

# Affin Hwang

## ASEAN Flexi Fund

Interim Report  
31 May 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 ASEAN FLEXI FUND

## Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 May 2021

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## FUND INFORMATION

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

## BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 31 MAY 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	106	271
5,001 to 10,000	49	346
10,001 to 50,000	117	2,563
50,001 to 500,000	27	4,058
500,001 and above	6	11,002
<b>Total</b>	<b>305</b>	<b>18,240</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 31 May 2021 (%)	As at 31 May 2020 (%)	As at 31 May 2019 (%)
Portfolio Composition			
<b>Quoted equities – local</b>			
- Construction	2.04	-	2.08
- Energy	-	-	2.83
- Consumer product and services	5.53	1.60	-
- Financial services	3.75	3.81	3.10
- Healthcare	-	2.16	-
- Utilities	-	3.69	4.25
- Industrial product and services	7.09	1.68	-
- Technology	6.98	1.98	-
- Telecommunications & Media	0.93	-	1.80
- Warrant	-	1.28	-
<b>Total quoted equities – local</b>	<b>26.32</b>	<b>16.20</b>	<b>14.06</b>
<b>Quoted equities – foreign</b>			
- Basic materials	3.19	-	-
- Consumer staples	1.11	-	-
- Consumer goods	-	6.00	5.32
- Consumer services	-	-	14.34
- Energy	2.89	1.44	1.98
- Financial services	30.37	38.52	26.39
- Healthcare	1.55	1.76	3.58
- Industrials	7.01	11.23	9.75
- Real estate	11.48	-	-
- Technology	11.89	9.24	2.07
- Telecommunications	1.64	4.16	-
<b>Total quoted equities – foreign</b>	<b>71.13</b>	<b>72.34</b>	<b>63.43</b>
<b>Unquoted fixed income securities – local</b>	<b>-</b>	<b>-</b>	<b>2.69</b>
<b>Collective investment scheme - foreign</b>	<b>-</b>	<b>7.73</b>	<b>1.05</b>
<b>Cash &amp; cash equivalent</b>	<b>2.55</b>	<b>3.73</b>	<b>18.77</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	11.234	11.718	19.133
NAV per Unit (RM)	0.6158	0.5134	0.5568
Unit in Circulation (million)	18.243	22.826	34.360
Highest NAV	0.6408	0.5605	0.5717
Lowest NAV	0.5432	0.4159	0.5344
Return of the fund <sup>iii</sup> (%)	15.32	-7.74	2.90
- Capital Return <sup>i</sup> (%)	15.32	-7.74	2.90
- Income Return <sup>ii</sup> (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expense Ratio (%) <sup>1</sup>	1.15	1.13	1.05
Portfolio Turnover Ratio (times) <sup>2</sup>	0.45	1.87	0.68

<sup>1</sup> The Fund's MER was higher than previous year due to lower average net asset value of the Fund during the financial period.

<sup>2</sup> The Fund's PTR was lower than previous year due to the lesser trading activities for the financial period.

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

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

An illustration of the above would be as follow:-

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

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit split was declared for the financial period ended 31 May 2021.

### Performance Review

For the period 1 December 2020 to 31 May 2021, the Fund registered a 15.32% return compared to the benchmark return of 3.64%. The Fund thus outperformed the Benchmark by 11.68%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2021 was RM0.6158 while the NAV as at 30 November 2020 was RM0.5340.

Since commencement, the Fund has registered a return of 44.97% compared to the benchmark return of 45.49%, underperforming by 0.52%. The fund has met its investment objective of providing investors with capital appreciation and will strive to provide regular income over the medium to long-term period.

Table 1: Performance of the Fund

	<b>6 Months (1/12/20 - 31/5/21)</b>	<b>1 Year (1/6/20 - 31/5/21)</b>	<b>3 Years (1/6/18 - 31/5/21)</b>	<b>5 Years (1/6/16 - 31/5/21)</b>	<b>Since Commencement (29/9/14 - 31/5/21)</b>
<b>Fund</b>	<b>15.32%</b>	<b>31.20%</b>	<b>19.41%</b>	<b>37.07%</b>	<b>44.97%</b>
<b>Benchmark</b>	<b>3.64%</b>	<b>9.00%</b>	<b>6.28%</b>	<b>23.08%</b>	<b>45.49%</b>
<b>Outperformance</b>	<b>11.68%</b>	<b>22.20%</b>	<b>13.13%</b>	<b>13.99%</b>	<b>(0.52%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/6/20 - 31/5/21)</b>	<b>3 Years (1/6/18 - 31/5/21)</b>	<b>5 Years (1/6/16 - 31/5/21)</b>	<b>Since Commencement (29/9/14 - 31/5/21)</b>
<b>Fund</b>	<b>31.20%</b>	<b>6.08%</b>	<b>6.51%</b>	<b>5.72%</b>
<b>Benchmark</b>	<b>9.00%</b>	<b>2.05%</b>	<b>4.24%</b>	<b>5.78%</b>
<b>Outperformance</b>	<b>22.20%</b>	<b>4.03%</b>	<b>2.27%</b>	<b>(0.06%)</b>

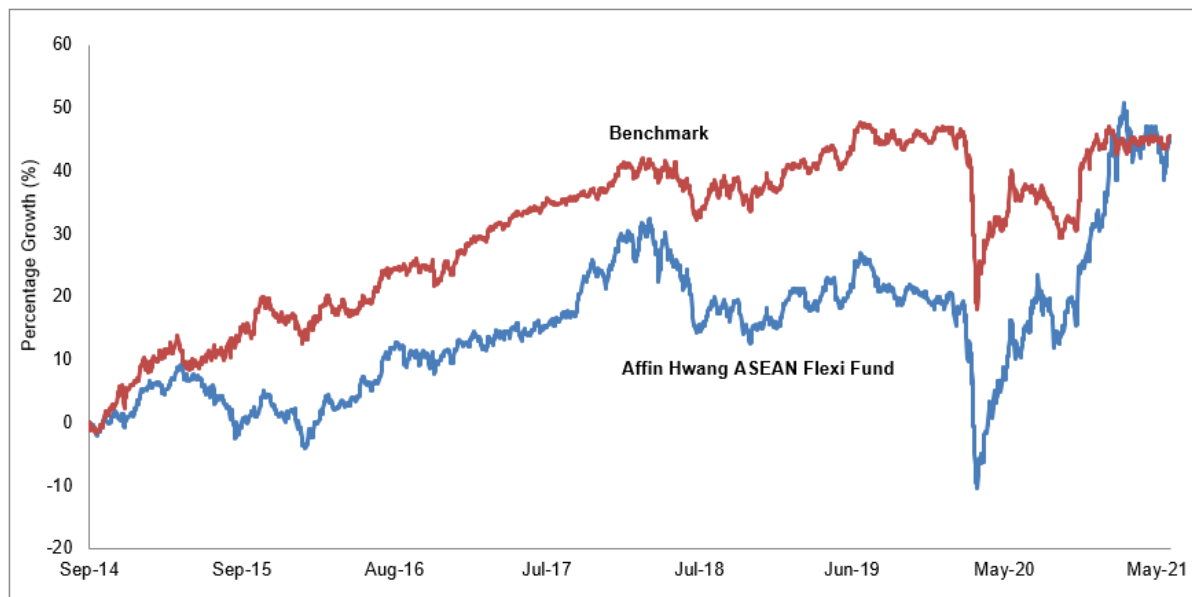
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2020 (1/12/19 - 30/11/20)</b>	<b>FYE 2019 (1/12/18 - 30/11/19)</b>	<b>FYE 2018 (1/12/17 - 30/11/18)</b>	<b>FYE 2017 (1/12/16 - 30/11/17)</b>	<b>FYE 2016 (1/12/15 - 30/11/16)</b>
<b>Fund</b>	<b>4.95%</b>	<b>2.85%</b>	<b>(5.56%)</b>	<b>11.45%</b>	<b>9.52%</b>
<b>Benchmark</b>	<b>(3.09%)</b>	<b>4.95%</b>	<b>1.01%</b>	<b>11.05%</b>	<b>6.05%</b>
<b>Outperformance</b>	<b>8.04%</b>	<b>(2.10%)</b>	<b>(6.57%)</b>	<b>0.40%</b>	<b>3.47%</b>

Source of Benchmark: Bloomberg

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



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

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

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

### **Asset Allocation**

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

As at 31 May 2021, the asset allocation of the Fund stood at 97.45% in equities, while the balance was held in cash and cash equivalent. During the period under review, no significant changes have been made to the Fund's portfolio. The Manager had increased its exposure in domestic equities mainly through the industrials and technology sectors. Meanwhile the Manager had reduced the exposure slightly within the foreign equities space. On top of that, collective investment scheme were stripped off from the portfolio. Overall, the investment level of the Fund's portfolio had increased to 97.45% from 96.27% a year ago, while cash levels had decreased slightly to just 2.55% due to purchase of securities.

### **Strategies Employed**

With the return of volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation, deploying into domestic-driven sectors that are less directly impacted from trade tariffs. As the sell-down accelerated, we took a view that the correction was overdone, where we then deployed into the market with a focus on quality.

### **Market Review**

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

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

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. 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. 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.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed’s dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank’s view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China’s economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

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

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. 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. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

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.

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan (“NRP”), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed’s meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia’s GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

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

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate (“OPR”) to cushion the economic impact of COVID-19. Malaysia’s inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

### **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.

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

### **State of Affairs of the Fund**

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

### **Soft Commissions received from Brokers**

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



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

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

### **Cross Trade**

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

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG ASEAN FLEXI FUND**

We have acted as Trustee of Affin Hwang ASEAN Flexi Fund (the "Fund") for the financial period ended 31 May 2021. To the best of our knowledge, for the financial period 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 Deeds of the Fund and applicable regulatory requirements.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Trustee Operations

**Gerald Ang**  
Chief Executive Officer

Kuala Lumpur  
15 July 2021

**AFFIN HWANG ASEAN FLEXI FUND**

**UNAUDITED INTERIM FINANCIAL STATEMENT**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021**

# **AFFIN HWANG ASEAN FLEXI FUND**

## **UNAUDITED INTERIM FINANCIAL STATEMENT**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021**

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## AFFIN HWANG ASEAN FLEXI FUND

### UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	<u>Note</u>	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Dividend income		112,224	223,950
Interest income from financial assets at amortised cost		711	3,294
Interest income from financial assets at fair value through profit or loss		-	7,222
Net loss on foreign currency exchange		(1,031)	(70,487)
Net gain/(loss) on financial assets at fair value through profit or loss	7	1,403,810	(1,084,782)
		<u>1,515,714</u>	<u>(920,803)</u>
<b>EXPENSES</b>			
Management fee	4	(94,305)	(121,509)
Trustee fee	5	(3,148)	(4,071)
Auditors' remuneration		(4,488)	(4,500)
Tax agent's fee		-	(1,750)
Transaction costs		(31,380)	(152,445)
Other expenses		(19,612)	(46,642)
		<u>(152,933)</u>	<u>(330,917)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		1,362,781	(1,251,720)
Taxation	6	-	-
<b>NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>1,362,781</u>	<u>(1,251,720)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		1,015,106	(1,514,491)
Unrealised amount		347,675	262,771
		<u>1,362,781</u>	<u>(1,251,720)</u>

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

## AFFIN HWANG ASEAN FLEXI FUND

### UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
Cash and cash equivalents		149,105	720,268
Amount due from brokers		206,629	237,699
Amount due from Manager			
- creation of units		17,850	5,059
Dividend receivables		14,275	34,437
Financial assets at fair value through profit or loss	7	10,947,465	11,281,429
<b>TOTAL ASSETS</b>		<u>11,335,324</u>	<u>12,278,892</u>
<b>LIABILITIES</b>			
Amount due to brokers		-	465,060
Amount due to Manager			
- management fee		16,721	18,519
- cancellation of units		61,671	52,140
Amount due to Trustee		557	617
Auditors' remuneration		4,488	4,500
Tax agent's fee		7,700	9,450
Other payables and accruals		10,195	10,432
<b>TOTAL LIABILITIES</b>		<u>101,332</u>	<u>560,718</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>11,233,992</u>	<u>11,718,174</u>
<b>EQUITY</b>			
Unitholders' capital		2,109,752	4,488,618
Retained earnings		9,124,240	7,229,556
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>11,233,992</u>	<u>11,718,174</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>18,243,000</u>	<u>22,826,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.6158</u>	<u>0.5134</u>

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

## AFFIN HWANG ASEAN FLEXI FUND

### UNAUDITED INTERIM STATEMENT OF CHANGES OF EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 December 2020	1,565,311	7,761,459	9,326,770
Total comprehensive income for the financial period	-	1,362,781	1,362,781
Movement in unitholders' capital:			
Creation of units arising from applications	3,774,800	-	3,774,800
Cancellation of units	(3,230,359)	-	(3,230,359)
Balance as at 31 May 2021	<u>2,109,752</u>	<u>9,124,240</u>	<u>11,233,992</u>
Balance as at 1 December 2019	6,986,521	8,481,276	15,467,797
Total comprehensive loss for the financial period	-	(1,251,720)	(1,251,720)
Movement in unitholders' capital:			
Creation of units arising from applications	221,396	-	221,396
Cancellation of units	(2,719,299)	-	(2,719,299)
Balance as at 31 May 2020	<u>4,488,618</u>	<u>7,229,556</u>	<u>11,718,174</u>

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

## AFFIN HWANG ASEAN FLEXI FUND

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	6 months financial period ended <u>31.5.2021</u> RM	6 months financial period ended <u>31.5.2020</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	4,839,882	25,713,388
Purchase of investments	(5,802,631)	(23,047,922)
Dividends received	117,183	225,366
Interest received	75,096	20,567
Management fee paid	(91,042)	(126,226)
Trustee fee paid	(3,040)	(4,229)
Payment for other fees and expenses	(60,507)	(207,913)
Net realised foreign currency exchange (loss)/gain	(7,936)	146,035
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(932,995)	2,719,066
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	4,192,040	216,337
Payments for cancellation of units	(3,168,688)	(2,667,159)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	1,023,352	(2,450,822)
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	90,357	268,244
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	184	(2,752)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	58,564	454,776
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>149,105</u>	<u>720,268</u>

Cash and cash equivalents as at 31 May 2021 and 31 May 2020 comprise of bank balances.

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



## AFFIN HWANG ASEAN FLEXI FUND

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

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

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

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

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

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

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

## AFFIN HWANG ASEAN FLEXI FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 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 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 and collective investment schemes ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

#### **C TRANSACTION COSTS**

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

#### **D TAXATION**

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

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

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

#### **E FUNCTIONAL AND PRESENTATION CURRENCY**

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

## AFFIN HWANG ASEAN FLEXI FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### F FOREIGN CURRENCY TRANSLATION

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

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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

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

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

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

##### (ii) Recognition and measurement

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

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

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

## AFFIN HWANG ASEAN FLEXI FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### (ii) Recognition and measurement (continued)

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

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

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

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

Investment in CIS is valued at the last published NAV per unit at the date of the statement of financial position.

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

## AFFIN HWANG ASEAN FLEXI FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(iii) Impairment (continued)

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

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

##### Write-off

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

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

#### H CASH AND CASH EQUIVALENTS

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

#### I AMOUNT DUE FROM/(TO) BROKERS

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

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

## **AFFIN HWANG ASEAN FLEXI FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)**

#### **J UNITHOLDERS' CAPITAL**

The unitholders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

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

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

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

#### **K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

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

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

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

#### 1 INFORMATION ON THE FUND

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

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

The Fund may invest in any of the following investments:

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

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

The main objective of the Fund is to provide investors with capital appreciation and regular income over the medium to long term period.

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

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		149,105	-	149,105
Amount due from brokers		206,629	-	206,629
Amount due from Manager				
- creation of units		17,850	-	17,850
Dividend receivables		14,275	-	14,275
Quoted equities	7	-	10,947,465	10,947,465
Total		<u>387,859</u>	<u>10,947,465</u>	<u>11,335,324</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		16,721	-	16,721
- cancellation of units		61,671	-	61,671
Amount due to Trustee		557	-	557
Auditors' remuneration		4,488	-	4,488
Tax agent's fee		7,700	-	7,700
Other payables and accruals		10,195	-	10,195
Total		<u>101,332</u>	<u>-</u>	<u>101,332</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents		720,268	-	720,268
Amount due from brokers		237,699	-	237,699
Amount due from Manager				
- creation of units		5,059	-	5,059
Dividend receivables		34,437	-	34,437
Quoted equities	7	-	10,375,159	10,375,159
Collective investment scheme	7	-	906,270	906,270
Total		<u>997,463</u>	<u>11,281,429</u>	<u>12,278,892</u>



## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020 (continued)</u>			
<u>Financial liabilities</u>			
Amount due to brokers	465,060	-	465,060
Amount due to Manager			
- management fee	18,519	-	18,519
- cancellation of units	52,140	-	52,140
Amount due to Trustee	617	-	617
Auditors' remuneration	4,500	-	4,500
Tax agent's fee	9,450	-	9,450
Other payables and accruals	10,432	-	10,432
	<u>560,718</u>	<u>-</u>	<u>560,718</u>
Total	<u>560,718</u>	<u>-</u>	<u>560,718</u>

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

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

#### Market risk

##### (a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
<b>Quoted investments</b>		
Quoted equities	10,947,465	10,375,159
Collective investment scheme	-	906,270
	<u>10,947,465</u>	<u>11,281,429</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2021</u>		
-10%	9,852,718	(1,094,747)
0%	10,947,465	-
+10%	<u>12,042,212</u>	<u>1,094,747</u>
<u>2020</u>		
-10%	10,153,286	(1,128,143)
0%	11,281,429	-
+10%	<u>12,409,572</u>	<u>1,128,143</u>

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short term deposit placements with licensed financial institutions. The Manager overcomes this exposure by way of maintaining deposits on short term basis.

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

##### (c) Currency risk

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Hong Kong Dollar	-	1,129	-	1,129
Indonesian Rupiah	1,981,066	-	-	1,981,066
Singapore Dollar	3,342,303	17,141	13,407	3,372,851
Thai Baht	1,621,711	-	206,629	1,828,340
United States Dollar	1,045,186	23,281	-	1,068,467
	<u>7,990,266</u>	<u>41,551</u>	<u>220,036</u>	<u>8,251,853</u>

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

	<u>Quoted equities</u> RM	<u>Collective investment scheme</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividend receivable</u> RM	<u>Total</u> RM
<u>2020</u>					
<u>Financial assets</u>					
Hong Kong Dollar	-	-	1,193	-	1,193
Indonesia Rupiah	1,985,732	-	-	-	1,985,732
Singapore Dollar	4,903,969	-	237,959	13,722	5,155,650
Thailand Baht	1,587,554	906,270	-	20,715	2,514,539
United States Dollar	-	-	426,914	-	426,914
	<u>8,477,255</u>	<u>906,270</u>	<u>666,066</u>	<u>34,437</u>	<u>10,084,028</u>
				<u>Amount due to brokers</u> RM	<u>Total</u> RM
<u>Financials liabilities</u>					
Indonesia Rupiah				235,582	235,582
Thailand Baht				171,597	171,597
				<u>407,179</u>	<u>407,179</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	Change in rate %	Impact on profit after tax/NAV RM
<u>2021</u>		
Hong Kong Dollar	+/- 10	+/- 113
Indonesia Rupiah	+/- 10	+/- 198,107
Singapore Dollar	+/- 10	+/- 337,285
Thailand Baht	+/- 10	+/- 182,834
United States Dollar	+/- 10	+/- 106,847
<u>2020</u>		
Hong Kong Dollar	+/- 10	+/- 119
Indonesia Rupiah	+/- 10	+/- 175,015
Singapore Dollar	+/- 10	+/- 515,565
Thailand Baht	+/- 10	+/- 234,294
United States Dollar	+/- 10	+/- 42,691

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Credit risk

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

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

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

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

	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>			
Consumer Products & Services			
- NR	-	868	868
Financial Services			
- AA1	149,105	-	149,105
Financials			
- NR	-	13,407	13,407
Industrials			
- NR	-	206,629	206,629
Other			
- NR	-	17,850	17,850
	<u>149,105</u>	<u>238,754</u>	<u>387,859</u>
<u>2020</u>			
Consumer Product and Services			
- NR	-	47,457	47,457
Financial Services			
- AA1	720,268	-	720,268
- NR	-	41,462	41,462
Plantation			
- NR	-	151,533	151,533
Technology			
- NR	-	31,684	31,684
Other			
- NR	-	5,059	5,059
	<u>720,268</u>	<u>277,195</u>	<u>997,463</u>

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Liquidity risk

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

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	16,721	-	16,721
- cancellation of units	61,671	-	61,671
Amount due to Trustee	557	-	557
Auditors' remuneration	-	4,488	4,488
Tax agent's fee	-	7,700	7,700
Other payables and accruals	-	10,195	10,195
	<u>78,949</u>	<u>22,383</u>	<u>101,332</u>
<u>2020</u>			
Amount due to brokers	465,060	-	465,060
Amount due to Manager			
- management fee	18,519	-	18,519
- cancellation of units	52,140	-	52,140
Amount due to Trustee	617	-	617
Auditors' remuneration	-	4,500	4,500
Tax agent's fee	-	9,450	9,450
Other payables and accruals	-	10,432	10,432
	<u>536,336</u>	<u>24,382</u>	<u>560,718</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

##### Capital risk

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

#### 3 FAIR VALUE ESTIMATION

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

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

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

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

##### (i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 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:

	<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	<u>10,947,465</u>	<u>-</u>	<u>-</u>	<u>10,947,465</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	<u>10,375,159</u>	<u>-</u>	<u>-</u>	<u>10,375,159</u>
- collective investment scheme	<u>906,270</u>	<u>-</u>	<u>-</u>	<u>906,270</u>
	<u>11,281,429</u>	<u>-</u>	<u>-</u>	<u>11,281,429</u>

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

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

#### 4 MANAGEMENT FEE

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

For the 6 months financial period ended 31 May 2021, the management fee is recognised at a rate of 1.80% (2020: 1.80%) per annum on the NAV of the Fund calculated on a daily basis as stated in Fund's Prospectus.

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



## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### 5 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, exclusive of foreign custodian fees, subject to a minimum fee of RM12,000 per annum.

For the 6 months financial period ended 31 May 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the NAV of the Fund calculated on a daily basis, exclusive of foreign custodian fees as stated in Fund's Prospectus.

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

#### 6 TAXATION

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Current taxation	-	-

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

	6 months financial period ended 31.5.2021 RM	6 months financial period ended 31.5.2020 RM
Net profit/(loss) before taxation	1,362,781	(1,251,720)
Tax at Malaysian statutory rate of 24% (2020: 24%)	327,067	(300,413)
Tax effects of: (Investment income not subject to tax)/ investment loss not brought to tax	(363,771)	220,993
Expenses not deductible for tax purposes	12,994	49,058
Restriction on tax deductible expenses for Unit Trust Fund	23,710	30,362
Tax expense	-	-

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – local	2,957,199	1,897,904
- quoted equities – foreign	7,990,266	8,477,255
- collective investment scheme – foreign	-	906,270
	<u>10,947,465</u>	<u>11,281,429</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investments	1,056,319	(1,350,305)
- unrealised gain on changes in fair value	347,491	265,523
	<u>1,403,810</u>	<u>(1,084,782)</u>

#### a) Quoted equities – local

(i) Quoted equities – local as at 31 May 2021 are as follows:

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 May 2021 are as follows: (continued)

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

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 31 May 2020 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Product and Services</u>				
InNature Bhd	500,000	320,000	187,500	1.60
<u>Financial Services</u>				
Bursa Malaysia Berhad	30,000	162,605	229,500	1.96
Malayan Banking Bhd	29,000	250,635	216,920	1.85
	59,000	413,240	446,420	3.81
<u>Healthcare</u>				
IHH Healthcare Bhd	36,000	200,441	195,480	1.67
Supermax Corp Bhd	7,500	57,711	57,750	0.49
	43,500	258,152	253,230	2.16
<u>Industrial Product and Services</u>				
Sunway Berhad	147,200	257,831	197,248	1.68
<u>Technology</u>				
GHL Systems Bhd	128,100	177,850	231,861	1.98
<u>Utilities</u>				
Mega First Corp Bhd	65,900	290,701	431,645	3.69
<u>Warrant</u>				
Tenaga Nasional Bhd	500,000	148,350	150,000	1.28
Total quoted equities – local	1,443,700	1,866,124	1,897,904	16.20
Accumulated unrealised gain on quoted equities – local		31,780		
Total quoted equities – local		1,897,904		

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 May 2021 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Indonesia</u>				
<u>Financial Services</u>				
Bank Central Asia Tbk PT	73,500	559,773	675,839	6.02
Bank Mandiri Persero Tbk PT	136,300	236,821	236,099	2.10
Bank Rakyat Indonesia Persero	210,000	192,840	258,271	2.30
PT Bank Negara Indo Persero	183,300	334,375	285,761	2.54
	<u>603,100</u>	<u>1,323,809</u>	<u>1,455,970</u>	<u>12.96</u>
<u>Real Estate</u>				
Ciputra Development Tbk PT	1,105,200	279,758	341,406	3.04
<u>Telecommunications</u>				
Telekomunikasi Indonesia	185,500	140,319	183,690	1.64
<u>Singapore</u>				
<u>Basic Materials</u>				
Nanofilm Technologies Intl PL	21,000	167,771	358,117	3.19
<u>Consumer Staples</u>				
First Resources Ltd	29,800	152,581	124,720	1.11
<u>Financial Services</u>				
DBS Group Holdings Ltd	9,331	691,444	875,180	7.79
Singapore Exchange Ltd	10,400	341,237	335,217	2.98
United Overseas Bank Ltd	6,700	521,495	545,544	4.86
	<u>26,431</u>	<u>1,554,176</u>	<u>1,755,941</u>	<u>15.63</u>
<u>Industrials</u>				
Credit Bureau Asia Ltd	100,000	283,241	390,412	3.48

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 May 2021 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Real Estate</u>				
Frasers Centrepoint Trust	37,972	251,958	278,705	2.48
UOL Group Ltd	6,200	148,731	142,910	1.27
	<u>44,172</u>	<u>400,689</u>	<u>421,615</u>	<u>3.75</u>
<u>Technology</u>				
AEM Holdings Ltd	25,500	312,060	291,498	2.59
<u>Thailand</u>				
<u>Energy</u>				
PTT PCL	62,600	320,785	324,650	2.89
<u>Financial Services</u>				
Tisco Financial Group- NVDR	17,000	154,911	199,913	1.78
<u>Health Care</u>				
Bangkok Dusit Medical Services	61,200	185,704	173,857	1.55
<u>Industrials</u>				
KCE Electronics PCL	42,600	312,770	396,826	3.53
<u>Real Estate</u>				
Central Pattana PCL	78,900	560,772	526,465	4.69

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 May 2021 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>United States</u>				
<u>Technology</u>				
Sea Ltd	970	528,678	1,045,186	9.30
Total quoted equities – foreign	<u>2,403,973</u>	<u>6,678,024</u>	<u>7,990,266</u>	<u>71.13</u>
Accumulated unrealised gain on quoted equities – foreign		<u>1,312,242</u>		
Total quoted equities – foreign		<u>7,990,266</u>		

(ii) Quoted equities – foreign as at 31 May 2020 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Indonesia</u>				
<u>Consumer Goods</u>				
Astra International Tbk PT	349,200	370,579	493,172	4.21
<u>Financial Services</u>				
Bank Central Asia Tbk PT	130,600	962,861	1,005,537	8.58
<u>Telecommunications</u>				
Telekomunikasi Indonesia	521,100	488,195	487,023	4.16
<u>Singapore</u>				
<u>Financial Services</u>				
Ascendas Real Estate InvTrust	37,700	319,174	361,588	3.09
DBS Group Holdings Ltd	9,900	599,404	592,238	5.05
Frasers Centrepoint Trust	89,100	554,171	662,844	5.66
Keppel DC REIT	146,800	947,476	1,155,271	9.86
Mapletree Logistics Trust	30,000	148,236	188,135	1.60
Singapore Exchange Limited	21,500	572,682	547,251	4.67
	<u>335,000</u>	<u>3,141,143</u>	<u>3,507,327</u>	<u>29.93</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 May 2020 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrials</u>				
UMS Holdings Ltd	114,100	319,363	313,926	2.68
<u>Technology</u>				
AEM Holdings Ltd	115,100	651,051	1,082,716	9.24
<u>Thailand</u>				
<u>Consumer Goods</u>				
TOA Paint Thailand PCL	43,600	199,588	209,796	1.79
<u>Healthcare</u>				
Bangkok Dusit Medical Services	67,500	191,776	206,397	1.76
<u>Industrial</u>				
Airports of Thailand PCL	118,900	906,105	1,002,237	8.55
<u>Oil and Gas</u>				
PTT PCL	34,900	171,134	169,124	1.44
Total quoted equities – foreign	1,830,000	7,401,795	8,477,255	72.34
Accumulated unrealised gain on quoted equities – foreign		1,075,460		
Total quoted equities – foreign		8,477,255		



## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

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

(c) Collective investment scheme – foreign

(i) There is no collective investment scheme – foreign as at 31 May 2021.

(ii) Collective investment scheme – foreign as at 31 May 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Thailand</u>				
Jasmine Broadband Internet Infrastructure Fund	702,545	946,292	906,270	7.73
Total collective investment scheme – foreign	<u>702,545</u>	<u>946,292</u>	<u>906,270</u>	<u>7.73</u>
Accumulated unrealised loss on collective investment scheme – foreign		<u>(40,022)</u>		
Total collective investment scheme – foreign		<u>906,270</u>		

#### 8 NUMBER OF UNITS IN CIRCULATION

	<u>2021 No. of units</u>	<u>2020 No. of units</u>
At the beginning of the financial period	17,467,000	27,797,000
Creation of units arising from applications during the financial period	6,194,000	428,000
Cancellation of units during the financial period	<u>(5,418,000)</u>	<u>(5,399,000)</u>
At the end of the financial period	<u>18,243,000</u>	<u>22,826,000</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### 9 TRANSACTIONS WITH BROKERS

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

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

- (ii) Details of transactions with the top 10 brokers for 6 months financial period ended 31 May 2020 are as follow:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
PT Mandiri Sekuritas	5,306,362	10.72	15,919	14.31
Macquarie Bank Ltd (Hong Kong)	5,094,750	10.29	9,615	8.64
CIMB Securities (Singapore) Pte Ltd	4,963,607	10.03	11,880	10.68
Affin Hwang Investment Bank Bhd*	4,519,022	9.13	11,401	10.25
PT CIMB Securities Indonesia	3,855,911	7.79	7,256	6.52
CLSA Ltd (Hong Kong)	3,222,011	6.51	4,560	4.10
Citigroup Global Markets Ltd	2,961,272	5.98	5,923	5.33
CLSA Singapore Pte Ltd	2,792,573	5.64	3,426	3.08
DBS Vickers Securities (Singapore) Pte Ltd	2,719,904	5.49	7,394	6.65
Merrill Lynch International Ltd	2,236,447	4.52	6,709	6.03
Others#	11,830,797	23.90	27,146	24.41
	<u>49,502,656</u>	<u>100.00</u>	<u>111,229</u>	<u>100.00</u>

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### 9 TRANSACTIONS WITH BROKERS (CONTINUED)

\* Included in transactions with brokers are trades with Affin Hwang Investment Bank Bhd, company related to the Manager amounting to RM2,010,622 (2020: RM4,519,022). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

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

	<u>2021</u> RM	<u>2020</u> RM
<u>Name of brokers</u>		
RHB Investment Bank Bhd	-	515,645

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Flexible Maturity Income Fund 17	-	515,645

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### 10 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

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

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

	<u>2021</u>		<u>2020</u>	
<u>The Manager:</u>	No. of units	RM	No. of units	RM
Affin Hwang Asset Management (The units are held legally for booking purposes)	3,302	2,033	2,188	1,123

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

	6 months financial period ended <u>31.5.2021</u> %	6 months financial period ended <u>31.5.2020</u> %
MER	1.15	1.13

## AFFIN HWANG ASEAN FLEXI FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021 (CONTINUED)

#### 11 MANAGEMENT EXPENSE RATIO (“MER”) (CONTINUED)

MER is derived from the following calculation:

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

A	=	Management fee
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 period calculated on a daily basis is RM10,520,696 (2020: RM13,570,116).

#### 12 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.5.2021</u>	6 months financial period ended <u>31.5.2020</u>
PTR (times)	<u>0.45</u>	<u>1.87</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM5,516,558 (2020: RM23,345,573)  
total disposal for the financial period = RM3,983,471 (2020: RM27,513,124)

#### 13 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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 ASEAN FLEXI FUND  
STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 33 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 31 May 2021 in accordance with Malaysia Financial Reporting Standards and International Financial Reporting Standards.

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

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

Kuala Lumpur  
15 July 2021

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