

Affin Hwang

Select Asia Pacific (ex Japan)

Balanced Fund

Annual Report
30 April 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

Annual Report and Audited Financial Statements For Financial Period Ended 30 April 2021

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FUND INFORMATION

Fund Name	Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund
Fund Type	Growth & Income
Fund Category	Balanced
Investment Objective	The Fund endeavours to provide investors an affordable access into a diversified investment portfolio containing a balanced mixture of equities and fixed income instruments to achieve a balance of growth and income over the medium to long-term period
Benchmark	50% MSCI AC Asia Pacific ex Japan Index + 50% RAM Quantshop MGS All Index
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year

BREAKDOWN OF UNITHOLDERS BY RM CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	148	389
5,001 to 10,000	148	1,102
10,001 to 50,000	369	8,780
50,001 to 500,000	140	17,486
500,001 and above	27	174,536
Total	832	202,293

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY EUR HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	-	-
500,001 and above	-	-
Total	0	0

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	1	25
50,001 to 500,000	0	0
500,001 and above	0	0
Total	1	25

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	-	-
500,001 and above	-	-
Total	0	0

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY RMB HEDGED-CLASS SIZE AS AT 30 APRIL 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	1	15
50,001 to 500,000	0	0
500,001 and above	1	878
Total	2	893

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As At 30 April 2021 (%)	As At 30 April 2020 (%)	As At 30 April 2019 (%)
Portfolio Composition			
Quoted equities - local			
- Financials	-	-	1.01
- Consumer products & services	-	-	1.52
Total quoted equities – local	-	-	2.53
Quoted equities - foreign			
- Basic materials	2.77	-	-
- Consumer goods	-	13.35	4.08
- Consumer services	-	-	8.13
- Consumer discretionary	14.57	-	-
- Consumer staples	1.78	-	-
- Oil and gas	-	-	4.08
- Financial services	10.06	4.73	16.83
- Healthcare	2.40	-	1.49
- Industrials	5.62	3.21	3.60
- Properties	-	10.06	-
- Real estate	6.70	-	-
- Technology	11.39	6.69	6.60
- Telecommunications	1.29	7.63	1.93
Total quoted equities – foreign	56.58	45.67	46.74
Unquoted fixed income securities – local	10.96	14.62	12.69
Unquoted fixed income securities – foreign	29.59	30.52	35.00
Total unquoted fixed income securities	40.55	45.14	47.69
Cash	2.87	9.19	3.04
Total	100.00	100.00	100.00

Category	As At 30 April 2021 (%)					As At 30 April 2020 (%)				
	RM Class	EUR Hedged - Class	USD Hedged - Class	AUD Hedged - Class	RMB Hedged - Class	RM Class	EUR Hedged - Class	USD Hedged- Class	AUD Hedged - Class	RMB Hedged- Class
Total NAV (million)	142.380	0.001	0.018	0.002	0.545	107.572	0.001	0.000	0.001	0.001
NAV per Unit (in respective currencies)	0.7030	0.6142	0.6378	0.6014	0.6087	0.5885	0.5332	0.4962	0.5495	0.5110
Unit in Circulation (million)	202.540	0.001	0.028	0.003	0.896	182.783	0.001	0.001	0.001	0.001
Highest NAV	0.7146	0.6343	0.6513	0.6202	0.6178	0.6321	0.6000	0.5643	0.5976	0.5656
Lowest NAV	0.5815	0.5262	0.4880	0.5372	0.5075	0.5460	0.4894	0.4448	0.5213	0.4629
Return of the Fund (%) ⁱⁱⁱ	21.28	15.19	28.54	9.44	19.12	-0.55	-1.95	-4.30	3.29	0.45
- Capital Return (%) ⁱ	19.46	15.19	28.54	9.44	19.12	-1.03	-1.95	-4.30	3.29	0.45
- Income Return (%) ⁱⁱ	1.53	Nil	Nil	Nil	Nil	0.48	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	0.30	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	0.30	Nil	Nil	Nil	Nil
Management Expenses Ratio (%) ¹			1.81					1.82		
Portfolio Turnover Ratio (times) ²			1.18					1.33		

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

² The Fund's PTR was lower than previous year due to lower trading activities during the financial year.

Category	As At 30 April 2019 (%)				
	RM Class	EUR Hedged - Class	USD Hedged- Class	AUD Hedged - Class	RMB Hedged- Class
Total NAV (million)	134.350	0.001	0.001	0.001	0.001
NAV per Unit (in respective currencies)	0.5946	0.5438	0.5185	0.5320	0.5087
Unit in Circulation (million)	225.937	0.001	0.001	0.001	0.001
Highest NAV	0.6174	0.5479	0.5229	0.5347	0.5109
Lowest NAV	0.5407	0.4849	0.4703	0.4750	0.4710
Return of the Fund (%) ⁱⁱⁱ	-0.52	8.76	3.70	6.40	1.74
- Capital Return (%) ⁱ	-1.33	8.76	3.70	6.40	1.74
- Income Return (%) ⁱⁱ	0.82	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	0.50	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	0.50	Nil	Nil	Nil	Nil
Management Expenses Ratio (%)			1.84		
Portfolio Turnover Ratio (times)			1.49		

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16-Jun-20	17-Jun-20	0.6102	0.0020	0.6106
15-Dec-20	16-Dec-20	0.6730	0.0080	0.6692

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

Performance Review

MYR Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a 21.28% return compared to the benchmark return of 18.22%. The Fund thus outperformed the Benchmark by 3.06%. The Net Asset Value per unit ("NAV") of the Fund as at 30 April 2021 was MYR0.7030 while the NAV as at 30 April 2020 was MYR0.5885. During the same period under review, the Fund has declared a total gross income distribution of MYR0.0100 per unit.

Since commencement, the Fund has registered a return of 53.66% compared to the benchmark return of 72.82%, underperforming by 19.16%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	3 Years (1/5/18 - 30/4/21)	5 Years (1/5/16 - 30/4/21)	Since Commencement (29/12/14 - 30/4/21)
Fund	21.28%	20.00%	48.26%	53.66%
Benchmark	18.22%	24.20%	50.49%	72.82%
Outperformance	3.06%	(4.20%)	(2.23%)	(19.16%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	3 Years (1/5/18 - 30/4/21)	5 Years (1/5/16 - 30/4/21)	Since Commencement (29/12/14 - 30/4/21)
Fund	21.28%	6.26%	8.19%	7.01%
Benchmark	18.22%	7.48%	8.51%	9.01%
Outperformance	3.06%	(1.22%)	(0.32%)	(2.00%)

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (1/5/18 - 30/4/19)	FYE 2018 (1/5/17 - 30/4/18)	FYE 2017 (1/5/16 - 30/4/17)
Fund	21.28%	(0.55%)	(0.51%)	5.86%	16.71%
Benchmark	18.22%	1.63%	3.37%	4.68%	15.75%
Outperformance	3.06%	(2.18%)	(3.88%)	1.18%	0.96%

Source of Benchmark: Bloomberg

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



AUD Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a 9.44% return compared to the benchmark return of 11.70%. The Fund thus underperformed the Benchmark by 2.26%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 April 2021 was AUD0.6014 while the NAV as at 30 April 2020 was AUD0.5495.

Since commencement, the Fund has registered a return of 20.28% compared to the benchmark return of 21.96%, underperforming by 1.68%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	9.44%	20.28%
Benchmark	11.70%	21.96%
Outperformance	(2.26%)	(1.68%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	9.44%	7.38%
Benchmark	11.70%	7.95%
Outperformance	(2.26%)	(0.57%)

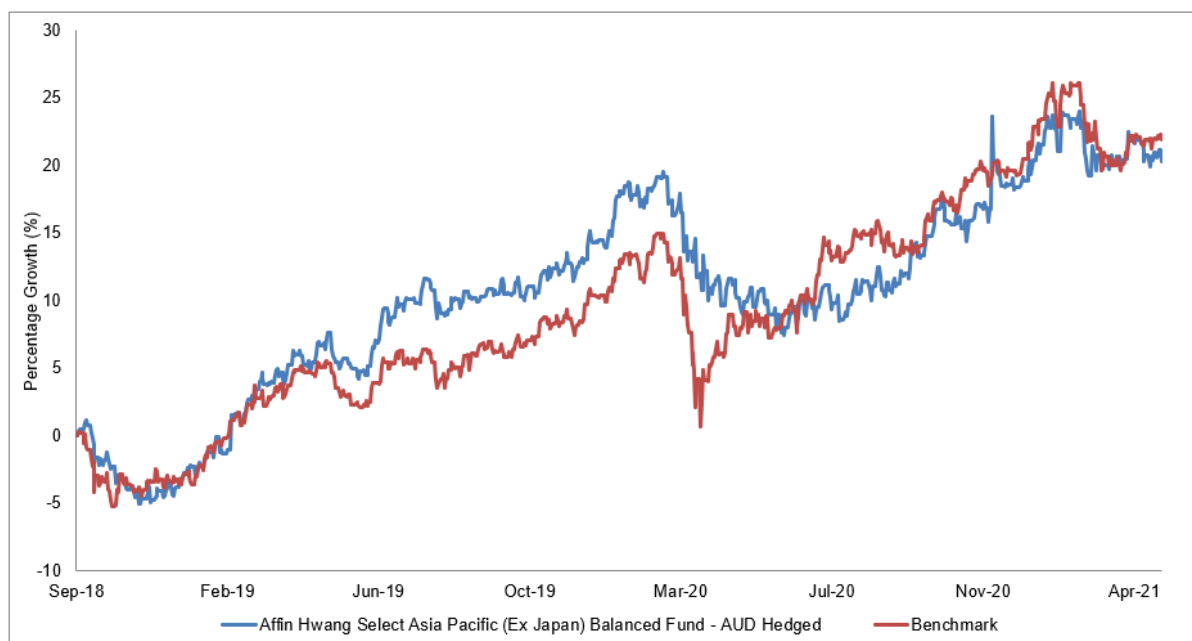
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	9.44%	3.29%	6.40%
Benchmark	11.70%	3.87%	5.11%
Outperformance	(2.26%)	(0.58%)	1.29%

Source of Benchmark: Bloomberg

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



EUR Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a 15.19% return compared to the benchmark return of 13.12%. The Fund thus outperformed the Benchmark by 2.07%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 April 2021 was EUR0.6142 while the NAV as at 30 April 2020 was EUR0.5332.

Since commencement, the Fund has registered a return of 22.84% compared to the benchmark return of 22.96%, underperforming by 0.12%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	15.19%	22.84%
Benchmark	13.12%	22.96%
Outperformance	2.07%	(0.12%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	15.19%	8.25%
Benchmark	13.12%	8.29%
Outperformance	2.07%	(0.04%)

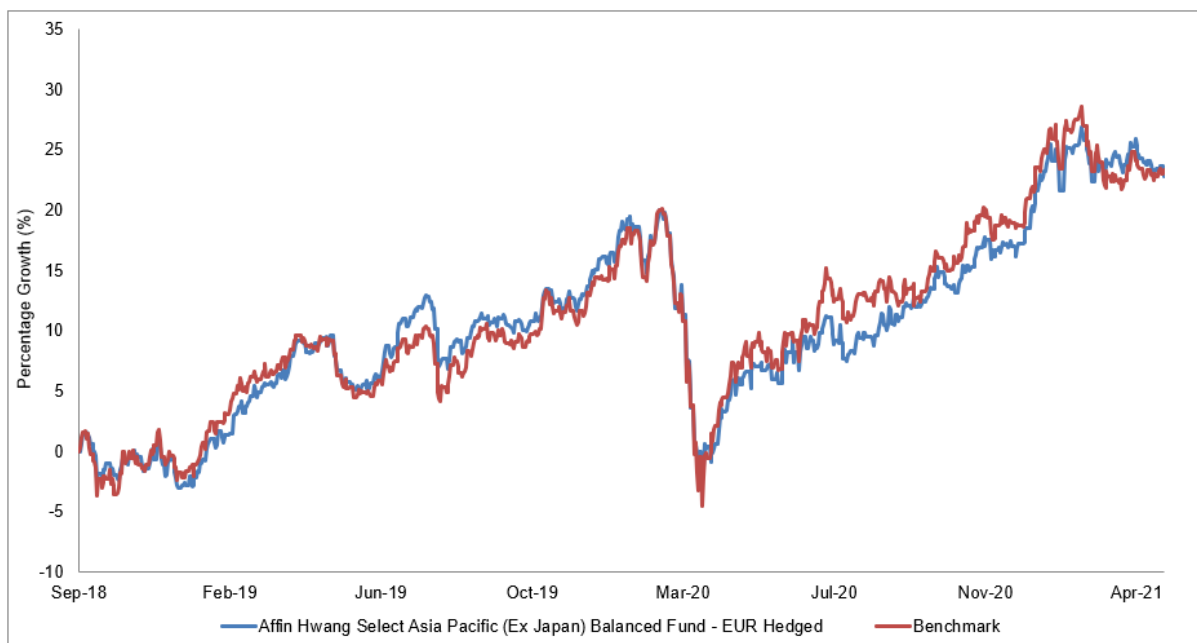
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	15.19%	(1.95%)	8.76%
Benchmark	13.12%	0.24%	8.44%
Outperformance	2.07%	(2.19%)	0.32%

Source of Benchmark: Bloomberg

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



RMB Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a 19.12% return compared to the benchmark return of 13.58%. The Fund thus outperformed the Benchmark by 5.54%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 April 2021 was RMB0.6087 while the NAV as at 30 April 2020 was RMB0.5110.

Since commencement, the Fund has registered a return of 21.74% compared to the benchmark return of 18.41%, outperforming by 3.33%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	19.12%	21.74%
Benchmark	13.58%	18.41%
Outperformance	5.54%	3.33%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	19.12%	7.88%
Benchmark	13.58%	6.73%
Outperformance	5.54%	1.15%

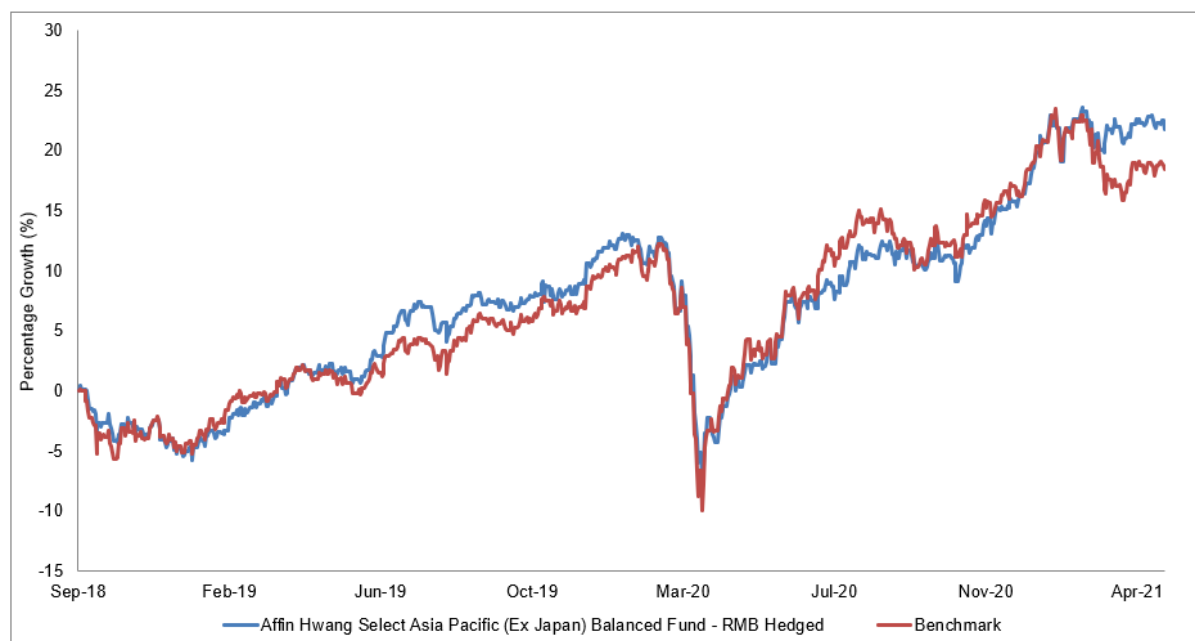
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	19.12%	0.45%	1.74%
Benchmark	13.58%	2.80%	1.42%
Outperformance	5.54%	(2.35%)	0.32%

Source of Benchmark: Bloomberg

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



USD Hedged-Class

For the period 1 May 2020 to 30 April 2021, the Fund registered a 28.54% return compared to the benchmark return of 24.25%. The Fund thus outperformed the Benchmark by 4.29%. The Net Asset Value per unit (“NAV”) of the Fund as at 30 April 2021 was USD0.6378 while the NAV as at 30 April 2020 was USD0.4962.

Since commencement, the Fund has registered a return of 27.56% compared to the benchmark return of 25.83%, outperforming by 1.73%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	28.54%	27.56%
Benchmark	24.25%	25.83%
Outperformance	4.29%	1.73%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/20 - 30/4/21)	Since Commencement (27/9/18 - 30/4/21)
Fund	28.54%	9.84%
Benchmark	24.25%	9.26%
Outperformance	4.29%	0.58%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (27/9/18 - 30/4/19)
Fund	28.54%	(4.30%)	3.70%
Benchmark	24.25%	(2.19%)	3.55%
Outperformance	4.29%	(2.11%)	0.15%

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% MSCI AC Asia Pacific ex Japan Index + 50% RAM Quantshop MGS All Index

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

Asset Allocation

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

As at 30 April 2021, the asset allocation of the Fund stood at 56.58% in equities, 40.55% in fixed income securities and the remaining was held in cash and cash equivalent. Within the fixed income space, the domestic and foreign fixed income securities exposure of the Fund has reduced whereas the foreign equities exposure had increased by more than 10 percentage points to 56.58%. Cash level was lower at 2.87% as the manager deployed cash during perceived market opportunities.

Strategies Employed

With the return of volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare event of global pandemic and oil price collapse.

Market Review

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

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

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

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

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

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

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

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

Investment Outlook

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

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

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

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

We have acted as the Trustee of Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund (the "Fund") for the financial year ended 30 April 2021. To the best of our knowledge, for the financial year under review, Affin Hwang Asset Management Berhad (the "Manager"), has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund has been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during this financial year ended 30 April 2021 by the Manager is not inconsistent with the objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hong Leong
Head, Trustee Operations

Gerald Ang
Chief Executive Officer

Kuala Lumpur
18 June 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
INVESTMENT INCOME			
Dividend income		1,563,717	1,484,457
Interest income from financial assets at amortised cost		14,246	21,691
Interest income from financial assets at fair value through profit or loss		2,533,342	3,283,235
Net (loss)/gain on foreign currency exchange		(189,326)	500,597
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss		1,029,825	(1,634,180)
Net gain/(loss) on financial assets at fair value through profit or loss	8	19,568,529	(457,569)
		<u>24,520,333</u>	<u>3,198,231</u>
EXPENSES			
Management fee	4	(1,930,968)	(2,031,300)
Trustee fee	5	(70,298)	(74,310)
Auditors' remuneration		(2,000)	(9,500)
Tax agent's fee		(29,864)	(49,547)
Transaction costs		(546,457)	(559,181)
Other expenses		(167,508)	(277,687)
		<u>(2,747,095)</u>	<u>(3,001,525)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		21,773,238	196,706
FINANCE COST (EXCLUDING INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distributions	6	(1,750,798)	(622,524)
NET PROFIT/(LOSS) BEFORE TAXATION		20,022,440	(425,818)
Taxation	7	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>20,022,440</u>	<u>(425,818)</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Increase/(decrease) in net assets attributable to unitholders is made up of the following:			
Realised amount		7,933,473	3,648,512
Unrealised amount		12,088,967	(4,074,330)
		<u>20,022,440</u>	<u>(425,818)</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	9	4,608,445	13,865,096
Amount due from Manager			
- creation of units		48,015	100,981
Dividend receivables		77,802	-
Amount due from brokers		2,498,540	-
Financial assets at fair value through profit or loss	8	138,688,978	97,692,227
Forward foreign currency contracts at fair value through profit or loss	10	178,983	15,862
TOTAL ASSETS		146,100,763	111,674,166
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	82,605	500,375
Amount due to Manager			
- management fee		193,466	143,006
- cancellation of units		74,904	48,885
Amount due to Trustee		7,035	5,200
Amount due to brokers		2,899,335	3,357,052
Auditors' remuneration		9,500	17,000
Tax agent's fee		4,200	4,200
Other payables and accruals		23,491	19,795
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		3,294,536	4,095,513
NET ASSET VALUE OF THE FUND		142,806,227	107,578,653
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		142,806,227	107,578,653

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021 (CONTINUED)

REPRESENTED BY:	Note	<u>2021</u> RM	<u>2020</u> RM
FAIR VALUE OF OUTSTANDING UNITS			
- RM class		142,379,785	107,572,159
- AUD Hedged-class		5,739	1,544
- EUR Hedged-class		3,042	2,508
- RMB Hedged-class		344,694	311
- USD Hedged-class		72,967	2,131
		<u>142,806,227</u>	<u>107,578,653</u>
NUMBER OF UNITS IN CIRCULATION			
- RM class	11(a)	202,540,000	182,783,000
- AUD Hedged-class	11(b)	3,000	1,000
- EUR Hedged-class	11(c)	1,000	1,000
- RMB Hedged-class	11(d)	896,000	1,000
- USD Hedged-class	11(e)	28,000	1,000
		<u>203,468,000</u>	<u>182,787,000</u>
NET ASSET VALUE PER UNIT (RM)			
- RM class		0.7030	0.5885
- AUD Hedged-class		1.9131	1.5443
- EUR Hedged-class		3.0423	2.5083
- RMB Hedged-class		0.3847	0.3109
- USD Hedged-class		2.6060	2.1314
		<u>0.7030</u>	<u>0.5885</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- RM class		RM 0.7030	RM 0.5885
- AUD Hedged-class		AUD 0.6014	AUD 0.5495
- EUR Hedged-class		EUR 0.6142	EUR 0.5332
- RMB Hedged-class		RMB 0.6087	RMB 0.5110
- USD Hedged-class		USD 0.6378	USD 0.4962
		<u>RM 0.7030</u>	<u>RM 0.5885</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	<u>2021</u> RM	<u>2020</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	107,578,653	134,356,958
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	39,141,643	11,254,983
- RM class	38,707,504	11,254,983
- AUD Hedged-class	48,755	-
- RMB Hedged-class	315,240	-
- USD Hedged-class	70,144	-
Creation of units arising from distributions	1,747,196	621,703
- RM class	1,747,196	621,703
Cancellation of units	(25,683,705)	(38,229,173)
- RM class	(25,638,527)	(38,229,173)
- AUD Hedged-class	(45,178)	-
Net increase/(decrease) in net assets attributable to unitholders during the financial year	20,022,440	(425,818)
- RM class	19,991,453	(425,784)
- AUD Hedged-class	618	(8)
- EUR Hedged-class	534	(13)
- RMB Hedged-class	29,143	(1)
- USD Hedged-class	692	(12)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>142,806,227</u>	<u>107,578,653</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

	<u>2021</u> RM	<u>2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	129,452,235	184,278,299
Purchase of investments	(154,490,790)	(147,576,202)
Dividends received	1,485,915	1,589,320
Interest received	2,655,207	3,369,584
Management fee paid	(1,880,508)	(2,070,272)
Trustee fee paid	(68,463)	(75,727)
Payment for other fees and expenses	(203,176)	(332,024)
Realised gain/(loss) on forward foreign currency contracts	448,934	(1,203,869)
Net realised (loss)/gain on foreign currency exchange	(383,316)	691,101
	<u>(22,983,962)</u>	<u>38,670,210</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	39,194,609	11,180,736
Payments for cancellation of units	(25,657,686)	(38,427,007)
Payment for distributions	(3,602)	(821)
	<u>13,533,321</u>	<u>(27,247,092)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,450,641)	11,423,118
EFFECTS OF FOREIGN CURRENCY EXCHANGE	193,990	(190,504)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	13,865,096	2,632,482
	<u>13,865,096</u>	<u>2,632,482</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9 4,608,445	13,865,096
	<u>4,608,445</u>	<u>13,865,096</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

(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 ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

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

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 DISTRIBUTIONS

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

D 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

E 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 year.

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

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.

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

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

(ii) Recognition and measurement

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

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

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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 quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

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.

(iii) Impairment

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

Significant increase in credit risk

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

I CASH AND CASH EQUIVALENTS

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

J AMOUNTS 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

K CREATION AND CANCELLATION OF UNITS

The unitholders' capital to the Fund meets the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in five classes of units, known respectively as the RM Class, AUD Hedged-class, EUR Hedged-class, RMB Hedged-class, and USD Hedged-class, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value ("NAV") of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

L INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

M DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

O REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised portions of increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang Select Asia Pacific (ex Japan) Balanced Fund (the “Fund”) pursuant to the execution of a Deed dated 1 July 2013 as modified by Supplemental Deed dated 5 November 2014 and Second Supplemental Deed dated 17 April 2018 (“the Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”), and Deutsche Trustees Malaysia Berhad (the “Trustee”) and the registered unitholders of the Fund. The Fund has changed its name from Hwang Select Asia Pacific (ex Japan) Balanced Fund to Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund as amended by the Supplemental Deed dated 5 November 2014.

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

The Fund may invest in any of the following investments:

- (a) Listed securities
- (b) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities;
- (c) Government bonds, treasury bills and other government approved or guaranteed bonds;
- (d) Debentures;
- (e) Money market instruments;
- (f) Deposits with financial institutions;
- (g) Structured products such as credit linked-notes;
- (h) Derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- (i) Warrants;
- (j) Units/shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- (k) Any other form of investments 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 investor an affordable access into a diversified investment portfolio containing a balanced mixture of equities and fixed income instruments to achieve a balance of growth and income over the medium to long-term period.

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

The financial statements were authorised for issue by the Manager on 18 June 2021.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	4,608,445	-	4,608,445
Dividends receivable		77,802	-	77,802
Amount due from brokers		2,498,540	-	2,498,540
Amount due from Manager - creation of units		48,015	-	48,015
Quoted equities	8	-	80,758,713	80,758,713
Unquoted fixed income securities	8	-	57,930,265	57,930,265
Forward foreign currency contracts	10	-	178,983	178,983
Total		<u>7,232,802</u>	<u>138,867,961</u>	<u>146,100,763</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	82,605	82,605
Amount due to brokers		2,899,335	-	2,899,335
Amount due to Manager - management fee		193,466	-	193,466
- cancellation of units		74,904	-	74,904
Amount due to Trustee		7,035	-	7,035
Auditors' remuneration		9,500	-	9,500
Tax agent's fee		4,200	-	4,200
Other payables and accruals		23,491	-	23,491
Total		<u>3,211,931</u>	<u>82,605</u>	<u>3,294,536</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Financial instruments 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	13,865,096	-	13,865,096
Amount due from Manager				
- creation of units		100,981	-	100,981
Quoted equities	8	-	49,129,240	49,129,240
Unquoted fixed income securities	8	-	48,562,987	48,562,987
Forward foreign currency contracts	10	-	15,862	15,862
Total		<u>13,966,077</u>	<u>97,708,089</u>	<u>111,674,166</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	500,375	500,375
Amount due to brokers		3,357,052	-	3,357,052
Amount due to Manager				
- management fee		143,006	-	143,006
- cancellation of units		48,885	-	48,885
Amount due to Trustee		5,200	-	5,200
Auditors' remuneration		17,000	-	17,000
Tax agent's fee		4,200	-	4,200
Other payables and accruals		19,795	-	19,795
Total		<u>3,595,138</u>	<u>500,375</u>	<u>4,095,513</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk, 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk

(a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Quoted investments		
Quoted equities	80,758,713	49,129,240
Unquoted investments *		
Unquoted fixed income securities	57,930,265	48,562,987

* Includes interest receivable RM585,595 (2020: RM652,421)

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

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2021</u>		
-7.5%	127,745,629	(10,357,754)
0%	138,103,383	-
+7.5%	148,461,137	10,357,754
<u>2020</u>		
-7.5%	89,761,821	(7,277,985)
0%	97,039,806	-
+7.5%	104,317,791	7,277,985

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(b) Interest rate risk

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

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

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

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

<u>% Change in interest rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2%	(173,735)	(162,803)
- 2%	175,610	163,004

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(b) 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.

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

	<u>Quoted equities</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>						
<u>Financial assets</u>						
Australian Dollar	2,655,072	-	-	99,726	-	2,754,798
Chinese Yuan	1,402,154	-	-	37,400	-	1,439,554
Euro	-	-	-	2,179	-	2,179
Hong Kong Dollar	29,792,821	-	-	1,155,133	1,211,055	32,159,009
Indian Rupee	3,539,936	-	-	-	-	3,539,936
Korean Won	6,340,560	-	-	-	-	6,340,560
Singapore Dollar	16,067,323	8,998,856	-	580,859	1,334,381	26,981,419
Taiwan Dollar	4,479,840	-	-	-	-	4,479,840

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(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>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)						
<u>Financial assets</u> (continued)						
United States Dollar	16,481,007	33,282,217	178,983	1,809,799	30,905	51,782,911
	<u>80,758,713</u>	<u>42,281,073</u>	<u>178,983</u>	<u>3,685,096</u>	<u>2,576,341</u>	<u>129,480,206</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> RM	<u>Amount due to brokers</u> RM	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	-	-	5,739	5,739
Chinese Yuan	1,957	-	344,693	346,650
Euro	-	-	3,042	3,042
United States Dollar	80,648	2,899,335	72,967	3,052,950
	<u>82,605</u>	<u>2,899,335</u>	<u>426,441</u>	<u>3,408,381</u>

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

	<u>Quoted equities</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	-	-	-	6,369	6,369
Chinese Yuan	1,109,685	-	-	929,763	2,039,448
Euro	-	-	-	2,070	2,070
Hong Kong Dollar	23,945,097	-	-	295,974	24,241,071
Korean Won	2,612,230	-	-	-	2,612,230
Singapore Dollar	12,218,140	5,871,625	-	1,937,184	20,026,949
Thai Baht	587,821	-	-	-	587,821
Taiwan Dollar	2,242,211	-	-	-	2,242,211
United States Dollar	6,414,056	26,964,011	15,862	9,680,791	43,074,720
	<u>49,129,240</u>	<u>32,835,636</u>	<u>15,862</u>	<u>12,852,151</u>	<u>94,832,889</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Forward foreign currency contracts</u> RM	<u>Amount due to brokers</u> RM	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	-	-	1,544	1,544
Chinese Yuan	-	-	311	311
Euro	-	-	2,508	2,508
Singapore Dollar	64,707	2,283,302	-	2,348,009
United States Dollar	435,668	1,073,750	2,131	1,511,549
	<u>500,375</u>	<u>3,357,052</u>	<u>6,494</u>	<u>3,863,921</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Change in price</u> %	<u>Impact on profit after tax/NAV</u> RM
<u>2021</u>		
Australian Dollar	+/- 8.79	+/- 242,651
Chinese Yuan	+/- 4.60	+/- 82,165
Euro	+/- 6.04	-/+ 315
Hong Kong Dollar	+/- 4.26	+/- 1,369,974
Indian Rupee	+/- 5.53	+/- 195,758
Korean Won	+/- 5.43	+/- 344,292
Singapore Dollar	+/- 3.27	+/- 882,292
Taiwan Dollar	+/- 4.35	+/- 194,873
United States Dollar	+/- 4.33	+/- 2,374,393
<u>2020</u>		
Australian Dollar	+/- 11.89	+/- 941
Chinese Yuan	+/- 6.10	+/- 124,425
Euro	+/- 7.64	+/- 350
Hong Kong Dollar	+/- 5.96	+/- 1,444,768
Korean Won	+/- 9.17	+/- 239,541
Singapore Dollar	+/- 4.28	+/- 957,648
Thailand Baht	+/- 7.39	+/- 43,440
Taiwan Dollar	+/- 5.35	+/- 119,958
United States Dollar	+/- 5.95	+/- 2,652,883

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Credit risk

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

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

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

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

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

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u>					
Basic Materials					
- Baa2	834,313	-	-	-	834,313
Consumer Discretionary					
- Ba3	1,631,968	-	-	-	1,631,968
- Baa2	844,929	-	-	-	844,929
- NR	770,253	-	-	1,211,055	1,981,308
Energy					
- A3	1,546,011	-	-	-	1,546,011
- Baa1	1,280,878	-	-	-	1,280,878
Financial Services					
- AA1	-	-	3,706,626	-	3,706,626
- AA2	-	7,638	-	13,453	21,091
- AA3	-	84,759	-	-	84,759
- AAA	-	86,586	901,819	-	988,405
- Ba1	2,536,056	-	-	-	2,536,056
- Ba2	2,518,217	-	-	-	2,518,217
- Ba3	827,579	-	-	-	827,579
- Baa2	541,661	-	-	-	541,661
- Baa3	4,780,543	-	-	-	4,780,543
- BB	1,521,463	-	-	-	1,521,463
- NR	4,275,565	-	-	-	4,275,565

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)					
Government					
- NR	5,025,805	-	-	-	5,025,805
Industrials					
- A	2,039,848	-	-	-	2,039,848
- AA3	6,208,482	-	-	-	6,208,482
- BBB-	2,505,280	-	-	-	2,505,280
- NR	4,547,718	-	-	1,320,929	5,868,647
Real Estate					
- A2	2,100,092	-	-	-	2,100,092
- B1	1,259,419	-	-	-	1,259,419
- B2	2,663,989	-	-	-	2,663,989
- Ba3	867,449	-	-	-	867,449
- Baa2	1,651,059	-	-	-	1,651,059
- Baa3	1,639,941	-	-	-	1,639,941
- BB-	842,166	-	-	-	842,166
- BBB-	816,019	-	-	-	816,019
- NR	1,853,562	-	-	30,905	1,884,467
Others					
- NR	-	-	-	48,015	48,015
	<u>57,930,265</u>	<u>178,983</u>	<u>4,608,445</u>	<u>2,624,357</u>	<u>65,342,050</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u>					
Basic Materials					
- Ba3	686,602	-	-	-	686,602
Consumer Services					
- Ba2	794,682	-	-	-	794,682
Diversified Holdings					
- A2	2,088,532	-	-	-	2,088,532
- NR	1,559,364	-	-	-	1,559,364
Financial Services					
- AAA	-	15,862	13,865,096	-	13,880,958
- A3	5,493,839	-	-	-	5,493,839
- Baa2	1,624,894	-	-	-	1,624,894
- Baa3	5,255,591	-	-	-	5,255,591
- Ba1	700,893	-	-	-	700,893
- Ba2	6,529,972	-	-	-	6,529,972
- Ba3	1,563,627	-	-	-	1,563,627
- B1	1,327,833	-	-	-	1,327,833
- NR	4,305,374	-	-	-	4,305,374
Government					
- AAA	726,918	-	-	-	726,918
- Baa2	1,095,977	-	-	-	1,095,977
Industrials					
- A1	6,188,401	-	-	-	6,188,401
- Baa3	2,542,200	-	-	-	2,542,200
- NR	4,302,731	-	-	-	4,302,731
Oil & Gas					
- Baa2	739,854	-	-	-	739,854
Real Estate					
- NR	1,035,703	-	-	-	1,035,703
Others					
- NR	-	-	-	100,981	100,981
	<u>48,562,987</u>	<u>15,862</u>	<u>13,865,096</u>	<u>100,981</u>	<u>62,544,926</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Liquidity risk

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

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	193,466	-	193,466
- cancellation of units	74,904	-	74,904
Amount due to Trustee	7,035	-	7,035
Amount due to brokers	2,899,335	-	2,899,335
Auditors' remuneration	-	9,500	9,500
Tax agent's fee	-	4,200	4,200
Other payables and accruals	-	23,491	23,491
Forward foreign currency contracts at fair value through profit or loss	-	82,605	82,605
Net assets attributable to unitholders*	142,806,227	-	142,806,227
	<u>145,980,967</u>	<u>119,796</u>	<u>146,100,763</u>
<u>2020</u>			
Amount due to Manager			
- management fee	143,006	-	143,006
- cancellation of units	48,885	-	48,885
Amount due to Trustee	5,200	-	5,200
Amount due to brokers	3,357,052	-	3,357,052
Auditors' remuneration	-	17,000	17,000
Tax agent's fee	-	4,200	4,200
Other payables and accruals	-	19,795	19,795
Forward foreign currency contracts at fair value through profit or loss	-	500,375	500,375
Net assets attributable to unitholders*	107,578,653	-	107,578,653
	<u>111,132,796</u>	<u>541,370</u>	<u>111,674,166</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

Liquidity risk (continued)

*Outstanding units are redeemed on demand at the unitholder's option (Note K). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of the instruments typically retain them for the medium to long term.

Capital risk

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The 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	80,758,713	-	-	80,758,713
- unquoted fixed income securities	-	57,930,265	-	57,930,265
- forward foreign currency contracts	-	178,983	-	178,983
	<u>80,758,713</u>	<u>58,109,248</u>	<u>-</u>	<u>138,867,961</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	82,605	-	82,605
	<u>-</u>	<u>82,605</u>	<u>-</u>	<u>82,605</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	49,129,240	-	-	49,129,240
- unquoted fixed income securities	-	48,562,987	-	48,562,987
- forward foreign currency contracts	-	15,862	-	15,862
	<u>49,129,240</u>	<u>48,578,849</u>	<u>-</u>	<u>97,708,089</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The 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> (continued)				
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	500,375	-	500,375
	=====	=====	=====	=====

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 and forward foreign currency contracts. 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, dividend receivables, amount due from brokers and amount due from Manager and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to 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 5.00% per annum on the NAV of the Fund calculated on a daily basis.

For the financial year ended 30 April 2021, the management fee is recognised at a rate of 1.65% (2020: 1.65%) per annum on the NAV of the Fund calculated on a daily basis.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee, inclusive of local custodian fees, at a rate not exceeding 0.10% per annum on the NAV of the Fund for local investments subject to a minimum of RM12,000 per annum, excluding foreign sub-custodian fees.

For the financial year ended 30 April 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

6 DISTRIBUTIONS

	<u>2021</u> RM	<u>2020</u> RM
Distributions to unitholders are from the following sources:		
Previous years' realised income	1,750,798	622,524
Net distribution amount	<u>1,750,798</u>	<u>622,524</u>
	<u>Gross/Net distribution per unit(sen)</u>	
		<u>RM Class</u> RM
<u>2021</u>		
17.06.2020		0.20
16.12.2020		0.80
		<u>1.00</u>
<u>2020</u>		
18.12.2019		<u>0.30</u>

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

Included in distribution for the financial year is an amount of RM1,750,798 (2020: RM622,524) made from previous financial year's realised income.

There were no unrealised losses during the financial year (2020: RM4,074,330).

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

7 TAXATION

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

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

	<u>2021</u> RM	<u>2020</u> RM
Net profit before taxation	21,773,238	196,706
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	5,225,577	47,209
Tax effects of:		
Investment income not subject to tax	(5,884,880)	(767,575)
Expenses not deductible for tax purposes	194,191	230,574
Restrictions on tax deductible expenses for Unit Trust Funds	465,112	489,792
Tax expense	-	-

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 - foreign	80,758,713	49,129,240
- unquoted fixed income securities - local	15,649,192	15,727,351
- unquoted fixed income securities - foreign	42,281,073	32,835,636
	<u>138,688,978</u>	<u>97,692,227</u>
Net gain/(loss) on financial assets at fair value through profit or loss		
- realised gain on sale of investments	8,213,648	3,106,000
- unrealised gain/(loss) on changes in fair value	11,354,881	(3,563,569)
	<u>19,568,529</u>	<u>(457,569)</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign

(i) Quoted equities – foreign as at 30 April 2021 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	8,839	1,272,920	1,340,696	0.94
<u>Consumer Discretionary</u>				
Super Retail Group Ltd	34,691	1,315,628	1,314,376	0.92
<u>China</u>				
<u>Consumer Discretionary</u>				
China Intl Travel Serv Corp Ld	7,100	1,319,135	1,402,154	0.98
<u>Hong Kong</u>				
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	39,200	4,663,443	4,640,202	3.25
Chow Tai Fook Jewellery Group	191,800	764,796	1,263,343	0.88
Haier Smart Home Co Ltd	148,400	2,430,974	2,619,357	1.83
Yum China Holdings Inc	5,528	1,233,865	1,421,568	1.00
	<u>384,928</u>	<u>9,093,078</u>	<u>9,944,470</u>	<u>6.96</u>
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	116,000	2,112,735	2,535,697	1.78
<u>Financial Services</u>				
AIA Group Ltd	80,400	3,492,273	4,181,201	2.93
BOC Hong Kong Holdings Ltd	143,500	2,099,665	2,068,573	1.45
	<u>223,900</u>	<u>5,591,938</u>	<u>6,249,774</u>	<u>4.38</u>
<u>Industrials</u>				
Swire Pacific Ltd - CL A	45,000	1,446,883	1,486,759	1.04

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 April 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>				
Link REIT	54,434	1,936,623	2,099,145	1.47
Sun Hung Kai Properties Ltd	35,000	1,903,126	2,159,904	1.51
	<u>89,434</u>	<u>3,839,749</u>	<u>4,259,049</u>	<u>2.98</u>
<u>Technology</u>				
Tencent Holdings Ltd	10,600	2,571,486	3,471,471	2.43
<u>Telecommunications</u>				
HKT Trust & HKT Ltd	311,000	1,671,396	1,845,601	1.29
<u>India</u>				
<u>Financial Services</u>				
ICICI Bank Ltd	13,301	435,874	440,015	0.31
State Bank India	88,228	1,009,768	1,714,792	1.20
	<u>101,529</u>	<u>1,445,642</u>	<u>2,154,807</u>	<u>1.51</u>
<u>Health Care</u>				
Max Healthcare Institute Ltd	109,912	1,193,956	1,385,129	0.97
<u>Korea</u>				
<u>Basic Materials</u>				
POSCO	1,175	1,405,568	1,570,856	1.10
<u>Technology</u>				
Samsung Electronics Co Ltd – Pref Shares	17,717	3,226,852	4,769,704	3.34

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 April 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u>				
<u>Basic Materials</u>				
Nanofilm Technologies Intl PL	67,200	536,866	1,036,291	0.73
<u>Consumer Discretionary</u>				
ComfortDelGro Corporation Ltd	266,800	1,292,322	1,407,098	0.99
Singapore Press Holdings Ltd	356,200	1,934,505	2,021,409	1.42
	<u>623,000</u>	<u>3,226,827</u>	<u>3,428,507</u>	<u>2.41</u>
<u>Financial Services</u>				
DBS Group Holdings Ltd	24,237	1,618,062	2,235,825	1.56
Singapore Exchange Ltd	44,200	1,445,799	1,423,198	1.00
	<u>68,437</u>	<u>3,063,861</u>	<u>3,659,023</u>	<u>2.56</u>
<u>Health Care</u>				
Q & M Dental Group Singapore	1,057,000	1,858,337	2,037,500	1.43
<u>Industrials</u>				
Credit Bureau Asia Ltd	311,700	882,862	1,249,749	0.87
<u>Real Estate</u>				
CapitaLand China Trust	306,840	1,357,239	1,296,508	0.91
CapitaLand Integrated Comm Trt	188,900	1,163,720	1,246,775	0.87
Capitaland Ltd	124,800	1,456,555	1,428,009	1.00
	<u>620,540</u>	<u>3,977,514</u>	<u>3,971,292</u>	<u>2.78</u>
<u>Technology</u>				
AEM Holdings Ltd	54,300	684,453	684,961	0.48

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 30 April 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Company Ltd	51,000	2,036,601	4,479,840	3.14
<u>United States</u>				
<u>Consumer Discretionary</u>				
Amazon.com Inc	253	3,376,493	3,585,559	2.51
New York Times Company	6,116	1,269,918	1,134,545	0.79
	<u>6,369</u>	<u>4,646,411</u>	<u>4,720,104</u>	<u>3.30</u>
<u>Financial Services</u>				
JPMorgan Chase & Co	3,642	1,838,758	2,288,879	1.60
<u>Industrials</u>				
Corning Inc	13,039	1,972,438	2,354,859	1.65
Visa Inc	3,061	2,471,326	2,922,443	2.04
	<u>16,100</u>	<u>4,443,764</u>	<u>5,277,302</u>	<u>3.69</u>
<u>Real Estate</u>				
Hongkong Land Holdings Ltd	66,600	1,406,849	1,338,868	0.94
<u>Technology</u>				
Applied Materials Inc	2,403	1,429,731	1,303,034	0.91
Nvidia Corporation	633	1,433,950	1,552,820	1.09
	<u>3,036</u>	<u>2,863,681</u>	<u>2,855,854</u>	<u>2.00</u>
Total quoted equities – foreign	<u>4,410,749</u>	<u>68,973,750</u>	<u>80,758,713</u>	<u>56.55</u>
Accumulated unrealised gain on quoted equities – foreign		<u>11,784,963</u>		
Total quoted equities – foreign		<u>80,758,713</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 April 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>Industrials</u>				
Shanghai International Airport	25,800	1,073,602	1,109,685	1.03
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
Alibaba Group Holding Ltd	30,800	3,120,666	3,367,681	3.13
China Mengniu Dairy Co Ltd	68,000	1,037,894	1,044,091	0.97
Chow Tai Fook Jewellery Group	456,200	1,819,082	1,677,057	1.56
Nissin Foods Co Ltd	431,000	1,437,897	1,519,797	1.41
Shenzhen International Group Holdings	31,400	1,742,492	1,572,790	1.46
Topsports International Holdings	458,000	2,448,177	2,464,471	2.29
	<u>1,475,400</u>	<u>11,606,208</u>	<u>11,645,887</u>	<u>10.82</u>
<u>Financial Services</u>				
AIA Group Ltd	72,000	3,041,598	2,874,722	2.67
Ping An Insurance Group Co. China	50,000	2,272,397	2,212,905	2.06
	<u>122,000</u>	<u>5,313,995</u>	<u>5,087,627</u>	<u>4.73</u>
<u>Industrials</u>				
China Resources Cement Holding	110,000	534,933	641,381	0.60
<u>Real Estate</u>				
CIFI Holdings Group Co. Ltd	342,000	1,046,739	1,116,704	1.04
<u>Telecommunication</u>				
HKBN Ltd	103,000	748,561	761,861	0.71
HKT Trust & HKT Ltd	187,000	1,194,047	1,287,650	1.20
Tencent Holdings Ltd	14,700	3,039,341	3,403,987	3.16
	<u>304,700</u>	<u>4,981,949</u>	<u>5,453,498</u>	<u>5.07</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 April 2020 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Korea</u>				
<u>Technology</u>				
Samsung Electronics Co. Ltd - Pref Shares	17,407	2,697,515	2,612,230	2.43
<u>Singapore</u>				
<u>Consumer Goods</u>				
Sheng Siong Group Ltd	428,700	1,334,335	1,922,455	1.79
<u>Industrials</u>				
Singapore Tech Engineering Ltd	106,900	1,136,944	1,112,032	1.03
<u>Technology</u>				
Venture Corp Ltd	25,100	1,244,513	1,209,807	1.12
<u>Real Estate</u>				
Ascendas REITs	201,700	1,888,649	1,821,306	1.70
CapitaLand Retail China Trust	391,800	1,767,015	1,601,601	1.49
Frasers Logistic & Industrial Trust	635,000	2,237,175	2,033,988	1.89
Manulife US REIT	674,272	2,275,477	2,085,119	1.94
Mapletree North Asia Commercial Trust	466,500	1,607,521	1,337,719	1.24
Prime US REIT	260,000	1,031,267	820,775	0.76
	<u>2,629,272</u>	<u>10,807,104</u>	<u>9,700,508</u>	<u>9.02</u>
<u>Telecommunication</u>				
NetLink NBN Trust	388,500	1,191,589	1,179,232	1.10

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(a) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 30 April 2020 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufac	51,000	2,036,601	2,242,211	2.08
<u>Thailand</u>				
<u>Industrials</u>				
Airports of Thailand PCL	71,300	541,594	587,821	0.55
<u>United States</u>				
<u>Consumer Goods</u>				
Yum China Holdings Inc	3,834	726,314	797,828	0.74
<u>Technology</u>				
Microsoft Corporation	1,487	1,027,985	1,144,426	1.06
<u>Telecommunication</u>				
Facebook Inc	1,781	1,237,926	1,565,908	1.46
Total quoted equities – foreign	<u>6,105,181</u>	<u>48,539,846</u>	<u>49,129,240</u>	<u>45.67</u>
Accumulated unrealised gain on quoted equities – foreign		<u>589,394</u>		
Total quoted equities – foreign		<u>49,129,240</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(b) Unquoted fixed income securities – local

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

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Aggregate</u> <u>cost</u> RM	<u>Fair</u> <u>value</u> RM	<u>Percentage</u> <u>of NAV</u> %
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	4,000,000	4,108,540	4,275,565	2.99
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	2,000,000	2,013,312	2,100,092	1.47
4.60% Lafarge Cement Sdn Bhd 43.01.2023 (AA3)	4,000,000	4,056,234	4,134,764	2.90
5.06% Lafarge Cement Sdn Bhd 508.07.2022 (AA3)	2,000,000	2,031,800	2,073,718	1.45
6.90% Mah Sing Group Bhd Call: 04.04.2022 (NR)	1,000,000	1,004,915	1,025,205	0.72
5.80% WCT Holdings Bhd Call: 27.09.2024 (A)	2,000,000	2,041,896	2,039,848	1.43
Total unquoted fixed income securities – local	<u>15,000,000</u>	<u>15,256,697</u>	<u>15,649,192</u>	<u>10.96</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>392,495</u>		
Total unquoted fixed income securities – local		<u>15,649,192</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
6.90% Mah Sing Group Bhd Call: 04.04.2022 (NR)	1,000,000	1,005,293	1,035,703	0.97
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	4,000,000	4,111,107	4,305,374	4.00
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	2,000,000	2,013,312	2,088,532	1.94
5.80% AFFIN Bank Bhd Call: 31.07.2023 (A3)	2,000,000	2,028,921	2,109,341	1.96
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	2,000,000	2,033,495	2,078,373	1.93
4.60% Lafarge Cement Sdn Bhd 13.01.2023 (A1)	4,000,000	4,057,859	4,110,028	3.82
Total unquoted fixed income securities – local	<u>15,000,000</u>	<u>15,249,987</u>	<u>15,727,351</u>	<u>14.62</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>477,364</u>		
Total unquoted fixed income securities – local		<u>15,727,351</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

(c) Unquoted fixed income securities – foreign

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.75% Bank Negara Indonesia 30.03.2026 (Ba2)	817,200	827,039	829,237	0.58
2.45% CH OVS Grand OCE Finance Call: 09.11.2025 (Baa2)	817,200	813,062	816,530	0.57
5.88% China Aoyuan Group Ltd Call: 01.03.2025 (BB)	1,634,400	1,623,364	1,521,463	1.07
3.90% CNRC Capital Ltd Call: 02.06.2022 (Baa2)	817,200	828,876	834,313	0.58
2.50% COSL Singapore Capital Ltd Call: 24.03.2030 (A3)	1,634,400	1,581,582	1,546,011	1.08
4.10% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	817,200	843,123	834,529	0.58
3.20% Franshion Brilliant Ltd 09.04.2026 (BBB-)	817,200	831,384	816,019	0.57
4.00% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	817,200	831,859	829,058	0.58
4.25% Franshion Brilliant Ltd 23.07.2029 (Baa3)	817,200	824,384	810,883	0.57
4.70% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	1,542,100	1,558,586	1,595,059	1.12
5.00% HSBC Holdings PLC Call: 24.09.2023 (Baa3)	771,050	789,431	800,046	0.56
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	1,225,800	1,259,352	1,308,170	0.92
4.50% Huarong Finance 2017 Co Call: 24.01.2022 (Baa2)	817,200	807,465	541,661	0.38
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	1,634,400	1,655,480	1,728,363	1.21
4.40% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	817,200	825,396	827,579	0.58
6.30% KWG Group Holding Ltd Call: 13.02.2024 (BB-)	817,200	840,513	842,166	0.59
4.25% LS Finance Ltd 16.10.2022 (Ba3)	1,634,400	1,639,646	1,631,968	1.14
4.661% MINOR Intl PCL Call: 04.12.2021 (Baa2)	817,200	840,051	844,929	0.59
3.80% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa3)	1,021,500	1,092,365	1,077,268	0.75

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

(i) Unquoted fixed income securities – foreign as at 30 April 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)				
5.00% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	1,634,400	1,683,868	1,688,980	1.18
5.75% NWD Finance BVI Ltd Call: 05.10.2021 (NR)	817,200	810,398	828,357	0.58
5.95% Powerlong Real Estate Call: 30.04.2023 (B2)	1,225,800	1,241,774	1,272,706	0.89
2.587% PTTEP Treasury Center Co Ltd Call: 10.04.2027 (Baa1)	1,225,800	1,297,602	1,280,878	0.90
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	771,050	768,354	807,693	0.57
7.625% Times China Holdings Ltd Call: 21.05.2021 (B1)	1,225,800	1,245,696	1,259,419	0.88
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	2,451,600	2,437,800	2,505,280	1.75
4.35% Wing Tai Properties Fin Ltd Call: 24.08.2021 (NR)	771,050	672,152	770,253	0.54
6.80% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	817,200	845,079	867,449	0.61
8.10% Yinson Juniper Ltd Call: 29.03.2024 (NR)	4,086,000	4,092,919	4,547,718	3.19
6.35% Yuzhou Group Call: 13.01.2025 (B2)	1,634,400	1,567,700	1,391,283	0.98
2.25% Singapore Government Bond 01.08.2036 (NR)	1,542,100	1,761,138	1,614,782	1.13
2.375% Singapore Government Bond 01.07.2039 (NR)	616,840	730,489	659,755	0.46
2.875% Singapore Government Bond 01.09.2030 (NR)	2,467,360	2,889,650	2,751,268	1.93
Total unquoted fixed income securities – foreign	<u>41,373,850</u>	<u>42,357,577</u>	<u>42,281,073</u>	<u>29.61</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(76,504)</u>		
Total unquoted fixed income securities – foreign		<u>42,281,073</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 30 April 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
5.625% Bank of East Asia Ltd Call: 18.05.2022 (Ba2)	1,074,750	1,113,472	1,045,155	0.97
5.00% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	1,719,600	1,667,072	1,674,525	1.56
4.70% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	1,525,350	1,558,176	1,457,380	1.35
4.85% Ciputra Development Tbk PT 20.09.2021 (BB-)	762,675	782,781	728,087	0.68
4.00% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	859,800	824,036	823,618	0.76
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	2,579,400	2,408,358	2,542,200	2.36
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	1,289,700	1,268,715	1,264,015	1.17
7.625% Times China Holdings Ltd Call: 21.02.2021 (B1)	1,289,700	1,246,626	1,327,833	1.23
8.10% Yinson Juniper Ltd Call: 29.03.2024 (NR)	4,299,000	4,094,424	4,302,731	4.00
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	762,675	768,320	700,893	0.65
5.70% Chong Hing Bank Ltd Call: 15.07.2024 (Ba2)	1,074,750	1,052,646	1,007,911	0.94
5.60% Shimao Property Holdings Ltd Call: 15.07.2023 (BBB-)	859,800	845,088	879,177	0.82
4.25% Franshion Brilliant Ltd 23.07.2029 (Baa3)	859,800	827,443	831,400	0.77
4.10% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	1,719,600	1,678,766	1,624,894	1.51
4.75% SembCorp Industries Ltd Call: 20.05.2020 (NR)	1,525,350	1,559,212	1,559,365	1.45
4.00% China Life Insurance Co. Ltd Call: 03.07.2020 (A3)	3,439,200	3,326,195	3,384,498	3.15
4.50% LS Finance Ltd 26.06.2025 (Ba2)	859,800	863,302	794,683	0.74
5.50% Bank of East Asia Ltd Call: 02.12.2020 (Ba2)	2,149,500	2,146,728	2,103,399	1.95
4.175% Pertamina Persero PT Call: 21.07.2049 (Baa2)	859,800	881,743	739,854	0.69

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

(ii) Unquoted fixed income securities – foreign as at 30 April 2020 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
6.125% Bayan Resources Tbk PT 24.01.2023 (Ba3)	859,800	821,947	686,602	0.64
6.80% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	859,800	845,584	835,539	0.78
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	762,675	758,295	698,982	0.65
2.457% Philippine Government 05.05.2030 (Baa2)	1,074,750	1,088,250	1,095,977	1.02
2.875% Singapore Government Bond 01.09.2030 (AAA)	610,140	729,142	726,918	0.68
Total unquoted fixed income securities – foreign	<u>33,677,415</u>	<u>33,156,321</u>	<u>32,835,636</u>	<u>30.52</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(320,685)</u>		
Total unquoted fixed income securities – foreign		<u>32,835,636</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	3,706,626	12,869,327
Deposit with a licensed financial institution	901,819	995,769
	<u>4,608,445</u>	<u>13,865,096</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>2.55</u>

Deposit with a licensed financial institution has an average maturity of 4 days (2020: 4 days).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 9 (2020: 5) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM26,883,984 (2020: RM21,779,114). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Chinese Yuan and United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

11 NUMBER OF UNITS IN CIRCULATION

(a) RM class units in circulation		
	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	182,783,000	225,937,000
Creation of units arising from applications	56,720,694	18,429,477
Creation of units arising from distributions	2,664,693	999,523
Cancellation of units	(39,628,387)	(62,583,000)
At the end of the financial year	<u>202,540,000</u>	<u>182,783,000</u>
(b) AUD Hedged-class units in circulation		
	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	1,000	1,000
Creation of units arising from applications	27,000	-
Cancellation of units	(25,000)	-
At the end of the financial year	<u>3,000</u>	<u>1,000</u>
(c) EUR Hedged-class units in circulation		
	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	1,000	1,000
At the end of the financial year	<u>1,000</u>	<u>1,000</u>
(d) RMB Hedged-class units in circulation		
	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	1,000	1,000
Creation of units arising from applications	895,000	-
At the end of the financial year	<u>896,000</u>	<u>1,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) USD Hedged-class units in circulation	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	1,000	1,000
Creation of units arising from applications	27,000	-
At the end of the financial year	<u>28,000</u>	<u>1,000</u>

12 TRANSACTIONS WITH BROKERS AND DEALERS

(i) Detail of transactions with the top 10 brokers and dealers for the financial year ended 30 April 2021 is as follows:

<u>Name of broker and 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> %
Euroclear Bank S.A / N.V	60,884,179	21.90	-	-
Sanford C. Bernstein And Co., Llc	16,224,225	5.84	41,128	7.53
Citigroup Global Markets Ltd	15,613,489	5.62	44,079	8.07
Robert W. Baird & Co.	14,677,866	5.28	2,804	0.51
CIMB Securities (Singapore) Pte Ltd.	14,455,871	5.20	36,420	6.66
DBS Vickers Securities (Singapore) Pte Ltd	13,097,956	4.71	45,515	8.33
Morgan Stanley And Co. International Plc, London Branch	10,954,950	3.94	42,893	7.85
CLSA Ltd (Hong Kong)	10,807,640	3.89	39,403	7.21
UOB Kay Hian Pte Ltd	10,142,110	3.65	28,749	5.26
China International Capital Corporation Hong Kong Securities Ltd	8,456,689	3.04	28,487	5.21
Others #*	102,655,772	36.93	236,979	43.37
	<u>277,970,747</u>	<u>100.00</u>	<u>546,457</u>	<u>100.00</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

(ii) Detail of transactions with the top 10 brokers and dealers for the financial year ended 30 April 2020 is as follows:

<u>Name of broker and dealers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of</u> <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Euroclear Bank S.A / N.V	52,414,168	16.71	-	-
CLSA Ltd (Hong Kong)	31,594,059	10.07	18,946	4.90
Macquarie Bank Ltd (Hong Kong)	28,921,144	9.22	28,092	7.26
China International Capital Corporation Hong Kong Securities Ltd	17,689,858	5.64	17,470	4.51
JP Morgan Securities (Asia Pacific)	16,289,164	5.19	47,025	12.15
Robert W.Baird & Co.	16,119,940	5.14	4,431	1.14
CIMB Securities (Singapore) Pte Ltd	14,318,550	4.57	23,446	6.06
Credit Suisse (Hong Kong) Ltd	10,081,581	3.21	21,856	5.65
DBS Vickers Securities (Singapore) Pte Ltd	10,080,008	3.21	38,214	9.87
Masterlink Securities Co. Ltd	9,584,249	3.06	23,961	6.19
Others*	106,522,595	33.98	163,605	42.27
	<u>313,615,316</u>	<u>100.00</u>	<u>387,046</u>	<u>100.00</u>

*Included in the transactions with brokers and dealers are trades conducted with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RMNil (2020: RM5,343,952). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

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

<u>Name of brokers and dealers</u>	<u>2021</u> RM	<u>2020</u> RM
RHB Investment Bank Bhd	2,032,800	-
MarketAxess	1,224,664	-
Nomura Singapore Ltd	1,293,689	-
	<u>4,551,153</u>	<u>-</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Flexible Maturity Income Fund 8	1,224,664	-
Affin Hwang Flexible Maturity Income Fund 9	1,293,689	-
Affin Hwang Flexible Maturity Income Fund 13	2,032,800	-
	<u>4,551,153</u>	<u>-</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

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

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

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

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

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)				
- RM class	247,305	173,855	16,209	9,539
- AUD Hedged-class	3,000	5,739	1,000	1,544
- EUR Hedged-class	1,000	3,042	1,000	2,508
- RMB Hedged-class	2,759	1,061	1,000	311
- USD Hedged-class	2,652	6,911	1,000	2,131

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

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

14 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u> %	<u>2020</u> %
MER	<u>1.81</u>	<u>1.82</u>

MER is derived from the following calculation:

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

- A = Management fee excluding management fee rebates
- B = Trustee fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses, excluding sales and service tax on transaction costs and withholding tax
- F = Average net asset value of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM117,100,730 (2020: RM123,918,713).

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>1.18</u>	<u>1.33</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM153,486,616 (2020: RM149,780,256)
total disposal for the financial year = RM123,737,127 (2020: RM178,747,282)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) 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 the opinion of the Manager, the financial statements set out on pages 1 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year that ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 June 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 53.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) BALANCED FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
18 June 2021

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