

# Affin Hwang

## Select Cash Fund

Semi-Annual Report  
31 May 2022

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

## 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 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

## FUND PERFORMANCE DATA

Category	As at 31 May 2022 (%)	As at 31 May 2021 (%)	As at 31 May 2020 (%)
Portfolio Composition			
<b>Unquoted fixed income securities – local</b>			
- Bonds	26.83	38.04	33.03
- Commercial papers	8.80	5.70	13.74
<b>Total unquoted fixed income securities – local</b>	<b>35.63</b>	<b>43.74</b>	<b>46.77</b>
<b>Cash &amp; cash equivalent</b>	<b>64.37</b>	<b>56.26</b>	<b>53.23</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	2,953.512	2,189.246	2,238.855
NAV per Unit (RM)	1.0635	1.0553	1.0538
Unit in Circulation (million)	2,777.257	2,074.541	2,124.506
Highest NAV	1.0635	1.0560	1.0554
Lowest NAV	1.0557	1.0539	1.0531
Return of the fund <sup>iii</sup> (%)	1.94	1.01	1.57
- Capital Return <sup>i</sup> (%)	0.78	0.10	-0.04
- Income Return <sup>ii</sup> (%)	1.15	0.90	1.57
Gross Distribution per Unit (sen)	1.21	0.95	1.68
Net Distribution per Unit (sen)	1.21	0.95	1.68
Total Expense Ratio (%) <sup>1</sup>	0.17	0.17	0.27
Portfolio Turnover Ratio (times) <sup>2</sup>	0.22	0.39	0.39

### **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

<sup>1</sup> The Fund's TER was unchanged during the financial period.

<sup>2</sup> The Fund's PTR decreased due to lesser trading activities during the financial period under review.

## 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)
7-Dec-21	8-Dec-21	1.0566	0.0008	1.0559
21-Dec-21	22-Dec-21	1.0565	0.0008	1.0557
25-Jan-22	26-Jan-22	1.0577	0.0002	1.0576
22-Feb-22	23-Feb-22	1.0591	0.0002	1.0589
22-Mar-22	23-Mar-22	1.0605	0.0002	1.0603
26-Apr-22	27-Apr-22	1.0619	0.0002	1.0617
24-May-22	25-May-22	1.0630	0.00009	1.0630

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

### Performance Review

For the period 1 December 2021 to 31 May 2022, the Fund registered a 0.93% return compared to the benchmark return of 0.14%. The Fund thus outperformed the Benchmark by 0.79%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2022 was RM1.0635 while the NAV as at 30 November 2021 was RM1.0562. During the period under review, the Fund has declared a total gross income distribution of RM0.00249 per unit.

Since commencement, the Fund has registered a return of 68.78% compared to the benchmark return of 32.14%, outperforming by 36.64%.

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 (6/4/05 - 31/5/22)
<b>Fund</b>	<b>0.93%</b>	<b>1.94%</b>	<b>7.60%</b>	<b>15.50%</b>	<b>68.78%</b>
<b>Benchmark</b>	<b>0.14%</b>	<b>0.26%</b>	<b>1.93%</b>	<b>5.71%</b>	<b>32.14%</b>
<b>Outperformance</b>	<b>0.79%</b>	<b>1.68%</b>	<b>5.67%</b>	<b>9.79%</b>	<b>36.64%</b>

Source of Benchmark: Maybank

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 (6/4/05 - 31/5/22)
<b>Fund</b>	<b>1.94%</b>	<b>2.47%</b>	<b>2.92%</b>	<b>3.10%</b>
<b>Benchmark</b>	<b>0.26%</b>	<b>0.64%</b>	<b>1.12%</b>	<b>1.64%</b>
<b>Outperformance</b>	<b>1.68%</b>	<b>1.83%</b>	<b>1.80%</b>	<b>1.46%</b>

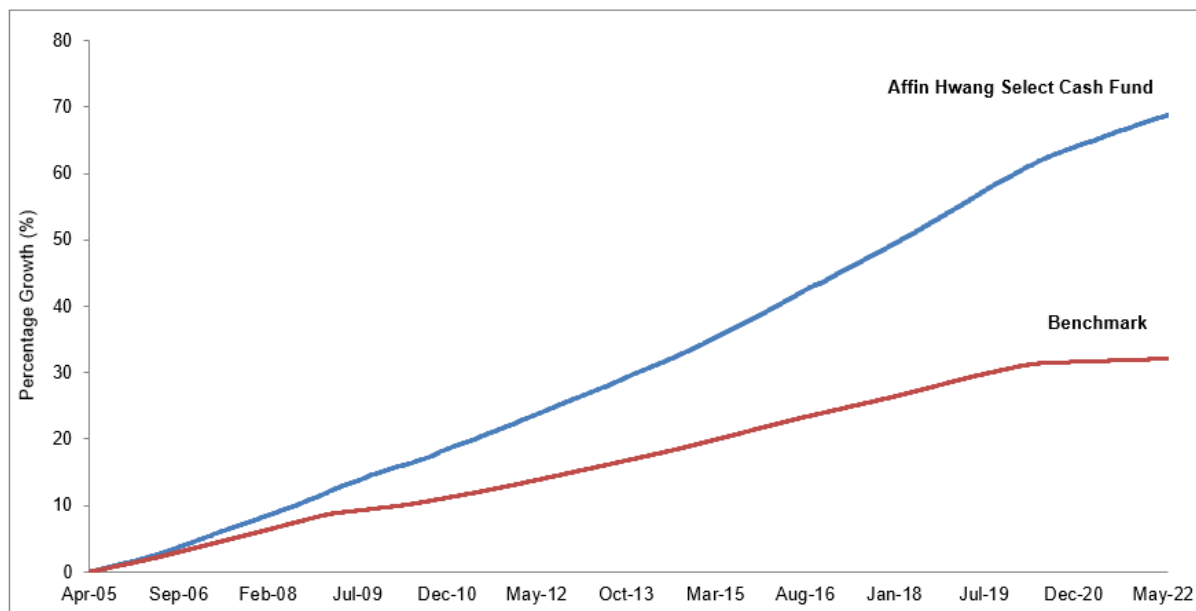
Source of Benchmark: Maybank

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)
<b>Fund</b>	<b>2.02%</b>	<b>2.73%</b>	<b>3.61%</b>	<b>3.61%</b>	<b>3.53%</b>
<b>Benchmark</b>	<b>0.25%</b>	<b>0.73%</b>	<b>1.73%</b>	<b>1.87%</b>	<b>1.75%</b>
<b>Outperformance</b>	<b>1.77%</b>	<b>2.00%</b>	<b>1.88%</b>	<b>1.74%</b>	<b>1.78%</b>

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 2022, the asset allocation of the Fund stood at 35.63% (2021: 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 increased and bonds were decreased. Overall, cash level of the Fund increased slightly to 64.37%.

### **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**

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, no soft commission was received by the management on behalf 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.

## **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**

No changes to the prospectus were made during the period under review.

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AFFIN HWANG SELECT CASH 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 period covered by these financial statements in accordance with the following:

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

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
Date: 18 July 2022

**AFFIN HWANG SELECT CASH FUND**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

# **AFFIN HWANG SELECT CASH FUND**

## **UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022**

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## AFFIN HWANG SELECT CASH FUND

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

	Note	6 months financial period ended 31.5.2022 RM	6 months financial period ended 31.5.2021 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets at fair value through profit or loss	4	31,817,124	21,684,675
Net loss on financial assets at fair value through profit or loss	9	(2,495,827)	(723,468)
		<u>29,321,297</u>	<u>20,961,207</u>
<b>EXPENSES</b>			
Management fee	5	(4,042,409)	(2,654,520)
Trustee fee	6	(471,614)	(311,381)
Auditors' remuneration		(7,988)	(4,488)
Tax agent's fee		(1,895)	(1,895)
Other expenses		(2,363)	(2,311)
		<u>(4,526,269)</u>	<u>(2,974,595)</u>
<b>NET PROFIT BEFORE TAXATION</b>		24,795,028	17,986,612
Taxation	7	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>24,795,028</u>	<u>17,986,612</u>
Net profit after taxation is made up of the following:			
Realised amount		32,044,017	21,522,493
Unrealised amount		(7,248,989)	(3,535,881)
		<u>24,795,028</u>	<u>17,986,612</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 SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents		1,543	530,102
Financial assets at fair value through profit or loss	9	2,959,340,882	2,189,373,544
<b>TOTAL ASSETS</b>		<u>2,959,342,425</u>	<u>2,189,903,646</u>
<b>LIABILITIES</b>			
Amount due to dealers		4,990,548	-
Amount due to Manager - management fee		730,529	565,280
Amount due to Trustee		85,228	65,949
Auditors' remuneration		4,488	4,488
Tax agent's fee		4,176	6,176
Other payables and accruals		15,508	15,428
<b>TOTAL LIABILITIES</b>		<u>5,830,477</u>	<u>657,321</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,953,511,948</u>	<u>2,189,246,325</u>
<b>EQUITY</b>			
Unitholders' capital		2,852,351,078	2,108,958,228
Retained earnings		101,160,870	80,288,097
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>2,953,511,948</u>	<u>2,189,246,325</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>2,777,257,000</u>	<u>2,074,541,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0635</u>	<u>1.0553</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 SEMI-ANNUAL STATEMENT OF CHANGES IN 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	2,307,787,923	82,404,206	2,390,192,129
Total comprehensive income for the financial period	-	24,795,028	24,795,028
Distributions (Note 8)	-	(6,038,364)	(6,038,364)
Movement in unitholders' capital:			
Creation of units arising from applications	1,353,458,303	-	1,353,458,303
Creation of units arising from distributions	5,459,576	-	5,459,576
Cancellation of units	(814,354,724)	-	(814,354,724)
Balance as at 31 May 2022	<u>2,852,351,078</u>	<u>101,160,870</u>	<u>2,953,511,948</u>
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>

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 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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	588,440,250	601,486,000
Purchase of investments	(581,061,451)	(802,236,702)
Placement of deposits with licensed financial institutions	(60,565,277,837)	(26,605,060,286)
Proceeds from maturity of deposits with licensed financial institutions	59,987,364,026	26,157,815,748
Interest received	36,385,403	28,738,000
Management fee paid	(3,904,645)	(2,463,039)
Trustee fee paid	(455,542)	(289,042)
Payment for other fees and expenses	(15,074)	(15,502)
Net cash flows used in operating activities	<u>(538,524,870)</u>	<u>(622,024,823)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,353,458,304	1,534,537,215
Payments for cancellation of units	(814,354,724)	(912,703,057)
Payment for distributions	(578,788)	(130,918)
Net cash flows generated from financing activities	<u>538,524,792</u>	<u>621,703,240</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(79)	(321,583)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>1,622</u>	<u>851,685</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>1,543</u></u>	<u><u>530,102</u></u>

Cash and cash equivalents as at 31 May 2022 and 31 May 2021 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 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, 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 L.

(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 SELECT CASH FUND

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

#### B INCOME RECOGNITION

##### Interest income

Interest income from short term deposits with licensed financial institutions and unquoted fixed income securities are recognised on 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 2022 (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 2022 (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.

##### Qualitative criteria:

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

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

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

##### Write-off

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

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

## **AFFIN HWANG SELECT CASH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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 2022 (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 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 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 2022.

## AFFIN HWANG SELECT CASH 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 OBJECTIVES AND POLICIES

Financial instruments of the fund are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit and loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,543	-	1,543
Unquoted fixed income securities	9	-	1,052,283,965	1,052,283,965
Deposits with licensed financial institutions	9	-	1,907,056,917	1,907,056,917
Total		<u>1,543</u>	<u>2,959,340,882</u>	<u>2,959,342,425</u>
<u>Financial liabilities</u>				
Amount due to dealers		4,990,548	-	4,990,548
Amount due to Manager - management fee		730,529	-	730,529
Amount due to Trustee		85,228	-	85,228
Auditors' remuneration		4,488	-	4,488
Tax agent's fee		4,176	-	4,176
Other payables and accruals		15,508	-	15,508
Total		<u>5,830,477</u>	<u>-</u>	<u>5,830,477</u>



## AFFIN HWANG SELECT CASH 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 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 and loss</u> 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>

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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>2022</u> RM	<u>2021</u> RM
<b>Unquoted investments</b>		
Unquoted fixed income securities*	1,052,283,965	957,586,476

\* Include interest receivable RM10,122,791 (2021: RM7,514,836)

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 1% (2021: 5%) and decreased by 1% (2021: 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>2022</u>		
-1%	1,031,739,562	(10,421,612)
0%	1,042,161,174	-
1%	1,052,582,786	10,421,612
<u>2021</u>		
-5%	902,568,058	(47,503,582)
0%	950,071,640	-
5%	997,575,222	47,503,582

## AFFIN HWANG SELECT CASH 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 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% (2021: 2%) with all other variables held constant.

<u>% change in interest rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2022</u>	<u>2021</u>
	RM	RM
+ 2%	(336,201)	(341,514)
- 2%	335,127	332,399

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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>2022</u>				
Basic Materials				
- AA1	20,579,995	-	-	20,579,995
Consumer Discretionary				
- AAA	15,231,053	-	-	15,231,053
- AA2	45,268,477	-	-	45,268,477
- AA-	10,211,944	-	-	10,211,944
Consumer Staples				
- AA1	30,396,990	-	-	30,396,990
Financials				
- AAA	189,557,721	891,533,104	1,543	1,081,092,368
- AA1	4,126,683	-	-	4,126,683
- AA2	30,372,871	331,482,412	-	361,855,283
- AA3	67,175,986	573,909,505	-	641,085,491
- AA-	-	60,042,535	-	60,042,535
- P1	190,354,462	-	-	190,354,462
- NR	-	50,089,361	-	50,089,361
Industrials				
- AAA	66,171,374	-	-	66,171,374
- AA1	5,121,835	-	-	5,121,835
- AA2	5,110,617	-	-	5,110,617
- AA3	86,733,914	-	-	86,733,914
- AA-	10,167,834	-	-	10,167,834
- A+	5,109,744	-	-	5,109,744

## AFFIN HWANG SELECT CASH 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 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>2022</u> (continued)				
Real Estate				
- AA1	5,186,671	-	-	5,186,671
- AA3	2,038,101	-	-	2,038,101
- P1	29,964,238	-	-	29,964,238
Telecommunications				
- AAA	5,087,488	-	-	5,087,488
- AA+	25,503,534	-	-	25,503,534
Utilities				
- AAA	20,212,355	-	-	20,212,355
- AA1	61,040,001	-	-	61,040,001
- AA2	9,162,570	-	-	9,162,570
- AA3	36,473,565	-	-	36,473,565
- AA-	36,298,508	-	-	36,298,508
- P1	39,625,434	-	-	39,625,434
	<u>1,052,283,965</u>	<u>1,907,056,917</u>	<u>1,543</u>	<u>2,959,342,425</u>

## AFFIN HWANG SELECT CASH 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 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>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
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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>2022</u>			
Amount due to dealers	4,990,548	-	4,990,548
Amount due to Manager			
- management fee	730,529	-	730,529
Amount due to Trustee	85,228	-	85,228
Auditors' remuneration	-	4,488	4,488
Tax agent's fee	-	4,176	4,176
Other payables and accruals	-	15,508	15,508
	<u>5,806,305</u>	<u>24,172</u>	<u>5,830,477</u>
<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>

## AFFIN HWANG SELECT CASH 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 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 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.

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 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				
- unquoted fixed income securities	-	1,052,283,965	-	1,052,283,965
- deposits with licensed financial institutions	-	1,907,056,917	-	1,907,056,917
	<u>-</u>	<u>2,959,340,882</u>	<u>-</u>	<u>2,959,340,882</u>
	<u>-</u>	<u>2,959,340,882</u>	<u>-</u>	<u>2,959,340,882</u>
<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
	<u>-</u>	<u>2,189,373,544</u>	<u>-</u>	<u>2,189,373,544</u>
	<u>-</u>	<u>2,189,373,544</u>	<u>-</u>	<u>2,189,373,544</u>

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

#### 4 INTEREST INCOME

	6 months financial period ended 31.5.2022 RM	6 months financial period ended 31.5.2021 RM
Interest income from financial assets at fair value through profit or loss:		
- unquoted fixed income securities	12,849,181	11,508,561
- deposits with licensed financial institutions	18,967,943	10,176,114
	<u>31,817,124</u>	<u>21,684,675</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 2022, the management fee is recognised at a rate of 0.30% (2021: 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 2022, the Trustee fee is recognised at a rate of 0.035% (2021: 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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

#### 7 TAXATION

	6 months financial period ended <u>31.5.2022</u> RM	6 months financial period ended <u>31.5.2021</u> 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 <u>31.5.2022</u> RM	6 months financial period ended <u>31.5.2021</u> RM
Net profit before taxation	24,795,028	17,986,612
Tax at Malaysian statutory rate of 24% (2021: 24%)	5,950,807	4,316,787
Tax effects of:		
Investment income exempt from tax	(7,037,111)	(5,030,690)
Expenses not deductible for tax purposes	114,209	75,741
Restriction on tax deductible expenses for Unit Trust Funds	972,095	638,162
Tax expense	-	-

## AFFIN HWANG SELECT CASH FUND

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

#### 8 DISTRIBUTIONS

	6 months financial period ended <u>31.5.2022</u> RM	6 months financial period ended <u>31.5.2021</u> RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	6,038,364	16,267,971
Gross realised income	6,038,364	16,267,971
Less: expenses	-	-
Net distribution amount	<u>6,038,364</u>	<u>16,267,971</u>

During the financial period ended 31 May 2022, distributions (sen) were made as follows:

<u>Ex-Date</u>	Gross/net distribution <u>per unit</u> (sen)
08.12.2021	0.08
22.12.2021	0.08
26.01.2022	0.02
23.02.2022	0.02
23.03.2022	0.02
27.04.2022	0.02
25.05.2022	0.009
	<u>0.249</u>

## AFFIN HWANG SELECT CASH FUND

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

#### 8 DISTRIBUTIONS (CONTINUED)

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

<u>Ex-Date</u>	Gross/net distribution <u>per unit</u> (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
	<hr/>
	0.95
	<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 RM6,038,364 (2021: RM16,267,971) made from previous year's realised income.

During the 6 months financial period 31 May 2022, there were unrealised losses of RM7,248,989 (2021: RM3,535,881).

## AFFIN HWANG SELECT CASH FUND

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

#### 9 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		
- unquoted fixed income securities - local	1,052,283,965	957,586,476
- deposits with licensed financial institutions	1,907,056,917	1,231,787,068
	<u>2,959,340,882</u>	<u>2,189,373,544</u>
Net loss on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	12,029	198,291
- unrealised loss on change in fair value	(2,507,856)	(921,759)
	<u>(2,495,827)</u>	<u>(723,468)</u>

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities - local as at 31 May 2022 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>				
3.095% Aeon Company (M) Berhad 13.07.2022 (AA2)	30,000,000	30,358,856	30,357,637	1.03
3.15% Aeon Company (M) Berhad (0.11.2023 (AA2)	15,000,000	15,032,273	14,910,840	0.50
3.90% Aman Sukuk Bhd 27.07.2022 (AAA)	20,000,000	20,319,938	20,309,123	0.69
4.10% Aman Sukuk Bhd 08.03.2023 (AAA)	20,000,000	20,434,560	20,360,159	0.69
2.94% Ambank (M) Bhd 30.06.2023 (AA3)	5,000,000	5,061,547	5,048,419	0.17
3.14% Ambank (M) Bhd 29.12.2023 (AA3)	5,000,000	5,065,730	5,041,861	0.17
4.70% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	5,000,000	5,123,706	5,124,238	0.17
4.688% Bandar Serai Development 28.08.2023 (AA3)	20,000,000	20,672,724	20,570,695	0.70
4.05% Batu Kawan Bhd 06.06.2023 (AA1)	20,000,000	20,683,058	20,579,995	0.70
4.68% BGSM Management Sdn Bhd 28.09.2023 (AA3)	10,000,000	10,314,450	10,261,042	0.35
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	30,000,000	31,657,995	31,626,321	1.07
2.13% Cagamas Berhad 27.10.2022 (AAA)	5,000,000	5,010,176	5,000,362	0.17
2.18% Cagamas Berhad 29.09.2022 (AAA)	10,000,000	10,038,687	10,026,422	0.34

## AFFIN HWANG SELECT CASH FUND

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

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

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

(i) Unquoted fixed income securities - local as at 31 May 2022 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>				
2.50% Cagamas Berhad 29.05.2023 (AAA)	10,000,000	10,003,408	9,960,225	0.34
2.66% Cagamas Berhad 19.05.2023 (AAA)	10,000,000	10,010,174	9,983,203	0.34
3.50% Cagamas Berhad 12.08.2022 (AAA)	10,000,000	10,130,098	10,122,203	0.34
6.05% Cagamas Berhad 10.10.2023 (AAA)	15,000,000	15,716,571	15,701,301	0.53
4.85% Celcom Networks Sdn Bhd 29.08.2022 (AA+)	5,000,000	5,090,195	5,087,488	0.17
4.15% DRB-HICOM Bhd 12.12.2022 (A+)	5,000,000	5,112,065	5,109,744	0.17
5.67% Edra Energy Sdn Bhd 05.01.2023 (AA3)	5,000,000	5,196,569	5,188,027	0.18
5.70% Edra Energy Sdn Bhd 05.07.2023 (AA3)	15,000,000	15,782,244	15,713,342	0.53
5.73% Edra Energy Sdn Bhd 05.01.2024 (AA3)	10,000,000	10,629,818	10,552,270	0.36
5.05% Encorp Systembilt Sdn Bhd 17.11.2023 (AA1)	5,000,000	5,153,023	5,121,835	0.17
4.825% Gamuda Bhd 23.11.2022 (AA3)	30,000,000	30,347,268	30,302,692	1.03
3.52% Gas Malaysia Distribution 13.12.2022 (AAA)	5,000,000	5,111,893	5,096,773	0.17
4.52% GULF Investment Corp 06.02.2023 (AAA)	15,000,000	15,373,004	15,324,409	0.52
5.10% GULF Investment Corp 20.06.2022 (AAA)	15,000,000	15,361,175	15,358,280	0.52
4.30% HSBC Amanah Malaysia Bhd 02.10.2023 (AAA)	25,000,000	25,731,646	25,503,322	0.86
4.64% IJM Corporation Bhd 02.06.2023 (AA3)	5,000,000	5,197,508	5,182,354	0.17
4.83% IJM Corporation Bhd 10.06.2022 (AA3)	20,000,000	20,460,938	20,460,718	0.69
4.57% Imtiaz Sukuk II Bhd 17.10.2022 (AA2)	30,000,000	30,395,734	30,372,871	1.03
5.17% Jimah East Power Sdn Bhd 02.12.2022 (AA-)	25,000,000	25,912,446	25,873,774	0.88
5.22% Jimah East Power Sdn Bhd 02.06.2023 (AA-)	10,000,000	10,474,895	10,424,734	0.35
4.00% Kuala Lumpur Kepong Bhd 02.09.2022 (AA1)	30,000,000	30,433,250	30,396,990	1.03
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	10,000,000	10,217,113	10,217,455	0.35

## AFFIN HWANG SELECT CASH FUND

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

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

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

(i) Unquoted fixed income securities - local as at 31 May 2022 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>				
4.68% Malaysia Airports Capital Bhd 16.12.2022 (AAA)	5,000,000	5,162,189	5,153,022	0.17
4.22% Manjung Island Energy Bhd 25.11.2022 (AAA)	15,000,000	15,148,429	15,115,582	0.51
4.80% MBSB Bank Bhd 09.12.2022 (AA1)	4,000,000	4,135,261	4,126,683	0.14
3.57% Merc Benz SVC Malaysia 28.11.2023 (AAA)	5,000,000	5,053,564	5,015,028	0.17
4.6% Merc Benz SVC Malaysia 20.06.2022 (AAA)	10,000,000	10,216,851	10,216,025	0.35
2.88% MUFG Bank Malaysia 24.03.2023 (AAA)	30,000,000	30,153,197	30,128,663	1.02
3.00% Pac Lease Bhd 22.06.2022 (AA3)	15,000,000	15,200,524	15,198,343	0.51
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	2,000,000	2,038,254	2,038,101	0.07
4.57% Rantau Abang Capital 19.10.2022 (AAA)	10,000,000	10,134,335	10,119,086	0.34
3.53% Solar Management Seremban 21.10.2022 (AA3)	5,000,000	5,022,188	5,019,926	0.17
4.82% Sports Toto Malaysia Sdn Bhd 30.06.2022 (AA-)	10,000,000	10,213,198	10,211,944	0.35
4.84% Tanjung Bin Power Sdn Bhd 16.08.2022 (AA2)	9,000,000	9,168,416	9,162,570	0.31
4.23% Telekom Malaysia Bhd 10.06.2022 (AAA)	25,000,000	25,504,966	25,503,534	0.86
3.30% Toyota Capital Malaysia 26.01.2024 (AAA)	12,000,000	12,145,684	12,030,851	0.41
4.65% Toyota Capital Malaysia 24.01.2023 (AAA)	15,000,000	15,405,975	15,372,103	0.52
5.39% UniTapah Sdn Bhd 12.12.2022 (AA1)	5,000,000	5,200,913	5,186,671	0.18
4.73%United Growth Bhd 21.06.2022 (AA2)	5,000,000	5,111,031	5,110,617	0.17
5.05% WCT Holdings Bhd 21.10.2022 (AA-)	5,000,000	5,046,952	5,043,596	0.17
5.15% Westports Malaysia Sdn Bhd 03.05.2023 (AAA)	10,000,000	10,258,937	10,229,984	0.35
4.49% YTL Power International Bhd 24.03.2023 (AA1)	30,000,000	30,575,249	30,396,148	1.03
4.55% YTL Power International Bhd 10.06.2022 (AA1)	30,000,000	30,648,197	30,643,853	1.04



## AFFIN HWANG SELECT CASH FUND

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

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

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

(i) Unquoted fixed income securities - local as at 31 May 2022 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>				
3.14% Zamarad Assets Bhd 28.03.2023 (AAA)	15,000,000	15,083,458	15,046,377	0.51
	<u>777,000,000</u>	<u>794,242,503</u>	<u>792,339,831</u>	<u>26.83</u>
<u>Commercial papers</u>				
0.00% Khazanah Nasional Bhd 02.09.2022 (P1)	30,000,000	29,843,515	29,818,800	1.01
0.00% Pac Lease Bhd 01.06.2022 (P1)	5,000,000	5,000,000	5,000,000	0.17
0.00% Pac Lease Bhd 01.07.2022 (P1)	5,000,000	4,990,548	4,990,548	0.17
0.00% Pac Lease Bhd 19.08.2022 (P1)	35,000,000	34,810,543	34,810,543	1.18
0.00% Pac Lease Bhd 28.06.2022 (P1)	10,000,000	9,981,504	9,981,504	0.34
0.00% Sabah Credit Corp 12.08.2022 (P1)	15,000,000	14,927,249	14,924,250	0.50
0.00% Sabah Credit Corp 18.10.2022 (P1)	25,000,000	24,771,174	24,771,174	0.84
0.00% Sabah Credit Corp 25.10.2022 (P1)	25,000,000	24,759,704	24,759,704	0.84
0.00% Sabah Credit Corp 31.10.2022 (P1)	11,500,000	11,370,566	11,370,566	0.38
0.00% Sunway Treasury Sukuk Sdn Bhd 07.07.2022 (P1)	30,000,000	29,927,373	29,927,373	1.01
0.00% Tenaga Nasional Bhd 04.11.2022 (P1)	30,000,000	29,698,431	29,698,431	1.01
0.00% Tenaga Nasional Bhd 05.10.2022 (P1)	10,000,000	9,927,003	9,927,003	0.34
0.00% Trusmadi Capital Sdn Bhd 17.06.2022 (P1)	30,000,000	29,964,238	29,964,238	1.01
	<u>261,500,000</u>	<u>259,971,848</u>	<u>259,944,134</u>	<u>8.80</u>
Total unquoted fixed income securities - local	<u>1,038,500,000</u>	<u>1,054,214,351</u>	<u>1,052,283,965</u>	<u>35.63</u>
Accumulated unrealised gain on unquoted fixed income securities - local		<u>(1,930,386)</u>		
Total unquoted fixed income securities - local		<u>1,052,283,965</u>		

## AFFIN HWANG SELECT CASH FUND

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

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

(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 RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<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
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

## AFFIN HWANG SELECT CASH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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 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>Bonds</u> (continued)				
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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (CONTINUED)

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

(b) Deposits with licensed financial institutions

	<u>2022</u> RM	<u>2021</u> RM
Designated at fair value through profit or loss at inception		
- Deposits with licensed financial institutions*	<u>1,907,056,917</u>	<u>1,231,787,068</u>

\* Include interest receivable RM9,068,359 (2021: RM5,063,448).

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>2.29</u>	<u>2.06</u>

The deposits have an average remaining maturity of 60 days (2021: 16 days).

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	2,262,972,000	1,469,877,000
Creation of units arising from applications during the financial period	1,277,745,052	1,454,579,021
Creation of units arising from distributions during the financial period	5,164,557	15,302,161
Cancellation of units during the financial period	<u>(768,624,609)</u>	<u>(865,217,182)</u>
At the end of the financial period	<u>2,777,257,000</u>	<u>2,074,541,000</u>

## AFFIN HWANG SELECT CASH FUND

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

#### 11 TRANSACTIONS WITH DEALERS

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

<u>Names of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
CIMB Bank Bhd	136,470,117	21.96
Hong Leong Bank Bhd	107,169,500	17.24
RHB Investment Bank Bhd	105,767,700	17.02
Kenanga Investment Bank Bhd	59,635,521	9.60
Malayan Banking Bhd	50,068,703	8.06
Affin Hwang Investment Bank Bhd	45,803,950	7.37
AmBank (M) Bhd	41,139,793	6.62
OCBC Bank (M) Bhd	34,779,465	5.60
Standard Chartered Bank Malaysia Bhd	15,628,500	2.51
Amlslamic Bank Bhd	15,000,000	2.41
Others	10,000,000	1.61
	<u>621,463,249</u>	<u>100.00</u>

- (ii) 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>

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 RM45,803,950 (2021: RM143,437,950). 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 SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>2022</u> RM	<u>2021</u> RM
RHB Investment Bank Bhd	19,228,200	10,185,500
Affin Hwang Investment Bank Bhd	25,471,950	36,654,400
	<u>44,700,150</u>	<u>46,839,900</u>

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

	<u>2022</u> RM	<u>2021</u> RM
Affin Hwang Aiiman Income Plus Fund	19,228,200	-
Affin Hwang Enhanced Income Fund	5,152,650	5,144,500
Affin Hwang Flexible Maturity Income Fund 11	-	6,059,400
Affin Hwang Income Extra Fund	15,166,650	35,636,000
Affin Hwang Income Fund 3	5,152,650	-
	<u>44,700,150</u>	<u>46,839,900</u>



## AFFIN HWANG SELECT CASH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2022 (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>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 Berhad (the units are held legally for booking purposes)	<u>3,061</u>	<u>3,255</u>	<u>3,285</u>	<u>3,467</u>
<u>Subsidiary of the Manager:</u>				
Accelvantage Academy Sdn Bhd (The units are held beneficially)	<u>914,253</u>	<u>972,308</u>	<u>1,021,462</u>	<u>1,077,948</u>

## AFFIN HWANG SELECT CASH FUND

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

#### 13 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>0.17</u>	<u>0.17</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 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 RM2,702,318,236 (2021: RM1,784,191,245).

#### 14 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>0.22</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 = RM586,051,999 (2021: RM802,236,702)  
total disposal for the financial period = RM588,541,953 (2021: RM601,287,709)

## **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 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 May 2022 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  
18 July 2022

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

Affin Hwang Asset Management Berhad  
Ground Floor  
Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

Tel : 03 – 2116 6000  
Fax : 03 – 2116 6100  
Toll free no : 1-800-88-7080  
Email: [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com)

### **PENANG**

Affin Hwang Asset Management Berhad  
No. 10-C-24 Precinct 10  
Jalan Tanjung Tokong  
10470 Penang

Tel : 04 – 899 8022  
Fax : 04 – 899 1916

### **PERAK**

Affin Hwang Asset Management Berhad  
1, Persiaran Greentown 6  
Greentown Business Centre  
30450 Ipoh Perak

Tel : 05 – 241 0668  
Fax : 05 – 255 9696

### **MELAKA**

Affin Hwang Asset Management Berhad  
Ground Floor, No. 584, Jalan Merdeka  
Taman Melaka Raya  
75000 Melaka

Tel : 06 – 281 2890 / 3269  
Fax : 06 – 281 2937

### **JOHOR**

Affin Hwang Asset Management Berhad  
Unit 22-05, Level 22  
Menara Landmark  
No. 12, Jalan Ngee Heng  
80000 Johor Bahru  
Johor Darul Takzim

Tel : 07 – 227 8999  
Fax : 07 – 223 8998

### **SABAH**

Affin Hwang Asset Management Berhad  
Unit 1.09(a), Level 1  
Plaza Shell  
29, Jalan Tunku Abdul Rahman  
88000 Kota Kinabalu  
Sabah

Tel : 088 – 252 881  
Fax : 088 – 288 803

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

### **SARAWAK**

Affin Hwang Asset Management Berhad  
Ground Floor, No. 69  
Block 10, Jalan Laksamana Cheng Ho  
93200 Kuching  
Sarawak

Tel : 082 – 233 320  
Fax : 082 – 233 663

Affin Hwang Asset Management Berhad  
1<sup>st</sup> Floor, Lot 1291  
Jalan Melayu, MCLD  
98000 Miri  
Sarawak

Tel : 085 – 418 403  
Fax : 085 – 418 372

[www.affinhwangam.com](http://www.affinhwangam.com)

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)