	1.20
Thong Guan Industries Bhd	110,700	215,037	296,676	2.64
	<u>1,180,000</u>	<u>730,051</u>	<u>796,591</u>	<u>7.09</u>
<u>Technology</u>				
Greatech Technology Bhd	20,600	63,192	110,828	0.99
Pentamaster Corporation Bhd	41,500	180,312	194,220	1.73
Unisem M Bhd	40,800	232,100	290,088	2.58
Visdynamics Holdings Bhd	160,400	136,003	189,272	1.68
	<u>263,300</u>	<u>611,607</u>	<u>784,408</u>	<u>6.98</u>
<u>Telecommunication & Media</u>				
Media Prima Bhd	190,200	114,120	104,610	0.93
	<u>1,969,400</u>	<u>2,618,292</u>	<u>2,957,199</u>	<u>26.32</u>
Total quoted equities – local				
Accumulated unrealised gain on quoted equities – local		<u>338,907</u>		
Total quoted equities – local		<u>2,957,199</u>		

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Quoted equities - foreign

(i) Quoted equities - foreign as at 31 May 2022 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Indonesia</u>				
<u>Basic Materials</u>				
Aneka Tambang Tbk	304,500	210,872	229,365	1.46
<u>Financial Services</u>				
Bank Central Asia Tbk PT	410,000	737,901	950,492	6.05
Bank Mandiri Persero Tbk PT	222,200	453,014	561,798	3.58
PT Bank Negara Indo Persero	183,300	334,375	504,701	3.21
	<u>815,500</u>	<u>1,525,290</u>	<u>2,016,991</u>	<u>12.84</u>
<u>Consumer Discretionary</u>				
Astra International Tbk PT	221,800	386,833	487,568	3.10
Mitra Adiperkasa Tbk PT	863,000	228,934	231,793	1.48
	<u>1,084,800</u>	<u>615,767</u>	<u>719,361</u>	<u>4.58</u>
<u>Telecommunications</u>				
Telkom Indonesia Persero Tbk PT	175,500	168,442	226,470	1.44
<u>Singapore</u>				
<u>Consumer Discretionary</u>				
Hour Glass Ltd	54,700	291,759	414,352	2.64
SATS Ltd	21,200	263,308	296,786	1.89
	<u>75,900</u>	<u>555,067</u>	<u>711,138</u>	<u>4.53</u>
<u>Consumer Staples</u>				
Bumitama Agri Ltd	263,200	535,891	605,693	3.86
First Resources Ltd	113,000	616,611	697,059	4.44
	<u>376,200</u>	<u>1,152,502</u>	<u>1,302,752</u>	<u>8.30</u>
<u>Energy</u>				
Keppel Corporation Ltd	16,100	346,262	353,522	2.25

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 May 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Financial Services</u>				
DBS Group Holdings Ltd	9,388	871,052	928,383	5.91
Novo Tellus Alpha Acquisition	12,000	169,800	178,348	1.14
Novo Tellus Alpha Acquisition - Warrant	6,000	16,770	2,838	0.02
Singapore Exchange Ltd	6,200	190,498	188,851	1.20
United Overseas Bank Ltd	12,500	1,062,343	1,178,599	7.50
Vertex Technology Acq Corp Ltd	8,500	129,633	130,677	0.83
Vertex Technology Acq Corp Ltd - Warrant	2,550	2,266	1,712	0.01
	<u>57,138</u>	<u>2,442,362</u>	<u>2,609,408</u>	<u>16.61</u>
<u>Industrials</u>				
Credit Bureau Asia Ltd	100,000	283,241	318,022	2.02
<u>Real Estate</u>				
Lendlease Global Commer REIT	249,100	593,391	648,881	4.13
<u>Technology</u>				
Grand Venture Technology Ltd	71,000	249,959	186,083	1.18
<u>Thailand</u>				
<u>Consumer Discretionary</u>				
Home Product Center PCL	399,100	748,873	758,648	4.83
<u>Energy</u>				
PTT Exploration & Production	33,900	618,541	730,901	4.65
<u>Financial Services</u>				
Bangkok Bank PCL	37,100	612,179	617,670	3.93

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 May 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Thailand (continued)</u>				
<u>Industrials</u>				
Airports of Thailand PCL	68,500	570,526	607,362	3.87
Tipco Asphalt PCL -NVDR	123,100	262,713	262,269	1.67
	<u>191,600</u>	<u>833,239</u>	<u>869,631</u>	<u>5.54</u>
<u>Real Estate</u>				
Central Pattana PCL	78,900	560,772	644,213	4.10
	<u>4,066,338</u>	<u>11,516,759</u>	<u>12,943,056</u>	<u>82.39</u>
Total quoted equities – foreign				
Accumulated unrealised gain on quoted equities – foreign		1,426,297		
Total quoted equities – foreign		<u>12,943,056</u>		

(ii) Quoted equities - foreign as at 31 May 2021 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Indonesia</u>				
<u>Financial Services</u>				
Bank Central Asia Tbk PT	73,500	559,773	675,839	6.02
Bank Mandiri Persero Tbk PT	136,300	236,821	236,099	2.10
Bank Rakyat Indonesia Persero	210,000	192,840	258,271	2.30
PT Bank Negara Indo Persero	183,300	334,375	285,761	2.54
	<u>603,100</u>	<u>1,323,809</u>	<u>1,455,970</u>	<u>12.96</u>
<u>Real Estate</u>				
Ciputra Development Tbk PT	1,105,200	279,758	341,406	3.04
<u>Telecommunications</u>				
Telekomunikasi Indonesia	185,500	140,319	183,690	1.64

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 May 2021 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u>				
<u>Basic Materials</u>				
Nanofilm Technologies Intl PL	21,000	167,771	358,117	3.19
<u>Consumer Staples</u>				
First Resources Ltd	29,800	152,581	124,720	1.11
<u>Financial Services</u>				
DBS Group Holdings Ltd	9,331	691,444	875,180	7.79
Singapore Exchange Ltd	10,400	341,237	335,217	2.98
United Overseas Bank Ltd	6,700	521,495	545,544	4.86
	26,431	1,554,176	1,755,941	15.63
<u>Industrials</u>				
Credit Bureau Asia Ltd	100,000	283,241	390,412	3.48
<u>Real Estate</u>				
Fraser's Centrepoint Trust	37,972	251,958	278,705	2.48
UOL Group Ltd	6,200	148,731	142,910	1.27
	44,172	400,689	421,615	3.75
<u>Technology</u>				
AEM Holdings Ltd	25,500	312,060	291,498	2.59
<u>Thailand</u>				
<u>Energy</u>				
PTT PCL	62,600	320,785	324,650	2.89
<u>Financial Services</u>				
Tisco Financial Group- NVDR	17,000	154,911	199,913	1.78

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 May 2021 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Thailand</u> (continued)				
<u>Health Care</u>				
Bangkok Dusit Medical Services	61,200	185,704	173,857	1.55
<u>Industrials</u>				
KCE Electronics PCL	42,600	312,770	396,826	3.53
<u>Real Estate</u>				
Central Pattana PCL	78,900	560,772	526,465	4.69
<u>United States</u>				
<u>Technology</u>				
Sea Ltd	970	528,678	1,045,186	9.30
Total quoted equities – foreign	<u>2,403,973</u>	<u>6,678,024</u>	<u>7,990,266</u>	<u>71.13</u>
Accumulated unrealised gain on quoted equities – foreign		<u>1,312,242</u>		
Total quoted equities – foreign		<u>7,990,266</u>		

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	492,160	149,105
Deposits with licensed financial institutions	240,932	-
	<u>733,092</u>	<u>149,105</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposits with licensed financial institutions	<u>2.00</u>	<u>-</u>

Deposits with licensed financial institutions of the Fund have an average maturity of 1 day (2021: Nil days).

9 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	21,380,000	17,467,000
Creation of units arising from applications	6,286,000	6,194,000
Cancellation of units	<u>(1,767,000)</u>	<u>(5,418,000)</u>
At the end of the financial period	<u>25,899,000</u>	<u>18,243,000</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

10 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 10 brokers for 6 months financial period ended 31 May 2022 are as follow:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
CIMB Securities (Singapore) Pte Ltd.	3,287,865	15.10	8,164	10.55
Macquarie Securities (Australia) Ltd	2,705,831	12.42	11,069	14.30
DBS Vickers Securities (Singapore) Pte Ltd	1,943,083	8.92	6,014	7.77
Merrill Lynch International Ltd	1,720,642	7.90	5,306	6.85
PT Mandiri Sekuritas	1,611,425	7.39	7,365	9.52
CLSA Ltd (Hong Kong)	1,480,728	6.80	6,565	8.48
Citigroup Global Markets Ltd	1,074,133	4.93	2,578	3.33
Affin Hwang Investment Bank Bhd*	960,702	4.41	4,159	5.37
RHB Investment Bank Bhd	794,312	3.65	3,395	4.39
Sanford C. Bernstein and Co, Llc	669,551	3.08	1,434	1.85
Others	5,530,677	25.40	21,353	27.59
	<u>21,778,949</u>	<u>100.00</u>	<u>77,402</u>	<u>100.00</u>

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

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
Affin Hwang Investment Bank Bhd*	2,010,622	19.13	6,945	22.13
Citigroup Global Markets Ltd	1,287,034	12.25	3,089	9.84
Credit Suisse (Hong Kong) Ltd	884,499	8.42	3,133	9.98
DBS Vickers Securities (Singapore) Pte Ltd	713,072	6.78	2,068	6.59
Maybank Investment Bank Bhd	684,773	6.51	2,518	8.03
PT CIMB Securities Indonesia	672,111	6.39	1,778	5.67
CIMB Securities (Singapore) Pte Ltd	670,055	6.38	1,655	5.27
CLSA Singapore Pte Ltd	569,802	5.42	681	2.17
Alliance Investment Bank Bhd	558,322	5.31	2,046	6.52
Macquarie Securities (Australia) Ltd	341,237	3.25	989	3.15
Others	2,118,495	20.16	6,479	20.65
	<u>10,510,022</u>	<u>100.00</u>	<u>31,381</u>	<u>100.00</u>

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

10 TRANSACTIONS WITH BROKERS (CONTINUED)

* Included in transactions with brokers are trades with Affin Hwang Investment Bank Bhd, company related to the Manager amounting to RM960,702 (2021: RM2,010,622). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

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

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

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

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

	<u>2022</u>		<u>2021</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 (The units are held legally for booking purposes)	10,628	6,446	3,302	2,033

AFFIN HWANG ASEAN FLEXI FUND

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

12 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>31.5.2022</u> %	6 months financial period ended <u>31.5.2021</u> %
TER	<u>1.20</u>	<u>1.15</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding sales and service tax on transaction costs and withholding tax
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 RM13,514,492 (2021: RM10,520,696).

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.5.2022</u>	6 months financial period ended <u>31.5.2021</u>
PTR (times)	<u>0.80</u>	<u>0.45</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 = RM11,873,582 (2021: RM5,516,558)
total disposal for the financial period = RM9,647,362 (2021: RM3,983,471)

AFFIN HWANG ASEAN FLEXI 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 33 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 2022 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 31 May 2022 in accordance with Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 July 2022

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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