

Affin Hwang Bond Fund

Annual Report
30 April 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
AmanahRaya Trustee Berhad (766894-T)

AFFIN HWANG BOND FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 30 April 2021

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FUND INFORMATION

Fund Name	Affin Hwang Bond Fund
Fund Type	Income & Growth
Fund Category	Bond
Investment Objective	To provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.
Benchmark	12-month fixed deposit rate quoted by Maybank
Distribution Policy	Distribution (if any) is on quarterly basis and will be subject to the availability of income

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	8,084	10,447
5,001 to 10,000	1,523	11,123
10,001 to 50,000	407	9,403
50,001 to 500,000	338	57,139
500,001 and above	185	1,600,592
Total	10,537	1,688,704

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 30 Apr 2021 (%)	As at 30 Apr 2020 (%)	As at 30 Apr 2019 (%)
Portfolio Composition			
Unquoted fixed income securities – local	92.76	91.41	96.70
Cash	7.24	8.59	3.30
Total	100.00	100.00	100.00
Total NAV (RM'million)	1,007.037	804.147	319.849
NAV per Unit (RM)	0.5963	0.6127	0.5872
Unit in Circulation (million)	1,688.731	1,312.374	544.712
Highest NAV	0.6258	0.6228	0.5872
Lowest NAV	0.5900	0.5872	0.5702
Return of the Fund (%)	0.07	7.51	6.80
- Capital Growth (%)	-2.68	4.34	2.35
- Income Return (%)	2.82	3.04	4.35
Gross Distribution per Unit (sen)	1.70	1.80	2.46
Net Distribution per Unit (sen)	1.70	1.80	2.46
Management Expense Ratio (%) ¹	1.09	1.09	1.11
Portfolio Turnover Ratio (times) ²	0.67	1.07	1.89

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

¹The MER of the Fund was unchanged for the financial year.

²The Fund's PTR was lower than previous year due to higher average Net Asset Value for the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16-Jun-20	17-Jun-20	0.6138	0.0035	0.6101
16-Sep-20	17-Sep-20	0.6234	0.0050	0.6171
15-Dec-20	16-Dec-20	0.6163	0.0045	0.6122
16-Mar-21	17-Mar-21	0.5967	0.0040	0.5920

No unit splits were declared for the financial year ended 30 April 2021.

Performance Review

For the period 1 May 2020 to 30 April 2021, the Fund has registered a return of 0.07% as compared to the benchmark return of 1.91%. The Fund thus underperformed the benchmark by 1.84%. The Net Asset Value (NAV) per unit of the Fund as at 30 April 2021 was RM 0.5963 while the NAV per unit on 30 April 2020 was RM 0.6127. During the same period under review, the Fund has declared a total gross income distribution of RM0.0170 per unit.

Since commencement, the Fund has outperformed the benchmark by 27.12% with returns of 113.92% compared to the benchmark return of 86.80%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	3 Years (1/5/18 - 30/4/21)	5 Years (1/5/16 - 30/4/21)	Since Commencement (14/12/01 - 30/4/21)
Fund	0.07%	15.00%	25.24%	113.92%
Benchmark	1.91%	8.50%	15.45%	86.80%
Outperformance	(1.84%)	6.50%	9.79%	27.12%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	3 Years (1/5/18 - 30/4/21)	5 Years (1/5/16 - 30/4/21)	Since Commencement (14/12/01 - 30/4/21)
Fund	0.07%	4.76%	4.60%	4.00%
Benchmark	1.91%	2.75%	2.91%	3.27%
Outperformance	(1.84%)	2.01%	1.69%	0.73%

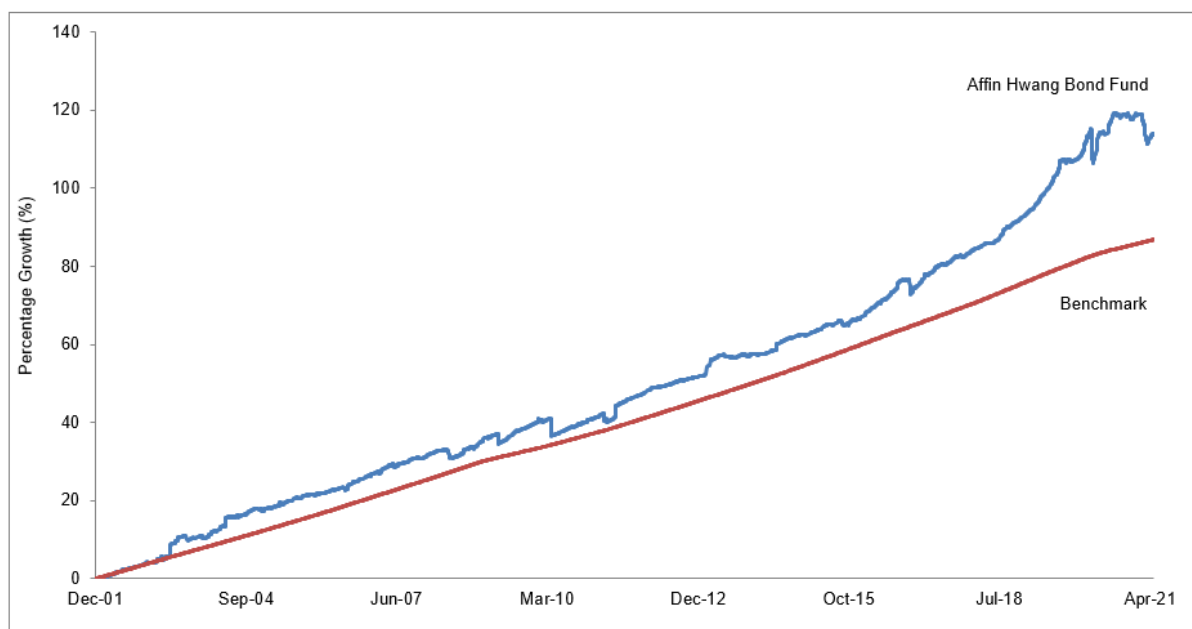
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (1/5/18 - 30/4/19)	FYE 2018 (1/5/17 - 30/4/18)	FYE 2017 (1/5/16 - 30/4/17)
Fund	0.07%	7.51%	6.80%	3.69%	5.04%
Benchmark	1.91%	3.02%	3.35%	3.16%	3.14%
Outperformance	(1.84%)	4.49%	3.45%	0.53%	1.90%

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: Maybank 12-month fixed deposit 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.

During the period under review, the Fund's exposure in fixed income instruments had increased to 92.76%, 1.35 percentage points higher than 91.41% a year ago. Correspondingly, the cash level of the Fund was decreased to 7.24% due to sale of securities.

Strategies Employed

With the return of volatility in markets, we saw that valuations have become attractive and flows into the fund increases, where we then gradually increased exposure. To date, the Fund's bond holdings have continued to meet their respective financial obligations in respect of their outstanding debt. Cash level was maintained at a moderate level to better navigate through heightened volatility environment, and the manager continues to stick to quality credits.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. The market showed strong attention to the Biden administration's US\$ 1.9 trillion COVID-19 relief proposal in mid-January. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

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

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

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

Following from 2020’s political overhang, Malaysia’s Yang di-Pertuan Agong issued a Proclamation of Emergency, resulting in the implementation of MCO 2.0 as daily Covid-19 cases rose to four digits. Restrictions on movement were less stringent than the initial MCO from 2020, though inconsistent communication surrounding the restrictions resulted in some public confusion.

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

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

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

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Political risk has been delayed with the declaration of state of emergency until August 2021.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

TRUSTEE'S REPORT

For the Financial Year Ended 30 April 2021

To the Unit Holders of
AFFIN HWANG BOND FUND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG BOND FUND for the financial year ended 30 April 2021. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG BOND FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and other regulatory requirements; and
- (c) The distribution of income made by AFFIN HWANG BOND FUND as declared by the Manager is appropriate and reflects the investment objective of AFFIN HWANG BOND FUND.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Kuala Lumpur, Malaysia
18 June 2021

AFFIN HWANG BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

AFFIN HWANG BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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AFFIN HWANG BOND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
INVESTMENT INCOME			
Dividend income		65,769	-
Interest income from financial assets at amortised cost		1,322,086	1,391,412
Interest income from financial assets at fair value through profit or loss		38,211,815	23,500,905
Net (loss)/gain on financial assets at fair value through profit or loss	8	(32,224,471)	19,282,875
		<u>7,375,199</u>	<u>44,175,192</u>
EXPENSES			
Management fee	4	(10,335,050)	(5,602,933)
Trustee fee	5	(834,021)	(456,397)
Auditors' remuneration		(9,500)	(9,500)
Tax agent's fee		(4,380)	(6,100)
Other expenses		(44,870)	(32,043)
		<u>(11,227,821)</u>	<u>(6,106,973)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(3,852,622)	38,068,219
Taxation	6	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(3,852,622)</u>	<u>38,068,219</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		37,706,423	26,932,392
Unrealised amount		(41,559,045)	11,135,827
		<u>(3,852,622)</u>	<u>38,068,219</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	9	63,262,513	54,052,782
Amount due from dealers		10,607,577	-
Amount due from Manager - creation of units		-	21,247,436
Financial assets at fair value through profit or loss	8	934,172,598	735,059,460
TOTAL ASSETS		<u>1,008,042,688</u>	<u>810,359,678</u>
LIABILITIES			
Amount due to dealers		-	5,529,808
Amount due to Manager - management fee		822,246	609,088
- cancellation of units		90,668	-
Amount due to Trustee		65,780	48,727
Auditors' remuneration		11,090	11,090
Tax agent's fee		12,500	12,500
Other payable and accruals		3,199	1,353
TOTAL LIABILITIES		<u>1,005,483</u>	<u>6,212,566</u>
NET ASSET VALUE OF THE FUND		<u>1,007,037,205</u>	<u>804,147,112</u>
EQUITY			
Unitholders' capital		1,009,578,049	773,019,526
(Accumulated losses)/Retained earnings		(2,540,844)	31,127,586
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,007,037,205</u>	<u>804,147,112</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>1,688,731,000</u>	<u>1,312,374,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5963</u>	<u>0.6127</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2020	773,019,526	31,127,586	804,147,112
Total comprehensive loss for the financial year	-	(3,852,622)	(3,852,622)
Distributions (Note 7)	-	(29,815,808)	(29,815,808)
Movement in unitholders' capital:			
Creation of units arising from applications	824,519,439	-	824,519,439
Creation of units arising from distributions	25,750,487	-	25,750,487
Cancellation of units	(613,711,403)	-	(613,711,403)
Balance as at 30 April 2021	<u>1,009,578,049</u>	<u>(2,540,844)</u>	<u>1,007,037,205</u>
Balance as at 1 May 2019	309,355,042	10,494,205	319,849,247
Total comprehensive income for the financial year	-	38,068,219	38,068,219
Distributions (Note 7)	-	(17,434,838)	(17,434,838)
Movement in unitholders' capital:			
Creation of units arising from applications	630,286,249	-	630,286,249
Creation of units arising from distributions	16,197,848	-	16,197,848
Cancellation of units	(182,819,613)	-	(182,819,613)
Balance as at 30 April 2020	<u>773,019,526</u>	<u>31,127,586</u>	<u>804,147,112</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		572,199,321	413,011,214
Purchase of investments		(821,914,006)	(810,551,942)
Dividend received		65,769	-
Interest received		41,761,084	21,484,832
Management fee rebate received		12,508	2,932
Management fee paid		(10,121,892)	(5,240,684)
Trustee's fee paid		(816,968)	(427,417)
Payment for other fees and expenses		(56,904)	(43,223)
		<hr/>	<hr/>
Net cash flows used in operating activities		(218,871,088)	(381,764,288)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		845,766,875	609,240,119
Payments for cancellation of units		(613,620,735)	(182,819,613)
Payment for distributions		(4,065,321)	(1,236,990)
		<hr/>	<hr/>
Net cash flows generated from financing activities		228,080,819	425,183,516
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		9,209,731	43,419,228
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		54,052,782	10,633,554
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	9	63,262,513	54,052,782
		<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 BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

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

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

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

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

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

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

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (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 institutions and unquoted fixed income securities are recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective profit 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 rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain and loss 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.

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

C DISTRIBUTIONS

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 year 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 profit earned during the financial year.

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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.

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, amount due from dealers and amount due from Manager 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.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 or loss' in the period which they arise.

Unquoted fixed income securities 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") registered with the Securities Commission's ("SC") as per the SC's Guidelines on Unit Trust Funds. 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 fixed income securities 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.

(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.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 year.

G CASH AND CASH EQUIVALENTS

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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 content of the estimates, certain key variables that are anticipated to have material impact to the Funds' 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 SC's Guidelines on Unit Trust Funds.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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 BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Capital Fund (the “Fund”) pursuant to the execution of a Master Deed dated 3 December 2001, First Supplemental Deed dated 29 August 2002, Second Supplemental Deed dated 23 August 2007, Third Supplemental Deed dated 8 September 2008, Fourth Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 22 July 2014, Sixth Supplemental Deed dated 6 August 2015 and Seventh Supplemental Deed dated 10 April 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Fund changed its name from Affin Capital Fund to Affin Hwang Bond Fund as amended by the Fifth Supplemental Deed dated 22 July 2014.

The objective of the Fund is to provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities as defined under Clause 3(1) of the Deed. The principal activity of the Fund is to invest in “Authorised Investments” as defined under Clause 1 of the Deed, which includes unlisted corporate bonds and money market instruments.

The Fund commenced operations on 12 December 2002 and will continue its operations until terminated by the Trustee as provided under Clause 23 of the Deed.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the SC and/or the relevant authorities and/or the Deeds:

- (i) Listed securities;
- (ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
- (iii) Fixed deposits with financial institutions;
- (iv) Money market instruments;
- (v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
- (vi) Debentures including private debt securities and bonds;
- (vii) Units/shares in collective investment schemes, both local and foreign which are in line with the objective of the Trust; and
- (viii) Any other form of investments as may be permitted by the Securities Commissions from time to time that is in line with the Trust’s objectives.

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 18 June 2021.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES 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>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	63,262,513	-	63,262,513
Amount due from dealers		10,607,577	-	10,607,577
Unquoted fixed income securities	8	-	934,172,598	934,172,598
Total		<u>73,870,090</u>	<u>934,172,598</u>	<u>1,008,042,688</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		822,246	-	822,246
- cancellation of units		90,668	-	90,668
Amount due to Trustee		65,780	-	65,780
Auditors' remuneration		11,090	-	11,090
Tax agent's fee		12,500	-	12,500
Other payables and accruals		3,199	-	3,199
Total		<u>1,005,483</u>	<u>-</u>	<u>1,005,483</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	54,052,782	-	54,052,782
Amount due from Manager				
- creation of units		21,247,436	-	21,247,436
Unquoted fixed income securities	8	-	735,059,460	735,059,460
Total		<u>75,300,218</u>	<u>735,059,460</u>	<u>810,359,678</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Amount due to dealers		5,529,808	-	5,529,808
Amount due to Manager				
- management fee		609,088	-	609,088
Amount due to Trustee		48,727	-	48,727
Auditors' remuneration		11,090	-	11,090
Tax agent's fee		12,500	-	12,500
Other payables and accruals		1,353	-	1,353
Total		<u>6,212,566</u>	<u>-</u>	<u>6,212,566</u>

The Fund is exposed to a variety of risks which include market risk (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 and the Deeds.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Unquoted investment		
Unquoted fixed income securities *	934,172,598	735,059,460
	<u> </u>	<u> </u>

* Includes interest receivable of RM10,165,447 (2020: RM8,143,825).

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable shift in unquoted investments, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2021</u>		
-5%	877,806,793	(46,200,358)
0%	924,007,151	-
+5%	970,207,509	46,200,358
	<u> </u>	<u> </u>
<u>2020</u>		
-5%	690,569,853	(36,345,782)
0%	726,915,635	-
+5%	763,261,417	36,345,782
	<u> </u>	<u> </u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income security until 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 and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% (2020: 2%) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2% (2020: + 2%)	(6,329,763)	(3,498,984)
- 2% (2020: - 2%)	6,443,507	3,529,569

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

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Credit risk

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

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

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 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.

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

	Unquoted fixed income securities RM	Cash and cash equivalents RM	Amount due from dealers RM	Total RM
<u>2021</u>				
Construction and engineering				
- AA1	18,642,053	-	-	18,642,053
- AA3	26,275,608	-	-	26,275,608
- AA- IS	53,290,050	-	-	53,290,050
- A IS	25,461,958	-	-	25,461,958
Diversified holdings				
- AAA (S)	39,974,690	-	-	39,974,690
- AA1	15,822,111	-	-	15,822,111
- AA2	5,004,917	-	-	5,004,917
- A1	21,955,707	-	-	21,955,707
- A2 (S)	10,528,733	-	-	10,528,733
Financial services				
- AAA	43,083,147	53,098,807	10,607,577	106,789,531
- AAA (BG)	10,043,805	-	-	10,043,805
- AAA IS	9,587,935	-	-	9,587,935
- AA1	16,546,882	-	-	16,546,882
- AA2	12,762,551	-	-	12,762,551
- AA2 (S)	4,852,421	-	-	4,852,421
- AA3	5,654,397	2,602,798	-	8,257,195
- AA	7,351,858	-	-	7,351,858
- AA-	-	7,560,908	-	7,560,908
- A1	17,167,031	-	-	17,167,031
- A3	28,929,183	-	-	28,929,183
- NR	6,947,793	-	-	6,947,793
- NR (LT)	15,330,419	-	-	15,330,419

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
Industrial products				
- AA3	3,110,578	-	-	3,110,578
- A1	26,660,015	-	-	26,660,015
- AA- IS (CG)	4,354,916	-	-	4,354,916
- NR	19,950,903	-	-	19,950,903
Infrastructures and utilities				
- AAA	110,506,343	-	-	110,506,343
- AAA IS	1,619,790	-	-	1,619,790
- AA+ IS	17,063,655	-	-	17,063,655
- AA IS	10,074,712	-	-	10,074,712
- AA- IS	79,123,436	-	-	79,123,436
- AA1	20,946,799	-	-	20,946,799
- AA3	41,468,347	-	-	41,468,347
- C IS	758,182	-	-	758,182
- NR(LT)	5,365,967	-	-	5,365,967
Plantation and agriculture				
- AA IS	5,508,311	-	-	5,508,311
- AA3	20,794,979	-	-	20,794,979
Real Estate				
- AA IS	15,389,566	-	-	15,389,566
- AA-	15,373,636	-	-	15,373,636
- AA- IS	17,368,118	-	-	17,368,118
- AA3	13,419,960	-	-	13,419,960
- NR	23,144,910	-	-	23,144,910
Government				
- SOV	77,174,603	-	-	77,174,603
Trading and services				
- AA1	5,422,537	-	-	5,422,537
Transportation				
- NR(LT)	4,359,086	-	-	4,359,086
	<u>934,172,598</u>	<u>63,262,513</u>	<u>10,607,577</u>	<u>1,008,042,688</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Cash and cash equivalents RM	Amount due from Manager RM	Total RM
<u>2020</u>				
Consumer Goods				
- AA1	5,099,129	-	-	5,099,129
- AA2	6,367,183	-	-	6,367,183
- AA3	10,412,848	-	-	10,412,848
- A1	40,552,951	-	-	40,552,951
Financial Services				
- AAA	76,141,718	34,545,085	-	110,686,803
- AA1	14,845,993	-	-	14,845,993
- AA2	20,067,547	-	-	20,067,547
- AA	22,902,396	-	-	22,902,396
- AA3	46,087,463	649,616	-	46,737,079
- AA-	42,921,682	18,858,081	-	61,779,763
- A1	18,220,692	-	-	18,220,692
- A2	11,481,443	-	-	11,481,443
- A3	26,147,866	-	-	26,147,866
- NR	27,636,770	-	-	27,636,770
Government				
- SOV	88,512,782	-	-	88,512,782
Industrials				
- AA3	36,979,326	-	-	36,979,326
- AA	5,599,461	-	-	5,599,461
- AA-	22,073,342	-	-	22,073,342
- A1	3,117,560	-	-	3,117,560
- A	27,608,280	-	-	27,608,280
- NR	16,694,190	-	-	16,694,190

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
Utilities				
- AAA	9,447,580	-	-	9,447,580
- AA1	38,370,926	-	-	38,370,926
- AA	10,937,369	-	-	10,937,369
- AA3	1,141,294	-	-	1,141,294
- AA-	33,088,516	-	-	33,088,516
Real Estate				
- NR	8,392,579	-	-	8,392,579
Telecommunications				
- AA+	12,881,841	-	-	12,881,841
Quasi – Gov				
- AAA	31,513,448	-	-	31,513,448
Health Care				
- AA-	6,377,942	-	-	6,377,942
Oil & Gas				
- AA-	13,437,343	-	-	13,437,343
Other				
- NR	-	-	21,247,436	21,247,436
	<u>735,059,460</u>	<u>54,052,782</u>	<u>21,247,436</u>	<u>810,359,678</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its principal 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, deposits with licensed financial institutions and other investments 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 RM</u>	<u>Between one month to one year RM</u>	<u>Total RM</u>
<u>2021</u>			
Amount due to Manager			
- management fee	822,246	-	822,246
- cancellation of units	90,668	-	90,668
Amount due to Trustee	65,780	-	65,780
Auditors' remuneration	-	11,090	11,090
Tax agent's fee	-	12,500	12,500
Other payables and accruals	-	3,199	3,199
Total	<u>978,694</u>	<u>26,789</u>	<u>1,005,483</u>
<u>2020</u>			
Amount due to dealers	5,529,808	-	5,529,808
Amount due to Manager			
- management fee	609,088	-	609,088
Amount due to Trustee	48,727	-	48,727
Auditors' remuneration	-	11,090	11,090
Tax agent's fee	-	12,500	12,500
Other payables and accruals	-	1,353	1,353
Total	<u>6,187,623</u>	<u>24,943</u>	<u>6,212,566</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

Capital risk

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

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the year end date. 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 categorized 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.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	934,172,598	-	934,172,598
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	735,059,460	-	735,059,460
	<u> </u>	<u> </u>	<u> </u>	<u> </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 investments in unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 1.50% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 April 2021, the management fee is recognised at a rate of 1.00% (2020: 1.00%) per annum based 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 amounts recognised above.

5 TRUSTEE'S FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.08% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 30 April 2021, the Trustee fee is recognised at a rate of 0.08% (2020: 0.08%) per annum based 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 Trustee in respect of Trustee fee other than the amounts recognised above.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

6 TAXATION

	<u>2021</u> RM	<u>2020</u> RM
Current taxation - local	-	-

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

	<u>2021</u> RM	<u>2020</u> RM
Net (loss)/profit before taxation	<u>(3,852,622)</u>	<u>38,068,219</u>
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(924,629)	9,136,373
Tax effect of:		
Investment income not subject to tax	(1,770,048)	(10,602,047)
Expenses not deductible for tax purposes	210,065	116,770
Restrictions on tax deductible expenses for Unit Trust Funds	<u>2,484,612</u>	<u>1,348,904</u>
Tax expense	<u>-</u>	<u>-</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

7 DISTRIBUTIONS

	<u>2021</u> RM	<u>2020</u> RM
Distribution to unitholders is from the following sources:		
Interest income	22,439,808	17,297,668
Previous years' realised income	11,511,600	2,679,501
	<hr/>	<hr/>
Gross realised income	33,951,408	19,977,169
Less: Expenses	(4,135,600)	(2,542,331)
	<hr/>	<hr/>
Net distribution amount	<u>29,815,808</u>	<u>17,434,838</u>

During the financial year ended 30 April 2021, distributions were made as follows:

<u>2021</u>	<u>Gross/Net</u> <u>distribution</u> <u>per unit (sen)</u> RM
17.06.2020	0.35
17.09.2020	0.50
16.12.2020	0.45
17.03.2021	0.40
	<hr/>
	1.70
	<hr/>

During the financial year ended 30 April 2020, distributions were made as follows:

<u>2020</u>	
19.06.2019	0.45
18.09.2019	0.35
18.12.2019	0.50
18.03.2020	0.50
	<hr/>
	1.80
	<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 year is an amount of RM11,511,600 (2020: RM2,679,501) made from previous financial years' realised income.

There are unrealised losses during the financial year of RM41,559,045 (2020: RM Nil).

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	934,172,598	735,059,460
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	4,631,383	7,149,962
- unrealised (loss)/gain on changes in fair value	(36,868,362)	12,129,981
- management fee rebate on collective investment schemes #	12,508	2,932
	<u>(32,224,471)</u>	<u>19,282,875</u>

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

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 30 April 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	6,500,000	6,815,429	6,947,793	0.69
4.88% AmBank Islamic Bhd Call: 18.10.2023 (A1)	5,000,000	5,137,420	5,137,322	0.51
6.00% Anih Bhd 29.11.2028 (AA)	5,000,000	6,035,409	5,788,432	0.57
5.5% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,479,262	1.54
4.7% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	15,000,000	15,321,360	15,461,957	1.54
4.85% AZRB Capital Sdn Bhd 26.12.2024 (AA-)	3,000,000	3,149,954	3,121,130	0.31
5.1% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,086,630	5,160,630	0.51
3.00% Bank Pembangunan Malaysia Bhd 12.10.2027 (AAA)	5,000,000	5,007,808	4,894,608	0.49

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.18% Bank Pembangunan Malaysia Bhd 11.10.2030 (AAA)	5,000,000	5,008,277	4,693,327	0.47
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	10,500,000	10,853,481	11,419,349	1.13
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	5,000,000	5,882,823	5,330,149	0.53
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,589,220	5,389,048	0.54
5.4% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,052,195	2,125,501	0.21
5.5% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,062,858	2,160,780	0.21
5.45% BGSM Management Sdn Bhd 28.06.2024 (AA3)	5,000,000	5,486,074	5,449,775	0.54
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,058,270	1,092,641	0.11
4.1% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,055,603	5,188,953	0.52
4.2% Bumitama Agri Ltd 22.07.2026 (AA3)	15,000,000	15,536,655	15,606,027	1.55
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	505,284	536,237	0.05
5.2% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	15,000,000	16,491,584	16,527,417	1.64
4.7% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,331,887	5,465,339	0.54
4.88% CIMB Group Holdings Bhd Call: 28.06.2024 (A1)	6,000,000	6,099,472	6,334,732	0.63
4.9% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	7,000,000	7,256,124	7,351,858	0.73
5.4% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,502,959	2,614,134	0.26
5.80% CIMB Group Holdings Bhd Call: 25.05.2021 (A1)	3,000,000	3,075,541	3,080,844	0.31

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.27% DanaInfra Nasional Bhd 18.05.2035 (NR)	5,000,000	5,072,567	4,653,317	0.46
3.57% DanaInfra Nasional Bhd 18.05.2040 (NR)	5,000,000	5,079,225	4,526,275	0.45
4.85% DanaInfra Nasional Bhd 03.05.2041 (NR)	5,000,000	5,409,814	5,376,575	0.53
5.06% DanaInfra Nasional Bhd 12.02.2049 (NR)	5,000,000	5,964,436	5,394,736	0.54
5.02% Danga Capital Bhd 21.09.2033 (AAA)	5,000,000	5,980,660	5,393,507	0.54
3.42% Danum Capital Bhd 21.02.2035 (AAA)	30,000,000	30,136,698	27,235,545	2.70
3.96% Danum Capital Bhd 09.05.2023 (AAA)	5,000,000	5,096,967	5,221,647	0.52
4.3% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,067,185	2,123,991	0.21
6.5% Eco World Capital Assets Bhd 12.08.2022 (NR)	15,000,000	15,429,131	15,558,392	1.54
5.88% Edra Energy Sdn Bhd 03.07.2026 (AA3)	5,000,000	5,677,920	5,565,436	0.55
5.97% Edra Energy Sdn Bhd 05.01.2028 (AA3)	20,000,000	23,378,457	22,524,863	2.24
6.12% Edra Energy Sdn Bhd 05.07.2030 (AA3)	5,000,000	6,014,524	5,711,949	0.57
3.985% Fortune Premiere Sdn Bhd 11.09.2026 (AA)	10,000,000	10,075,280	10,206,089	1.01
4.8% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,130,154	5,183,477	0.51
4.117% Gamuda Bhd 18.11.2026 (AA3)	10,000,000	10,195,669	10,361,983	1.03
4.825% Gamuda Bhd 23.11.2022 (AA3)	5,000,000	5,127,077	5,243,642	0.52
4.119% GII 30.11.2034 (SOV)	10,000,000	11,115,330	10,375,102	1.03
4.13% GII 09.07.2029 (SOV)	1,000,000	1,110,880	1,078,898	0.11
4.467% GII 15.09.2039 (SOV)	20,000,000	23,265,148	20,659,103	2.05

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.638% GII 15.11.2049 (SOV)	10,000,000	11,016,769	10,434,263	1.04
4.3% Hong Leong Financial Group Bhd Call: 14.06.2024 (AA2)	7,500,000	7,621,932	7,836,507	0.78
5.05% IJM Corporation Bhd 18.08.2028 (AA3)	10,000,000	10,706,365	10,669,982	1.06
5.65% IJM Land Bhd Call: 19.03.2026 (A2)	5,000,000	5,033,281	5,250,231	0.52
5.73% IJM Land Bhd Call: 19.03.2027 (A2)	5,000,000	5,033,752	5,278,502	0.52
3.2% Imtiaz Sukuk II Bhd 07.10.2027 (AA2)	5,000,000	5,010,521	4,852,421	0.48
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	3,000,000	3,047,701	3,110,578	0.31
3.95% Leader Energy Sdn Bhd 16.07.2025 (AA-)	3,000,000	3,060,583	3,023,870	0.30
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,029,437	1,077,972	0.11
6.13% Lebuhraya DUKE Fasa 3 Sdn Bhd 22.08.2036 (AA-)	5,000,000	5,487,939	5,447,912	0.54
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	10,000,000	11,498,271	10,962,559	1.09
4.9% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,000,000	3,147,619	3,139,380	0.31
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	7,400,000	7,591,661	7,586,518	0.75
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA3)	5,000,000	5,020,933	5,139,633	0.51
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,058,351	5,268,901	0.52
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	12,000,000	12,318,603	12,788,696	1.27
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,282,637	16,140,487	1.60
6.30% MEX II Sdn Bhd 29.04.2033 (C)	2,500,000	2,548,827	758,182	0.08

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
3.757% MGS 22.05.2040 (SOV)	20,000,000	21,374,169	19,362,111	1.92
3.885% MGS 15.08.2029 (SOV)	4,000,000	4,433,455	4,246,196	0.42
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,469,979	11,018,930	1.09
5.7% MMC Corp Bhd 24.03.2028 (AA-)	11,000,000	11,564,443	11,909,391	1.18
5.8% MMC Corp Bhd 12.11.2025 (AA-)	5,000,000	5,214,798	5,505,718	0.55
5.95% MMC Corp Bhd 12.11.2027 (AA-)	5,000,000	5,619,225	5,586,862	0.55
2.88% MUFG Bank Malaysia 24.03.2023 (AAA)	10,000,000	10,028,405	10,043,805	1.00
5.5% Northern Gateway Infra Sdn Bhd 29.08.2033 (AA1)	5,000,000	5,934,301	5,542,319	0.55
3.15% Pelabuhan Tanjung Pelepas SB 28.08.2025 (AA-)	5,000,000	5,027,616	4,983,166	0.49
3.3% Pelabuhan Tanjung Pelepas SB 27.08.2027 (AA-)	5,000,000	5,028,932	4,901,782	0.49
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	2,500,000	2,539,748	2,618,598	0.26
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,058,594	9,728,410	0.97
3.9% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,267	2,527,492	0.25
4% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,000,548	4,824,848	0.48
4.3% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	8,000,000	8,136,691	8,198,467	0.81
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,083,627	5,221,493	0.52
4.86% Plus Bhd 12.01.2038 (GG)	5,000,000	5,906,550	5,365,967	0.53
3.8% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,033,836	4,359,086	0.43
4.85% PTPTN 26.07.2041 (NR)	11,500,000	12,985,001	12,191,040	1.21

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
2.85% RHB Bank Bhd 20.10.2025 (AA2)	5,000,000	5,004,294	4,926,044	0.49
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	500,000	502,179	514,764	0.05
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,110,255	5,284,006	0.52
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,004,931	1,030,472	0.10
3.3% Sarawak Energy Bhd 14.06.2030 (AAA)	10,000,000	10,123,863	9,725,663	0.97
3.65% Sarawak Energy Bhd 15.06.2035 (AAA)	5,000,000	5,068,500	4,652,300	0.46
4.7% Sarawak Energy Bhd 24.11.2028 (AAA)	7,500,000	8,513,089	8,194,407	0.81
4.85% Sarawak Energy Bhd 19.01.2027 (AAA)	10,000,000	11,098,469	10,945,534	1.09
5.18% Sarawak Energy Bhd 25.04.2036 (AAA)	15,000,000	17,873,503	16,096,344	1.60
5.28% Sarawak Energy Bhd 17.08.2035 (AAA)	5,000,000	6,078,815	5,478,927	0.54
5.32% Sarawak Energy Bhd 03.12.2032 (AAA)	2,500,000	2,954,818	2,815,036	0.28
5.65% Sarawak Energy Bhd 23.06.2026 (AAA)	5,000,000	5,776,552	5,676,842	0.56
4.43% Sarawak Hidro Sdn Bhd 11.08.2026 (AAA)	5,000,000	5,446,072	5,339,491	0.53
5.1% Segi Astana Sdn Bhd 07.01.2022 (AA-)	15,000,000	15,293,474	15,373,636	1.53
5.65% Sime Darby Bhd Call: 24.03.2026 (AA)	5,000,000	5,091,306	5,508,311	0.55
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,069	538,559	0.05
5.06% Southern Power Generation SB 31.10.2028 (AA-)	20,000,000	22,353,000	21,545,773	2.14
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	26,000,000	26,500,273	26,660,015	2.65

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
5.70% Tanjung Bin Energy Issuer Bhd 16.03.2027 (AA3)	1,000,000	1,049,380	1,123,683	0.11
2.9% Tenaga Nasional Bhd 12.08.2030 (AAA)	10,000,000	10,020,071	9,383,289	0.93
3.25% Tenaga Nasional Bhd 10.08.2035 (AAA)	5,000,000	5,033,390	4,457,740	0.44
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	4,250,000	4,279,436	4,354,916	0.43
4.385% TNB Northern Energy Bhd 29.11.2029 (AAA)	500,000	504,442	533,225	0.05
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,026,481	1,086,565	0.12
5.6% TRIpIc Medical Sdn Bhd 21.10.2033 (AA1)	5,000,000	5,948,672	5,422,537	0.54
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	2,000,000	2,001,329	2,040,008	0.20
3.9% UEM Sunrise Bhd 21.09.2023 (AA-)	5,000,000	5,072,978	5,003,220	0.50
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,118,364	5,191,334	0.52
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,051,828	5,133,555	0.51
6.2% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,017,434	2,160,919	0.21
6.3% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,364,204	10,866,404	1.08
6.4% UiTM Solar Power Sdn Bhd 27.04.2034 (AA-)	5,000,000	5,760,143	5,469,857	0.54
6.6% UiTM Solar Power Sdn Bhd 25.04.2036 (AA-)	5,000,000	5,814,279	5,526,066	0.55
3.03% UMW Holdings Bhd 05.11.2025 (AA2)	5,000,000	5,073,467	5,004,917	0.50
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	19,500,000	20,985,693	21,955,707	2.18
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	1,500,000	1,587,236	1,679,344	0.17
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	5,000,000	5,822,799	5,697,022	0.58

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds (continued)</u>				
5.87% UniTapah Sdn Bhd 10.12.2027 (AA1)	5,000,000	5,877,424	5,723,367	0.57
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	5,000,000	5,035,753	4,963,503	0.49
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	6,500,000	6,507,490	6,544,362	0.65
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,052,438	10,199,238	1.01
6% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,081,370	15,262,720	1.52
4.68% Westports Malaysia Sdn Bhd 23.10.2025 (AA+)	10,000,000	10,775,037	10,660,019	1.06
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,763,478	15,822,111	1.57
4.49% YTL Power International Bhd 24.03.2023 (AA1)	10,000,000	10,205,149	10,284,415	1.02
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,110,717	5,251,405	0.52
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,144,873	5,410,979	0.54
Total unquoted fixed income securities – local	<u>897,150,000</u>	<u>953,665,335</u>	<u>934,172,598</u>	<u>92.76</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(19,492,737)</u>		
Total unquoted fixed income securities – local		<u>934,172,598</u>		

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	3,500,000	3,594,425	3,767,202	0.47
5.75% Alliance Bank Malaysia Bhd Call: 27.10.2020 (A2)	1,000,000	1,004,983	1,011,260	0.13
4.98% Ambank M Bhd Call: 15.11.2023 (AA3)	7,500,000	7,721,926	8,033,749	1.00
5.50% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,549,912	1.93
4.70% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	10,000,000	10,163,534	10,252,034	1.27
5.10% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,088,726	5,208,826	0.65
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	10,500,000	10,872,631	11,455,806	1.42
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	5,000,000	5,606,421	5,831,460	0.73
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,629,615	5,701,798	0.71
4.72% Besraya Malaysia Sdn Bhd 28.07.2020 (AA3)	5,000,000	5,063,169	5,080,695	0.63
5.10% BEWG M Sdn Bhd 17.07.2020 (AA)	6,500,000	6,599,415	6,617,728	0.82
5.40% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,061,437	2,142,621	0.27
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,071,885	2,177,020	0.27
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,077,372	1,120,066	0.14
4.10% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,056,164	5,176,764	0.64
4.20% Bumitama Agri Ltd 22.07.2026 (AA3)	5,000,000	5,057,534	5,236,084	0.65
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	505,457	540,103	0.07
5.20% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	10,500,000	11,491,785	11,786,516	1.47
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	502,652	555,222	0.07
4.70% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,365,158	5,533,233	0.69

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.88% CIMB Group Holdings Bhd Call: 28.06.2024 (A1)	6,000,000	6,098,670	6,301,590	0.78
4.90% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	7,000,000	7,326,122	7,422,338	0.92
5.40% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,502,959	2,628,134	0.33
5.80% CIMB Group Holdings Bhd Call: 25.05.2021 (A1)	4,000,000	4,119,623	4,195,227	0.52
5.20% CIMB Thai Bank PCL Call: 29.03.2023 (AA3)	2,000,000	2,009,118	2,084,218	0.26
4.85% Danalinfra Nasional Bhd 03.05.2041 (NR)	5,000,000	5,418,718	5,938,875	0.74
5.06% Danalinfra Nasional Bhd 12.02.2049 (NR)	5,000,000	5,984,917	5,968,009	0.74
4.94% Danga Capital Berhad 26.01.2033 (AAA)	5,000,000	5,523,564	5,822,811	0.72
3.42% Danum Capital Bhd 21.02.2035 (AAA)	25,000,000	25,163,973	24,683,973	3.07
3.96% Danum Capital Bhd 09.05.2023 (AAA)	5,000,000	5,097,909	5,239,554	0.65
4.30% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,076,935	2,145,982	0.27
6.50% Eco World Capital Assets Bhd 12.08.2022 (NR)	8,000,000	8,168,645	8,392,579	1.04
4.35% First Resources Ltd 05.06.2020 (AA2)	6,250,000	6,362,582	6,367,183	0.79
3.985% Fortune Premiere Sdn Bhd 11.09.2026 (AA)	10,000,000	10,079,819	10,245,981	1.27
4.80% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,179,647	5,234,077	0.65
4.117% Gamuda Bhd 18.11.2026 (AA3)	10,000,000	10,198,508	10,486,011	1.30
4.79% Gamuda Bhd 27.11.2023 (AA3)	10,000,000	10,257,487	10,666,423	1.33
4.825% Gamuda Bhd 23.11.2022 (AA3)	5,000,000	5,139,756	5,294,081	0.66
4.13% GII 09.07.2029 (SOV)	15,000,000	16,556,277	16,589,019	2.06
3.85% Hong Leong Assurance Bhd Call: 03.02.2025 (AA3)	5,000,000	5,046,411	5,111,261	0.64

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.30% Hong Leong Financial Group Bhd Call: 14.06.2024 (AA2)	7,500,000	7,621,048	7,839,448	0.97
5.05% IJM Corporation Bhd 18.08.2028 (AA3)	5,000,000	5,316,193	5,452,116	0.68
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	5,000,000	5,033,281	5,221,331	0.65
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,033,752	5,248,852	0.65
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	1,000,000	1,095,591	1,188,651	0.15
5.10% Krung Thai Bank PLC Call: 06.07.2020 (AA2)	12,000,000	12,208,525	12,228,099	1.52
5.72% KT Kira Sertifikalari Varlik 15.07.2020 (A1)	5,000,000	5,091,344	5,095,741	0.63
3.75% Kuala Lumpur Kepong Bhd 27.09.2029 (AA1)	5,000,000	5,017,979	5,099,129	0.63
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	3,000,000	3,050,243	3,117,560	0.39
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,030,347	1,119,002	0.14
6.13% Lebuhraya DUKE Fasa 3 Sdn Bhd 22.08.2036 (AA-)	5,000,000	5,505,862	5,685,462	0.71
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	10,000,000	11,552,233	11,449,159	1.42
4.90% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,000,000	3,149,912	3,482,687	0.43
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA3)	10,000,000	10,041,866	10,317,166	1.28
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,057,716	5,286,016	0.66
4.60% MBSB Bank Bhd 10.12.2020 (AA1)	1,000,000	1,017,363	1,026,662	0.13
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	10,000,000	10,184,014	10,402,514	1.29
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,286,952	15,745,352	1.96
6.30% MEX II Sdn Bhd 29.04.2033 (A)	2,500,000	2,551,922	2,350,713	0.29
3.828% MGS 05.07.2034 (SOV)	10,000,000	10,918,319	10,968,043	1.36
3.844% MGS 15.04.2033 (SOV)	20,000,000	21,268,593	21,313,609	2.65

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.885% MGS 15.08.2029 (SOV)	25,000,000	27,144,758	27,285,288	3.39
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,520,091	12,356,823	1.54
5.70% MMC Corp Berhad 24.03.2028 (AA-)	11,000,000	11,241,298	11,963,731	1.49
5.80% MMC Corp Berhad 12.11.2025 (AA-)	5,000,000	5,230,738	5,517,313	0.69
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	2,500,000	2,540,389	2,717,989	0.34
3.90% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,267	2,593,092	0.32
4.00% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,000,548	5,208,698	0.65
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	8,000,000	8,152,167	8,282,882	1.03
5.00% Perbadanan Kemajuan N Selangor 02.12.2022 (AA3)	5,000,000	5,108,120	5,304,159	0.66
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,088,756	5,316,101	0.66
3.80% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,034,356	4,787,306	0.60
4.85% PTPTN 26.07.2041 (NR)	6,500,000	7,001,514	7,596,098	0.94
4.86% PTPTN 12.03.2032 (NR)	6,000,000	6,348,621	6,934,710	0.86
4.90% PTPTN 21.01.2033 (NR)	5,000,000	5,529,059	5,856,073	0.73
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	500,000	502,311	517,861	0.06
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,117,291	5,352,035	0.67
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,000,930	1,036,607	0.13
4.85% Sarawak Energy Berhad 19.01.2027 (AAA)	15,000,000	16,614,831	16,651,251	2.07
5.32% Sarawak Energy Berhad 03.12.2032 (AAA)	7,500,000	8,950,103	9,039,386	1.12
5.10% Segi Astana Sdn Bhd 07.01.2022 (AA-)	7,500,000	7,625,046	7,708,866	0.96
5.65% Sime Darby Bhd Call: 24.03.2026 (AA)	5,000,000	5,102,136	5,599,461	0.70
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,069	546,699	0.07
5.21% Southern Power Generation SB 31.10.2030 (AA-)	5,000,000	5,317,057	5,563,814	0.69

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.25% Southern Power Generation SB 30.04.2031 (AA-)	5,000,000	5,482,719	5,590,319	0.70
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	18,000,000	18,232,736	18,563,314	2.31
5.70% Tanjung Bin Energy Issuer Bhd 16.03.2027 (AA3)	1,000,000	1,055,561	1,141,294	0.14
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	4,250,000	4,279,436	4,319,939	0.54
4.385% TNB Northern Energy Bhd 29.11.2029 (AAA)	500,000	504,125	547,615	0.07
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,029,744	1,098,175	0.14
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	2,000,000	2,001,063	2,058,003	0.26
4.90% UEM Sunrise Bhd 30.06.2021 (AA-)	5,000,000	5,099,164	5,185,962	0.65
5.00% UEM Sunrise Bhd 19.05.2023 (AA-)	1,000,000	1,027,967	1,067,249	0.13
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,131,237	5,308,977	0.66
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,061,744	5,397,005	0.67
6.20% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,018,438	2,228,039	0.28
6.30% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,384,240	11,209,304	1.39
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	19,500,000	21,154,875	21,989,637	2.74
5.59% UniTapah Sdn Bhd 12.12.2024 (AA1)	400,000	423,261	445,142	0.06
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	1,500,000	1,598,341	1,699,531	0.21
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	6,500,000	6,508,731	6,612,482	0.82
5.80% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,055,616	10,127,316	1.26
6.00% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,086,301	15,130,251	1.88
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,827,782	17,154,127	2.13

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

8 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 30 April 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.49% YTL Power International Bhd 24.03.2023 (AA1)	10,000,000	10,285,121	10,350,415	1.29
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,136,666	5,310,205	0.66
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,147,815	5,556,179	0.69
Total unquoted fixed income securities – local	<u>685,400,000</u>	<u>717,683,835</u>	<u>735,059,460</u>	<u>91.41</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>17,375,625</u>		
Total unquoted fixed income securities – local		<u>735,059,460</u>		

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	2,602,798	649,616
Deposit with licensed financial institutions	60,659,715	53,403,166
	<u>63,262,513</u>	<u>54,052,782</u>

Weighted average interest rates per annum of deposit with licensed financial institutions is as follows:

	<u>2021</u> %	<u>2020</u> %
Deposits with licensed financial institutions	<u>1.75</u>	<u>2.55</u>

Deposits with licensed financial institutions have an average maturity period of 3 days (2020: 4 days).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	1,312,374,000	544,712,000
Creation of units arising from applications during the financial year	1,332,407,368	1,044,734,350
Creation of units arising from distributions during the financial year	42,295,794	27,089,532
Cancellation of units during the financial year	(998,346,162)	(304,161,882)
At the end of the financial year	<u>1,688,731,000</u>	<u>1,312,374,000</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

11 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the financial year ended 30 April 2021 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Affin Hwang Investment Bank Bhd#	323,238,785	23.72
Citibank Bhd	204,037,500	14.98
CIMB Bhd	186,373,300	13.68
RHB Investment Bank Bhd#	146,220,976	10.73
Hong Leong Bank Bhd	125,106,260	9.18
Standard Chartered Bank Malaysia Bhd	105,550,650	7.75
JP Morgan Chase Bank Bhd	90,946,500	6.68
Malayan Banking Bhd	78,928,000	5.79
AmBank (M) Bhd	32,427,000	2.38
Bank of America Merrill Lynch	21,866,100	1.60
Others#	47,746,000	3.51
	<u>1,362,441,071</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the financial year ended 30 April 2020 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Affin Hwang Investment Bank Bhd #	311,564,163	25.89
CIMB Bank Bhd	143,298,000	11.90
RHB Investment Bank Bhd #	138,956,950	11.54
Malayan Banking Bhd	94,300,000	7.83
JP Morgan Chase Bank Bhd	86,129,000	7.16
Hong Leong Bank Bhd	57,031,750	4.74
Ambank (M) Bhd	56,445,500	4.69
Citibank	54,628,500	4.54
CIMB Islamic Bank Bhd	53,742,000	4.47
Citibank Bhd	53,091,800	4.41
Others#	154,405,300	12.83
	<u>1,203,592,963</u>	<u>100.00</u>

Included in transactions with dealers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM323,238,785 (2020: RM311,564,163). 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.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

11 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Investment Bank Bhd	15,562,950	120,966,400
RHB Investment Bank Bhd	39,397,726	17,097,200
Bank Muamalat Malaysia Bhd	11,261,000	-
	<u>66,221,676</u>	<u>138,063,600</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Aiiman Income Plus Fund	11,261,000	-
Affin Hwang Select Bond Fund	-	25,181,350
Affin Hwang Enhanced Deposit Fund	-	-
Affin Hwang Enhanced Income Fund	-	5,049,500
Affin Hwang Flexible Maturity Income Fund 7	-	2,047,200
Affin Hwang Flexible Maturity Income Fund 9	10,156,000	-
Affin Hwang Flexible Maturity Income Fund 11	14,853,226	-
Affin Hwang Flexible Maturity Income Fund 13	3,153,300	-
Affin Hwang Income Extra Fund	11,235,200	10,241,000
Affin Hwang Select Balanced Fund	-	-
Affin Hwang Select Cash Fund	5,067,950	5,026,400
Affin Hwang Select Income Fund	-	-
Affin Hwang Income Fund I	10,495,000	48,923,300
Affin Hwang Wholesale Corporate Bond Fund	-	15,919,000
Private mandate managed by the Manager	-	25,675,850
	<u>66,221,676</u>	<u>138,063,600</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

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

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

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

The units held by Manager at the end of the financial year is as below.

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	<u>27,660</u>	<u>16,507</u>	<u>3,331</u>	<u>2,041</u>
<u>Holding company of the Manager:</u>				
Affin Hwang Investment Bank Berhad (The units are held beneficially)	<u>160,989,556</u>	<u>96,078,567</u>	<u>132,934,530</u>	<u>81,448,987</u>

13 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u>	<u>2020</u>
	<u>%</u>	<u>%</u>
MER	<u>1.09</u>	<u>1.09</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO (“MER”) (CONTINUED)

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM1,042,463,463 (2020: RM570,462,990).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR	0.67	1.07

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on daily basis}}$$

where: total acquisition for the financial year = RM816,384,198 (2020: RM816,081,750)
total disposal for the financial year = RM578,175,514 (2020: RM405,861,252)

15 NET ASSET VALUE

The differences between the audited Net Asset Value (“NAV”) of the Fund and the published NAV are due to different valuation methodologies.

16 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report.

This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

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

AFFIN HWANG BOND 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 45 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 30 April 2021 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 June 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 45.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AFFIN HWANG BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AFFIN HWANG BOND FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
18 June 2021

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