

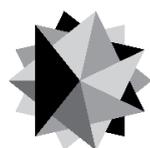
# Affin Hwang

## Select Balanced Fund

Interim Report

30 September 2021

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**

HSBC (Malaysia) Trustee Berhad  
193701000084 (1281-T)

# AFFIN HWANG SELECT BALANCED FUND

## Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 September 2021

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## FUND INFORMATION

Fund Name	Affin Hwang Select Balanced Fund
Fund Type	Growth & Income
Fund Category	Balanced
Investment Objective	To provide investors an affordable access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities to achieve a balance of growth and income over medium to long-term
Benchmark	Weighted average of the FTSE Bursa Malaysia Top 100 Index ("FBM 100") performance (for equity investment) and current Maybank 12-month fixed deposit rate
Distribution Policy	Subject to the availability of income, the Fund will distribute income on a semi-annual basis. However, the income available for distribution may fluctuate from year to year.

## BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 SEPTEMBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	651	1,757
5,001 to 10,000	598	4,329
10,001 to 50,000	1,410	31,709
50,001 to 500,000	494	56,467
500,001 and above	37	328,247
<b>Total</b>	<b>3,190</b>	<b>422,509</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 30 Sep 2021 (%)	As at 30 Sep 2020 (%)	As at 30 Sep 2019 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	-	1.71	0.39
- Consumer products & services	8.33	6.17	2.72
- Energy	-	-	2.21
- Financial services	5.71	-	3.97
- Health care	-	5.50	-
- Industrial products & services	3.05	-	5.92
- Technology	8.82	9.26	3.17
- Telecommunications & media	3.78	-	3.55
- Transportation & logistics	-	0.93	-
- Utilities	-	-	3.01
<b>Total quoted equities – local</b>	<b>29.69</b>	<b>23.57</b>	<b>24.94</b>
<b>Quoted equities – foreign</b>			
- Consumer discretionary	7.58	-	-
- Consumer staples	2.91	-	-
- Consumer goods	-	4.59	3.30
- Consumer services	-	7.94	6.25
- Financial services	1.95	2.81	8.00
- Healthcare	2.93	-	-
- Industrial	-	-	2.30
- Energy	1.01	-	-
- Real estate	1.08	-	-
- Technology	8.47	10.35	4.48
- Telecommunications	-	-	0.61
<b>Total quoted equities – foreign</b>	<b>25.93</b>	<b>25.69</b>	<b>24.94</b>
<b>Unquoted fixed income securities – local</b>	<b>40.75</b>	<b>39.89</b>	<b>39.95</b>
<b>Exchange traded fund</b>	<b>-</b>	<b>-</b>	<b>0.65</b>
<b>Cash &amp; cash equivalent</b>	<b>3.63</b>	<b>10.85</b>	<b>9.52</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	322.038	253.344	260.119
NAV per Unit (RM)	0.7621	0.7466	0.6432
Unit in Circulation (million)	422.551	339.337	404.384
Highest NAV	0.7940	0.7673	0.6633
Lowest NAV	0.7453	0.6017	0.6432
Return of the Fund (%) <sup>iii</sup>	-0.68	25.18	0.82
- Capital Growth (%) <sup>i</sup>	-2.46	23.40	-0.71
- Income Distribution (%) <sup>ii</sup>	1.83	1.44	1.54
Gross Distribution per Unit (sen)	1.40	1.00	1.00
Net Distribution per Unit (sen)	1.40	1.00	1.00
Management Expense Ratio (%) <sup>1</sup>	0.82	0.81	0.82
Portfolio Turnover Ratio (times) <sup>2</sup>	0.42	0.64	0.42

<sup>1</sup>The MER of the Fund was slightly higher than previous period under review due to higher expenses incurred for the Fund.

<sup>2</sup>The PTR of the Fund was lower than previous period under review due to lesser trading activities during the financial period.

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

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

An illustration of the above would be as follow:-

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

## MANAGER'S REPORT

### Income Distribution / Unit Split

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.7848	0.0140	0.7671

No unit split were declared for the financial period ended 30 September 2021.

### Performance Review

For the period 1 April 2021 to 30 September 2021, the Fund registered a -0.68% return compared to the benchmark return of -0.76%. The Fund thus outperformed the Benchmark by 0.08%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2021 was RM0.7621 while the NAV as at 31 March 2021 was RM0.7813. During the period under review, the Fund has declared a gross income distribution of RM0.0140 per unit.

Since commencement, the Fund has registered a return of 389.06% compared to the benchmark return of 108.39%, outperforming by 280.67%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/4/21 - 30/9/21)	1 Year (1/10/20 - 30/9/21)	3 Years (1/10/18 - 30/9/21)	5 Years (1/10/16 - 30/9/21)	Since Commencement (18/8/03 - 30/9/21)
<b>Fund</b>	<b>(0.68%)</b>	<b>6.74%</b>	<b>29.82%</b>	<b>46.30%</b>	<b>389.06%</b>
<b>Benchmark</b>	<b>(0.76%)</b>	<b>2.67%</b>	<b>(1.28%)</b>	<b>6.20%</b>	<b>108.39%</b>
<b>Outperformance</b>	<b>0.08%</b>	<b>4.07%</b>	<b>31.10%</b>	<b>40.10%</b>	<b>280.67%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/10/20 - 30/9/21)	3 Years (1/10/18 - 30/9/21)	5 Years (1/10/16 - 30/9/21)	Since Commencement (18/8/03 - 30/9/21)
<b>Fund</b>	<b>6.74%</b>	<b>9.08%</b>	<b>7.90%</b>	<b>9.15%</b>
<b>Benchmark</b>	<b>2.67%</b>	<b>(0.43%)</b>	<b>1.21%</b>	<b>4.13%</b>
<b>Outperformance</b>	<b>4.07%</b>	<b>9.51%</b>	<b>6.69%</b>	<b>5.02%</b>

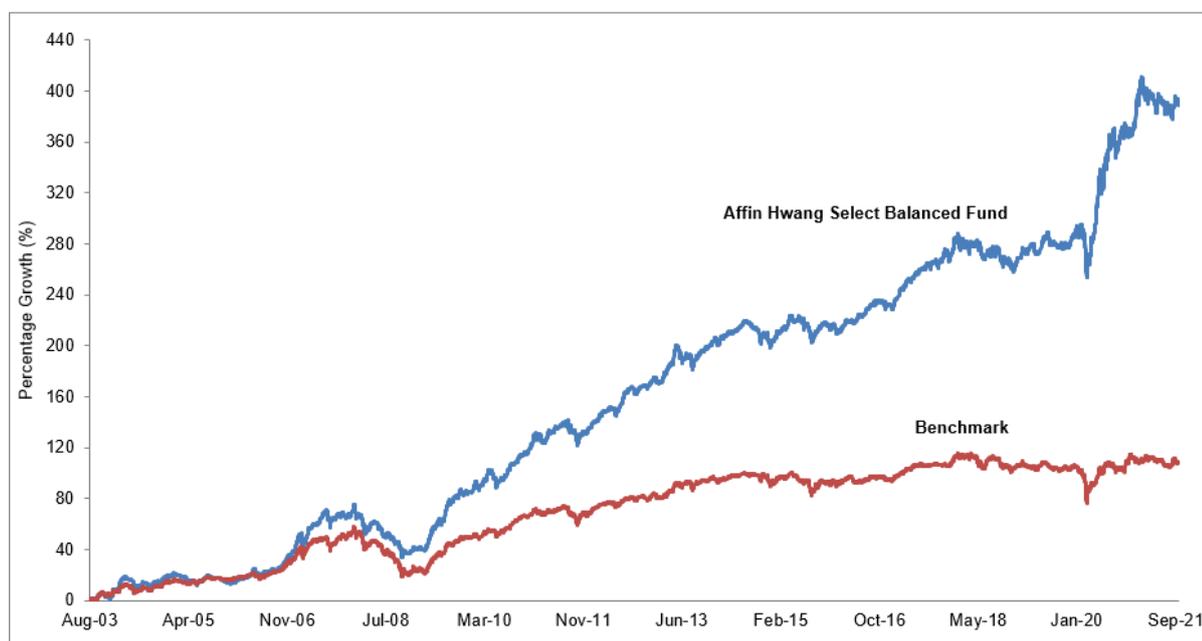
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (1/4/16 - 31/3/17)
<b>Fund</b>	<b>34.52%</b>	<b>(2.18%)</b>	<b>(1.15%)</b>	<b>7.75%</b>	<b>10.13%</b>
<b>Benchmark</b>	<b>12.32%</b>	<b>(8.70%)</b>	<b>(4.07%)</b>	<b>5.12%</b>	<b>3.31%</b>
<b>Outperformance</b>	<b>22.20%</b>	<b>6.52%</b>	<b>2.92%</b>	<b>2.63%</b>	<b>6.82%</b>

Source of Benchmark: Bloomberg

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



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

Benchmark: 50% FTSE Bursa Malaysian Top 100 Index + 50% 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.

As at 30 September 2021, the asset allocation of the Fund stood at 55.62% in equities, 40.75% in fixed income securities, while the balance was held in cash and cash equivalent. During the period under review, the Manger increased exposure towards consumers, financials and telecommunications and media sector from local equity portfolio. Cash level was reduced to around 3.6% level as the Manager deploy cash into local equities.

### **Strategies Employed**

The Fund remained focus on providing investors with a balanced exposure into both equities and fixed income opportunities.

Over the period under review, we focus on domestic-driven sectors that are less directly impacted from trade tensions. With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a

focus on quality. We continue to keep close monitor on market development amidst the rare double whammy of global pandemic and oil price collapse. We also kept a moderate cash level as we seek for potential opportunities in the market to deploy.

## **Market Review**

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

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

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. 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. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed’s dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank’s view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

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

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

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

The local equity market’s performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was 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 rose 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, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

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

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The next Parliament sitting is slated in September which Datuk Seri Ismail Sabri will face a test of majority support through a vote of confidence. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of August with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

## **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 in Asia ex-Japan. 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. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. 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. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

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**

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

## **TRUSTEE'S REPORT TO THE UNIT HOLDERS OF AFFIN HWANG SELECT BALANCED FUND**

We have acted as Trustee of Affin Hwang Select Balanced Fund ("the Fund") for the financial period ended 30 September 2021. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

During this financial period, a total distribution of 1.40 sen per unit (gross) has been distributed to the unitholders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
15 November 2021

**AFFIN HWANG SELECT BALANCED FUND**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

# **AFFIN HWANG SELECT BALANCED FUND**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

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## AFFIN HWANG SELECT BALANCED FUND

### UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	<u>Note</u>	6 months financial period ended <u>30.9.2021</u> RM	6 months financial period ended <u>30.9.2020</u> RM
<b>INVESTMENT INCOME</b>			
Dividend income		1,196,314	1,599,132
Interest income for financial assets at amortised cost		177,954	8,327
Interest income for financial assets at fair value through profit or loss		2,679,439	2,323,217
Net loss on foreign currency exchange		(136,607)	(231,773)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(1,450,409)	52,029,475
		<u>2,466,691</u>	<u>55,728,378</u>
<b>EXPENSES</b>			
Management fee	4	(2,415,598)	(1,796,994)
Trustee fee	5	(112,805)	(84,509)
Auditors' remuneration		(5,265)	(5,297)
Tax agent's fee		(15,829)	(15,518)
Transaction cost		(718,727)	(866,397)
Other expenses		(83,952)	(101,345)
		<u>(3,352,176)</u>	<u>(2,870,060)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(885,485)	52,858,318
Taxation	6	-	-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(885,485)</u>	<u>52,858,318</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		6,329,877	31,204,144
Unrealised amount		(7,215,362)	21,654,174
		<u>(885,485)</u>	<u>52,858,318</u>

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

## AFFIN HWANG SELECT BALANCED FUND

### UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	10,706,317	20,548,107
Amount due from brokers		7,299,977	8,949,130
Amount due from Manager - creation of units		140,645	1,108,412
Dividends receivable		400,259	147,244
Financial assets at fair value through profit or loss	8	310,370,465	225,847,685
<b>TOTAL ASSETS</b>		<u>328,917,663</u>	<u>256,600,578</u>
<b>LIABILITIES</b>			
Amount due to brokers		6,413,119	2,893,364
Amount due to Manager - management fee		401,031	309,912
Amount due to Trustee		18,715	14,462
Auditors' remuneration		5,250	5,297
Tax agent's fee		5,122	5,672
Other payables and accruals		36,346	28,336
<b>TOTAL LIABILITIES</b>		<u>6,879,583</u>	<u>3,257,043</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>322,038,080</u>	<u>253,343,535</u>
<b>EQUITY</b>			
Unitholders' capital		265,173,110	200,336,461
Retained earnings		56,864,970	53,007,074
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>322,038,080</u>	<u>253,343,535</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>422,551,000</u>	<u>339,337,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.7621</u>	<u>0.7466</u>

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

## AFFIN HWANG SELECT BALANCED FUND

### UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2021	243,930,962	63,586,453	307,517,415
Total comprehensive loss for the financial period	-	(885,485)	(885,485)
Distribution (Note 7)	-	(5,835,998)	(5,835,998)
Movement in Unitholders' capital:			
Creation of units arising from applications	31,790,374	-	31,790,374
Creation of units arising from distribution	5,733,625	-	5,733,625
Cancellation of units	(16,281,851)	-	(16,281,851)
Balance as at 30 September 2021	<u>265,173,110</u>	<u>56,864,970</u>	<u>322,038,080</u>
Balance as at 1 April 2020	211,319,107	3,529,036	214,848,143
Total comprehensive income for the financial period	-	52,858,318	52,858,318
Distribution (Note 7)	-	(3,380,280)	(3,380,280)
Movement in Unitholders' capital:			
Creation of units arising from applications	18,222,138	-	18,222,138
Creation of units arising from distribution	3,300,077	-	3,300,077
Cancellation of units	(32,504,861)	-	(32,504,861)
Balance as at 30 September 2020	<u>200,336,461</u>	<u>53,007,074</u>	<u>253,343,535</u>

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

## AFFIN HWANG SELECT BALANCED FUND

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	<u>Note</u>	6 months financial period ended <u>30.9.2021</u> RM	6 months financial period ended <u>30.9.2020</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		125,637,833	162,041,561
Purchase of investments		(144,299,929)	(171,972,475)
Dividends received		1,474,267	1,925,516
Interest received		2,831,853	2,543,034
Management fee paid		(2,405,599)	(1,772,064)
Trustee fee paid		(112,338)	(83,346)
Payment for other fees and expenses		(823,460)	(986,889)
Net realised gain/(loss) on foreign currency exchange		918,866	(73,838)
		<hr/>	<hr/>
Net cash flows used in operating activities		(16,778,507)	(8,378,501)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		32,928,493	17,171,994
Payments for cancellation of units		(16,281,851)	(32,504,861)
Payment for distribution		(102,373)	(80,203)
		<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities		16,544,269	(15,413,070)
		<hr/>	<hr/>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(234,238)	(23,791,571)
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(96,061)	(201,025)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		11,036,616	44,540,703
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9	10,706,317	20,548,107
		<hr/> <hr/>	<hr/> <hr/>

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

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

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

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

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

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

(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.

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

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

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 deposit with a licensed financial institution is recognised based on effective interest rate method on an accruals basis.

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

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

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

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

#### **C TRANSACTION COSTS**

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

#### **D TAXATION**

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

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

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

#### **E DISTRIBUTION**

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **F 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.

#### **G FOREIGN CURRENCY TRANSLATION**

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

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

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

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

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

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

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

##### **(ii) Recognition and measurement**

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

## AFFIN HWANG SELECT BALANCED FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(ii) Recognition and measurement (continued)

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

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

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

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

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

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

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 ("SC") as per the SC's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income security 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 a 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.

Unquoted fixed income securities denominated in foreign currencies are revalued at least twice a week by reference to the mid-price quoted in Bloomberg. We use the Composite Bloomberg Bond Trader (CBBT) which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However, if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

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

## AFFIN HWANG SELECT BALANCED FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

##### Qualitative criteria:

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

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

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

##### Write-off

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

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

#### I CASH AND CASH EQUIVALENTS

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **J AMOUNT DUE FROM/(TO) BROKERS**

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

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

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

#### **K 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 are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

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

## **AFFIN HWANG SELECT BALANCED FUND**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

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

The Unit Trust Fund was constituted under the name HwangDBS Select Balanced Fund (the "Fund") pursuant to the execution of a Deed dated 1 July 2003, First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 15 October 2008, Fourth Supplemental deed dated 18 January 2012, Fifth Supplemental deed dated 27 June 2014, Sixth Supplemental deed dated 28 April 2017 and Seventh Supplemental Deed dated 5 October 2018 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee"). The Fund has changed its name from HwangDBS Select Balanced Fund to Hwang Select Balanced Fund as amended by the Fourth Supplemental Deed dated 18 January 2012 and from Hwang Select Balanced Fund to Affin Hwang Select Balanced Fund as amended by Fifth Supplemental Deed dated 27 June 2014.

The Fund commenced operations on 28 July 2003 and will continue its operations until being terminated by the Trustee as provided under Clause 3.2 of the Deed.

The Fund may invest in the following permitted investments:

- (i) Securities of companies listed on Bursa Malaysia and any other exchanges of countries who are members of International Organization of Securities Commissions
- (ii) Unlisted securities including, without limitation, securities that have been approved by the relevant authorities for the listing of and quotation for such securities
- (iii) Debentures
- (iv) Money market instruments
- (v) Deposits
- (vi) Derivatives, for the purpose of hedging only
- (vii) Warrants
- (viii) Units or shares in collective investment schemes; and
- (ix) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund.

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

The main objective of the Fund is to provide investors an affordable access into a diversified investment portfolio containing a "balanced" mixture of equities and fixed income securities to achieve a balance of growth and income over medium to long term.

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

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

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	10,706,317	-	10,706,317
Amount due from brokers		7,299,977	-	7,299,977
Amount due from Manager				
- creation of units		140,645	-	140,645
Dividends receivable		400,259	-	400,259
Quoted equities	8	-	179,134,846	179,134,846
Unquoted fixed income securities	8	-	131,235,619	131,235,619
Total		<u>18,547,198</u>	<u>310,370,465</u>	<u>328,917,663</u>
<u>Financial liabilities</u>				
Amount due to brokers		6,413,119	-	6,413,119
Amount due to Manager				
- management fee		401,031	-	401,031
Amount due to Trustee		18,715	-	18,715
Auditor's remuneration		5,250	-	5,250
Tax Agent's Fee		5,122	-	5,122
Other payable and accruals		36,346	-	36,346
Total		<u>6,879,583</u>	<u>-</u>	<u>6,879,583</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	20,548,107	-	20,548,107
Amount due from brokers		8,949,130	-	8,949,130
Amount due from Manager				
- creation of units		1,108,412	-	1,108,412
Dividends receivable		147,244	-	147,244
Quoted equities	8	-	124,796,891	124,796,891
Unquoted fixed income securities	8	-	101,050,794	101,050,794
Total		<u>30,752,893</u>	<u>225,847,685</u>	<u>256,600,578</u>
<u>Financial liabilities</u>				
Amount due to brokers		2,893,364	-	2,893,364
Amount due to Manager				
- management fee		309,912	-	309,912
Amount due to Trustee		14,462	-	14,462
Auditor's remuneration		5,297	-	5,297
Tax Agent's Fee		5,672	-	5,672
Other payable and accruals		28,336	-	28,336
Total		<u>3,257,043</u>	<u>-</u>	<u>3,257,043</u>

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

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

#### 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.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

The Fund's overall exposure to price risk was as follow.

	<u>2021</u> RM	<u>2020</u> RM
<b>Quoted investments</b>		
Quoted equities	179,134,846	124,796,891
	<u>                    </u>	<u>                    </u>
<b>Unquoted investments</b>		
Unquoted fixed income securities*	131,235,619	101,050,794
	<u>                    </u>	<u>                    </u>

\*Include interest receivable of RM1,764,124 (2020: RM1,185,459)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 7.5% (2020: 7.5%) and decreased by 7.5% (2020: 7.5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted investments having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/ <u>NAV</u> RM
<u>2021</u>		
-7.5%	285,460,865	(23,145,476)
0%	308,606,341	-
+7.5%	331,751,817	23,145,476
	<u>                    </u>	<u>                    </u>
<u>2020</u>		
-7.5%	207,812,559	(16,849,667)
0%	224,662,226	-
+7.5%	241,511,893	16,849,667
	<u>                    </u>	<u>                    </u>

##### (b) Interest rate risk

In general, when interest rates rise, prices of unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income securities 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.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (b) Interest rate risk (continued)

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 (loss)/profit after tax/NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2% (2020: 2%)	(484,210)	(396,068)
- 2% (2020: 2%)	488,390	399,129

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

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

##### (c) Currency risk

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

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from brokers</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2021</u>					
<u>Financial assets</u>					
Australian Dollar	-	32	-	-	32
Chinese Yuan	5,577,305	1,401,684	-	-	6,978,989
Euro	3,419,250	-	-	-	3,419,250
Hong Kong Dollar	48,511,611	4,538,542	4,361,935	48,124	57,460,212
Indonesian Rupiah	4,665,047	-	-	-	4,665,047
Pound Sterling	3,242,444	-	-	-	3,242,444
Singapore Dollar	3,069,479	3,720,155	-	-	6,789,634
Taiwan Dollar	12,735,872	-	-	47,704	12,783,576
United States Dollar	2,289,780	53,573	2,938,042	-	5,281,395
	<u>83,510,788</u>	<u>9,713,986</u>	<u>7,299,977</u>	<u>95,828</u>	<u>100,620,579</u>
				<u>Amount due to brokers</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>					
Hong Kong Dollar				3,182,592	3,182,592
Pound Sterling				3,230,527	3,230,527
				<u>6,413,119</u>	<u>6,413,119</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund.  
(continued)

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from brokers</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	-	31	-	-	31
Chinese Yuan	1,984,324	1,035,449	-	-	3,019,773
Hong Kong Dollar	47,016,768	50,388	7,656,227	52,776	54,776,159
Singapore Dollar	-	1,073,918	-	-	1,073,918
Taiwan Dollar	9,033,852	-	-	41,205	9,075,057
United States Dollar	7,057,029	4,798,501	-	-	11,855,530
	<u>65,091,973</u>	<u>6,958,287</u>	<u>7,656,227</u>	<u>93,981</u>	<u>79,800,468</u>

The table below summarises the sensitivity of the Fund's profit after tax and net asset value ("NAV") to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2020: 10%), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by approximately 10% (). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<u>Change in in price</u> %	<u>Impact on profit after tax/NAV</u> RM
<u>2021</u>		
Australian Dollar	+/-10	+/- 3
Chinese Yuan	+/-10	+/- 697,899
Euro	+/- 10	+/- 341,925
Hong Kong Dollar	+/-10	+/- 5,427,762
Indonesian Rupiah	+/-10	+/- 466,505
Pound Sterling	+/-10	+/- 1,191
Singapore Dollar	+/-10	+/- 678,963
Taiwan Dollar	+/-10	+/- 1,278,358
United States Dollar	+/-10	<u>+/- 528,140</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

	Change in <u>in price</u> %	Impact on profit after <u>tax/NAV</u> RM
<u>2020</u>		
Australian Dollar	+/-10	+/- 3
Chinese Yuan	+/-10	+/-301,977
Hong Kong Dollar	+/-10	+/- 5,477,616
Singapore Dollar	+/-10	+/- 107,392
Taiwan Dollar	+/-10	+/- 907,506
United States Dollar	+/-10	+/- 1,185,553

##### Credit risk

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

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

Credit risk arising from placement on deposit in licensed financial institution is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of amount due from brokers are governed by the relevant rules and regulations as prescribed by the respective stock exchange.

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

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.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Credit risk (continued)

The following table set out the credit risk concentration of the Fund:

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	*Other <u>receivables</u> RM	<u>Total</u> RM
<u>2021</u>				
Consumer Discretionary				
- AA1	2,037,785	-	-	2,037,785
- NR	-	-	2,938,042	2,938,042
Consumer Staples				
- AA3	10,342,826	-	-	10,342,826
Financial Services				
- A1	5,190,372	-	-	5,190,372
- AA2	5,004,112	-	-	5,004,112
- AA3	6,891,804	-	-	6,891,804
- AAA	5,688,110	10,706,317	-	16,394,427
- NR	-	-	225,343	225,343
Government				
- SOV	15,756,976	-	-	15,756,976
Health Care				
- AA-	5,059,538	-	-	5,059,538
Industrial Product & Services				
- AA-	3,588,760	-	-	3,588,760
- AA1	5,848,923	-	-	5,848,923
- AA3	4,173,471	-	-	4,173,471
- C	2,725,726	-	-	2,725,726
Quasi-Gov				
- AAA	5,604,447	-	-	5,604,447
Real Estate				
- A2	5,211,284	-	-	5,211,284
- NR	9,228,436	-	-	9,228,436
Technology				
- NR	-	-	126,792	126,792
Telecommunication & Media				
- AA+	5,540,169	-	-	5,540,169
Utilities				
- AA-	4,905,516	-	-	4,905,516
- AA1	3,177,005	-	-	3,177,005
- AA3	7,570,538	-	-	7,570,538
- AAA	17,689,821	-	-	17,689,821
- NR	-	-	4,410,059	4,410,059
Others				
- NR	-	-	140,645	140,645
	<u>131,235,619</u>	<u>10,706,317</u>	<u>7,840,881</u>	<u>149,782,817</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	*Other <u>receivables</u> RM	<u>Total</u> RM
<u>2020</u>				
Consumer Product & Services				
- AA1	7,306,383	-	-	7,306,383
- NR	-	-	2,183,983	2,183,983
Financial Services				
- AAA	6,080,303	20,548,107	-	26,628,410
- AA3	7,131,259	-	-	7,131,259
- A1	5,274,855	-	-	5,274,855
- A2	5,274,999	-	-	5,274,999
- NR	9,417,852	-	2,640,264	12,058,116
Government SOV	16,686,616	-	-	16,686,616
Health care -AA-	5,209,438	-	-	5,209,438
Industrial Products & Services				
- A	4,840,041	-	-	4,840,041
- AA1	6,276,273	-	-	6,276,273
- AA-	3,651,075	-	-	3,651,075
Technology - NR	-	-	1,387,371	1,387,371
Telecommunication & Media - AA+	5,743,969	-	-	5,743,969
Utilities				
- AAA	7,510,878	-	-	7,510,878
- AA1	3,351,520	-	-	3,351,520
- AA3	2,103,167	-	-	2,103,167
- AA-	5,192,166	-	-	5,192,166
Others - AAA	-	-	3,993,168	3,993,168
	<u>101,050,794</u>	<u>20,548,107</u>	<u>10,204,786</u>	<u>131,803,687</u>

\* Other assets consist of amount due from brokers, amount due from Manager and dividends receivable.

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of units by unitholders. The liquid assets comprise cash, deposit with licensed financial institution and other instruments, which are capable of being converted into cash within 7 days.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

##### Liquidity risk (continued)

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 brokers	6,413,119	-	6,413,119
Amount due to Manager			
- management fee	401,031	-	401,031
Amount due to Trustee	18,715	-	18,715
Auditors' remuneration	-	5,250	5,250
Tax agent's fee	-	5,122	5,122
Other payable and accruals	-	36,346	36,346
	<u>6,832,865</u>	<u>46,718</u>	<u>6,879,583</u>
<u>2020</u>			
Amount due to brokers	2,893,364	-	2,893,364
Amount due to Manager			
- management fee	309,912	-	309,912
Amount due to Trustee	14,462	-	14,462
Auditors' remuneration	-	5,297	5,297
Tax agent's fee	-	5,672	5,672
Other payable and accruals	-	28,336	28,336
	<u>3,217,738</u>	<u>39,305</u>	<u>3,257,043</u>

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders. 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.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the 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 categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- quoted equities	179,134,846	-	-	179,134,846
- unquoted fixed income securities	-	131,235,619	-	131,235,619
	<u>179,134,846</u>	<u>131,235,619</u>	<u>-</u>	<u>310,370,465</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	124,796,891	-	-	124,796,891
- unquoted fixed income securities	-	101,050,794	-	101,050,794
	<u>124,796,891</u>	<u>101,050,794</u>	<u>-</u>	<u>225,847,685</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted 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 brokers, amount due from Manager, and dividends receivable and all current liabilities are reasonable approximation of the fair values due their short-term nature.

#### 4 MANAGEMENT FEE

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

For the 6 months financial period ended 30 September 2021, the management fee is recognised at a rate of 1.50% (2020: 1.50%) per annum on the net asset value of the Fund calculated on a daily basis as stated in the Prospectus.

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

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum on the net asset value of the Fund, (excluding foreign custodian fees and charges).

For the 6 months financial period ended 30 September 2021, the Trustee's fee is recognised at a rate of 0.07% (2020: 0.07%) per annum on the net asset value of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on a daily basis as stated in the Prospectus.

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

#### 6 TAXATION

	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
Current taxation	-	-

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:

	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
Net (loss)/profit before taxation	(885,485)	52,858,318
Tax at Malaysian statutory rate of 24% (2020: 24%)	(212,516)	12,685,996
Tax effects of:		
Investment income not subject to tax	(592,006)	(13,374,810)
Expenses not deductible for tax purposes	221,951	254,700
Restrictions on tax deductible expenses for Unit Trust Funds	582,571	434,114
Tax expense	-	-

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 7 DISTRIBUTION

	6 months financial period ended <u>30.9.2021</u> RM	6 months financial period ended <u>30.9.2020</u> RM
Distribution to unitholders is from the following sources:		
Previous financial period's realised income	5,835,998	3,380,280
Gross realised income	5,835,998	3,380,280
Less: Expenses	-	-
Net distribution amount	<u>5,835,998</u>	<u>3,380,280</u>
Gross/Net distribution per unit (sen)	<u>1.40</u>	<u>1.00</u>
Ex-date	<u>16.6.2021</u>	<u>17.6.2020</u>

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

Included in distribution for the financial period is an amount of RM5,835,998 (2020: RM3,380,280) made from previous financial period's realised income.

There are unrealised losses of RM6,721,483, during the financial period (2020: RM Nil).

#### 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:		
- quoted equities – local	95,624,058	59,704,918
- quoted equities – foreign	83,510,788	65,091,973
- unquoted fixed income securities – local	131,235,619	101,050,794
	<u>310,370,465</u>	<u>225,847,685</u>
Net (loss)/gain on assets at fair value through profit or loss:		
- realised gain on sales of investments	5,668,892	30,076,927
- unrealised (loss)/gain on changes in fair value	(7,119,301)	21,952,548
	<u>(1,450,409)</u>	<u>52,029,475</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(a) Quoted equities - local

(i) Quoted equities - local as at 30 September 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Genting Bhd	2,777,900	13,701,057	13,945,058	4.33
Genting Malaysia Bhd	4,292,500	12,575,303	12,877,500	4.00
	<u>7,070,400</u>	<u>26,276,360</u>	<u>26,822,558</u>	<u>8.33</u>
<u>Financial Services</u>				
AMMB Holdings Bhd	2,537,900	7,605,882	8,070,522	2.51
CIMB Group Holdings Bhd	2,158,459	10,016,872	10,317,434	3.20
	<u>4,696,359</u>	<u>17,622,754</u>	<u>18,387,956</u>	<u>5.71</u>
<u>Industrial Products &amp; Services</u>				
Press Metal Aluminium Holding Bhd	1,150,000	5,830,500	6,601,000	2.05
SKP Resources Bhd	1,767,750	3,467,537	3,234,983	1.00
	<u>2,917,750</u>	<u>9,298,037</u>	<u>9,835,983</u>	<u>3.05</u>
<u>Technology</u>				
Frontken Corp Bhd	2,064,000	4,684,770	7,451,040	2.31
Greatech Technology Bhd	1,017,300	4,819,402	7,233,003	2.25
Inari Amertron Bhd	3,726,100	12,288,689	13,712,048	4.26
	<u>6,807,400</u>	<u>21,792,861</u>	<u>28,396,091</u>	<u>8.82</u>
<u>Telecommunication &amp; Media</u>				
Telekom Malaysia Bhd	2,137,100	13,245,712	12,181,470	3.78
	<u>23,629,009</u>	<u>88,235,724</u>	<u>95,624,058</u>	<u>29.69</u>
Total quoted equities - local				
Accumulated unrealised gain on quoted equities – local		<u>7,388,334</u>		
Total quoted equities - local		<u>95,624,058</u>		

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities - local as at 30 September 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
Gamuda Bhd	512,100	1,771,227	1,787,229	0.71
WCT Holdings Bhd	6,400,665	3,270,699	2,528,263	1.00
	<u>6,912,765</u>	<u>5,041,926</u>	<u>4,315,492</u>	<u>1.71</u>
<u>Consumer Products &amp; Services</u>				
Genting Malaysia Bhd	3,809,800	11,383,147	7,924,384	3.13
Guan Chong Bhd	2,360,300	6,706,647	7,694,578	3.04
	<u>6,170,100</u>	<u>18,089,794</u>	<u>15,618,962</u>	<u>6.17</u>
<u>Health Care</u>				
Hartalega Holdings Bhd	545,200	9,298,410	8,832,240	3.49
Top Glove Corp Bhd	613,800	3,276,375	5,094,540	2.01
	<u>1,159,000</u>	<u>12,574,785</u>	<u>13,926,780</u>	<u>5.50</u>
<u>Technology</u>				
Frontken Corp Bhd	1,864,800	6,376,224	6,713,280	2.65
Greatech Technology Bhd	1,244,900	8,091,850	8,452,871	3.33
Inari Amertron Bhd	3,664,300	6,412,326	8,317,961	3.28
	<u>6,774,000</u>	<u>20,880,400</u>	<u>23,484,112</u>	<u>9.26</u>
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Bhd	497,800	2,904,054	2,359,572	0.93
	<u>21,513,665</u>	<u>59,490,959</u>	<u>59,704,918</u>	<u>23.57</u>
Total quoted equities - local				
Accumulated unrealised gain on quoted equities – local		<u>213,959</u>		
Total quoted equities - local		<u><u>59,704,918</u></u>		

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities - foreign as at 30 September 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>China</u>				
<u>Consumer Discretionary</u>				
China Tourism Group Duty Free	20,000	2,388,843	3,373,630	1.05
<u>Technology</u>				
Will Semiconductor Co Ltd	14,000	2,208,683	2,203,675	0.68
<u>France</u>				
<u>Consumer Discretionary</u>				
LVMH Moet Hennessy Louis Vuitton	1,136	3,484,007	3,419,250	1.06
<u>Hong Kong</u>				
<u>Consumer Discretionary</u>				
BYD Co Ltd	24,000	2,879,079	3,133,286	0.97
Haier Smart Home Co Ltd	274,600	4,584,284	4,045,676	1.26
Li Ning Company Ltd	80,500	3,523,973	3,897,801	1.21
Shenzhen Intl Group Holdings	38,700	2,052,427	3,439,726	1.07
Yum China Holdings Inc	12,550	2,765,237	3,108,191	0.96
	<u>430,350</u>	<u>15,805,000</u>	<u>17,624,680</u>	<u>5.47</u>
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	348,000	8,329,234	9,355,980	2.91
<u>Financial Services</u>				
AIA Group Ltd	62,000	2,681,446	2,997,032	0.93
Prudential Plc	40,750	3,150,841	3,288,882	1.02
	<u>102,750</u>	<u>5,832,287</u>	<u>6,285,914</u>	<u>1.95</u>
<u>Health Care</u>				
Hangzhou Tigermed Consulting	80,100	6,838,132	7,136,661	2.22

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities - foreign as at 30 September 2021 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Hong Kong</u> (continued)				
<u>Real Estate</u>				
Longfor Group Holdings Ltd	180,500	3,774,674	3,479,416	1.08
<u>Technology</u>				
Baidu Inc	58,050	5,894,340	4,628,960	1.44
<u>Indonesia</u>				
<u>Technology</u>				
Bukalapak.com PT Tbk	18,685,600	4,621,883	4,665,047	1.45
<u>Singapore</u>				
<u>Technology</u>				
AEM Holdings Ltd	247,000	3,145,955	3,069,479	0.95
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Company Ltd	146,000	6,418,450	12,735,872	3.95
<u>United Kingdom</u>				
<u>Energy</u>				
Royal Dutch Shell PLC -CL B	34,947	3,224,139	3,242,444	1.01

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities - foreign as at 30 September 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>United States</u>				
<u>Health Care</u>				
Syneos Health Inc	6,258	2,465,174	2,289,780	0.71
Total quoted equities - foreign	<u>20,354,691</u>	<u>74,430,801</u>	<u>83,510,788</u>	<u>25.93</u>
Accumulated unrealised gain on quoted equities – foreign		<u>9,079,987</u>		
Total quoted equities - foreign		<u>83,510,788</u>		

(ii) Quoted equities - foreign as at 30 September 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>China</u>				
<u>Consumer Goods</u>				
Joyoung Co Ltd	79,999	2,008,598	1,984,324	0.78
<u>Consumer Services</u>				
Yum China Holdings Inc	25,000	5,508,440	5,321,785	2.10
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	163,000	2,525,422	3,168,272	1.25
Shenzhou Intl Group Holdings	38,700	2,052,427	2,707,998	1.07
Zhongsheng Group Holdings Ltd	145,500	3,860,006	3,772,127	1.49
	<u>347,200</u>	<u>8,437,855</u>	<u>9,648,397</u>	<u>3.81</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities - foreign as at 30 September 2020 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	74,392	5,903,855	10,985,428	4.34
Sands China Ltd	237,600	4,126,240	3,802,923	1.50
	<u>311,992</u>	<u>10,030,095</u>	<u>14,788,351</u>	<u>5.84</u>
<u>Financial Services</u>				
AIA Group Ltd	47,600	1,952,830	1,937,205	0.76
Ping An Insurance Group Co China	122,000	5,181,033	5,200,604	2.05
	<u>169,600</u>	<u>7,133,863</u>	<u>7,137,809</u>	<u>2.81</u>
<u>Technology</u>				
Tencent Holdings Ltd	36,900	6,548,501	10,120,426	3.99
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Company Ltd	146,000	6,418,450	9,033,852	3.57
<u>United States</u>				
<u>Technology</u>				
Facebook Inc	4,748	3,679,260	5,162,604	2.04
Microsoft Corporation	2,170	1,501,022	1,894,425	0.75
	<u>6,918</u>	<u>5,180,282</u>	<u>7,057,029</u>	<u>2.79</u>
Total quoted equities - foreign	<u>1,123,609</u>	51,266,084	<u>65,091,973</u>	<u>25.69</u>
Accumulated unrealised gain on quoted equities – foreign		<u>13,825,889</u>		
Total quoted equities - foreign		<u>65,091,973</u>		

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

(c) Unquoted fixed income securities - local

(i) Unquoted fixed income securities - local as at 30 September 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
7.10% BGS Management Sdn Bhd 28.12.2022 (AA3)	5,000,000	5,189,560	5,361,447	1.66
4.10% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,197,849	5,166,677	1.60
4.20% Bumitama Agri Ltd 22.07.2026 (AA3)	5,000,000	5,177,219	5,176,149	1.61
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	5,000,000	5,149,985	5,540,169	1.72
3.42% Danum Capital Bhd 21.02.2035 (AAA)	5,000,000	5,018,146	4,639,271	1.44
4.30% Danum Capital Bhd 13.02.2026 (AAA)	1,000,000	1,028,185	1,048,839	0.33
6.50% Eco World Capital Services Bhd 12.08.2022 (NR)	9,000,000	9,073,151	9,228,436	2.87
5.85% Edra Energy Sdn Bhd 05.01.2026 (AA3)	5,000,000	5,540,867	5,524,571	1.72
4.86% Genting Capital Bhd 08.06.2027 (AA1)	2,000,000	2,030,595	2,037,785	0.63
5.23% Hong Leong Financial Group Bhd Call: 30.11.2022 (A1)	5,000,000	5,088,118	5,190,372	1.61
4.64% IJM Corporation Bhd 02.06.2023 (AA3)	4,000,000	4,172,683	4,173,471	1.30
5.73% IJM Land Bhd Call: 19.03.2027 (A2)	5,000,000	5,008,643	5,211,284	1.62
2.97% Imtiaz Sukuk II Bhd 07.10.2025 (AA2)	5,000,000	5,080,423	5,004,112	1.55
6.40% MEX II Sdn Bhd 28.04.2034 (C)	5,000,000	5,735,727	2,725,726	0.85
4.00% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,084,252	4,991,334	1.55
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	1,500,000	1,500,790	1,530,357	0.47
5.65% Sarawak Energy Bhd 23.06.2026 (AAA)	5,000,000	5,610,880	5,604,447	1.74
4.47% Sarawak Hidro Sdn Bhd 11.08.2027 (AAA)	5,000,000	5,451,955	5,300,079	1.65
4.56% Sarawak Hidro Sdn Bhd 10.08.2029 (AAA)	5,000,000	5,347,938	5,316,958	1.65
5.04% Southern Power Generation SB 28.04.2028 (AA-)	4,500,000	4,595,657	4,905,516	1.52
5.25% Tanjung Bin Energy Sdn Bhd 15.09.2022 (AA3)	2,000,000	2,021,904	2,045,967	0.63
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	5,000,000	5,018,795	5,059,538	1.57
4.055% TNB Northern Energy Bhd 29.11.2023 (AAA)	2,000,000	2,005,022	2,081,450	0.65
5.90% TRIplc Medical Sdn Bhd 23.10.2035 (AA1)	5,000,000	5,508,211	5,848,923	1.82
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	3,000,000	3,065,497	3,067,753	0.95
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	500,000	512,401	521,007	0.16
5.05% YTL Power International Bhd 03.05.2027 (AA1)	3,000,000	3,062,643	3,177,005	0.99

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2021 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.13% GII 09.07.2029 (SOV)	9,000,000	9,910,199	9,517,205	2.95
3.885% MGS 15.08.2029 (SOV)	6,000,000	6,633,817	6,239,771	1.94
Total unquoted fixed income securities – local	<u>127,500,000</u>	<u>133,821,112</u>	<u>131,235,619</u>	<u>40.75</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(2,585,493)</u>		
Total unquoted fixed income securities – local		<u>131,235,619</u>		

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities - local as at 30 September 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>				
6.40% MEX II Sdn Bhd 28.04.2034 (A)	5,000,000	5,601,007	4,840,041	1.91
6.50% Eco World Capital Assets Bhd 12.08.2022 (NR)	9,000,000	9,076,653	9,417,852	3.72
4.86% Genting Capital Bhd 08.06.2027 (AA1)	2,000,000	2,030,343	2,178,678	0.86
4.00% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,084,252	5,389,484	2.13
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	5,000,000	5,262,768	5,571,325	2.20
5.05% YTL Power International Bhd 03.05.2027 (AA1)	3,000,000	3,062,245	3,351,520	1.32
5.25% Tanjung Bin Energy Issuer Bhd 15.09.2022 (AA3)	2,000,000	2,022,277	2,103,167	0.83
5.90% TRIpIc Medical Sdn Bhd 23.10.2035 (AA1)	5,000,000	5,526,192	6,276,273	2.48
4.78% GENM Capital Bhd 31.03.2022 (AA1)	5,000,000	5,000,655	5,127,705	2.02
4.30% Danum Capital Bhd 13.02.2026 (AAA)	1,000,000	1,033,146	1,084,845	0.43
5.23% Hong Leong Financial Group Bhd Call: 30.11.2022 (A1)	5,000,000	5,089,553	5,274,855	2.08
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	5,000,000	5,156,323	5,743,969	2.27
4.055% TNB Northern Energy Bhd 29.11.2023 (AAA)	2,000,000	1,995,903	2,121,394	0.84
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	500,000	512,858	534,572	0.21
5.04% Southern Power Generation SB 28.04.2028 (AA-)	4,500,000	4,595,674	5,192,166	2.05
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,007,853	5,274,999	2.08
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	5,000,000	5,018,791	5,209,438	2.06
3.42% Danum Capital Bhd 21.02.2035 (AAA)	5,000,000	5,019,083	4,995,458	1.97
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	1,500,000	1,500,593	1,559,934	0.61
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	3,000,000	3,066,938	3,116,503	1.23
4.13% GII 09.07.2029 (SOV)	9,000,000	10,004,029	10,074,845	3.98
3.885% MGS 15.08.2029 (SOV)	6,000,000	6,702,542	6,611,771	2.61
Total unquoted fixed income securities – local	<u>93,500,000</u>	<u>97,369,678</u>	<u>101,050,794</u>	<u>39.89</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>3,681,116</u>		
Total unquoted fixed income securities – local		<u>101,050,794</u>		

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	9,974,241	7,327,468
Deposit with a licensed financial institution	732,076	13,220,639
	<u>10,706,317</u>	<u>20,548,107</u>

Weighted average effective interest rates per annum of deposit with a licensed financial institution are as follows:

	<u>2021</u> %	<u>2020</u> %
Deposit with a licensed financial institution	<u>1.75</u>	<u>1.75</u>

Deposit with a licensed financial institution have an average maturity of 1 day (2020: 1 day).

#### 10 NUMBER OF UNIT IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial period	395,422,000	355,119,000
Creation of units arising from applications	41,052,342	25,063,000
Creation of units arising from distribution	7,465,658	4,738,767
Cancellations of units	(21,389,000)	(45,583,767)
	<u>422,551,000</u>	<u>339,337,000</u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS AND DEALERS

- (i) Details of transactions with the top 10 brokers and dealers for the financial period ended 30 September 2021 is as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd #	18,752,063	7.08	46,880	8.86
DBS Securities (S) Pte Ltd	18,476,370	6.98	46,191	8.73
Robert W. Baird & Co. Inc. NY	18,232,597	6.88	2,141	0.40
Merrill Lynch Intl-Equity LDN	16,379,631	6.19	75,613	14.29
RHB Investment Bank Bhd	14,818,786	5.60	23,727	4.49
Macquarie (M) Sdn Bhd, Malaysia	13,058,489	4.93	23,440	4.43
Public Investment Bank Bhd	10,377,558	3.92	25,944	4.90
CCB International Securities Ltd	10,032,770	3.79	22,142	4.19
Hong Leong Bank Bhd	9,683,100	3.66	-	-
Huatai Financial Holdings (HK) Ltd	9,506,517	3.59	9,507	1.80
Others	125,446,917	47.38	253,421	47.91
	<u>264,764,798</u>	<u>100.00</u>	<u>529,006</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 brokers and dealers for the financial period ended 30 September 2020 is as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd #	86,755,152	26.13	207,156	28.75
Macquarie Bank Ltd Hong Kong	24,101,511	7.26	44,209	6.14
Kenanga Investment Bank Bhd	23,074,735	6.95	57,687	8.01
Public Investment Bank Bhd	16,272,161	4.90	40,680	5.64
CLSA Ltd	15,864,237	4.78	28,543	3.96
CIMB Investment Bank Berhad	12,347,412	3.72	30,335	4.21
China International Capital Corp				
Hong Kong Securities Ltd	10,791,719	3.25	22,614	3.14
DBS Securities (S) Pte Ltd	10,776,649	3.24	26,942	3.74
RHB Investment Bank Bhd	10,277,388	3.10	17,384	2.41
Citibank Bhd	9,946,000	3.00	-	-
Others	111,825,239	33.67	245,021	34.00
	<u>332,032,203</u>	<u>100.00</u>	<u>720,571</u>	<u>100.00</u>

# Included in transactions with brokers and dealers are trades conducted on normal terms in the stockbroking industry with Affin Hwang Investment Bank Bhd, companies related to the Manager amounting to RM18,752,063 (2020: RM86,755,152). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 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>Relationships</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

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

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	42,007	32,014	103,336	77,151
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
AXA Affin Life Insurance Berhad (The units are held beneficially)	-	-	61,727,562	46,085,798
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

	6 months financial period ended <u>30.9.2021</u> %	6 months financial period ended <u>30.9.2020</u> %
MER	0.82	0.81
	<u>                    </u>	<u>                    </u>

## AFFIN HWANG SELECT BALANCED FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 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's fees
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses, excluding sale and services tax on transaction costs and withholding tax
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM321,307,359 (2020: RM240,620,067).

#### 14 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended <u>30.9.2021</u> %	6 months financial period ended <u>30.9.2020</u> %
PTR (times)	<u>0.42</u>	<u>0.64</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM147,305,591 (2020: RM166,602,150)

total disposal for the financial period = RM121,084,428 (2020: RM140,870,674)

#### 15 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

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

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

## **AFFIN HWANG SELECT BALANCED 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 my opinion as the Manager, the financial statements set out on pages 1 to 39 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 September 2021 and of its financial performance, changes in equity and cash flows for the financial year ended 30 September 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 November 2021

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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

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

### **PENANG**

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

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

### **PERAK**

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

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

### **MELAKA**

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

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

### **JOHOR**

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

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

### **SABAH**

Affin Hwang Asset Management Berhad  
Lot No. B-2-09, 2<sup>nd</sup> Floor  
Block B, Warisan Square  
Jalan Tun Fuad Stephens  
88000 Kota Kinabalu  
Sabah

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

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

### **SARAWAK**

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

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

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

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

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

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)