

# Affin Hwang

## Select Bond Fund

Annual Report  
31 March 2021

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
HSBC (Malaysia) Trustee Berhad  
193701000084 (001281T)

# AFFIN HWANG SELECT BOND FUND

## Annual Report and Audited Financial Statements For the Financial Year Ended 31 March 2021

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## FUND INFORMATION

Fund Name	Affin Hwang Select Bond Fund
Fund Type	Income
Fund Category	Bond
Investment Objective	To provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.
Benchmark	Maybank 12-month fixed deposit rate
Distribution Policy	Subject to the availability of income, the Fund will distribute income on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

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

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	260	577
5,001 to 10,000	165	1,204
10,001 to 50,000	601	15,508
50,001 to 500,000	740	132,467
500,001 and above	348	3,804,452
<b>Total</b>	<b>2,114</b>	<b>3,954,208</b>

\* Note : Excluding Manager's stock

### BREAKDOWN OF UNITHOLDERS BY USD HEDGED-CLASS SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	-
5,001 to 10,000	2	17
10,001 to 50,000	5	124
50,001 to 500,000	13	2,578
500,001 and above	11	89,584
<b>Total</b>	<b>31</b>	<b>92,303</b>

\* Note : Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 31 Mar 2021 (%)		As at 31 Mar 2020 (%)		As at 31 Mar 2019 (%)	
Portfolio composition						
<b>Unquoted fixed income securities</b>						
- Bonds – locals	20.11		17.16		25.88	
- Bonds – foreign	70.46		61.00		67.34	
<b>Total unquoted fixed income securities</b>	<b>90.57</b>		<b>78.16</b>		<b>93.22</b>	
<b>Total collective investment scheme - local</b>	<b>0.41</b>		<b>0.55</b>		-	
<b>Credit-linked notes – foreign</b>	<b>0.15</b>		<b>0.22</b>		<b>0.36</b>	
<b>Cash and cash equivalent</b>	<b>8.87</b>		<b>21.07</b>		<b>6.42</b>	
<b>Total</b>	<b>100.00</b>		<b>100.00</b>		<b>100.00</b>	
Currency class	RM Class	USD Hedged- class	RM Class	USD Hedged- class	RM Class	USD Hedged- class
Total NAV (million)	2,721.584	49.453	1,780.064	30.290	1,028.823	78.563
NAV per Unit (in respective currencies)	0.6883	0.5358	0.6541	0.5095	0.6616	0.5194
Unit in Circulation (million)	3,954.211	92.305	2,721.551	59.451	1,555.137	37.064
Highest NAV	0.7105	0.5479	0.7007	0.5468	0.6631	0.5234
Lowest NAV	0.6536	0.5094	0.6438	0.5012	0.6412	0.5034
Return of the Fund (%) <sup>iii</sup>	8.59	7.42	2.57	1.87	5.17	4.40
- Capital Growth (%) <sup>i</sup>	5.23	5.16	-1.13	-1.91	1.21	0.31
- Income Distribution (%) <sup>ii</sup>	3.20	2.14	3.75	3.85	3.91	4.07
Gross Distribution per Unit (sen)	2.20	1.15	2.50	2.00	2.50	2.05
Net Distribution per Unit (sen)	2.20	1.15	2.50	2.00	2.50	2.05
Management Expense Ratio (%) <sup>1</sup>		1.09		1.09		1.05
Portfolio Turnover Ratio (times) <sup>2</sup>		0.78		0.95		0.72

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

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

An illustration of the above would be as follow:-

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

<sup>1</sup>The MER of the Fund was unchanged during the financial year.

<sup>2</sup>The Fund recorded a higher PTR due to lower average NAV of the fund during the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distribution was as follows:-

#### **RM Class**

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16-Jun-20	17-Jun-20	0.6919	0.0035	0.6891
16-Sep-20	17-Sep-20	0.7039	0.0030	0.7010
15-Dec-20	16-Dec-20	0.7105	0.0100	0.7009
16-Mar-21	17-Mar-21	0.6947	0.0055	0.6885

#### **USD Hedged-class**

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
16-Jun-20	17-Jun-20	0.5381	0.0035	0.5352
16-Sep-20	17-Sep-20	0.5449	0.0030	0.5419
15-Dec-20	16-Dec-20	0.5479	0.0050	0.5431

No unit splits were declared for the financial year ended 31 March 2021.

### Performance Review

#### **MYR Class**

For the period 1 April 2020 to 31 March 2021, the Fund registered a 8.59% return compared to the benchmark return of 1.97%. The Fund thus outperformed the Benchmark by 6.62%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was MYR0.6883 while the NAV as at 31 March 2020 was MYR0.6541. During the period under review, the Fund has declared a total gross income distribution of MYR0.0220 per unit.

Since commencement, the Fund has registered a return of 166.39% compared to the benchmark return of 119.06%, outperforming by 47.33%. The fund has met its investment objective.

Table 1: Performance of the Fund

	<b>1 Year</b> (1/4/20 - 31/3/21)	<b>3 Years</b> (1/4/18 - 31/3/21)	<b>5 Years</b> (1/4/16 - 31/3/21)	<b>Since Commencement</b> (18/8/03 - 31/3/21)
<b>Fund</b>	<b>8.59%</b>	<b>17.31%</b>	<b>29.75%</b>	<b>166.39%</b>
<b>Benchmark</b>	<b>1.97%</b>	<b>8.63%</b>	<b>15.58%</b>	<b>119.06%</b>
<b>Outperformance</b>	<b>6.62%</b>	<b>8.68%</b>	<b>14.17%</b>	<b>47.33%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/20 - 31/3/21)	<b>3 Years</b> (1/4/18 - 31/3/21)	<b>5 Years</b> (1/4/16 - 31/3/21)	<b>Since Commencement</b> (18/8/03 - 31/3/21)
<b>Fund</b>	<b>8.59%</b>	<b>5.46%</b>	<b>5.34%</b>	<b>5.71%</b>
<b>Benchmark</b>	<b>1.97%</b>	<b>2.80%</b>	<b>2.94%</b>	<b>4.55%</b>
<b>Outperformance</b>	<b>6.62%</b>	<b>2.66%</b>	<b>2.40%</b>	<b>1.16%</b>

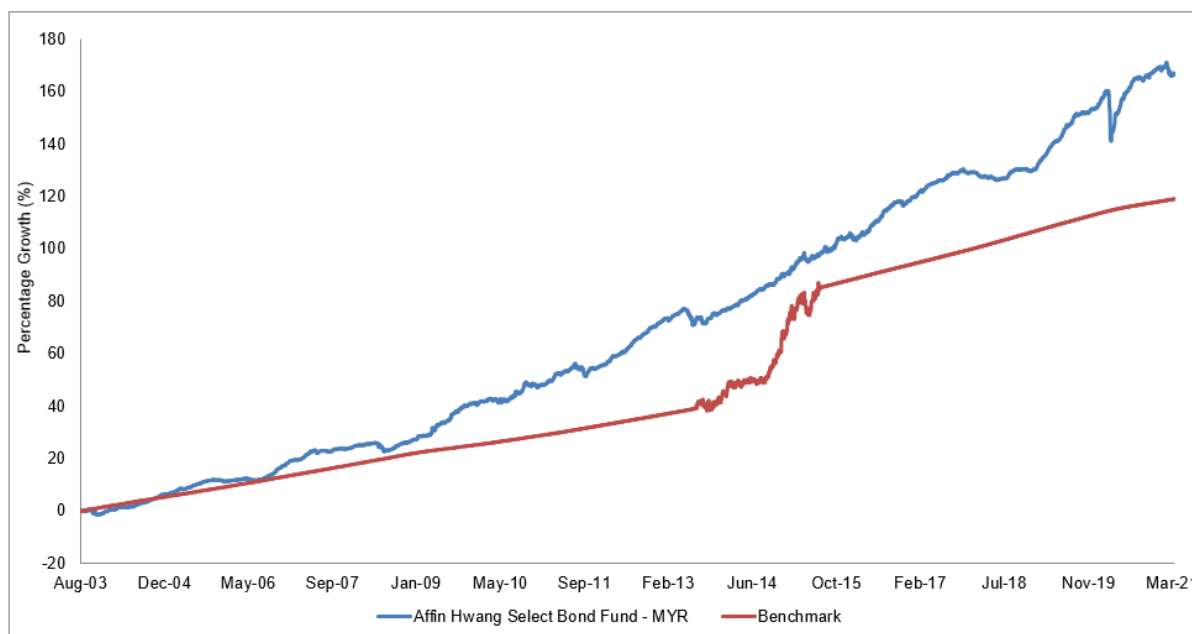
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2021</b> <b>(1/4/20 - 31/3/21)</b>	<b>FYE 2020</b> <b>(1/4/19 - 31/3/20)</b>	<b>FYE 2019</b> <b>(1/4/18 - 31/3/19)</b>	<b>FYE 2018</b> <b>(1/4/17 - 31/3/18)</b>	<b>FYE 2017</b> <b>(1/4/16 - 31/3/17)</b>
<b>Fund</b>	<b>8.59%</b>	<b>2.57%</b>	<b>5.17%</b>	<b>1.63%</b>	<b>8.84%</b>
<b>Benchmark</b>	<b>1.97%</b>	<b>3.08%</b>	<b>3.35%</b>	<b>3.14%</b>	<b>3.16%</b>
<b>Outperformance</b>	<b>6.62%</b>	<b>(0.51%)</b>	<b>1.82%</b>	<b>(1.51%)</b>	<b>5.68%</b>

Source of Benchmark: Bloomberg

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



## **USD Hedged-Class**

### **Performance Review (1 April 2020 to 31 March 2021)**

For the period 1 April 2020 to 31 March 2021, the Fund registered a 7.42% return compared to the benchmark return of 0.95%. The Fund thus outperformed the Benchmark by 6.47%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2021 was USD0.5358 while the NAV as at 31 March 2020 was USD0.5095. During the period under review, the Fund has declared a total gross income distribution of USD0.0115 per unit.

Since commencement, the Fund has registered a return of 27.40% compared to the benchmark return of 24.47%, outperforming by 2.93%. The fund has met its investment objective.

Table 1: Performance of the Fund

	<b>1 Year</b> <b>(1/4/20 - 31/3/21)</b>	<b>3 Years</b> <b>(1/4/18 - 31/3/21)</b>	<b>5 Years</b> <b>(1/4/16 - 31/3/21)</b>	<b>Since Commencement</b> <b>(18/7/13 - 31/3/21)</b>
<b>Fund</b>	<b>7.42%</b>	<b>14.41%</b>	<b>20.60%</b>	<b>27.40%</b>
<b>Benchmark</b>	<b>0.95%</b>	<b>6.27%</b>	<b>10.19%</b>	<b>24.47%</b>
<b>Outperformance</b>	<b>6.47%</b>	<b>8.14%</b>	<b>10.41%</b>	<b>2.93%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/20 - 31/3/21)	3 Years (1/4/18 - 31/3/21)	5 Years (1/4/16 - 31/3/21)	Since Commencement (18/7/13 - 31/3/21)
<b>Fund</b>	7.42%	4.59%	3.81%	3.19%
<b>Benchmark</b>	0.95%	2.05%	1.96%	2.88%
<b>Outperformance</b>	6.47%	2.54%	1.85%	0.31%

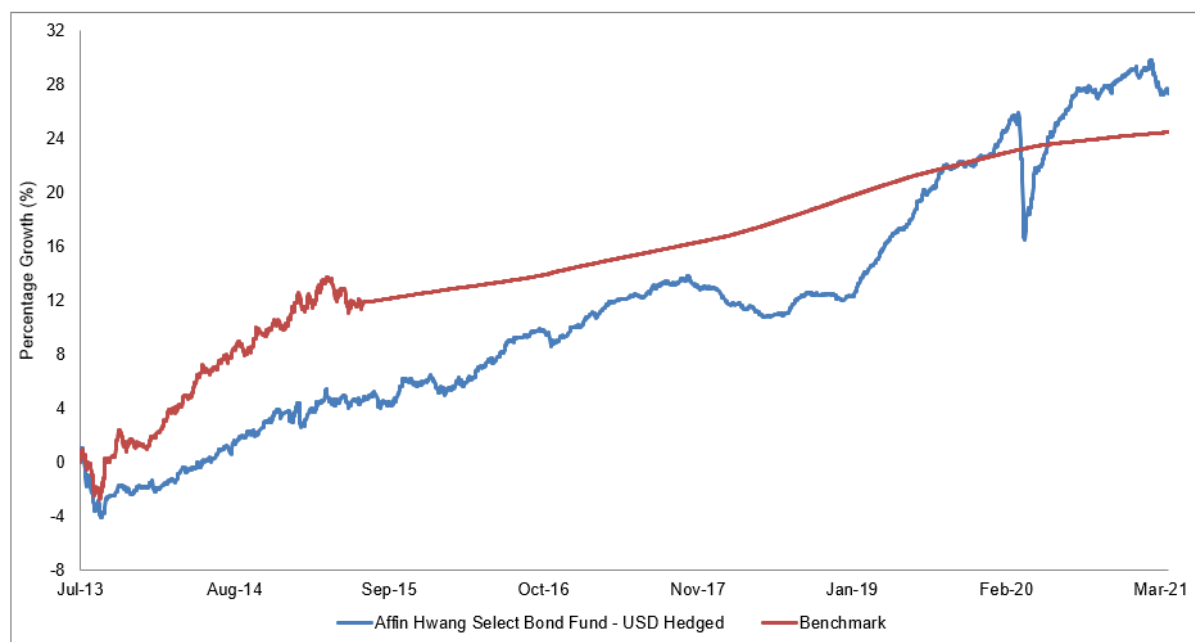
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)	FYE 2017 (1/4/16 - 31/3/17)
<b>Fund</b>	7.42%	1.87%	4.40%	(0.06%)	5.47%
<b>Benchmark</b>	0.95%	2.25%	2.95%	1.96%	1.70%
<b>Outperformance</b>	6.47%	(0.38%)	1.45%	(2.02%)	3.77%

Source of Benchmark: Bloomberg

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



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

Benchmark: Maybank 12-month fixed deposit rate

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

### **Asset Allocation**

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

As at 31 March 2021, the asset allocation of the Fund stood at 90.57% in fixed income securities, 0.41% in collective investment scheme, 0.15% in credit-linked notes and the remaining was held in cash and cash

equivalent. During the period under review, the Manager added allocation towards fixed income instruments. Cash levels of the Fund were decreased to 8.87% due to funds inflow.

## **Strategies Employed**

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

## **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.

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.

Malaysia's Consumer Price Index (CPI) came in at 122.5 in February 2021, a marginal increase of 0.1% from January 2021. Despite this, trade numbers have been gradually increasing as global trade picks up. December 2020 saw Malaysia's exports rise 10.8% y-o-y and imports rebounding for the first time in 9 months by 1.6% y-o-y. This positive momentum continued in January 2021, with exports expanding by 6.6% y-o-y to RM 89.6 billion. Imports saw the same trend, increasing by 1.3% y-o-y.

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 BOND FUND**

We have acted as Trustee of Affin Hwang Select Bond Fund ("the Fund") for the financial year ended 31 March 2021. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

During this financial year, a total distribution of 2.20 sen per unit (gross) for RM class and 1.15 cent per unit (gross) for USD Hedged-class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur  
17 May 2021

**AFFIN HWANG SELECT BOND FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

# **AFFIN HWANG SELECT BOND FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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## AFFIN HWANG SELECT BOND FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>INVESTMENT INCOME</b>			
Dividend income		261,241	619,436
Interest income from financial assets at amortised cost		4,340,982	3,679,130
Interest income from financial assets at fair value through profit or loss		93,162,428	68,035,195
Net gain on foreign currency exchange		1,563,918	401,063
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss		11,354,714	(29,158,646)
Net gain on quoted futures at fair value through profit or loss	9	683,995	-
Net gain/(loss) on financial assets at fair value through profit or loss	8	78,776,691	(18,004,496)
		<u>190,143,969</u>	<u>25,571,682</u>
<b>EXPENSES</b>			
Management fee	4	(25,135,466)	(15,145,410)
Trustee fee	5	(1,769,970)	(1,078,670)
Auditors' remuneration		(10,500)	(10,500)
Tax agent's fee		(3,800)	(3,800)
Other expenses		(440,951)	(1,246,430)
		<u>(27,360,687)</u>	<u>(17,484,810)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>		162,783,282	8,086,872
<b>FINANCE COST</b>			
Distributions	6	(82,675,915)	(60,367,063)
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		<u>80,107,367</u>	<u>(52,280,191)</u>
Taxation	7	-	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u><u>80,107,367</u></u>	<u><u>(52,280,191)</u></u>

## AFFIN HWANG SELECT BOND FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Increase/(Decrease) in net assets attributable to unitholders comprise the following:			
Realised amount		36,078,804	1,011,793
Unrealised amount		44,028,563	(53,291,984)
		<u>80,107,367</u>	<u>(52,280,191)</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 BOND FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	11	328,552,345	417,928,890
Margin accounts	12	1,733,615	2,158,750
Amount due from dealers		7,973,204	3,419,781
Amount due from Manager			
- creation of units		4,096,240	3,164,994
- management fee rebate receivable		7,164	5,246
Financial assets at fair value through profit or loss	8	2,666,625,122	1,507,937,199
Quoted futures at fair value through profit or loss	9	195,757	-
Forward foreign currency contracts at fair value through profit or loss	10	7,387,897	10,588,960
<b>TOTAL ASSETS</b>		<u>3,016,571,344</u>	<u>1,945,203,820</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	10	23,262,882	28,855,704
Amount due to dealers		60,093,748	-
Amount due to Manager			
- management fee		2,497,039	1,699,872
- cancellation of units		4,033,483	3,665,656
Amount due to Trustee		174,792	118,991
Auditors' remuneration		10,500	10,500
Tax agent's fee		3,800	3,371
Other payables and accruals		23,466	9,972
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>90,099,710</u>	<u>34,364,066</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,926,471,634</u>	<u>1,910,839,754</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>2,926,471,634</u>	<u>1,910,839,754</u>

## AFFIN HWANG SELECT BOND FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- RM Class		2,721,584,934	1,780,064,447
- USD Hedged Class		204,886,700	130,775,307
		<u>2,926,471,634</u>	<u>1,910,839,754</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- RM Class	13(a)	3,954,211,000	2,721,551,000
- USD Hedged Class	13(b)	92,305,000	59,451,000
		<u>4,046,516,000</u>	<u>2,781,002,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- RM Class		0.6883	0.6541
- USD Hedged Class		2.2197	2.1997
		<u>0.6883</u>	<u>0.6541</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- RM Class		RM0.6883	RM0.6541
- USD Hedged Class		USD0.5358	USD0.5095
		<u>RM0.6883</u>	<u>USD0.5095</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 BOND FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>2021</u> RM	<u>2020</u> RM
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	1,910,839,754	1,107,385,975
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	1,076,313,100	989,617,216
- RM Class	964,599,920	911,865,884
- USD Hedged Class	111,713,180	77,751,332
Creation of units arising from distributions	78,000,253	54,026,687
- RM Class	74,460,144	53,019,167
- USD Hedged Class	3,540,109	1,007,520
Cancellation of units	(218,788,840)	(187,909,933)
- RM Class	(177,483,469)	(158,951,832)
- USD Hedged Class	(41,305,371)	(28,958,101)
Net increase/(decrease) in net assets attributable to unitholders during the financial year	80,107,367	(52,280,191)
- RM Class	79,943,892	(54,691,693)
- USD Hedged Class	163,475	2,411,502
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<u>2,926,471,634</u>	<u>1,910,839,754</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 BOND FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		1,440,823,149	1,231,358,033
Purchase of investments		(2,462,145,005)	(1,722,603,281)
Proceeds from/(Payments to) margin accounts		425,135	(2,158,750)
Dividend received		261,241	619,436
Interest received		94,344,992	66,954,338
Management fee rebate received		107,449	14,941
Management fee paid		(24,338,299)	(14,372,919)
Trustee fee paid		(1,714,169)	(1,024,792)
Payment for other fees and expenses		(441,328)	(1,260,951)
Realised gain/(loss) on forward foreign currency contracts		8,962,955	(5,136,028)
Realised gain on futures		488,238	-
Net realised foreign currency exchange loss		(729,780)	(6,407,664)
Net cash used in operating activities		<u>(943,955,422)</u>	<u>(454,017,637)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		1,075,381,854	989,279,844
Payments for cancellation of units		(218,421,013)	(184,407,808)
Payment for distributions		(4,675,662)	(6,340,376)
Net cash generated from financing activities		<u>852,285,179</u>	<u>798,531,660</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(91,670,243)</b>	<b>344,514,023</b>
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		<b>2,293,698</b>	<b>2,275,461</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>417,928,890</b>	<b>71,139,406</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	11	<b><u>328,552,345</u></b>	<b><u>417,928,890</u></b>

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

## **AFFIN HWANG SELECT BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

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

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

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

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

(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 BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 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.

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

For unquoted credit linked note, 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 at cost.

#### **C DISTRIBUTION**

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 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 recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

## **AFFIN HWANG SELECT BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

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

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

#### **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 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.

#### **G FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

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

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

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

The contractual cash flows of the Fund’s debt securities are solely principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments 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 Manager, amount due from dealers and margin accounts 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 dealers, amount due to Manager, amount due to Trustee, auditors’ remuneration, tax agent’s fee and other payables and accruals as financial liabilities measured at amortised cost.

## AFFIN HWANG SELECT BOND FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

(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.

Unquoted fixed income securities including money market instruments denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission (“SC”) as per the SC’s Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income 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.

## AFFIN HWANG SELECT BOND FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

(ii) Recognition and measurement (continued)

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.

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.

## **AFFIN HWANG SELECT BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

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

(iii) Impairment (continued)

##### 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.

#### **H 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.

#### **I AMOUNT DUE FROM/(TO) DEALERS**

Amounts due from and to dealers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from dealers 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.

#### **J CREATION AND CANCELLATION OF UNITS**

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

The Fund issues cancellable units, in two classes of units, known respectively as the RM class and USD Hedged class, which are cancelled at the unitholder's option and do not have identical features subject to restrictions as stipulated in the Prospectus and SC's Guidelines on Unit Trust Funds. 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.



## **AFFIN HWANG SELECT BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

#### **K INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

#### **L 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, futures and an unquoted credit linked note. 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 fair value of the Fund's futures is obtained from the relevant stock exchanges where the futures are listed.

The initial fair value of the Fund's investment in unquoted credit linked note is based on amount as stated in the contract between issuer and the Manager. Subsequent fair value measurement is determined based on the methodology stipulated in Note 3 to the financial statements .

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.

#### **M 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.

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

## **AFFIN HWANG SELECT BOND FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

#### **M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

(i) Fair value of credit linked note

The Fund invests in a credit linked note that is not quoted in active markets. Fair value of such instrument is determined by using valuation techniques set out in Note 3 of the financial statements.

Models use observable data, to the extent practicable. However, unobservable inputs such as the USD cost of funding of the issuer are based on the assumptions that require management to make estimates. Changes in assumption about this factor could affect the report fair value of the credit linked note. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shift in these inputs, taking into consideration of historical data and estimations of future market movements.

For the credit linked note, an increase in the USD cost of funding would lead to a decrease in the fair value of the instrument. The Manager does not expect the change in fair value of the credit linked note due to any reasonable shift in the unobservable input to have a material impact to the financial statements as a whole.

#### **N REALISED AND UNREALISED PORTIONS OF INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

## **AFFIN HWANG SELECT BOND FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

The Unit Trust Fund was constituted under the name HwangDBS Select Bond Fund (the “Fund”) pursuant to the execution of a Deed dated 1 July 2003 and modified by First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 15 October 2008, Fourth Supplemental Deed dated 18 January 2012, Fifth Supplemental Deed dated 3 May 2013, Sixth Supplemental Deed dated 27 June 2014 and Seventh Supplemental Deed dated 28 April 2017 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”), HSBC (Malaysia) Trustee Berhad (the “Trustee”) and the registered unitholders of the Fund. The Fund then issued a new class of units in United States Dollar (“USD”) dated 3 May 2013. The Fund has changed its name from HwangDBS Select Bond Fund to Hwang Select Bond Fund dated 18 January 2012 and from Hwang Select Bond Fund to Affin Hwang Select Bond Fund dated 27 June 2014.

The Fund was launched on 28 July 2003 and will continue its operations until terminated by the Trustee as provided under Clause 3.1 of the Deed.

The Fund may invest in any of the following investments, including but not limited to:

- (a) Securities of companies listed on Bursa Malaysia and any other exchanges of countries who are members of International Organization of Securities Commissions
- (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) Debentures
- (d) Money market instruments
- (e) Deposits
- (f) Derivatives, for the purpose of hedging only;
- (g) Warrants;
- (h) Structured product;
- (i) Units or shares in collective investment schemes; and
- (j) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund

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

The main objective of the Fund is to provide investors with a steady income stream in the form of distribution through investing primarily in bonds and other fixed income securities.

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 17 May 2021.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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	11	328,552,345	-	328,552,345
Margin accounts	12	1,733,615	-	1,733,615
Amount due from dealers		7,973,204	-	7,973,204
Amount due from Manager				
- creation of units		4,096,240		4,096,240
- management fee rebate receivable		7,164	-	7,164
Unquoted fixed income securities	8	-	2,650,441,380	2,650,441,380
Unquoted credit linked note	8	-	4,298,489	4,298,489
Collective investment schemes	8	-	11,885,253	11,885,253
Quoted futures	9	-	195,757	195,757
Forward foreign currency contracts	10	-	7,387,897	7,387,897
Total		<u>342,362,568</u>	<u>2,674,208,776</u>	<u>3,016,571,344</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	23,262,882	23,262,882
Amount due to dealers		60,093,748	-	60,093,748
Amount due to Manager				
- management fee		2,497,039	-	2,497,039
- cancellation of units		4,033,483	-	4,033,483
Amount due to Trustee		174,792	-	174,792
Auditors' remuneration		10,500	-	10,500
Tax agent's fee		3,800	-	3,800
Other payables and accruals		23,466	-	23,466
Total		<u>66,836,828</u>	<u>23,262,882</u>	<u>90,099,710</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	Note	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	417,928,890	-	417,928,890
Margin accounts	12	2,158,750	-	2,158,750
Amount due from dealers		3,419,781	-	3,419,781
Amount due from Manager				
- creation of units		3,164,994	-	3,164,994
- management fee rebate receivable		5,246	-	5,246
Unquoted fixed income securities	8	-	1,493,144,923	1,493,144,923
Unquoted credit linked note	8	-	4,295,181	4,295,181
Collective investment schemes	8	-	10,497,095	10,497,095
Forward foreign currency contracts	10	-	10,588,960	10,588,960
Total		<u>426,677,661</u>	<u>1,518,526,159</u>	<u>1,945,203,820</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	28,855,704	28,855,704
Amount due to Manager				
- management fee		1,699,872	-	1,699,872
- cancellation of units		3,665,656	-	3,665,656
Amount due to Trustee		118,991	-	118,991
Auditors' remuneration		10,500	-	10,500
Tax agent's fee		3,371	-	3,371
Other payables and accruals		9,972	-	9,972
Total		<u>5,508,362</u>	<u>28,855,704</u>	<u>34,364,066</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 BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk

##### (a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
<b>Unquoted investments*</b>		
Unquoted fixed income securities	2,650,441,380	1,493,144,923
Unquoted credit linked note	4,298,489	4,295,181
	<u>2,654,739,869</u>	<u>1,497,440,104</u>
<b>Quoted investments</b>		
Collective investment schemes	<u>11,885,253</u>	<u>10,497,095</u>

\*Includes interest receivable of RM27,449,041 (2020: RM18,597,834)

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% (2020: 7.5%) and decreased by 7.5% (2020: 7.5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted securities and collective investment schemes.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2021</u>		
7.5%	2,441,237,875	(197,938,206)
0%	2,639,176,081	-
7.5%	<u>2,837,114,287</u>	<u>197,938,206</u>



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

<u>% Change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2% (2020: + 2%)	(9,288,322)	(6,593,001)
- 2% (2020: - 2%)	9,058,775	6,641,077

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



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk

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

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

	Unquoted fixed income <u>securities</u> RM	Unquoted credit linked <u>note</u> RM	Collective investment <u>schemes</u> RM	Quoted <u>futures</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>								
<u>Financial assets</u>								
Australian Dollar	168,165,664	-	-	-	78,822	11,990	-	168,256,476
Chinese Yuan	106,018,444	-	-	-	-	11,533	-	106,029,977
Euro	150,195,785	-	-	-	1,929,041	636,372	-	152,761,198
Indonesian Rupiah	24,090,920	-	-	-	-	-	-	24,090,920
Pound Sterling	-	-	-	-	-	141,742	-	141,742
Singapore Dollar	149,712,378	-	-	-	-	39,410,895	-	189,123,273

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	Unquoted fixed income <u>securities</u> RM	Unquoted credit linked <u>note</u> RM	Collective investment <u>schemes</u> RM	Quoted <u>futures</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)								
<u>Financial assets</u> (continued)								
United States Dollar	1,463,738,119	4,298,489	6,593,179	195,757	5,380,034	116,632,041	9,706,819	1,606,544,438
	<u>2,061,921,310</u>	<u>4,298,489</u>	<u>6,593,179</u>	<u>195,757</u>	<u>7,387,897</u>	<u>156,844,573</u>	<u>9,706,819</u>	<u>2,246,948,024</u>

\*Other assets consist of margin accounts and amount due from dealers.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	<u>Forward foreign currency contracts</u> RM	<u>Other payables**</u> RM	<u>Net asset attributable to unitholders</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Australian Dollar	5,330,442	-	-	5,330,442
United States Dollar	17,932,440	45,694,312	205,189,767	268,816,519
	<u>23,262,882</u>	<u>45,694,312</u>	<u>205,189,767</u>	<u>274,146,961</u>

\*\*Other liabilities consist of amount due to Manager and amount due to dealers and other payables and accruals.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	Unquoted fixed income securities RM	Unquoted credit linked note RM	Collective investment schemes RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2020</u>							
<u>Financial assets</u>							
Australian Dollar	63,875,357	-	-	6,327,162	8,904,852	-	79,107,371
Chinese Yuan	-	-	-	-	634	-	634
Euro	30,412,442	-	-	-	322,475	1,906	30,736,823
British Pound	-	-	-	-	4	-	4
Singapore Dollar	146,102,778	-	-	1,278,675	43,683,752	-	191,065,205
United States Dollar	925,237,840	4,295,181	5,385,738	-	119,418,254	-	1,054,337,013
	<u>1,165,628,417</u>	<u>4,295,181</u>	<u>5,385,738</u>	<u>7,605,837</u>	<u>172,329,971</u>	<u>1,906</u>	<u>1,355,247,050</u>

\*Other assets consist of amount due from Manager and amount due from dealers.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

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

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

	<u>Forward foreign currency contracts</u> RM	<u>Other liabilities **</u> RM	<u>Net asset attributable to unitholders</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Euro	973,129	-	-	973,129
Singapore Dollar	601,847	-	-	601,847
United States Dollar	27,094,050	3,514,211	130,775,307	161,383,568
	<u>28,669,026</u>	<u>3,514,211</u>	<u>130,775,307</u>	<u>162,958,544</u>

\*\*Other liabilities consist of amount due to Manager, amount due to dealers and other payables and accruals.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 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.

	Change in rate %	Impact on profit after tax/ <u>NAV</u> RM
<u>2021</u>		
Australian Dollar	+/-11.11	+/- 18,104,341
Chinese Yuan	+/-6.40	+/- 6,781,677
Euro	+/-7.91	+/- 12,080,356
Indonesian Rupiah	+/-11.16	+/- 2,688,547
Pound Sterling	+/-9.50	+/- 13,471
Singapore Dollar	+/-4.48	+/- 8,465,158
United States Dollar	+/-6.14	+/- 82,190,003
<u>2020</u>		
Australian Dollar	+/- 11.18	+/- 8,844,204
Chinese Yuan	+/- 5.86	+/- 37
Euro	+/- 7.27	+/- 2,234,567
Singapore Dollar	+/- 4.03	+/- 7,699,928
United States Dollar	+/- 5.46	+/- 57,566,801

##### 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.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Liquidity risk (continued)

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

	Within <u>one month</u> RM	Between one month <u>to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Forward foreign currency contracts at fair value through profit or loss	1,134,568	22,128,314	23,262,882
Amount due to dealers	60,093,748	-	60,093,748
Amount due to Manager			
- management fee	2,497,039	-	2,497,039
- cancellation of units	4,033,483	-	4,033,483
Amount due to Trustee	174,792	-	174,792
Auditors' remuneration	-	10,500	10,500
Tax agent's fee	-	3,800	3,800
Other payables and accruals	-	23,466	23,466
Net assets attributable to unitholders*	2,926,471,634	-	2,926,471,634
	<u>2,994,405,264</u>	<u>22,166,080</u>	<u>3,016,571,344</u>
<u>2020</u>			
Forward foreign currency contracts at fair value through profit or loss	51,100	28,804,604	28,855,704
Amount due to Manager			
- management fee	1,699,872	-	1,699,872
- cancellation of units	3,665,656	-	3,665,656
Amount due to Trustee	118,991	-	118,991
Auditors' remuneration	-	10,500	10,500
Tax agent's fee	-	3,371	3,371
Other payables and accruals	-	9,972	9,972
Net assets attributable to unitholders*	1,910,839,754	-	1,910,839,754
	<u>1,916,375,373</u>	<u>28,828,447</u>	<u>1,945,203,820</u>

\*Units are cancelled on demand at the unitholder's option (Note J). However, the Manager does not envisage the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders typically retain them for the medium to long term returns.

## **AFFIN HWANG SELECT BOND FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 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.

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

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



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u>								
Basic Materials								
- Baa2	18,019,892	-	-	-	-	-	-	18,019,892
- Baa3	25,053,682	-	-	-	-	-	-	25,053,682
- BBB+	1,728,920	-	-	-	-	-	-	1,728,920
Consumer Discretionary								
- A1	29,109,843	-	-	-	-	-	-	29,109,843
- Baa1	17,009,880	-	-	-	-	-	-	17,009,880
- Baa2	17,085,880	-	-	-	-	-	-	17,085,880
- Baa3	24,213,386	-	-	-	-	-	-	24,213,386
Energy								
- A1	35,256,811	-	-	-	-	-	-	35,256,811
- Baa1	44,106,951	-	-	-	-	-	-	44,106,951
- Baa2	42,463,752	-	-	-	-	-	-	42,463,752
- Baa3	7,405,473	-	-	-	-	-	-	7,405,473
- BBB-	53,958,397	-	-	-	-	-	-	53,958,397

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)								
Financial Services								
- AAA	77,272,039	-	-	5,662,025	1,733,615	328,552,345	-	413,220,024
- Aa1	17,014,444	-	-	-	-	-	-	17,014,444
- Aa2	-	-	-	212,866	-	-	-	212,866
- Aa3	-	-	-	1,066,917	-	-	-	1,066,917
- A1	23,742,658	-	-	-	-	-	6,313,932	30,056,590
- A2	33,616,633	4,298,489	-	-	-	-	-	37,915,122
- A3	26,880,335	-	-	-	-	-	1,659,272	28,539,607
- Baa1	114,791,265	-	-	-	-	-	-	114,791,265
- Baa2	56,780,186	-	-	-	-	-	-	56,780,186
- Baa3	147,150,230	-	-	-	-	-	-	147,150,230
- BBB	45,889,611	-	-	-	-	-	-	45,889,611
- BBB-	42,757,493	-	-	-	-	-	-	42,757,493
- BBB+	43,338,301	-	-	-	-	-	-	43,338,301
- Ba1	131,519,969	-	-	-	-	-	-	131,519,969
- Ba2	46,331,809	-	-	-	-	-	-	46,331,809
- Ba3	7,494,190	-	-	-	-	-	-	7,494,190

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)								
Financial Services (continued)								
- NR	29,444,807	-	195,757	446,089	-	-	4,103,404	34,190,057
Government								
- AAA	99,540,114	-	-	-	-	-	-	99,540,114
- AA1	6,120,987	-	-	-	-	-	-	6,120,987
- AA	11,233,372	-	-	-	-	-	-	11,233,372
- A1	15,412,333	-	-	-	-	-	-	15,412,333
- Baa2	26,948,164	-	-	-	-	-	-	26,948,164
- NR	111,221,387	-	-	-	-	-	-	111,221,387
- SOV	145,038,480	-	-	-	-	-	-	145,038,480
Health Care								
- AA-	5,199,808	-	-	-	-	-	-	5,199,808
- NR	8,415,722	-	-	-	-	-	-	8,415,722
Industrials								
- AA-	29,626,285	-	-	-	-	-	-	29,626,285
- A1	45,911,714	-	-	-	-	-	-	45,911,714
- A	22,275,793	-	-	-	-	-	-	22,275,793

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)								
Industrials (continued)								
- A-	11,995,487	-	-	-	-	-	-	11,995,487
- Baa1	37,439,403	-	-	-	-	-	-	37,439,403
- Baa2	19,171,387	-	-	-	-	-	-	19,171,387
- BBB	2,182,043	-	-	-	-	-	-	2,182,043
- BBB-	8,457,278	-	-	-	-	-	-	8,457,278
- C	10,883,610	-	-	-	-	-	-	10,883,610
- NR	80,847,436	-	-	-	-	-	-	80,847,436
Quasi-Gov								
- Baa3	3,408,101	-	-	-	-	-	-	3,408,101
Real Estate								
- AA1	3,882,922	-	-	-	-	-	-	3,882,922
- AA3	15,480,539	-	-	-	-	-	-	15,480,539
- A2	25,176,348	-	-	-	-	-	-	25,176,348
- A3	28,045,717	-	-	-	-	-	-	28,045,717
- A-	4,685,713	-	-	-	-	-	-	4,685,713
- Baa1	55,809,597	-	-	-	-	-	-	55,809,597

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)								
Real Estate (continued)								
- Baa2	68,576,051	-	-	-	-	-	-	68,576,051
- Baa3	57,930,799	-	-	-	-	-	-	57,930,799
- Ba3	10,361,294	-	-	-	-	-	-	10,361,294
- BBB	3,115,365	-	-	-	-	-	-	3,115,365
- BBB-	112,653,122	-	-	-	-	-	-	112,653,122
- BB	8,531,358	-	-	-	-	-	-	8,531,358
- BB-	52,392,423	-	-	-	-	-	-	52,392,423
- B1	52,871,088	-	-	-	-	-	-	52,871,088
- B2	56,954,058	-	-	-	-	-	-	56,954,058
- NR	73,915,689	-	-	-	-	-	-	73,915,689
Technology								
- Aa2	3,813,654	-	-	-	-	-	-	3,813,654
- A1	20,313,983	-	-	-	-	-	-	20,313,983
Telecommunications								
- A1	6,219,489	-	-	-	-	-	-	6,219,489
- Baa1	3,129,969	-	-	-	-	-	-	3,129,969

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Quoted <u>futures</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2021</u> (continued)								
Telecommunications (continued)								
- Baa2	5,991,545	-	-	-	-	-	-	5,991,545
- Ba1	13,286,268	-	-	-	-	-	-	13,286,268
- BB	16,152,383	-	-	-	-	-	-	16,152,383
- NR	3,163,583	-	-	-	-	-	-	3,163,583
Utilities								
- AA1	5,077,238	-	-	-	-	-	-	5,077,238
- AA-	32,896,699	-	-	-	-	-	-	32,896,699
- AA+	5,079,253	-	-	-	-	-	-	5,079,253
- A1	5,076,213	-	-	-	-	-	-	5,076,213
- A2	1,277,058	-	-	-	-	-	-	1,277,058
- A3	6,132,870	-	-	-	-	-	-	6,132,870
- Baa2	19,497,068	-	-	-	-	-	-	19,497,068
- Baa3	12,186,283	-	-	-	-	-	-	12,186,283
	<u>2,650,441,380</u>	<u>4,298,489</u>	<u>195,757</u>	<u>7,387,897</u>	<u>1,733,615</u>	<u>328,552,345</u>	<u>12,076,608</u>	<u>3,004,686,091</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u>							
Basic materials							
-Baa1/BBB+	33,260,296	-	-	-	-	-	33,260,296
-Baa2/BBB	4,474,568	-	-	-	-	-	4,474,568
-Baa3/BBB-	7,097,889	-	-	-	-	-	7,097,889
-Ba2	2,877,002	-	-	-	-	-	2,877,002
-Ba3	6,728,679	-	-	-	-	-	6,728,679
-NR	3,489,749	-	-	-	-	-	3,489,749
Consumer goods							
-A1	28,949,163	-	-	-	-	-	28,949,163
-Ba2	5,139,756	-	-	-	-	-	5,139,756
-Baa3	19,991,445	-	-	-	-	-	19,991,445
Consumer services							
-Baa2	12,764,467	-	-	-	-	-	12,764,467
-NR	8,629,782	-	-	-	-	-	8,629,782

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Credit risk (continued)

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

	<u>Unquoted fixed income securities</u> RM	<u>Unquoted credit linked note</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)							
Financial services							
-AAA	24,999,697	-	5,057,014	2,158,750	322,217,898	-	354,433,359
-AA1	11,044,246	-	-	-	-	-	11,044,246
-AA2	-	-	2,467,931	-	-	-	2,467,931
-AA3	15,538,598	-	2,531,145	-	75,693,060	-	93,762,803
-A1	28,591,786	-	-	-	-	-	28,591,786
-A2	9,682,209	4,295,181	-	-	-	-	13,977,390
-A3/A-	72,457,760	-	-	-	-	-	72,457,760
-Baa/BBB+	121,675,728	-	-	-	-	-	121,675,728
-Baa2/BBB	94,960,006	-	-	-	-	-	94,960,006
-Baa3/BBB-	222,311,730	-	-	-	-	-	222,311,730
-Ba1	51,865,312	-	-	-	-	-	51,865,312
-Ba2	47,747,722	-	-	-	-	-	47,747,722
-Ba3	8,752,697	-	-	-	-	-	8,752,697
-B+	2,158,582	-	-	-	-	-	2,158,582
-B1	62,918,279	-	-	-	-	-	62,918,279
-BB	30,204,002	-	-	-	-	-	30,204,002



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)							
Financial services (continued)							
-B-	22,254,797	-	-	-	-	-	22,254,797
-NR	101,829,834	-	532,870	-	20,017,932	3,419,781	125,800,417
Government							
-AAA	47,424,038	-	-	-	-	-	47,424,038
-AA1	8,055,821	-	-	-	-	-	8,055,821
-Baa2	4,367,459	-	-	-	-	-	4,367,459
-NR	6,443,003	-	-	-	-	-	6,443,003
Health care							
-AA-	5,218,879	-	-	-	-	-	5,218,879
-NR	8,602,667	-	-	-	-	-	8,602,667
Industrials							
-AA-	18,279,007	-	-	-	-	-	18,279,007
-A	40,353,163	-	-	-	-	-	40,353,163
-A1	46,216,522	-	-	-	-	-	46,216,522
-A3	17,488,561	-	-	-	-	-	17,488,561
-Baa1	30,957,137	-	-	-	-	-	30,957,137

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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	Unquoted credit linked <u>note</u> RM	Forward foreign currency <u>contracts</u> RM	Margin <u>account</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)							
Industrials (continued)							
-BBB-	8,535,445	-	-	-	-	-	8,535,445
-BBB	2,114,202	-	-	-	-	-	2,114,202
-NR	52,356,962	-	-	-	-	-	52,356,962
Oil & Gas							
-Baa2	12,093,029	-	-	-	-	-	12,093,029
-BBB-	42,493,501	-	-	-	-	-	42,493,501
Telecommunications							
-NR	2,994,923	-	-	-	-	-	2,994,923
Technology							
-A1	13,904,380	-	-	-	-	-	13,904,380
Utilities							
-AA1/AA+	11,227,983	-	-	-	-	-	11,227,983
-AA-	33,034,603	-	-	-	-	-	33,034,603
-Baa2	12,359,513	-	-	-	-	-	12,359,513
-BBB	6,228,344	-	-	-	-	-	6,228,344

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Credit risk (continued)

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

	<u>Unquoted fixed income securities</u> RM	<u>Unquoted credit linked note</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)							
Others -NR	-		-	-	-	3,170,240	3,170,240
	1,493,144,923	4,295,181	10,588,960	2,158,750	417,928,890	6,590,021	1,934,706,725

\*Other assets consist of amount due from Manager and amount due from dealers.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

##### Capital risk

The capital of the Fund is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders 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 unitholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

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

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

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

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

##### (i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is 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

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

##### (i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that 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 futures	195,757	-	-	195,757
- unquoted fixed income securities	-	2,650,441,380	-	2,650,441,380
- unquoted credit linked note	-	-	4,298,489	4,298,489
- collective investment schemes	11,885,253	-	-	11,885,253
- forward foreign currency contracts	-	7,387,897	-	7,387,897
	<u>12,081,010</u>	<u>2,657,829,277</u>	<u>4,298,489</u>	<u>2,674,208,776</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	23,262,882	-	23,262,882
<u>2020</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	1,493,144,923	-	1,493,144,923
- unquoted credit linked note	-	-	4,295,181	4,295,181
- collective investment schemes	10,497,095	-	-	10,497,095
- forward foreign currency contracts	-	10,588,960	-	10,588,960
	<u>10,497,095</u>	<u>1,503,733,883</u>	<u>4,295,181</u>	<u>1,518,526,159</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (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	-	28,855,704	-	28,855,704
	-	28,855,704	-	28,855,704

Investments where values are based on quoted market prices in active markets and are therefore classified within Level 1 include collective investment schemes. 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, forward foreign currency contracts and futures. 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.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include credit linked note. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

The Fund invests in an unquoted credit linked note that is issued by an issuer who does not originate them directly but repackage the underlying investments and reissue the credit linked note. The valuation of the unquoted credit linked note utilises market observable inputs such as Credit Default Swap and USD interest rates and non-market observable inputs such as the USD cost of funding of the issuer. The unobservable input is determined by obtaining bid quotes from issuers that originate such investments directly themselves. These quotes will be based on similar terms as the contract in regards to the underlying reference entity, notional amounts, credit event characteristics, coupon frequency, coupon amounts and maturity dates. Once the Issuer has received these quotes, it will determine a notional price on the basis of weighted average of such quotes.

As a counter-check, the Manager monitors the movement of the market observable quantitative factors generally used. By this, the Manager is able to determine the degree of change in any particular factor (some which are likely to affect the mark to market valuation of the unquoted credit linked note more than other factors, such as the change in underlying credit spread or Credit Default Swap spread against benchmark treasury) and extrapolate it against the mark to market valuations provided by the issuer to determine fairness of the valuations provided by the issuers.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The sensitivity of fair value valuations for unquoted credit linked note to non-market observable factors are not static and can vary substantially depending on the issuers assumptions. As such, the relative change in valuations of such unquoted credit linked note can vary substantially higher or lower as compared to relative movements of market observable factors. In order to better estimate and monitor factors that are non-market observable, the Manager uses proxy factors, that are market observable, to determine rates of change in values. For example, in terms of implied future correlation level of underlying foreign exchange exposures, a proxy factor such as historical correlation levels would be used to give a closer indication of changes in those assumptions used by the issuer.

The Manager does not expect the change in fair value of the credit linked note due to any reasonable shift in the unobservable input to have a material impact to the financial statements as a whole.

The following table presents the movements in Level 3 instruments for the financial year ended 31 March 2021:

	<u>2021</u> RM	<u>2020</u> RM
Opening balance	4,295,181	4,035,825
Purchase/(sales)	-	-
Net change in fair value reserve on financial assets at fair value through profit or loss	3,308	259,356
	<u>4,298,489</u>	<u>4,295,181</u>

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from dealers, margin accounts and all current liabilities except for forward foreign currency contracts and futures 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 3.00% per annum of the NAV of the Fund calculated on a daily basis.

For the financial year ended 31 March 2021, the management fee is recognised at a rate of 1.00% (2020: 1.00%) per annum of the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum of the NAV of the Fund subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 March 2021, the Trustee fee is recognised at a rate of 0.07% (2020: 0.07%) per annum of the NAV of the Fund inclusive of local custodian fee, but exclusive of foreign sub-custodian fee, calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 6 DISTRIBUTIONS

	<u>2021</u> RM	<u>2020</u> RM
Distribution to unitholders is from the following sources:		
Interest income	39,045,426	18,683,999
Previous year's realised income	43,630,489	41,683,064
	<u>82,675,915</u>	<u>60,367,063</u>
	<u>Gross/Net distribution per unit (sen)</u>	
	<u>RM Class</u> RM	<u>USD Class</u> USD
<u>2021</u>		
17.06.2020	0.3500	0.3500
17.09.2020	0.3000	0.3000
16.12.2020	1.0000	0.5000
17.03.2021	0.5500	-
	<u>2.2000</u>	<u>1.1500</u>
<u>2020</u>		
19.06.2019	0.500	0.500
18.09.2019	0.500	0.500
18.12.2019	1.000	0.500
18.03.2020	0.500	0.500
	<u>2.500</u>	<u>2.000</u>



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 6 DISTRIBUTIONS (CONTINUED)

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

Included in distribution for the financial year is an amount of RM43,630,489 (2020: RM41,683,064) made from previous year's realised income.

There are no unrealised losses during the financial year (2020: RM53,291,984).

#### 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	162,783,282	8,086,872
Tax at Malaysian statutory rate of 24% (2020: 24%)	39,067,988	1,940,849
Tax effects of:		
Investment income not subject to tax	(45,608,305)	(6,133,617)
Expenses not deductible for tax purposes	526,733	550,550
Restriction on tax deductible expenses for Unit Trust Funds	6,013,584	3,642,218
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:		
- unquoted fixed income securities – local	588,520,070	327,516,506
- unquoted fixed income securities – foreign	2,061,921,310	1,165,628,417
- unquoted credit linked note - foreign	4,298,489	4,295,181
- collective investment schemes – local	11,885,253	10,497,095
	<u>2,666,625,122</u>	<u>1,507,937,199</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

Net gain/(loss) gain on financial assets at fair value through profit or loss

- realised gain on sale of investments	30,803,716	13,487,146
- unrealised gain/(loss) on changes in fair value	47,863,608	(31,506,583)
- management fee rebate on collective investment scheme #	109,367	14,941
	<u>78,776,691</u>	<u>(18,004,496)</u>

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

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 31 March 2021 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>				
4.65% Abu Dhabi National Energy Co (03.03.2022) (AA1)	5,000,000	5,028,058	5,077,238	0.17
6.65% Aeon Credit Service M Bhd (Call: 08.12.2023) (NR)	10,000,000	10,369,424	10,648,755	0.36
4.88% AmBank Islamic Bhd (Call: 18.10.2023) (A1)	15,000,000	15,721,999	15,716,449	0.54
5.5% Ara Bintang Bhd (17.03.2026) (Aaa)	14,700,000	14,733,179	15,119,248	0.52
4.50% Bank Pembangunan Malaysia Bhd (04.11.2026) (Aaa)	5,000,000	5,091,200	5,358,333	0.18
4.62% Bank Pembangunan Malaysia Bhd (02.03.2027) (Aaa)	7,500,000	7,528,195	7,959,572	0.27
5.4% CIMB Group Holdings Bhd (Call: 23.10.2023) (A1)	7,500,000	7,998,638	8,026,209	0.27
3.47% DanaInfra Nasional Bhd (26.09.2029) (NR)	5,000,000	5,002,846	4,946,302	0.17
3.9% DanaInfra Nasional Bhd (24.09.2049) (NR)	5,000,000	5,003,200	4,269,855	0.15
3.14% Danum Capital Bhd (13.05.2027) (Aaa)	10,000,000	10,119,360	9,906,378	0.34
3.42% Danum Capital Bhd (21.02.2035) (Aaa)	10,000,000	10,035,360	8,914,305	0.30

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 31 March 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)				
Dialog Group Bhd (Call: 16.11.2027) (A1)	15,000,000	15,231,352	15,345,495	0.52
6.5% Eco World Capital Assets Bhd (12.08.2022) (NR)	30,550,000	32,123,671	31,559,485	1.08
3.465% GII (15.10.2030) (SOV)	10,000,000	10,152,089	10,242,485	0.35
3.726% GII (31.03.2026) (SOV)	30,000,000	32,153,374	31,398,054	1.07
4.119% GII (30.11.2034) (SOV)	20,000,000	22,152,960	20,518,109	0.70
5.73% IJM Land Berhad (Call: 19.03.2027) (A2)	5,000,000	5,010,203	5,243,504	0.18
5.85% Jimah East Power Sdn Bhd (04.06.2031) (AA-)	10,000,000	10,902,079	11,291,323	0.39
6.20% Jimah East Power Sdn Bhd (04.12.2031) (AA-)	10,000,000	10,759,600	11,583,738	0.40
4.55% Kapar Energy Ventures SB (05.07.2021) (AA+)	5,000,000	5,055,456	5,079,253	0.17
4.55% Kedah Cement Sdn Bhd (07.07.2023) (A1)	5,000,000	5,054,953	5,076,213	0.17
4.6% Lafarge Cement Sdn Bhd (13.01.2023) (A1)	15,000,000	15,151,078	15,239,102	0.52
5.06% Lafarge Cement Sdn Bhd (08.07.2022) (A1)	30,000,000	30,424,677	30,672,612	1.05
6.9% Mah Sing Group Bhd (Call: 04.04.2022) (NR)	22,000,000	23,330,299	23,225,165	0.79
5.05% MBSB Bank Bhd (Call: 20.12.2024) (A3)	9,650,000	10,251,234	10,246,602	0.35
5.30% MEX II Sdn Bhd (28.04.2023) (C)	3,000,000	3,126,631	2,479,758	0.08
5.90% MEX II Sdn Bhd (27.04.2029) (C)	8,500,000	8,812,868	4,030,713	0.14
6.1% MEX II Sdn Bhd (29.04.2031) (C)	7,000,000	7,289,147	2,937,759	0.10
6.20% MEX II Sdn Bhd (29.04.2032) (C)	3,100,000	3,234,991	1,242,446	0.04
6.30% MEX II Sdn Bhd (29.04.2033) (C)	500,000	549,529	192,934	0.01
3.502% MGS (31.05.2027) (SOV)	20,000,000	20,722,919	20,856,749	0.71
3.733% MGS (15.06.2028) (SOV)	10,000,000	10,952,941	10,516,934	0.36
3.757% MGS (22.05.2040) (SOV)	20,000,000	21,812,726	19,059,840	0.65
4.642% MGS (07.11.2033) (SOV)	30,000,000	35,880,284	32,446,309	1.11

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 31 March 2021 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
2.88% MUFG Bank Malaysia (24.03.2023) (Aaa)	30,000,000	30,014,138	30,014,203	1.03
4.48% Penang Port Sdn Bhd (27.12.2029) (AA-)	5,000,000	5,057,378	5,159,288	0.18
4.68% Penang Port Sdn Bhd (26.12.2031) (AA-)	4,700,000	4,756,330	4,862,350	0.17
4.3% Perbadanan Kemajuan N Selangor (28.06.2022) (AA3)	10,000,000	10,116,495	10,215,244	0.35
5.01% Perbadanan Kemajuan N Selangor (26.10.2023) (AA3)	5,000,000	5,253,959	5,265,295	0.18
3.8% Prasarana Malaysia Bhd (25.02.2050) (NR)	5,000,000	5,018,080	4,186,769	0.14
5.11% Prasarana Malaysia Bhd (12.09.2042) (NR)	5,000,000	5,546,284	5,280,600	0.18
4.55% Sabah Development Bank Bhd (08.08.2022) (AA1)	7,000,000	7,022,248	7,183,695	0.25
4.70% Tan Chong Motor Holdings Bhd (24.11.2021) (A1)	15,000,000	15,301,920	15,279,033	0.52
4.85% UEM Edgenta Bhd (26.04.2022) (AA-)	5,000,000	5,104,209	5,199,808	0.18
6.35% UMW Holdings Bhd (Call: 20.04.2028) (A1)	12,000,000	14,095,230	13,830,810	0.47
5.69% UniTapah Sdn Bhd (12.12.2025) (AA1)	3,500,000	3,558,765	3,882,922	0.13
3.00% United Overseas Bank Malaysia (Call: 01.08.2025) (AA1)	10,000,000	10,046,609	9,830,749	0.34
4.95% WCT Holdings Bhd (22.10.2021) (AA-)	6,000,000	6,184,044	6,166,672	0.21
5.05% WCT Holdings Bhd (21.10.2022) (AA-)	5,000,000	5,228,752	5,179,585	0.18
5.17% WCT Holdings Bhd (23.10.2023) (AA-)	17,500,000	18,162,897	18,280,028	0.62
5.8% WCT Holdings Bhd (Call: 27.09.2024) (A)	12,000,000	12,005,684	12,173,361	0.42

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 31 March 2021 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6% WCT Holdings Bhd (Call: 28.09.2026) (A)	10,000,000	10,051,114	10,102,432	0.35
Total unquoted fixed income securities – local	<u>581,700,000</u>	609,290,656	<u>588,520,070</u>	<u>20.11</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(20,770,586)</u>		
Total unquoted fixed income securities – local		<u>588,520,070</u>		

(ii) Unquoted fixed income securities – local as at 31 March 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.65% Abu Dhabi National Energy Co 03.03.2022 (AA1)	5,000,000	5,043,419	5,080,599	0.27
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	7,000,000	7,155,721	7,392,894	0.39
5.8% AFFIN Bank Bhd Call: 31.07.2023 (A3)	3,000,000	3,029,079	3,134,799	0.16
5.5% Ara Bintang Bhd 17.03.2026 (NR)	14,700,000	14,733,204	14,859,205	0.78
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	5,000,000	5,091,840	5,269,249	0.28
4.62% Bank Pembangunan Malaysia Bhd 02.03.2027 (AAA)	7,500,000	7,528,227	7,855,022	0.41
5.4% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	7,500,000	8,004,579	7,972,044	0.42
3.47% DanaInfra Nasional Bhd 26.09.2029 (NR)	5,000,000	5,002,847	4,884,152	0.27
3.9% DanaInfra Nasional Bhd 24.09.2049 (NR)	5,000,000	5,003,201	4,441,406	0.23

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 31 March 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>				
3.42% Danum Capital Bhd 21.02.2035 (AAA)	10,000,000	10,037,231	9,116,979	0.48
6.5% Eco World Capital Assets Bhd 12.08.2022 (NR)	24,800,000	27,061,311	25,709,909	1.35
5.73% IJM Land Bhd Call: 19.03.2027 (A2)	5,000,000	5,010,198	5,121,104	0.27
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	10,000,000	10,956,471	11,368,226	0.59
6.20% Jimah East Power Sdn Bhd 04.12.2031 (AA-)	10,000,000	10,798,965	11,719,237	0.61
4.55% Kapar Energy Ventures Sdn Bhd 05.07.2021 (AA+)	5,000,000	5,063,457	5,128,403	0.27
4.6% Lafarge Cement Sdn Bhd 13.01.2023 (A1)	15,000,000	15,155,373	15,272,792	0.80
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	30,000,000	30,503,046	30,943,730	1.62
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	6,800,000	7,155,810	7,203,624	0.38
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	4,650,000	4,715,906	4,757,465	0.25
5.30% MEX II Sdn Bhd 28.04.2023 (A)	3,000,000	3,154,629	3,061,521	0.16
5.90% MEX II Sdn Bhd 27.04.2029 (A)	8,500,000	8,825,423	8,268,501	0.43
6.1% MEX II Sdn Bhd 29.04.2031 (A)	7,000,000	7,299,329	6,706,029	0.35
6.20% MEX II Sdn Bhd 29.04.2032 (A)	3,100,000	3,239,438	2,948,933	0.15
6.30% MEX II Sdn Bhd 29.04.2033 (A)	500,000	551,780	471,512	0.02
4.48% Penang Port Sdn Bhd 27.12.2029 (AA-)	5,000,000	5,058,606	5,105,815	0.27
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	4,700,000	4,757,536	4,841,325	0.25
4.3% Perbadanan Kemajuan Negeri Selangor 28.06.2022 (AA3)	10,000,000	10,119,328	10,251,962	0.54

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
5.01% Perbadanan Kemajuan Negeri Selangor 26.10.2023 (AA3)	5,000,000	5,305,125	5,286,636	0.28
3.8% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,018,598	4,394,290	0.23
5.11% Prasarana Malaysia Bhd 12.09.2042 (NR)	5,000,000	5,560,450	5,542,200	0.29
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	7,000,000	7,005,530	7,185,483	0.38
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	15,000,000	15,384,785	15,381,033	0.80
4.59% Teknologi Tenaga Perlis Conсор 29.01.2021 (AA1)	1,000,000	1,009,310	1,018,981	0.05
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	5,000,000	5,102,947	5,218,879	0.27
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	12,000,000	14,120,566	13,568,130	0.71
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	3,500,000	3,560,432	3,858,763	0.20
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	17,500,000	18,261,525	18,279,007	0.96
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	12,000,000	12,009,481	11,987,934	0.63
6% WCT Holdings Bhd Call: 28.09.2026 (A)	7,000,000	7,005,742	6,908,733	0.36
Total unquoted fixed income securities – local	<u>317,750,000</u>	<u>329,400,445</u>	<u>327,516,506</u>	<u>17.16</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(1,883,939)</u>		
Total unquoted fixed income securities – local		<u>327,516,506</u>		

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

(b) Unquoted fixed income securities – foreign

(i) Unquoted fixed income securities – foreign as at 31 March 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>				
3.2188% AAI Ltd (Call:06.10.2022) (A3)	6,314,400	5,593,352	6,521,486	0.22
4.4% ABN AMRO Bank NV (Call: 27.03.2023) (Baa2)	9,943,200	10,623,832	10,529,738	0.36
2.1% Airport Authority HK (Call: 08.03.2026) (AA)	4,971,600	4,923,907	5,016,800	0.17
2.4% Airport Authority HK (Call: 08.03.2028) (AA)	6,214,500	6,160,713	6,216,572	0.21
3.875% Allianz SE (Call: 07.03.2022) (A2)	414,300	406,855	416,240	0.01
1.1% Alphabet Inc (Call: 15.05.2030) (Aa2)	4,143,000	4,212,961	3,813,654	0.13
3.6388% Ampol Ltd (Call: 09.03.2026) (Baa3)	7,103,700	6,774,025	7,405,473	0.25
4.1% Asahi Mutual Life Insurance Co (Call: 27.01.2031) (BBB-)	7,043,100	6,998,262	6,981,746	0.24
1% Australia Government Bond (21.12.2030) (Aaa)	22,100,400	21,298,097	20,707,517	0.71
1.75% Australia Government Bond (21.06.2051) (Aaa)	12,628,800	11,675,662	10,171,940	0.35
2.75% Australia Government Bond (21.11.2029) (Aaa)	6,314,400	7,090,597	6,989,104	0.24
2.75% Australian Government (21.05.2041) (Aaa)	15,786,000	17,858,903	16,525,600	0.56
3.375% Aviva Singlife Holdings (Call: 24.02.2026) (Baa3)	9,247,800	9,438,626	9,666,992	0.33
2.163% Axiata SPV2 Bhd (Call: 19.05.2030) (Baa2)	6,214,500	6,302,117	5,991,545	0.20
6.5% Banco Bilbao Vizcaya Arg SA (Call: 05.03.2025) (Ba2)	2,485,800	2,539,469	2,691,361	0.09
6.25% Banco Santander SA (Call: 11.09.2021) (Ba1)	9,733,800	9,895,269	9,985,580	0.34
5.00% Bangkok Bank PCL/Hong Kong (Call: 23.09.2025) (Ba1)	8,286,000	8,340,120	8,748,451	0.30
3.75% Bank Negara Indonesia (30.03.2026) (Ba2)	3,314,400	3,297,942	3,354,518	0.11
5.625% Bank of East Asia Ltd (Call: 18.05.2022) (Ba2)	10,357,500	10,978,851	10,874,145	0.37
3.875% Bluestar Finance Holdings Ltd (Call: 24.06.2023) (Baa3)	8,286,000	8,648,132	8,461,174	0.29



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 2021 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.35% BNP Paribas SA (Call: 22.01.2024) (Baa2)	6,165,200	6,102,853	6,582,727	0.22
2.625% BOC Aviation Ltd (Call: 17.06.2030) (A-)	12,429,000	12,465,299	11,995,487	0.41
3.25% BP Capital Markets PLC (Call: 22.03.2026) (Baa1)	19,467,600	20,068,194	21,346,197	0.73
4.375% BP Capital Markets PLC (Call: 22.06.2025) (Baa1)	8,700,300	8,999,023	9,255,325	0.32
4.875% BP Capital Markets PLC (Call: 22.03.2030) (Baa1)	12,429,000	12,859,387	13,505,429	0.46
3.425% CCCI Treasury Ltd (Call: 21.11.2024) (Baa2)	8,286,000	8,371,267	8,358,963	0.29
2.45% CH OVS Grand OCE Finance (Call: 09.11.2025) (Baa2)	2,485,800	2,433,177	2,493,851	0.09
2.086% Charter Hall LWR Ltd (Call: 12.03.2027) (Baa1)	9,471,600	9,598,217	9,339,413	0.32
4.625% China CITIC Bank International (Call: 28.02.2024) (Baa3)	5,178,750	5,104,827	5,535,253	0.19
2.45% China Construction Bank Corp (Call: 24.06.2025) (BBB+)	18,643,500	19,352,690	19,033,175	0.65
2.68% China Government Bond (21.05.2030) (NR)	50,512,000	47,762,826	48,737,729	1.67
1.2% China Govt International Bond (21.10.2030) (A1)	9,321,750	9,356,390	8,799,111	0.30
2.25% China Govt International Bond (21.10.2050) (A1)	7,457,400	6,980,431	6,613,222	0.23
2.64% China Govt International Bond (13.08.2022) (NR)	18,942,000	18,898,790	19,220,838	0.66
3.02% China Govt International Bond (22.10.2025) (NR)	18,942,000	18,999,632	19,171,900	0.66
3.05% China Overseas Finance Cayman (27.11.2029) (Baa1)	12,429,000	12,530,972	12,508,615	0.43
3.75% China Resources Land Ltd (Call: 09.12.2024) (Baa2)	8,286,000	8,444,334	8,691,738	0.30
4.1% Chinalco Capital Holdings Ltd (Call: 11.09.2024) (BBB+)	1,657,200	1,684,776	1,728,920	0.06
6% CIFI Holdings Group Co Ltd (Call: 16.01.2023) (BB-)	15,743,400	15,933,628	16,938,325	0.58

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
6.55% CIFI Holdings Group Co Ltd (Call: 28.03.2022) (BB-)	19,057,800	19,182,006	20,303,147	0.69
4% CK Hutchison Capital Sec17 Ltd (Call: 12.05.2022) (Baa1)	8,700,300	9,041,351	9,013,027	0.31
2.75% CMB International Leasing (12.08.2030) (Baa1)	4,143,000	4,177,708	4,000,660	0.14
3.5% CMHI Finance BVI Co Ltd (Call: 09.10.2023) (Baa2)	10,357,500	10,573,815	10,812,424	0.37
2.1% CMT MTN Pte Ltd (08.03.2028) (A3)	4,623,900	4,574,456	4,615,489	0.16
3.08% CN huaneng GP HK Treasur (Call: 09.12.2025) (A2)	1,242,900	1,234,676	1,277,058	0.04
3.35% CNAC HK Finbridge Co Ltd (Call: 22.09.2023) (Baa3)	16,572,000	16,585,777	16,592,508	0.57
3.7% CNAC HK Finbridge Co Ltd (22.09.2050) (Baa2)	16,572,000	16,170,815	13,897,693	0.47
3.875% CNAC HK Finbridge Co Ltd (19.06.2029) (Baa2)	4,143,000	4,180,295	4,122,199	0.14
4.875% CNP Assurances (Call: 07.10.2030) (Baa3)	8,286,000	8,280,000	8,303,401	0.28
1.835% Commonwealth Bank of Australia (Call: 10.09.2025) (Baa1)	7,893,000	7,607,934	8,073,797	0.28
4.375% Cooperatieve Rabobank UA (Call: 29.06.2027) (Baa3)	10,707,180	11,055,408	11,939,340	0.41
2.7% Country Garden Holdings Co Ltd (12.06.2026) (Baa3)	7,250,250	7,063,513	7,220,706	0.25
8% Country Garden Holdings Co Ltd (Call: 27.09.2021) (BBB-)	11,600,400	12,305,657	12,385,618	0.42
3.3% Country Heights Holdings Bhd (Call: 12.10.2030) (Baa3)	20,715,000	20,149,431	19,820,975	0.68
3.97% CRCC Chengan Ltd (Call: 27.06.2024) (Baa1)	16,572,000	17,125,864	17,177,973	0.59
5.625% Credit Suisse Group AG (Call: 06.06.2024) (Ba1)	13,101,050	12,769,469	13,185,941	0.45
5% Dah Sing Bank Ltd (Call: 15.01.2024) (Baa1)	6,214,500	6,220,776	6,736,242	0.23
3.60% DBS Group Holdings Ltd (Call: 07.09.2021) (Baa1)	16,572,000	16,319,577	16,734,406	0.57
3% DEXUS Finance Pty Ltd (Call: 03.11.2031) (A-)	4,735,800	4,282,134	4,685,713	0.16

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
3.5% Dianjian Haiyu Ltd (Call: 14.06.2022) (Baa1)	4,143,000	4,302,096	4,236,644	0.14
4.3% Dianjian Haiyu Ltd (Call: 20.06.2024) (BBB)	2,071,500	2,106,988	2,182,043	0.07
4.875% DNB Bank ASA (Call: 12.11.2024) (Baa3)	25,272,300	25,764,511	27,057,103	0.92
4.1% Elect Global Investments Ltd (Call: 03.06.2025) (Baa2)	10,357,500	10,597,136	10,502,390	0.36
2.875% Electricite de France (Call: 15.12.2026) (Baa3)	6,813,660	6,843,345	7,096,693	0.24
2.25% Enel S.p.A (Call: 10.12.2026) (Baa3)	4,866,900	4,871,551	5,089,590	0.17
3.375% Erste Group Bank AG (Call: 15.04.2027) (Ba1)	8,760,420	7,899,196	8,604,282	0.29
5.125% Erste Group Bank AG (Call: 15.10.2025) (Ba1)	4,866,900	5,037,397	5,442,430	0.19
4.35% Far East Horizon Ltd (Call: 14.06.2022) (NR)	4,971,600	5,065,064	5,097,030	0.17
3.2% Franshion Brilliant Ltd (09.04.2026) (BBB-)	27,343,800	27,361,504	27,272,706	0.93
4% Franshion Brilliant Ltd (Call: 03.01.2023) (Baa3)	16,572,000	16,290,234	16,896,443	0.58
4% Geely Automobile Holdings Ltd (Call: 09.12.2024) (Baa3)	23,200,800	23,533,117	24,213,386	0.83
3% Goodman HK Finance (Call: 22.04.2030) (BBB+)	6,214,500	6,404,844	6,230,347	0.21
4.7% Greentown China Holdings Ltd (Call: 29.04.2023) (Ba3)	4,143,000	4,224,067	4,206,573	0.14
2.2% GTA Finance Co Pty Ltd (Call: 27.07.2027) (BBB)	3,157,200	3,027,441	3,115,365	0.11
2.875% Hongkong Land Finance (Call: 27.02.2030) (A2)	13,257,600	13,986,644	13,615,592	0.47
4.75% HSBC Holdings PLC (Call: 04.07.2029) (Baa3)	7,300,350	7,519,717	8,145,116	0.28
6% HSBC Holdings PLC (Call: 22.05.2027) (Baa3)	4,971,600	5,257,951	5,539,356	0.19
6% HSBC Holdings PLC (Call: 29.09.2023) (Baa3)	10,950,525	11,893,376	11,946,904	0.41

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
6.875% HSBC Holdings PLC (Call: 01.06.2021) (Baa3)	8,286,000	8,623,581	8,547,975	0.29
4% Huarong Finance 2017 Co (Call: 07.11.2022) (Baa1)	9,943,200	10,274,502	10,246,467	0.35
2.25% HX Cement Inter Fin (19.11.2025) (Baa1)	7,043,100	7,051,723	7,011,759	0.24
1.25% Hyundai Capital Services Inc (08.02.2026) (Baa1)	4,971,600	4,834,849	4,864,911	0.17
6.5% Indonesia Government (15.02.2031) (NR)	24,418,824	25,609,486	24,090,920	0.82
2.4869% Insurance Australia Group Ltd (Call: 15.12.2026) (BBB)	7,893,000	7,532,035	8,097,820	0.28
4.125% JD.com Inc (14.01.2050) (Baa1)	16,572,000	19,138,731	17,009,880	0.58
5.75% Julius Baer Group Ltd (Call: 20.04.2022) (Baa3)	13,101,050	13,607,728	13,964,122	0.48
5.275% Kasikornbank Public Co Ltd (Call: 14.10.2025) (Ba1)	8,286,000	8,763,981	8,938,690	0.31
4.4% Krung Thai Bank PLC (Call: 25.03.2026) (Ba3)	7,457,400	7,401,612	7,494,190	0.26
7.4% KWG Group Holding Ltd (Call: 13.01.2024) (BB-)	14,914,800	15,005,674	15,150,951	0.52
2.2% Landesbank Baden -Wuerttemberg (09.05.2029) (Baa2)	4,866,900	4,708,855	5,126,353	0.18
3.75% Landesbank Baden -Wuerttemberg (Call: 18.05.2022) (Baa2)	9,247,800	9,196,735	9,382,514	0.32
4.9% Landesbank Baden- Wuerttemberg (29.06.2027) (Baa2)	6,314,400	6,767,496	6,807,063	0.23
5% Landesbank Baden- Wuerttemberg (17.05.2028) (Baa2)	8,208,720	8,228,593	8,922,868	0.30
3.7% Lendlease Finance Ltd (Call: 31.12.2030) (Baa3)	3,946,500	3,923,822	3,955,581	0.14
3.375% Longfor Group Holdings Ltd (13.04.2027) (Baa2)	6,214,500	6,248,538	6,567,794	0.22

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
3.85% Longfor Group Holdings Ltd (13.01.2032) (Baa2)	20,715,000	20,657,450	21,581,750	0.74
3.95% Longfor Group Holdings Ltd (16.09.2029) (Baa2)	17,814,900	17,767,862	18,738,528	0.64
4.5% Mapletree Treasury Services (Call: 19.01.2022) (NR)	9,247,800	9,426,687	9,447,337	0.32
4.625% Minejesa Capital BV (10.08.2030) (Baa3)	7,871,700	8,178,779	8,279,077	0.28
4.661% MINOR Intl PCL (Call: 04.12.2021) (Baa2)	6,214,500	6,375,385	6,415,528	0.22
2.6% Mirvac Group Finance Ltd (Call: 18.06.2029) (A3)	4,735,800	4,769,020	4,703,545	0.16
3.625% Mirvac Group Finance Ltd (Call: 18.12.2026) (A3)	17,400,600	17,528,061	18,726,683	0.64
3.8% Nanyang Commercial Bank Ltd (Call: 20.11.2024) (Baa3)	4,143,000	4,370,583	4,418,625	0.15
2.332% National Australia Bank Ltd (21.08.2030) (Baa1)	9,321,750	9,449,295	8,834,140	0.30
4.5% NBK Tier 1 Financing 2 Ltd (Call: 27.11.2025) (Baa3)	8,286,000	8,465,994	8,743,387	0.30
1.00% NBN Co Ltd (Call: 03.09.2025) (A1)	6,314,400	6,002,349	6,219,489	0.21
3.103% Nomura Holdings Inc (16.01.2030) (Baa1)	4,971,600	4,939,995	5,066,381	0.17
6.25% Noor Tier 1 Sukuk Ltd (Call: 01.06.2021) (NR)	4,143,000	4,348,349	4,251,685	0.15
4.8% NWD Finance BVI Ltd (Call: 09.09.2023) (NR)	4,143,000	4,137,592	4,100,465	0.14
5.75% NWD Finance BVI Ltd (Call: 05.10.2021) (NR)	12,429,000	12,797,467	12,906,412	0.44
2.875% OMV AG (Call: 01.06.2029) (Baa2)	14,600,700	15,015,331	15,364,297	0.53
4.25% Parkway Pantai Ltd (Call: 27.07.2022) (NR)	8,286,000	8,643,600	8,415,722	0.29
4% Perusahaan Listrik Negara PT (Call: 30.12.2049) (Baa2)	13,257,600	13,584,604	12,837,481	0.44
4.875% Perusahaan Listrik Negara PT (17.07.2049) (Baa2)	6,214,500	6,193,892	6,659,587	0.23

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 2021 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.75% Phoenix Group Holdings PLC (Call: 04.06.2026) (BBB)	16,572,000	17,372,463	17,699,932	0.60
5.625% Phoenix Group Holdings PLC (Call: 29.01.2025) (BBB-)	18,229,200	18,836,275	19,682,409	0.67
6.25% Powerlong Real Estate (Call: 10.08.2022) (B2)	20,300,700	20,504,375	21,501,571	0.73
6.95% Powerlong Real Estate (Call: 23.07.2021) (B2)	5,800,200	6,061,113	6,147,793	0.21
1.4% PT Pertamina (PERSERO) (Call: 09.01.2026) (Baa2)	16,572,000	16,240,119	16,146,468	0.55
2.7687% QBE Insurance Group Ltd (Call: 25.08.2026) (Baa1)	12,628,800	12,023,561	12,799,982	0.44
5.875% QBE Insurance Group Ltd (Call: 17.06.2026) (BBB-)	14,500,500	15,435,215	16,093,338	0.55
3.05% Republic of Indonesia (12.03.2051) (Baa2)	26,929,500	26,015,923	26,948,164	0.92
4.125% Santos Finance Ltd (Call: 14.06.2027) (BBB-)	16,572,000	16,898,626	17,485,911	0.60
5.25% Santos Finance Ltd (Call: 13.12.2028) (BBB-)	33,144,000	34,639,977	36,472,486	1.25
3.625% Scentre Group Trust ½ (Call: 28.12.2025) (A2)	5,800,200	6,137,177	6,317,252	0.22
4.75% Scentre Group Trust 2 (Call: 24.06.2026) (Baa1)	20,715,000	20,730,778	21,753,311	0.74
5.125% Scentre Group Trust 2 (Call: 24.06.2030) (Baa1)	20,715,000	20,986,345	21,547,671	0.74
1.843% SGSP Australia Assets Pty Ltd (Call: 15.06.2028) (A3)	6,314,400	6,050,154	6,132,870	0.21
2.942% Sharjah Sukuk Program Ltd (10.06.2027) (Baa3)	3,314,400	3,449,981	3,408,101	0.12
3.45% Shimao Group Holdings Ltd (Call: 11.01.2026) (BBB-)	9,114,600	8,879,447	8,759,739	0.30
4.6% Shimao Group Holdings Ltd (Call: 13.07.2025) (BBB-)	10,771,800	11,286,030	11,472,685	0.39
4.75% Shimao Group Holdings Ltd (Call: 15.04.2021) (BB)	8,286,000	8,501,318	8,531,358	0.29
5.2% Shimao Group Holdings Ltd (Call: 30.01.2022) (BBB-)	6,628,800	6,910,821	6,992,132	0.24
5.6% Shimao Group Holdings Ltd (Call: 15.07.2023) (BBB-)	12,429,000	12,574,520	13,590,144	0.46

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
6.125% Shimao Group Holdings Ltd (Call: 21.02.2022) (BBB-)	11,807,550	12,320,383	12,524,334	0.43
6.375% Shimao Group Holdings Ltd (Call: 30.04.2021) (BBB-)	18,643,500	19,281,297	19,655,764	0.67
2.53% Singpost GRP Treasury (19.11.2030) (NR)	7,706,500	7,725,925	7,917,033	0.27
2.3% Sinopec Grp Oversea Dev't 2018 (08.10.2030) (A1)	20,715,000	20,078,525	19,911,316	0.68
4.875% Societe Generale SA (Call: 12.09.2024) (Ba2)	3,157,200	2,807,973	3,224,363	0.11
6.125% Societe Generale SA (Call: 16.04.2024) (Ba2)	18,495,600	18,903,225	19,804,587	0.68
7.375% Societe Generale SA (Call: 13.09.2021) (Ba2)	6,214,500	6,143,675	6,382,835	0.22
3.516% Standard Chartered PLC (Call: 12.02.2025) (Baa2)	9,114,600	9,237,664	9,428,923	0.32
5.375% Standard Chartered PLC (Call: 03.10.2024) (Ba1)	18,495,600	18,767,971	19,684,994	0.67
6% Standard Chartered PLC (Call: 26.07.2025) (Ba1)	28,172,400	29,402,875	31,027,203	1.06
7.50% Standard Chartered PLC (Call: 02.04.2022) (Ba1)	8,286,000	8,780,852	8,994,384	0.31
3.95% StarHub Limited (Call: 16.06.2022) (NR)	3,082,600	3,123,559	3,163,583	0.11
4% Sumitomo Life Insurance Co (Call: 14.09.2027) (A3)	4,143,000	4,038,311	4,455,337	0.15
2.2811% Suncorp Group Ltd (Call: 01.12.2025) (BBB)	4,420,080	4,163,626	4,515,719	0.15
4.375% Svenska Handelsbanken AB (Call: 01.03.2027) (Baa3)	2,485,800	2,502,244	2,602,001	0.09
4.75% Svenska Handelsbanken AB (Call: 01.03.2031) (Baa3)	6,628,800	6,727,823	6,975,873	0.24
6.25% Svenska Handelsbanken AB (Call: 01.03.2024) (Baa3)	4,971,600	5,316,849	5,485,705	0.19
3.125% Swiss Re Finance UK (Call: 03.07.2025) (A3)	5,394,550	5,425,231	5,656,910	0.19
2.376% Telefonica Europe BV (Call: 12.02.2029) (BB)	16,547,460	16,610,791	16,152,383	0.55
3.24% Tencent Holdings Ltd (Call: 03.12.2049) (A1)	7,457,400	7,895,591	6,976,547	0.24

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
3.595% Tencent Holdings Ltd (Call: 19.10.2027) (A1)	12,429,000	12,835,385	13,337,436	0.46
3.5% Thaioil Treasury Center Co Ltd (17.10.2049) (Baa2)	12,429,000	12,733,469	10,952,987	0.37
6.2% Times China Holdings Ltd (Call: 22.09.2023) (B1)	17,814,900	17,805,983	18,172,089	0.62
6.75% Times China Holdings Ltd (Call: 08.07.2023) (B1)	8,700,300	9,126,388	9,288,984	0.32
6.75% Times China Holdings Ltd (Call: 16.07.2022) (B1)	8,286,000	8,569,256	8,748,877	0.30
7.625% Times China Holdings Ltd (Call: 21.04.2021) (B1)	12,843,300	12,744,547	13,130,633	0.45
7.85% Times China Holdings Ltd (Call: 30.04.2021) (B1)	15,329,100	3,653,983	3,530,505	0.12
1.5% Treasury Corp of Victoria (20.11.2030) (AA1)	6,314,400	5,682,661	6,120,987	0.21
5.125% UBS AG (15.05.2024) (BBB+)	15,743,400	17,367,288	18,074,779	0.62
4.85% UBS Group AG (Call: 04.09.2024) (Ba1)	7,706,500	7,616,393	7,929,359	0.27
5.125% UBS Group AG (Call: 29.07.2026) (Ba1)	8,286,000	8,780,050	8,978,655	0.31
5.875% UBS Grp Funding Switzerland AG (Call: 28.11.2023) (BBB)	14,642,350	15,285,730	15,576,140	0.53
1.75% United Overseas Bank Ltd (Call: 16.03.2026) (A2)	14,500,500	14,553,513	14,312,416	0.49
3.875% United Overseas Bank Ltd (Call: 19.10.2023) (Baa1)	4,143,000	4,360,812	4,370,192	0.15
4.00% United Overseas Bank Ltd (Call: 18.05.2021) (Baa1)	3,082,600	3,133,482	3,134,650	0.11
0.625% United States Treasury N/B (15.08.2030) (Aaa)	49,716,000	48,668,671	45,145,953	1.54
2.35% Verizon Communications Inc (Call: 23.12.2027) (Baa1)	3,157,200	3,186,208	3,129,969	0.11
2.625% Vodafone Group PLC (Call: 27.05.2026) (Ba1)	6,326,970	6,512,811	6,640,194	0.23
3% Vodafone Group PLC (Call: 27.05.2030) (Ba1)	6,326,970	6,526,758	6,646,074	0.23



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(i) Unquoted fixed income securities – foreign as at 31 March 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)				
3.5% Volkswagen Intl Fin NV (Call: 17.06.2025) (Baa2)	9,733,800	10,244,769	10,670,352	0.36
3.75% Weichai Int HK Energy Grp Co (Call: 14.09.2022) (BBB-)	8,286,000	8,314,055	8,457,278	0.29
2.894% Westpac Banking Corp (Call: 04.02.2025) (Baa1)	19,886,400	19,621,918	20,590,024	0.70
2.95% Wharf Reic Finance BVI (26.02.2024) (A2)	18,942,000	18,694,118	18,887,977	0.65
6.8% Yanlord Land HK Co Ltd (Call: 27.02.2022) (Ba3)	5,800,200	5,887,829	6,154,721	0.21
7.85% Yinson Juniper Ltd (Call: 05.10.2022) (NR)	29,415,300	32,140,245	32,303,229	1.10
8.1% Yinson Juniper Ltd (Call: 29.03.2024) (NR)	19,886,400	20,961,689	21,943,648	0.75
2.65% Yuexiu REIT MTN Co (02.02.2026) (Baa3)	9,943,200	9,748,949	10,037,094	0.34
6.35% Yuzhou Group (Call: 13.01.2025) (B2)	2,485,800	2,436,597	2,076,285	0.07
6% Yuzhou Properties Co Ltd (Call: 30.04.2021) (B2)	8,286,000	8,168,574	7,425,913	0.25
7.9% Yuzhou Properties Co Ltd (Call: 30.04.2021) (NR)	2,071,500	2,120,384	2,124,162	0.07
8.375% Yuzhou Properties Co Ltd (Call: 30.10.2022) (B2)	1,657,200	1,396,421	1,500,973	0.05
8.5% Yuzhou Properties Co Ltd (Call: 04.02.2022) (B2)	7,457,400	7,109,906	7,115,872	0.24
8.5% Yuzhou Properties Co Ltd (Call: 26.02.2022) (B2)	12,429,000	12,570,552	11,185,651	0.38
Total unquoted fixed income securities – foreign	<u>2,022,877,609</u>	<u>2,036,809,484</u>	<u>2,061,921,310</u>	<u>70.46</u>
Accumulated unrealised gain on unquoted fixed income securities – foreign		<u>25,111,826</u>		
Total unquoted fixed income securities – foreign		<u>2,061,921,310</u>		

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.115% AAI Ltd Call:06.10.2022 (A3)	5,296,800	6,419,298	5,424,960	0.28
4.4% ABN AMRO Bank NV Call: 27.03.2023 (Baa2)	10,362,000	10,623,940	10,134,957	0.53
3.875% Allianz SE Call: 07.03.2022 (A2)	431,750	406,613	374,449	0.02
6.75% Australia New Zealand Bank Group Call: 15.06.2026 (Baa2)	6,476,250	6,975,466	6,465,727	0.34
3% Australian Government 21.03.2047 (AAA)	5,296,800	6,893,708	6,868,343	0.36
6% Banco Bilbao Vizcaya Arg SA Call: 29.03.2024 (Ba2)	4,732,500	4,673,494	3,985,681	0.21
6.5% Banco Bilbao Vizcaya Arg SA Call: 05.03.2025 (Ba2)	2,590,500	2,539,961	2,003,996	0.10
5.625% Bank of East Asia Ltd Call: 18.05.2022 (Ba2)	10,793,750	10,987,893	10,616,531	0.55
6.75% BHP Billiton Finance USA Ltd Call: 20.10.2025 (Baa1)	21,587,500	23,054,910	23,031,164	1.21
4.625% Bluescope Finance Americas LLC Call: 25.04.2023 (Baa3)	6,476,250	6,041,649	7,097,889	0.37
4.35% BNP Paribas SA Call: 22.01.2024 (Baa2)	6,046,200	6,102,626	5,972,088	0.31
3.50% CCCI Treasury Ltd Call: 21.04.2020 (A3)	17,270,000	16,737,790	17,488,561	0.91
4.875% Chalco HK Investment Co Ltd 07.09.2021 (NR)	3,454,000	3,289,005	3,489,749	0.18
8.125% Champion Sincerity Holdings Ld Call: 08.02.2022 (Ba3)	3,454,000	3,508,819	3,357,847	0.18
4.625% China CITIC Bank International Call: 28.02.2024 (Baa3)	5,396,875	5,104,084	5,822,903	0.30
4% China Life Insurance Co. Ltd Call: 03.07.2020 (A3)	42,311,500	40,703,913	41,705,505	2.18

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.05% China Overseas Finance Cayman 27.11.2029 (Baa1)	12,952,500	12,527,594	12,977,181	0.68
3.75% China Resources Land Ltd Call: 09.12.2024 (Baa2)	8,635,000	8,448,389	8,753,875	0.46
4.1% Chinalco Capital Holdings Ltd Call: 11.09.2024 (BBB+)	1,727,000	1,684,934	1,632,495	0.09
6% CIFI Holdings Group Co Ltd Call: 16.01.2023 (BB)	3,454,000	3,114,791	3,116,199	0.16
6.55% CIFI Holdings Group Co Ltd Call: 28.03.2022 (BB)	19,860,500	18,914,919	18,413,580	0.96
7.625% CIFI Holdings Group Co Ltd 02.03.2021 (BB)	8,635,000	8,409,269	8,674,223	0.45
4.85% Ciputra Development Tbk PT 20.09.2021 (BB-)	9,069,300	9,356,713	8,720,989	0.46
4% CK Hutchison Capital Sec17 Ltd Call: 12.05.2022 (Baa1)	9,066,750	9,047,325	8,765,230	0.46
3.875% CNAC HK Finbridge Co Ltd 19.06.2029 (Baa2)	4,317,500	4,180,038	4,474,567	0.23
8% Country Garden Holdings Co Ltd Call: 27.09.2021 (BBB-)	12,089,000	12,556,741	12,357,242	0.65
3.97% CRCC Chengan Ltd Call: 27.06.2024 (Baa1)	12,952,500	12,697,794	12,541,467	0.66
5.625% Credit Suisse Group AG Call: 06.06.2024 (Ba2)	9,825,075	9,664,570	8,613,444	0.45
5% Dah Sing Bank Ltd Call: 15.01.2024 (Baa1)	6,476,250	6,221,453	7,163,092	0.37
3.60% DBS Group Holdings Ltd Call: 07.09.2021 (Baa1)	17,270,000	16,318,149	16,049,011	0.83
3% DEXUS Finance Pty Ltd Call: 03.11.2031 (A-)	3,972,600	4,285,637	3,946,700	0.21
3.5% Dianjian Haiyu Ltd Call: 14.06.2022 (Baa1)	4,317,500	4,303,913	4,245,410	0.22

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.3% Dianjian Haiyu Ltd Call: 20.06.2024 (BBB)	2,158,750	2,108,042	2,114,202	0.11
4.875% DNB Bank ASA Call: 12.11.2024 (Baa3)	22,451,000	22,025,768	18,347,471	0.96
4.7% DP World Cresent Ltd Call: 30.03.2049 (Baa1)	6,908,000	6,688,901	5,405,030	0.28
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	10,793,750	10,598,579	10,170,831	0.53
3.25% Enn Energy Holdings Ltd 24.07.2022 (Baa2)	5,612,750	5,603,820	5,775,792	0.30
3.375% Erste Group Bank AG Call: 15.04.2027 (Ba1)	6,625,500	6,420,300	4,847,837	0.25
4.35% Far East Horizon Ltd Call: 14.06.2022 (NR)	5,181,000	5,067,901	5,223,635	0.27
1.744% Ford Motor Credit Co LLC 19.07.2024 (Ba2)	6,625,500	6,321,251	5,139,756	0.27
4% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	17,270,000	16,288,268	16,302,496	0.85
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	24,178,000	23,545,794	19,991,445	1.05
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	11,225,500	11,402,318	10,757,396	0.56
6% HSBC Holdings PLC Call: 29.09.2023 (Baa3)	1,183,125	1,371,391	1,096,626	0.05
6.875% HSBC Holdings PLC Call: 01.06.2021 (Baa3)	8,635,000	8,634,241	8,688,681	0.45
4% Huarong Finance 2017 Co Call: 07.11.2022 (Baa1)	10,362,000	10,281,640	10,118,493	0.53
3.375% Huarong Finance 2019 Co Ltd Call: 28.11.2029 (Baa1)	3,454,000	3,329,745	3,274,629	0.17
1.45% Indonesia Government Intl Bond 18.09.2026 (Baa2)	4,732,500	4,735,991	4,367,459	0.23
3.375% JD.com Inc 14.01.2030 (Baa2)	6,044,500	5,752,844	6,065,769	0.32
3.9% Jollibee Worldwide Pte Ltd Call: 23.01.2025 (NR)	6,908,000	6,549,289	5,497,847	0.29

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.90% Julius Baer Group Ltd Call: 18.11.2020 (Baa3)	12,092,400	12,697,862	11,807,284	0.62
7.4% KWG Group Holding Ltd Call: 13.01.2024 (BB-)	15,543,000	15,015,643	13,533,808	0.71
2.2% Landesbank Baden- Wuerttemberg 09.05.2029 (Baa2)	4,732,500	4,706,257	4,391,362	0.23
3.75% Landesbank Baden- Wuerttemberg Call: 18.05.2022 (Baa2)	7,557,750	7,826,062	7,205,331	0.38
4.9% Landesbank Baden- Wuerttemberg 29.06.2027 (Baa2)	5,296,800	6,732,415	6,007,218	0.31
5% Landesbank Baden- Wuerttemberg 17.05.2028 (Baa2)	4,237,440	4,977,144	4,815,494	0.25
3.375% Longfor Group Holdings Ltd 13.04.2027 (Baa3)	6,476,250	6,244,866	6,180,367	0.32
3.85% Longfor Group Holdings Ltd 13.01.2032 (Baa3)	21,587,500	20,662,707	19,628,255	1.03
3.95% Longfor Group Holdings Ltd 16.09.2029 (Baa3)	18,565,250	17,752,052	17,296,238	0.91
4.5% Mapletree Treasury Services Call: 19.01.2022 (NR)	9,069,300	9,427,768	9,038,465	0.47
4.625% Minejesa Capital BV 10.08.2030 (Baa3)	8,203,250	8,180,982	7,363,664	0.39
4.661% MINOR Intl PCL Call: 04.12.2021 (Baa2)	6,476,250	6,379,353	6,698,698	0.35
3.625% Mirvac Group Finance Ltd Call: 18.12.2026 (A3)	8,635,000	7,724,844	9,181,673	0.48
4.5% NBK Tier 1 Financing 2 Ltd Call: 27.11.2025 (Baa3)	8,635,000	8,471,381	8,331,912	0.44
2% New South Wales Treasury Corp 20.03.2031 (AAA)	2,648,400	2,882,534	2,758,447	0.14
2.648% Nomura Holdings Inc 16.01.2025 (Baa1)	13,384,250	12,752,553	13,045,851	0.68

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.103% Nomura Holdings Inc 16.01.2030 (Baa1)	13,816,000	13,176,914	12,943,721	0.68
5.75% NWD Finance BVI Ltd Call: 05.10.2021 (NR)	12,952,500	12,812,854	12,639,193	0.66
4.375% NWD MTN Ltd 30.11.2022 (NR)	8,635,000	8,670,032	9,322,388	0.49
1% Origin Energy Finance Ltd Call: 17.06.2029 (Baa2)	7,572,000	7,425,707	6,583,721	0.34
4.25% Parkway Pantai Ltd Call: 27.07.2022 (NR)	8,635,000	8,646,240	8,602,667	0.45
4.875% Perusahaan Listrik Negara PT 17.07.2049 (BBB)	6,476,250	6,195,412	6,228,344	0.33
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB-)	15,111,250	14,862,261	12,599,571	0.66
3.95% Power Finance Corp Ltd 23.04.2030 (BBB-)	10,793,750	9,911,959	9,240,109	0.48
4.8% Press Metal Labuan Ltd Call: 30.10.2020 (Ba3)	8,635,000	8,645,958	6,728,680	0.35
5.875% QBE Insurance Group Ltd Call: 17.06.2026 (BBB)	6,476,250	6,253,439	6,348,118	0.33
1.75% Queensland Treasury Corp 21.08.2031 (AA1)	7,945,200	8,606,972	8,055,821	0.42
4.6% Radiant Access Ltd Call: 18.05.2020 (A2)	4,317,500	4,414,878	4,186,656	0.22
4.125% Santos Finance Ltd Call: 14.06.2027 (BBB-)	17,270,000	16,911,235	15,562,825	0.81
5.25% Santos Finance Ltd Call: 13.12.2028 (BBB-)	28,063,750	27,999,164	26,930,676	1.41
5.2% Shimao Property Holdings Ltd Call: 30.01.2022 (BBB-)	6,908,000	6,692,142	6,599,980	0.35
5.6% Shimao Property Holdings Ltd Call: 15.07.2023 (BBB-)	12,952,500	12,582,744	12,547,374	0.66

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 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% Shimao Property Holdings Ltd Call: 21.02.2022 (BBB-)	12,304,875	12,004,762	12,341,858	0.65
6.375% Shimao Property Holdings Ltd Call: 15.10.2020 (BBB-)	19,428,750	19,494,346	20,176,676	1.06
1.875% Singapore Government Bond 01.03.2050 (NR)	6,046,200	6,797,869	6,443,003	0.34
2.75% Singapore Government Bond 01.03.2046 (AAA)	6,046,200	6,994,716	7,453,251	0.39
2.875% Singapore Government Bond 01.09.2030 (AAA)	24,184,800	27,678,925	27,784,028	1.45
4.5% Singapore Press Holdings Ltd Call: 07.06.2024 (NR)	3,023,100	3,083,633	3,131,935	0.16
4.25% Sociedad Quimica y Minera Call: 22.07.2049 (Baa1)	10,793,750	10,212,162	8,596,637	0.45
4.875% Societe Generale SA Call: 12.09.2024 (Ba2)	6,885,840	7,399,577	5,881,010	0.31
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	12,092,400	12,591,272	10,621,637	0.56
7.375% Societe Generale SA Call: 13.09.2021 (Ba2)	6,476,250	6,144,634	6,025,422	0.32
3.516% Standard Chartered PLC Call: 12.02.2025 (Baa2)	6,044,500	5,863,272	5,514,855	0.30
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	12,092,400	12,511,857	10,689,127	0.56
7.50% Standard Chartered PLC Call: 02.04.2022 (Ba1)	8,635,000	8,796,201	8,728,187	0.46
3.95% StarHub Ltd Call: 16.06.2022 (NR)	3,023,100	3,123,206	2,994,923	0.16
4% Sumitomo Life Insurance Co Call: 14.09.2027 (A3)	4,317,500	4,038,374	4,306,658	0.23
4.45% Sun Hung Kai Properties Cap Mk Call: 23.05.2020 (A1)	12,952,500	13,163,772	12,724,824	0.67
6.25% Svenska Handelsbanken AB Call: 01.03.2024 (Baa3)	5,181,000	5,323,224	4,825,626	0.25

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 2020 are as follows:  
(continued)

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.595% Tencent Holdings Ltd Call: 19.10.2027 (A1)	12,952,500	12,914,324	13,904,380	0.73
3.5% Thaioil Treasury Center Co Ltd 17.10.2049 (Baa2)	12,952,500	12,740,846	12,093,029	0.63
10.95% Times China Holdings Ltd 27.11.2020 (B1)	6,908,000	6,954,016	7,172,001	0.38
6.75% Times China Holdings Ltd Call: 16.07.2022 (B1)	8,635,000	8,377,633	7,931,788	0.42
7.625% Times China Holdings Ltd Call: 21.02.2021 (B1)	13,384,250	12,778,126	13,001,088	0.68
7.85% Times China Holdings Ltd Call: 04.06.2020 (B1)	14,247,750	14,109,903	14,282,123	0.75
1.3% Toyota Finance Australia Ltd 17.02.2023 (A1)	7,945,200	8,315,405	7,894,918	0.41
1.5% Treasury Corp of Victoria 20.11.2030 (AAA)	5,296,800	5,692,868	5,318,415	0.28
5.125% UBS AG 15.05.2024 (BBB+)	16,406,500	17,557,624	17,146,206	0.90
4.375% UBS Group AG Call: 27.08.2024 (Ba1)	7,945,200	8,500,909	6,904,031	0.36
4.85% UBS Group AG Call: 04.09.2024 (Ba1)	4,534,650	4,558,664	3,873,127	0.20
6.875% UBS Group AG Call: 22.03.2021 (Ba1)	17,270,000	17,292,192	16,823,004	0.88
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	2,267,325	2,389,478	2,101,987	0.11
4.00% United Overseas Bank Ltd Call: 18.05.2021 (Baa1)	9,069,300	9,401,348	9,211,638	0.48
5.25% UPL Corp Ltd Call: 27.02.2025 (Ba2)	4,317,500	4,201,827	2,877,003	0.15
5.35% Vanke Real Estate HK Co Ltd 11.03.2024 (Baa2)	15,974,750	15,445,571	17,078,162	0.90
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	8,635,000	8,315,745	8,535,446	0.45



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – foreign as at 31 March 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)				
2.894% Westpac Banking Corp Call: 04.02.2025 (BBB+)	20,724,000	19,632,342	19,745,905	1.03
4.08% Wing Tai Holdings Ltd Call: 28.06.2022 (NR)	7,557,750	7,645,567	7,495,921	0.40
4.48% Wing Tai Holdings Ltd Call: 24.05.2024 (NR)	3,023,100	3,052,954	2,944,600	0.15
6.8% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	6,044,500	5,890,763	5,394,850	0.28
7.85% Yinson Juniper Ltd Call: 05.10.2022 (NR)	20,292,250	20,695,853	21,351,055	1.12
8.1% Yinson Juniper Ltd Call: 29.03.2024 (NR)	12,089,000	11,373,449	11,743,859	0.61
6% Yuzhou Properties Co Ltd Call: 25.10.2020 (B1)	8,635,000	8,055,757	7,433,008	0.40
7.9% Yuzhou Properties Co Ltd Call: 11.05.2020 (B+)	2,158,750	2,178,571	2,158,583	0.11
8.375% Yuzhou Properties Co Ltd Call: 30.10.2022 (B1)	1,727,000	1,323,744	1,551,586	0.08
8.5% Yuzhou Properties Co Ltd Call: 26.02.2022 (B1)	12,952,500	12,617,383	11,546,686	0.60
Total unquoted fixed income securities – foreign	<u>1,210,120,555</u>	<u>1,205,998,479</u>	<u>1,165,628,417</u>	<u>61.00</u>
Accumulated unrealised loss on unquoted fixed income securities – foreign		<u>(40,370,062)</u>		
Total unquoted fixed income securities – foreign		<u>1,165,628,417</u>		

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

(c) Unquoted credit linked note - foreign

(i) Unquoted credit linked note – foreign as at 31 March 2021 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>Credit-linked note</u>				
3.85% BNP Paribas SA (23.06.2021) (A2)	4,143,000	4,171,724	4,298,489	0.15
Accumulated unrealised gain on unquoted credit linked note – foreign		126,765		
Total unquoted credit linked note – foreign		4,298,489		

(ii) Unquoted credit linked note – foreign as at 31 March 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>Credit-linked note</u>				
3.85% BNP Paribas SA 23.06.2021 (A2)	4,317,500	4,177,253	4,295,181	0.22
Accumulated unrealised gain on unquoted credit linked note – foreign		117,928		
Total unquoted credit linked note – foreign		4,295,181		

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

(d) Collective investment schemes – local

(i) Collective investment schemes – local as at 31 March 2021 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Affin Hwang Income Extra Fund	5,124,999	5,128,628	5,292,074	0.18
Affin Hwang Total Return Fund	1,499,484	6,029,856	6,593,179	0.23
	<u>6,624,483</u>	<u>11,158,484</u>	<u>11,885,253</u>	<u>0.41</u>
Total collective investment schemes – local				
Accumulated unrealised gain on collective investment schemes – local		726,769		
Total collective investment schemes – local		<u>11,885,253</u>		

(ii) Collective investment schemes – local as at 31 March 2020 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Affin Hwang Income Extra Fund	5,000,349	5,000,000	5,111,357	0.27
Affin Hwang Total Return Fund	1,499,484	6,029,856	5,385,738	0.28
	<u>6,499,833</u>	<u>11,029,856</u>	<u>10,497,095</u>	<u>0.55</u>
Total collective investment schemes – local				
Accumulated unrealised gain on collective investment schemes – local		(532,761)		
Total collective investment schemes – local		<u>10,497,095</u>		

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 9 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Fund invests in quoted futures. Futures are contractual obligations to buy or sell financial instruments on a future date at specified price established in an organised market. The futures contracts are collateralised by cash. Initial margin requirements for futures are met in cash and changes in future contract values are marked to market daily.

The Fund's investment in quoted futures contracts is set out below:

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- quoted futures	195,757	-
	<hr/>	<hr/>
Net gain on futures at fair value through profit or loss		
- realised gain on settlement of futures contracts	488,238	-
- unrealised gain on changes in fair value	195,757	-
	<hr/>	<hr/>
	683,995	-
	<hr/>	<hr/>

As at the date of statement of financial position, there are 108 (2020: Nil) futures contracts outstanding. The notional principal amount of the outstanding futures contracts amounted to RM58,587,199 (2020: RMNil). As the Fund has not adopted hedge accounting during the financial period, changes in fair value of futures are recognised immediately in the statement of comprehensive income.

#### 10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 89 (2020: 91) forward currency contracts outstanding. The notional principal amount of the outstanding forward currency contracts amounted to RM1,870,504,780 (2020: RM1,176,566,916). The forward 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 Australian Dollar, Euro, Singapore Dollar 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 currency contract is recognised immediately in the statement of comprehensive income.

#### 11 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	157,429,546	178,720,407
Deposits with licensed financial institutions	171,122,799	239,208,483
	<hr/>	<hr/>
	328,552,345	417,928,890
	<hr/>	<hr/>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 11 CASH AND CASH EQUIVALENTS (CONTINUED)

Weighted average effective interest rates per annum of deposits with licensed financial institutions are as follows:

	<u>2021</u> %	<u>2020</u> %
Deposits with licensed financial institutions	1.75	2.85

Deposits with licensed financial institutions have an average maturity of 1 day (2020: 87 days).

#### 12 MARGIN ACCOUNTS

Margin accounts represent margin deposits held in respect of open exchange-traded futures contracts.

#### 13 NUMBER OF UNITS IN CIRCULATION

##### (a) RM class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	2,721,551,000	1,555,137,000
Creation of units arising from applications	1,379,560,994	1,326,946,361
Creation of units arising from distributions	106,923,181	78,877,519
Cancellation of units during the financial year	(253,824,175)	(239,409,880)
At the end of the financial year	<u>3,954,211,000</u>	<u>2,721,551,000</u>

##### (b) USD class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year	59,451,000	37,064,000
Creation of units arising from applications	49,781,538	33,503,861
Creation of units arising from distributions	1,587,060	1,926,139
Cancellation of units during the financial year	(18,514,598)	(13,043,000)
At the end of the financial year	<u>92,305,000</u>	<u>59,451,000</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 14 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the financial year ended 31 March 2021 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Euroclear Bank S.A. / N.V.	1,011,864,509	26.89
Affin Hwang Asset Management Bhd #	276,198,994	7.34
Citigroup Global Markets Ltd	241,840,527	6.43
The Hongkong and Shanghai Banking	158,368,523	4.21
Nomura Singapore Ltd	139,622,826	3.71
Bank of America Merrill Lynch	138,071,798	3.67
Australia and New Zealand Banking Group	96,247,127	2.56
CIMB Bank Bhd	92,494,850	2.46
Commonwealth Bank of Australia Sydney	92,471,444	2.45
Clearstream Banking Luxembourg	87,650,561	2.33
Others #	1,427,979,336	37.95
	<u>3,762,810,495</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the financial year ended 31 March 2020 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
RHB Investment Bank Bhd	232,143,084	8.40
HSBC Corp Ltd	207,734,506	7.52
Affin Hwang Asset Management Bhd #	198,895,387	7.20
Citigroup Global Markets Inc	173,451,718	6.28
Nomura Singapore Ltd	142,091,713	5.14
Malayan Banking Bhd	108,784,732	3.94
CIMB Bank Bhd	101,152,600	3.66
Standard Chartered Bank Malaysia Bhd	87,042,784	3.15
Citibank Bhd	86,374,202	3.13
GHSS Mutual Fund Depository, HK	82,593,516	2.99
Others#	1,342,136,957	48.59
	<u>2,762,401,199</u>	<u>100.00</u>

# Included in transactions with dealers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, holding company of Manager, and the Manager amounting to RM28,577,058 and RM276,198,994 (2020: RMNil and RM198,895,387), respectively. The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related parties.

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 14 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Investment Bank Bhd	26,240,590	76,857,400
Haitong Intl Sec Singapore Ltd	15,100,341	5,562,175
MarketAxess	116,191,519	-
Nomura Singapore Ltd	107,433,182	47,596,598
RHB Bank Bhd	-	16,280,864
RHB Investment Bank Bhd	53,125,916	140,446,948
	<u>318,091,548</u>	<u>286,743,985</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Aiiman Global Sukuk Fund	-	1,014,600
Affin Hwang Aiiman Income Plus Fund	-	5,296,000
Affin Hwang Bond Fund	-	25,178,900
Affin Hwang Flexible Maturity Income Fund 10	-	37,356,905
Affin Hwang Flexible Maturity Income Fund 11	4,231,399	61,506,257
Affin Hwang Flexible Maturity Income Fund 13	109,080,217	-
Affin Hwang Flexible Maturity Income Fund 14	66,033,011	26,146,199
Affin Hwang Flexible Maturity Income Fund 16	59,089,697	13,932,483
Affin Hwang Flexible Maturity Income Fund 17	21,130,000	15,040,500
Affin Hwang Flexible Maturity Income Fund 18	6,347,099	-
Affin Hwang Flexible Maturity Income Fund 7	-	16,305,500
Affin Hwang Flexible Maturity Income Fund 9	28,842,618	27,952,382
Affin Hwang Hard Currencies Fixed Income Fund	5,659,556	5,562,175
Affin Hwang PRS Conservative Fund	204,510	300,000
Affin Hwang Select Bond Fund	3,148,765	-
Affin Hwang Select Cash Fund	-	28,280,300
Affin Hwang Target Maturity Income Fund	3,021,735	-
Affin Hwang Wholesale Fund I	-	5,115,500
Affin Hwang Wholesale Income Fund	11,302,941	-
Private mandates managed by the Manager	-	17,756,284
	<u>318,091,548</u>	<u>286,743,985</u>

## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

#### 15 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>
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Penultimate holding company of 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 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 for booking purpose)				
- RM Class	3,279	2,257	3,155	2,064
- USD Class	2,244	4,988	2,560	5,631
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
AXA Affin Life Insurance Berhad				
- RM Class	230,479,184	158,615,774	194,289,751	127,084,926
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>



## AFFIN HWANG SELECT BOND FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)

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

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

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 withholding tax
- F = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM2,526,560,790 (2020: RM1,535,105,841).

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

	<u>2021</u>	<u>2020</u>
PTR (times)	0.78	0.95

PTR is derived from the following calculation:

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

where: total acquisitions for the financial year = RM2,522,238,753 (2020: RM1,713,095,006)  
total disposals for the financial year = RM1,414,572,856 (2020: RM1,214,832,122)

#### 18 NET ASSET VALUE OF THE FUND

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

## **AFFIN HWANG SELECT BOND FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONTINUED)**

#### **19 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 BOND FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 78 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 March 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 March 2021 in accordance with 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  
17 May 2021

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang Select Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 78.

### Basis for opinion

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

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

### Independence and other ethical responsibilities

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

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

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

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

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

#### Responsibilities of the Manager for the financial statements

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

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

#### Auditors' responsibilities for the audit of the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
17 May 2021

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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

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

### **PENANG**

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

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

### **PERAK**

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

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

### **MELAKA**

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

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

### **JOHOR**

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

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

### **SABAH**

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

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



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

### **SARAWAK**

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

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

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

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

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

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)