

Affin Hwang

Select Asia (ex Japan)

Quantum Fund

Interim Report
31 August 2020

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 ASIA (EX JAPAN) QUANTUM FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 August 2020

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FUND INFORMATION

Fund Name	Affin Hwang Select Asia (ex Japan) Quantum Fund
Fund Type	Growth
Fund Category	Equity
Investment Objective	The Fund seeks to achieve capital appreciation over the medium to long-term by investing in Asia ex Japan equities.
Benchmark	MSCI AC Asia (ex-Japan) Small Cap Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate

BREAKDOWN OF UNITHOLDERS BY SIZE MYR CLASS AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1,440	3,536
5,001 to 10,000	916	6,413
10,001 to 50,000	1,216	25,321
50,001 to 500,000	190	19,218
500,001 and above	22	86,742
Total	3,784	141,230

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE AUD CLASS AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	3	307
500,001 and above	1	2,285
Total	4	2,592

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE GBP CLASS AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	1	7
10,001 to 50,000	2	23
50,001 to 500,000	1	337
500,001 and above	-	-
Total	4	367

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE SGD CLASS AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	25
50,001 to 500,000	1	74
500,001 and above	1	2,031
Total	3	2,130

** Note: Excluding Manager's stock*

BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	2	248
500,001 and above	-	-
Total	2	248

** Note: Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)	As at 31 Aug 2018 (%)
Portfolio Composition			
Quoted equities – local			
- Consumer products & services	11.09	6.96	1.65
- Financial services	2.30	6.58	8.75
- Industrial products & services	3.92	4.73	3.40
- Infrastructure	-	-	0.45
- Energy	-	4.36	-
- Technology	7.63	-	-
- Telecommunication	-	1.73	-
- Properties	-	-	2.64
- REITs	-	-	2.86
- Trading / Services	-	-	8.27
Total quoted equities – local	24.94	24.36	28.02
Quoted equities – foreign			
- Basic materials	1.30	1.11	5.05
- Consumer goods	20.98	3.12	3.15
- Consumer services	1.29	8.79	3.08
- Financials	17.32	19.86	6.95
- Healthcare	15.36	-	0.12
- Industrial	-	8.07	4.63
- Oil & Gas	-	-	9.92
- REITs	-	-	8.81
- Technology	15.68	11.44	3.85
- Utilities	-	-	3.26
Total quoted equities – foreign	71.93	52.39	48.82
Cash & cash equivalent	3.13	23.25	23.16
Total	100.00	100.00	100.00

FUND PERFORMANCE DATA (CONTINUED)

Category	As at 31 Aug 2020 (%)					As at 31 Aug 2019 (%)					As at 31 Aug 2018 (%)				
Currency class	<u>MYR</u> <u>Class</u>	<u>AUD</u> <u>Class</u>	<u>GBP</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>AUD</u> <u>Class</u>	<u>GBP</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>AUD</u> <u>Class</u>	<u>GBP</u> <u>Class</u>	<u>SGD</u> <u>Class</u>	<u>USD</u> <u>Class</u>
Total NAV (million)	276.784	1.870	0.249	1.458	0.173	315.173	0.001	0.006	0.0005	0.0005	426.608	0.0106	0.0005	0.0005	0.0005
NAV per Unit (in respective currencies)	1.9598	0.7202	0.6729	0.6835	0.6887	1.3276	0.5257	0.4922	0.4678	0.4617	1.3556	0.4836	0.4835	0.4819	0.4823
Unit in Circulation (million)	141.234	2.596	0.370	2.133	0.251	237.402	0.002	0.012	0.001	0.001	315.439	0.022	0.001	0.001	0.001
Highest NAV	2.0240	0.7492	0.6964	0.7068	0.7095	1.3967	0.5409	0.5134	0.4901	0.4945	1.5460	0.5019	0.5095	0.5002	0.5021
Lowest NAV	1.0404	0.4635	0.3892	0.3660	0.3449	1.2891	0.5054	0.4629	0.4577	0.4503	1.3463	0.4821	0.4835	0.4818	0.4801
Return of the fund ⁱⁱⁱ (%)	41.46	27.74	38.63	39.32	43.21	0.83	3.42	6.08	0.19	-2.51	-12.01	-3.28	-3.30	-3.62	-3.54
- Capital Return ⁱ (%)	41.46	27.74	38.63	39.32	43.21	0.83	3.42	6.08	0.19	-2.51	-12.01	-3.28	-3.30	-3.62	-3.54
- Income Return ⁱⁱ (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%) ¹			0.92					0.83					0.83		
Portfolio Turnover Ratio (times) ²			0.73					1.01					0.82		

¹ The Fund's MER was higher than previous year due to lower average net asset value of the Fund for the financial period.

² The Fund's PTR was lower than previous year as the Manager had lesser trading activities for the financial period.

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

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

An illustration of the above would be as follow:-

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

MANAGER'S REPORT**Income Distribution / Unit Split**

No income distribution or unit split were declared for the financial period ended 31 August 2020.

Performance Review**MYR Class**

For the period 1 March 2020 to 31 August 2020, the Fund registered a return of 41.46%. It outperformed the Benchmark return of 13.69% by 27.77 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 August 2020 was RM 1.9598 while the NAV per unit on 29 February 2020 was RM 1.3854. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 August 2020, the Fund registered a return of 421.13%. Compared to the Benchmark return of 98.17% for the same period, the Fund outperformed the Benchmark by 322.96 percentage points. The fund has declared a total gross income distribution of RM0.30 per unit to-date. As the objective of the fund is to seek consistent capital appreciation over the medium to long term horizon, we believe the Fund has met its objective for the period.

AUD Class

For the period 1 March 2020 to 31 August 2020, the Fund registered a return of 27.74%. It outperformed the Benchmark return of 1.04% by 26.70 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 August 2020 was AUD 0.7202 while the NAV per unit on 29 February 2020 was AUD 0.5638. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 August 2020, the Fund registered a return of 44.04%. Compared to the Benchmark return of -4.20% for the same period, the Fund outperformed the Benchmark by 48.24 percentage points.

GBP Class

For the period 1 March 2020 to 31 August 2020, the Fund registered a return of 38.63%. It outperformed the Benchmark return of 9.75% by 28.88 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 August 2020 was GBP 0.6729 while the NAV per unit on 29 February 2020 was GBP 0.4854. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 August 2020, the Fund registered a return of 34.58%. Compared to the Benchmark return of -6.58% for the same period, the Fund outperformed the Benchmark by 41.16 percentage points.

SGD Class

For the period 1 March 2020 to 31 August 2020, the Fund registered a return of 39.32%. It outperformed the Benchmark return of 12.19% by 27.13 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 August 2020 was SGD 0.6835 while the NAV per unit on 29 February 2020 was SGD 0.4906. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 August 2020, the Fund registered a return of 36.70%. Compared to the Benchmark return of -4.67 for the same period, the Fund outperformed the Benchmark by 41.37 percentage points.

USD Class

For the period 1 March 2020 to 31 August 2020, the Fund registered a return of 43.21%. It outperformed the Benchmark return of 15.05% by 28.16 percentage points. The Net Asset Value (NAV) per unit of the Fund on 31 August 2020 was USD 0.6887 while the NAV per unit on 29 February 2020 was USD 0.4809. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement until 31 August 2020, the Fund registered a return of 37.74%. Compared to the Benchmark return of -4.31% for the same period, the Fund outperformed the Benchmark by 42.05 percentage points.

MYR Class

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (6/5/04 - 31/8/20)
Fund	41.46%	47.62%	21.33%	68.58%	421.13%
Benchmark	13.69%	13.02%	(6.71%)	13.26%	98.17%
Outperformance	27.77%	34.60%	28.04%	55.32%	322.96%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (6/5/04 - 31/8/20)
Fund	47.62%	6.65%	11.00%	10.63%
Benchmark	13.02%	(2.29%)	2.52%	4.28%
Outperformance / (Underperformance)	34.60%	8.94%	8.48%	6.35%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (01/3/18 - 28/2/19)	FYE 2018 (01/3/17 - 28/2/18)	FYE 2017 (01/3/16 - 28/2/17)	FYE 2016 (01/1/15 - 29/2/16)
Fund	5.22%	(14.53%)	(0.10%)	30.11%	3.80%
Benchmark	(6.92%)	(13.29%)	6.17%	22.66%	2.23%
Outperformance / (Underperformance)	12.14%	(1.24%)	(6.27%)	7.45%	1.57%

Source of Benchmark: Bloomberg

AUD Class

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	27.74%	37.00%	44.04%
Benchmark	1.04%	4.17%	(4.20%)
Outperformance	26.70%	32.83%	48.24%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	37.00%	18.75%
Benchmark	4.17%	(2.00%)
Outperformance	32.83%	20.75%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (19/7/18 - 28/2/19)
Fund	10.92%	1.66%
Benchmark	(1.80%)	(3.44%)
Outperformance	12.72%	5.10%

Source of Benchmark: Bloomberg

GBP Class

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	38.63%	36.71%	34.58%
Benchmark	9.75%	4.07%	(6.58%)
Outperformance	28.88%	32.64%	41.16%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	36.71%	15.01%
Benchmark	4.07%	(3.15%)
Outperformance	32.64%	18.16%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (19/7/18 - 28/2/19)
Fund	4.61%	(7.20%)
Benchmark	(6.67%)	(8.79%)
Outperformance	11.28%	1.59%

Source of Benchmark: Bloomberg

SGD Class

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	39.32%	46.11%	36.70%
Benchmark	12.19%	12.07%	(4.67%)
Outperformance	27.13%	34.04%	41.37%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	46.11%	15.86%
Benchmark	12.07%	(2.23%)
Outperformance	34.04%	18.09%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (19/7/18 - 28/2/19)
Fund	5.08%	(6.62%)
Benchmark	(7.39%)	(8.25%)
Outperformance / (Underperformance)	12.47%	1.63%

Source of Benchmark: Bloomberg

USD Class

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	43.21%	49.17%	37.74%
Benchmark	15.05%	14.43%	(4.31%)
Outperformance	28.16%	34.74%	42.05%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (19/7/18 - 31/8/20)
Fund	49.17%	16.28%
Benchmark	14.43%	(2.05%)
Outperformance	34.74%	18.33%

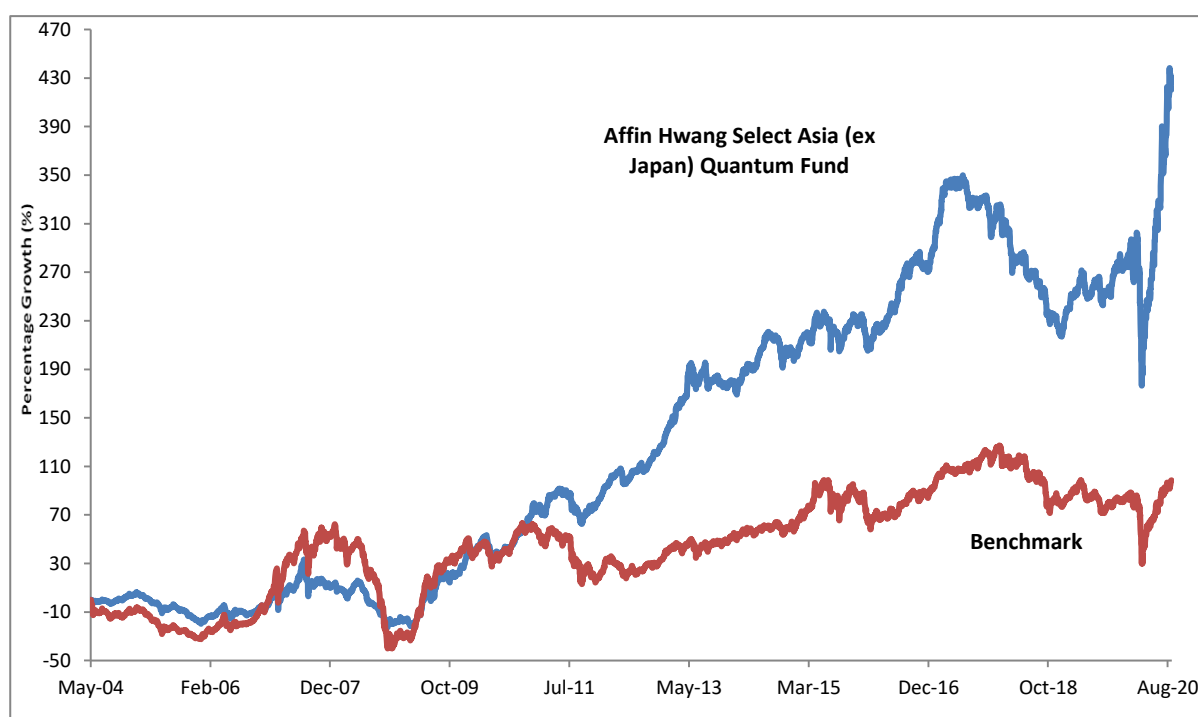
Source of Benchmark: Bloomberg

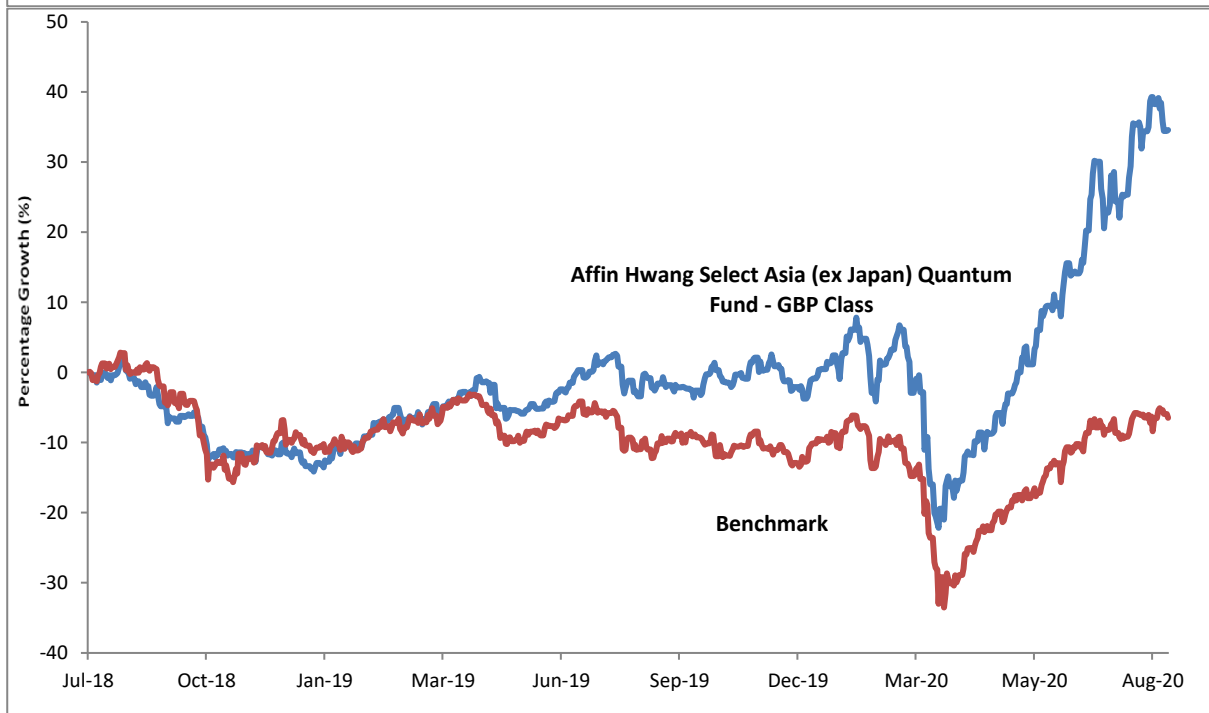
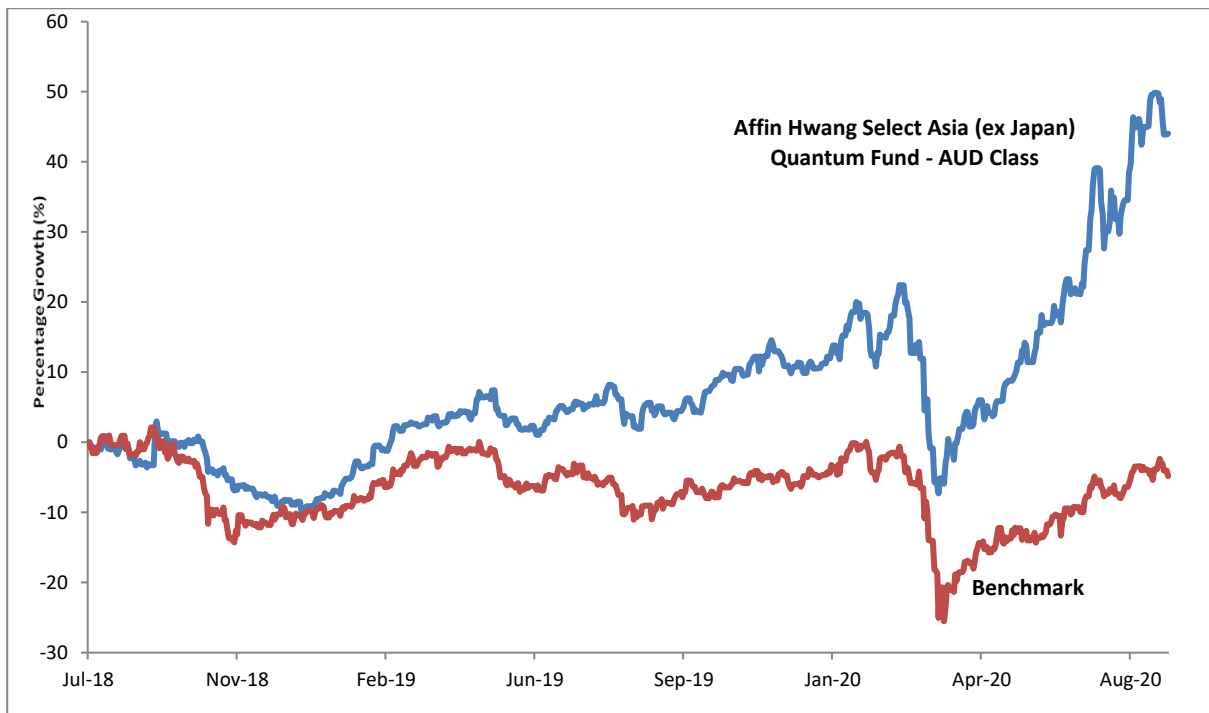
Table 3: Annual Total Return

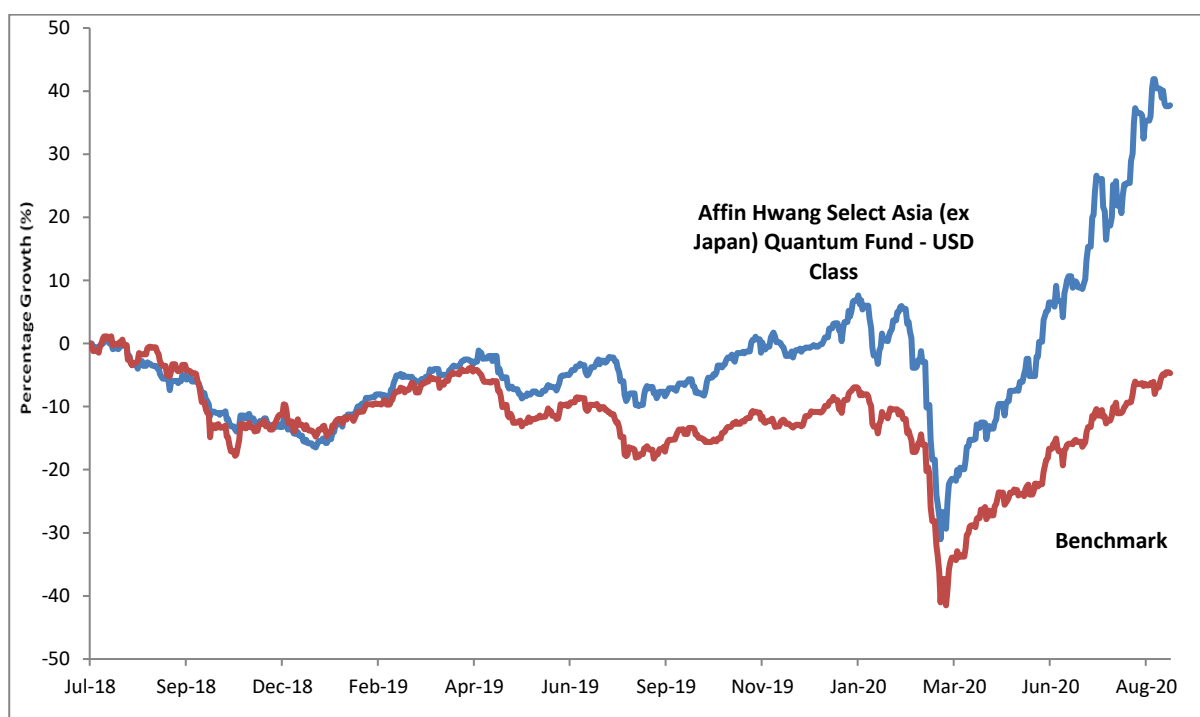
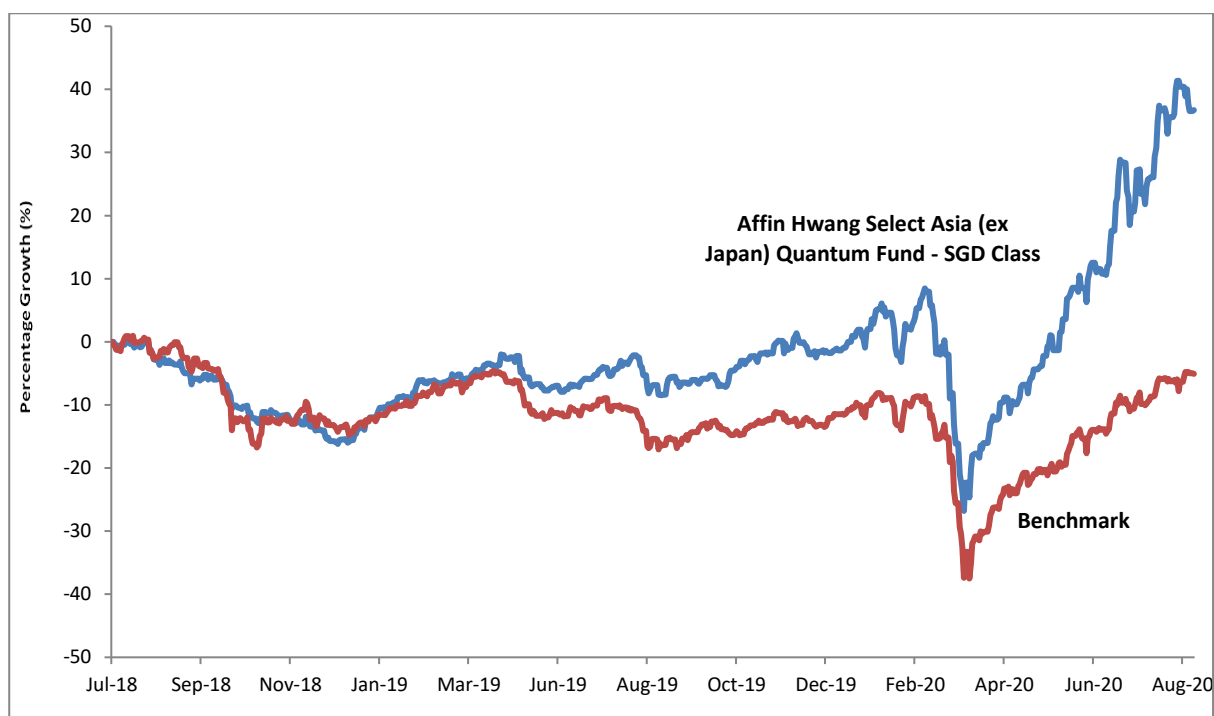
	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (19/7/18 - 28/2/19)
Fund	1.54%	(5.28%)
Benchmark	(10.22%)	(7.36%)
Outperformance / (Underperformance)	11.76%	2.08%

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: MSCI AC Asia (ex-Japan) Small Cap Index

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

Asset Allocation

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

As at 31 August 2020, the asset allocation of the Fund stood at 96.87% in equities while the balance was held in cash and cash equivalent. Within the foreign space, the Manager had ceased exposure into industrial sectors. Meanwhile, exposures into consumer goods, healthcare, and technology were increased. Total exposures into local quoted equities remained relatively unchanged. Cash level of the Fund was lower at 3.13% mainly due to increased exposure towards the foreign equities.

Strategies Employed

Over the year under review, the Manager continued to focus on domestic-driven sectors that are less directly impacted from trade tensions. With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare double whammy of global pandemic and oil price collapse.

Market Review

Global markets rose with US and Asia outperforming Europe and UK due to the sharp rise in Covid-19 infections in European countries. US supported by economic recovery and monetary policies benefitted from The Fed's decision on using average inflation targeting in setting interest rates, allowing temporary inflation overshoots to compensate for previous periods, whereas Asia saw a positive light following China's successful containment of the virus. Overall, a positive trend in global earnings expectations continued in September as market switches from extreme bearishness to neutral positionings.

Coming into October, the S&P 500 index fell 6.0%, whilst the Nasdaq Composite index plunged 7.7% as a tech rout deepened. Global equities traded erratically following news that US President Donald Trump had tested positive for COVID-19. Following his recovery, markets saw a surge in optimism over the US economy, mainly reflecting vaccine hopes and delayed response to gain in jobs from May to September.

In Asia, the Hong Kong Hang Seng index closed 6.4% lower whilst the broader MSCI Asia ex-Japan index was down 2.6% in October. Government in Hong Kong has also started to ease some of the strict social distancing measures from August 28, allowing venues like cinemas and beauty parlours to reopen as well as restaurants to extend dining hours as the daily number has fallen to low double digit according to Reuters. However, the deal with mainland China to reopen its borders has been paused until Hong Kong succeeds to achieve a stable zero-infection rate. On another note, Singapore and Hong Kong came to a mutual agreement on opening borders to each other since both cities have low incidence of Covid-19 cases.

In August, China's economic data show an outperformance in expectations, notably in the e-commerce sector, with Q2 GDP growth rebounding to 3.2% YoY. The recovery is broadening out with high frequency indicators signalling strong recoveries in the services sectors which lagged previously. Chinese broad market indices rebounded with Shanghai Composite Index up by 1.68% at close, showing a robust recovery in Chinese domestic tourism over the just-ended Golden Week holiday in the first week of October.

Meanwhile, geopolitical tensions between US and China simmered last month as US President Donald Trump issued an executive order forcing China's ByteDance to sell or spin off its US TikTok business. TikTok also confirmed its plan to challenge the executive order which banned its transactions in the US.

The US Commerce Department further added 24 Chinese state-owned firms to an "entity list" of companies that US firms are not allowed to transact with unless they have a special licence to do so. The restrictions were imposed following allegations that these companies had played a role in helping Beijing advance its territorial claims in the South China Sea.

In a tit-for-tat move, we saw China announce new restrictions on technology exports that would cover areas such as computing and data-processing technologies including text analysis, content recommendation, speech modeling and voice-recognition. The move could complicate the sale of TikTok's US operations which is currently being negotiated by multiple parties according to Reuters.

On the domestic front, the local market mirrored regional weakness with the benchmark KLCI falling 2.4% in October, despite the upside from gloves, as political uncertainty dampened sentiment. In a press conference, opposition leader Datuk Seri Anwar Ibrahim claimed that he has secured a “strong, formidable” majority from lawmakers in parliament to oust Prime Minister Tan Sri Muhyiddin Yassin. The news was greeted with scepticism as Anwar has made prior claims before. Though a statement from UMNO president Datuk Seri Dr Ahmad Zahid Hamidi that he has information that many members from UMNO and Barisan Nasional have stated their support for Anwar to form a new government has lent credibility to the claim.

The timing of Anwar’s announcement coincided with the Sabah state election which took place at the end of September. Results showed that the Gabungan Rakyat Sabah (“GRS”) pact winning the state election with a simple majority of 38 seats. Perikatan Nasional’s victory in the Sabah state elections is seen as a boost to Prime Minister Tan Sri Muhyiddin Yassin who currently leads with a razor-thin majority in Parliament. Muhyiddin has indicated that he could call for snap national polls if GRS won the Sabah state elections. The local market is expected to stay flattish as political uncertainty lingers. Politically-linked stocks could come into play as contracts are awarded in the lead-up to elections.

Malaysia's economy shrank 17.1% in 2Q2020; marking its deepest contraction in over 20 years. The GDP contraction was deeper than consensus estimate of -10.9%. A sharp decline was seen in private consumption, investment and net exports. Recent spike in Covid cases in October have beaten down re-opening sectors, although avoidance of hard lockdowns bodes well for economic recovery.

Due to the weaker than expected GDP numbers, Bank Negara Malaysia (“BNM”) has revised its expectations for the full year 2020 GDP growth to a range of -5.5% to -3.5% (from the previous -2.0% to 0.5% estimate). However, BNM is expecting a sharp rebound in 2021 with growth of 5.5% to 8.0%.

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 following the low death rates despite the rise in infections. The accelerated efforts to shorten the timeline for a successful vaccine inoculation also lessened market’s response towards increasing infection rates. Economic restarts have since moved at different paces between countries, each depending on their own ways of dealing with Covid-19. President Trump later instilled optimism by initiating a new US stimulus bill negotiation, surging global equities higher. However, prospects for additional US fiscal stimulus has since dimmed and could be delayed until the next Congress gets seated. The US elections have generated higher market volatility due to the uncertainty in election odds.

Irrespective of whether Trump or Pence leads the White House, we are likely to see a continuation of similar Republican policies, keeping the government in status quo. These include policies related to any decision concerning taxes, minimum wage, climate policies and infrastructure spending that could impact US stocks. If Biden wins the presidential election, US stocks will see modestly higher tax rates, but that will be offset by higher US infrastructure spending and temporarily lower risk of a trade war. A Biden presidency may be positive for the Asian stock markets. Biden prides himself as one who respects international laws, supporting more coordinated foreign policies. Trade tensions might ease, with technology sector equities and high-yield credits benefitting provided the ongoing Huawei and TikTok issues can be solved amicably. Biden’s clean energy revolution plan could also revitalise US’ energy sector and create more well-paying jobs, further boosting US economy. Considering that the World Trade Organisation (“WTO”) has recently ruled Trump’s China tariff as illegal, Biden may also consider reducing or removing tariffs on China imports.

The recent death of Supreme Court Justice Ruth Bader Ginsburg has cast further uncertainty as the race to the White House heats up, also potentially delaying US fiscal stimulus 4.0 and spurring declines in the healthcare sector. US President Donald Trump has announced conservative federal appeal court judge Amy Coney Barrett as his Supreme Court nominee to replace Ginsburg. Barrett is a favourite amongst religious conservatives and her appointment could help Trump boost his popularity amongst his conservative supporters ahead of the election.

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe’s continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe’s exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should

weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

On the other hand, recent alarming increase in Covid-19 cases caused targeted lockdowns in Malaysia, potentially delaying economic recovery although remaining positive on a full rebound by 2021. From a bottom-up perspective, markets are still focused on more export-oriented industries i.e. gloves, electromotive force and technology stocks. Politics pose as minor distraction seeing how the peak of political risk has passed after Sabah election results were released. However, the risk to policy continuity caused by uncertainty of a majority win could lead to potential loss on FDI opportunities to other emerging market countries.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

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

We have acted as Trustee of Affin Hwang Select Asia (Ex Japan) Quantum Fund ("the Fund") for the financial period ended 31 August 2020. 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.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 October 2020

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

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AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

	Note	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
INVESTMENT INCOME			
Dividend income		2,881,447	6,690,899
Interest income from financial assets at amortised cost		14,606	192,355
Net gain/(loss) on foreign currency exchange		2,156,642	(330,300)
Net gain on financial assets at fair value through profit or loss	7	99,663,750	2,550,900
		<u>104,716,445</u>	<u>9,103,854</u>
EXPENSES			
Management fee	4	(2,084,817)	(2,566,590)
Trustee fee	5	(98,203)	(121,145)
Auditors' remuneration		(4,061)	(3,781)
Tax agent's fee		(1,915)	(10,848)
Transaction cost		(1,408,511)	(1,786,241)
Other expenses		(358,041)	(833,323)
		<u>(3,955,548)</u>	<u>(5,321,928)</u>
NET PROFIT BEFORE TAXATION		100,760,897	3,781,926
Taxation	6	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>100,760,897</u>	<u>3,781,926</u>
Increase in net asset attributable to unitholders is made up of the following:			
Realised amount		24,446,984	6,269,157
Unrealised amount		76,313,913	(2,487,231)
		<u>100,760,897</u>	<u>3,781,926</u>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Cash and cash equivalents	8	6,868,778	59,081,842
Dividend receivables		446,624	188,949
Amount due from Manager			
- creations of units		671,366	-
Amount due from brokers		3,831,369	2,775,095
Financial assets at fair value through profit or loss	7	279,996,435	258,193,977
TOTAL ASSETS		<u>291,814,572</u>	<u>320,239,863</u>
LIABILITIES			
Amount due to brokers		1,679,608	4,166,370
Amount due to Manager			
- management fee		381,372	401,707
- cancellation of units		661,282	429,748
Amount due to Trustee		17,797	18,746
Auditors' remuneration		4,061	3,781
Tax agent's fee		5,715	1,915
Other payables and accruals		13,444	8,127
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>2,763,279</u>	<u>5,030,394</u>
NET ASSET VALUE OF THE FUND		<u>289,051,293</u>	<u>315,209,469</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>289,051,293</u>	<u>315,209,469</u>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020 (CONTINUED)

	Note	2020 RM	2019 RM
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- MYR Class		276,783,563	315,172,844
- AUD Class		5,702,225	2,977
- GBP Class		1,378,622	30,287
- SGD Class		4,467,294	1,420
- USD Class		719,589	1,941
		<u>289,051,293</u>	<u>315,209,469</u>
NUMBER OF UNITS IN CIRCULATION			
- MYR Class	9(a)	141,234,000	237,402,000
- AUD Class	9(b)	2,596,000	2,000
- GBP Class	9(c)	370,000	12,000
- SGD Class	9(d)	2,133,000	1,000
- USD Class	9(e)	251,000	1,000
		<u>146,584,000</u>	<u>237,418,000</u>
NET ASSET VALUE PER UNIT (RM)			
- MYR Class		1.9598	1.3276
- AUD Class		2.1965	1.4883
- GBP Class		3.7260	2.5239
- SGD Class		2.0944	1.4200
- USD Class		2.8669	1.9414
		<u>1.9598</u>	<u>1.3276</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR Class		RM1.9598	RM1.3276
- AUD Class		AUD0.7202	AUD0.5257
- GBP Class		GBP0.6729	GBP0.4922
- SGD Class		SGD0.6835	SGD0.4678
- USD Class		USD0.6887	USD0.4617
		<u>RM1.9598</u>	<u>RM1.3276</u>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

	Note	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		294,648,273	375,773,709
Movement due to units created and cancelled during the financial period:			
Creation of units arising from applications		34,152,016	2,116,125
- MYR Class		22,675,010	2,087,535
- AUD Class		5,277,788	-
- GBP Class		1,317,693	28,590
- SGD Class		4,196,516	-
- USD Class		685,009	-
Cancellation of units		(140,509,893)	(66,462,291)
- MYR Class		(140,248,576)	(66,462,291)
- AUD Class		(249,522)	-
- GBP Class		-	-
- SGD Class		(11,795)	-
- USD Class		-	-
Net increase in net assets attributable to unitholders during the financial period		100,760,897	3,781,926
- MYR Class		100,079,056	3,782,687
- AUD Class		411,497	25
- GBP Class		29,322	(814)
- SGD Class		208,468	12
- USD Class		32,554	16
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD		<u>289,051,293</u>	<u>315,209,469</u>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

UNAUDITED INTERIM CASH FLOWS STATEMENT FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

	6 months financial period ended <u>31.8.2020</u> RM	6 months financial period ended <u>31.8.2019</u> RM
<u>Note</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	270,922,871	408,604,825
Purchase of investments	(178,861,111)	(310,838,034)
Dividends received	2,290,670	6,375,786
Interest received	14,606	192,355
Management fee paid	(2,078,717)	(2,591,609)
Trustee fee paid	(97,919)	(122,312)
Payment for other fees and expenses	(1,504,475)	(1,925,689)
Net realised foreign currency exchange loss	2,792,420	1,740,497
	<hr/>	<hr/>
Net cash generated from operating activities	93,478,345	101,435,819
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	33,480,650	2,979,047
Payments for cancellation of units	(140,254,807)	(66,558,341)
	<hr/>	<hr/>
Net cash used in from financing activities	(106,774,157)	(63,579,294)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,295,812)	37,856,525
EFFECTS OF FOREIGN CURRENCY EXCHANGE	2,212,416	23,863
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	17,952,174	21,201,454
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8 6,868,778	59,081,842
	<hr/> <hr/>	<hr/> <hr/>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

- IC Interpretation 23 'Uncertainty over Income Tax Treatments' (effective 1 January 2019)
- Annual Improvements to MFRSs 2015 – 2017 Cycle (effective 1 January 2019)

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 'Definition of a Business' (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2022) 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.

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.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

B INCOME RECOGNITION (CONTINUED)

Interest income

Interest income from short term deposit with a licensed financial institution is recognised based on effective interest rate method on an accruals basis.

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

Realised gains and losses on sale of investments

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

C TRANSACTION COSTS

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

D TAXATION

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

Withholding taxes on investment income from 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.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATIONS

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.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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 equity securities as fair value through other comprehensive income.

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

(ii) Recognition and measurement

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

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

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

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

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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.

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.

Definition of default and credit-impaired financial assets (continued)

Qualitative criteria:

The debtor meets unlikelihood 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 ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Write-off

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

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

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 changes in value.

I CREATION AND CANCELLATION OF UNITS

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

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

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

J AMOUNT DUE FROM/ (TO) BROKERS

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

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang-DBS Select Small Caps Fund (The “Fund”) pursuant to the execution of a Deed dated 22 March 2004 as modified by First Supplemental Deed dated 29 December 2005, Fourth Supplemental Deed dated 15 October 2008 and Eight Supplemental Deed dated 28 April 2017. The Fund has changed its name from Hwang-DBS Select Small Caps Fund to Hwang DBS Select Small Caps Fund as amended by Second Supplemental Deed dated 18 June 2007, from Hwang DBS Select Small Caps Fund to HwangDBS Asia Quantum Fund as amended by the Third Supplemental Deed dated 7 December 2007, from HwangDBS Asia Quantum Fund to Hwang Asia Quantum Fund as amended by the Fifth Supplemental Deed dated 18 January 2012, from Hwang Asia Quantum Fund to Hwang Select Asia (Ex Japan) Quantum Fund as amended by the Sixth Supplemental Deed dated 10 December 2012 and from Hwang Select Asia (ex Japan) Quantum Fund to Affin Hwang Select Asia (ex Japan) Quantum Fund as amended by the Seventh Supplemental Deed dated 27 June 2014 (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 commenced operations on 6 May 2004 and will continue its operations until being terminated by the Trustee as provided under Clause 3.2 of the Deed.

The Fund has introduced five classes of unit (MYR, AUD, GBP, SGD, USD) in accordance with a unitholders’ resolution passed on 8 December 2017.

The Fund may invest in any of the following investments:

- (i) Securities of companies listed on Bursa Malaysia and any other exchanges of countries who are members of International Organization of Securities Commissions
- (ii) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities;
- (iii) Debentures;
- (iv) Money market instruments;
- (v) Deposits;
- (vi) Derivatives, for the purpose of hedging only;
- (vii) Warrants;
- (viii) Structured products;
- (ix) Units or shares in collective investment schemes;
- (x) 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 achieve capital appreciation over the medium to long-term by investing in Asia ex Japan equities.

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 series to private clients.

The financial statements were authorised for issued by the Manager on 14 October 2020.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT, OBJECTIVES 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>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	6,868,778	-	6,868,778
Amount due from brokers		3,831,369	-	3,831,369
Amount due to Manager				
- creation of units		671,366	-	671,366
Dividend receivables		446,624	-	446,624
Quoted equities	7	-	279,996,435	279,996,435
Total		<u>11,818,137</u>	<u>279,996,435</u>	<u>291,814,572</u>
<u>Financial liabilities</u>				
Amount due to brokers		1,679,608	-	1,679,608
Amount due to Manager				
- management fee		381,372	-	381,372
- cancellation of units		661,282	-	661,282
Amount due to Trustee		17,797	-	17,797
Auditors' remuneration		4,061	-	4,061
Tax agent's fee		5,715	-	5,715
Other payables and accruals		13,444	-	13,444
Total		<u>2,763,279</u>	<u>-</u>	<u>2,763,279</u>
<u>2019</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	59,081,842	-	59,081,842
Dividend receivables		188,949	-	188,949
Amount due from brokers		2,775,095	-	2,775,095
Quoted equities	7	-	258,193,977	258,193,977
Total		<u>62,045,886</u>	<u>258,193,977</u>	<u>320,239,863</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2019 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to brokers		4,166,370	-	4,166,370
Amount due to Manager				
- management fee		401,707	-	401,707
- cancellation of units		429,748	-	429,748
Amount due to Trustee		18,746	-	18,746
Auditors' remuneration		3,781	-	3,781
Tax agent's fee		1,915	-	1,915
Other payables and accruals		8,127	-	8,127
Total		<u>5,030,394</u>	<u>-</u>	<u>5,030,394</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.

Market Risk

(a) Price risk

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Market Risk (continued)

(a) Price risk (continued)

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

	<u>2020</u> RM	<u>2019</u> RM
Quoted investments		
Quoted equities	279,996,435	241,914,398
Exchanged-traded Fund	-	16,279,579
	<u>279,996,435</u>	<u>258,193,977</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2019: 5%) and decreased by 10% (2019: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities.

<u>% change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2020</u>		
-10%	251,996,791	(27,999,644)
0%	279,996,435	-
+10%	307,996,079	27,999,644
	<u> </u>	<u> </u>
<u>2019</u>		
-5%	245,284,278	(12,909,699)
0%	258,193,977	-
+5%	271,103,676	12,909,699
	<u> </u>	<u> </u>

(b) Interest rate risk

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

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

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT, OBJECTIVES 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 a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

	Quoted equities RM	Cash and cash equivalents RM	Other assets* RM	Net assets attributable to unitholders RM	Total RM
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	3,739,874	1,168,969	233,272	5,702,225	10,844,340
Hong Kong Dollar	132,195,735	668,328	144,140	-	133,008,203
Pound Sterling	-	661,184	26,680	1,378,622	2,066,486
Phillipines Peso	3,348,250	-	815,730	-	4,163,980
Singapore Dollar	31,813,267	976,716	485,281	4,467,294	37,742,558
Taiwan Dollar	36,817,816	-	-	-	36,817,816
United States Dollar	-	3,353,487	296,022	719,589	4,369,098
	<u>207,914,942</u>	<u>6,828,684</u>	<u>2,001,125</u>	<u>12,267,730</u>	<u>229,012,481</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(d) Currency risk (continued)

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

	Exchange- traded fund RM	Quoted equities RM	Cash and cash equivalents RM	Other assets* RM	Net assets attributable to unitholders RM	Total RM
<u>2019</u>						
<u>Financial assets</u>						
Australian Dollar	-	3,503,654	48,859	-	2,977	3,555,490
Hong Kong	16,279,579	71,751,001	7,031,552	418,870	-	95,481,002
Indonesian Rupiah	-	11,341,827	-	-	-	11,341,827
Korean Won	-	9,140,694	-	-	-	9,140,694
Philippine Peso	-	10,907,491	-	-	-	10,907,491
Singapore Dollar	-	52,224,098	3,999,097	448,350	1,420	56,672,965
Pound sterling	-	-	31,173	-	30,287	61,460
Euro	-	6,263,151	300,077	-	-	6,563,228
US Dollar	-	-	21,944,814	208,860	1,941	22,155,615
	<u>16,279,579</u>	<u>165,131,916</u>	<u>33,355,572</u>	<u>1,076,080</u>	<u>36,625</u>	<u>215,879,772</u>
					Other payables** RM	Total RM
<u>Financial liabilities</u>						
Hong Kong Dollar					2,238,613	2,238,613
Euro					234	234
					<u>2,238,847</u>	<u>2,238,847</u>

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

**Other payables consist of amount due to Manager, amount due to brokers and other payable and accruals.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2019: 5%), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2019: 5%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/ NAV RM
<u>2020</u>		
Australian Dollar	+/- 10	+/- 1,084,434
Hong Kong Dollar	+/- 10	+/- 13,300,820
Philippine Peso	+/- 10	+/- 416,398
Pound Sterling	+/- 10	+/- 206,649
Singapore Dollar	+/- 10	+/- 3,774,256
Taiwan Dollar	+/- 10	+/- 3,681,782
United States Dollar	+/- 10	+/- 436,910
<u>2019</u>		
Australian Dollar	+/- 5	+/- 177,775
Euro	+/- 5	+/- 328,150
Hong Kong Dollar	+/- 5	+/- 4,662,119
Indonesian Dollar	+/- 5	+/- 567,091
Korean Won	+/- 5	+/- 457,035
Philippine Peso	+/- 5	+/- 545,375
Pound Sterling	+/- 5	+/- 3,073
Singapore Dollar	+/- 5	+/- 2,833,648
United States Dollar	+/- 5	+/- 1,107,781

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 on deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Credit risk (continued)

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

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

	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	Amount due from <u>brokers</u> RM	Dividend <u>receivables</u> RM	<u>Total</u> RM
<u>2020</u>					
Finance					
- AAA	6,868,778	-	-	-	6,868,778
- NR	-	-	65,833	220,554	286,387
Consumer Goods					
- NR	-	-	815,730	142,568	958,298
Consumer Services					
- NR	-	-	1,572	-	1,572
Basic Materials					
- NR	-	-	2,948,234	-	2,948,234
Technology					
- NR	-	-	-	83,502	83,502
Others					
- NR	-	671,366	-	-	671,366
	<u>6,868,778</u>	<u>671,366</u>	<u>3,831,369</u>	<u>446,624</u>	<u>11,818,137</u>
<u>2019</u>					
Finance					
- AAA	59,081,842	-	-	-	59,081,842
- NR	-	-	-	188,949	188,949
Consumer Goods					
- NR	-	-	981,543	-	981,543
Consumer Services					
- NR	-	-	791,321	-	791,321
Basic Materials					
- NR	-	-	533,970	-	533,970
Others					
- NR	-	-	468,261	-	468,261
	<u>59,081,842</u>	<u>-</u>	<u>2,775,095</u>	<u>188,949</u>	<u>62,045,886</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

Liquidity risk

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

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

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

	Within one month RM	Between one month and one year RM	Total RM
<u>2020</u>			
Amount due to brokers	1,679,608	-	1,679,608
Amount due to Manager			
- management fee	381,372	-	381,372
- cancellation of units	661,282	-	661,282
Amount due to Trustee	17,797	-	17,797
Auditors' remuneration	-	4,061	4,061
Tax agent's fee	-	5,715	5,715
Other payables and accruals	-	13,444	13,444
Net assets attributable to unitholders*	289,051,293	-	289,051,293
	<u>291,791,352</u>	<u>23,220</u>	<u>291,814,572</u>
<u>2019</u>			
Amount due to brokers	4,166,370	-	4,166,370
Amount due to Manager			
- management fee	401,707	-	401,707
- cancellation of units	429,748	-	429,748
Amount due to Trustee	18,746	-	18,746
Auditors' remuneration	-	3,781	3,781
Tax agent's fee	-	1,915	1,915
Other payables and accruals	-	8,127	8,127
Net assets attributable to unitholders*	315,209,469	-	315,209,469
	<u>320,226,040</u>	<u>13,823</u>	<u>320,239,863</u>

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders 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 period end date. The Fund utilizes the current bid price for financial assets which fall 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 determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	279,996,435	-	-	279,996,435
<u>2019</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	241,914,398	-	-	241,914,398
- exchange-traded fund	16,279,579	-	-	16,279,579
	258,193,977	-	-	258,193,977

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities, forward foreign currency contracts and interest rate swaps. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from Manager, amount due from brokers, dividend receivables and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due their short term nature.

4 MANAGEMENT FEE

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

For the 6 months financial period ended 31 August 2020, the management fee is recognised at a rate of 1.50% (2019: 1.50%) per annum on the NAV of the Fund calculated on 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 ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.3% per annum on the NAV of the Fund.

For the 6 months financial period ended 31 August 2020, the Trustee's fee is recognised at a rate of 0.07% (2019: 0.07%) per annum, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, on the NAV of the Fund as stated in the Fund's Prospectus.

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

6 TAXATION

	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
Current taxation – local	-	-

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

	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
Net profit before taxation	100,760,897	3,781,926
Tax at Malaysian statutory rate of 24% (2019: 24%)	24,182,615	907,662
Tax effects of:		
Investment income not subject to tax	(25,131,947)	(2,184,925)
Expenses not deductible for tax purposes	446,791	659,164
Restrictions on tax deductible expenses for Unit Trust Funds	502,541	618,099
Tax expense	-	-

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Financial assets at fair value through profit or loss		
- quoted equities – local	72,081,493	76,782,482
- quoted equities - foreign	207,914,942	165,131,916
- exchanged-traded fund - foreign	-	16,279,579
	<u>279,996,435</u>	<u>258,193,977</u>
Net gain on assets at fair value through profit or loss		
- realised gain on sale of investments	25,562,253	5,061,994
- unrealised gain/(loss) on changes in fair value	74,101,497	(2,511,094)
	<u>99,663,750</u>	<u>2,550,900</u>

(a) Quoted equities - local

(i) Quoted equities - local as at 31 August 2020 are as follows

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Consumer Products & Services</u>				
Guan Chong Berhad	8,628,800	11,878,644	30,459,664	10.54
Guan Chong Berhad - Warrant	944,766	-	1,596,654	0.55
	<u>9,573,566</u>	<u>11,878,644</u>	<u>32,056,318</u>	<u>11.09</u>
<u>Financials Services</u>				
Allianz Malaysia Berhad	475,050	4,809,754	6,650,700	2.30
<u>Industrial Products & Services</u>				
ATA IMS Berhad	3,530,600	5,645,661	5,331,206	1.85
Comfort Glove Berhad	999,500	4,353,001	4,307,845	1.49
Supercomnet Technologies Berhad	870,500	1,674,668	1,671,360	0.58
	<u>5,400,600</u>	<u>11,673,330</u>	<u>11,310,411</u>	<u>3.92</u>
<u>Technology</u>				
Greotech Technology Berhad	3,273,600	9,692,398	22,064,064	7.63

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(a) Quoted equities - local (continued)

(i) Quoted equities - local as at 31 August 2020 are as follows (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Total quoted equities – local	18,722,816	38,054,126	72,081,493	24.94
Accumulated unrealised gain on quoted equities - local		34,027,367		
Total quoted equities - local		72,081,493		

(ii) Quoted equities - local as at 31 August 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products & Services</u>				
Guan Chong Berhad	5,564,700	14,528,703	21,924,918	6.96
<u>Financial Services</u>				
Allianz Malaysia Berhad	902,050	9,133,014	13,260,135	4.21
Bursa Malaysia Berhad	1,200,000	8,579,599	7,488,000	2.37
	2,102,050	17,712,613	20,748,135	6.58
<u>Energy</u>				
KNM Group Berhad	36,183,900	11,332,752	13,749,882	4.36
<u>Industrial Products & Services</u>				
SKP Resources Berhad	4,814,100	5,536,036	5,247,369	1.66
ATA IMS Berhad	7,061,200	11,291,322	9,673,844	3.07
	11,875,300	16,827,358	14,921,213	4.73
<u>Telecommunication & Media</u>				
Astro Malaysia Holdings Bhd	4,151,400	6,534,297	5,438,334	1.73

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(a) Quoted equities - local (continued)

(ii) Quoted equities - local as at 31 August 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Total quoted equities – local	59,877,350	66,935,723	76,782,482	24.36
Accumulated unrealised gain on quoted equities - local		9,846,759		
Total quoted equities - local		76,782,482		

(b) Quoted equities - foreign

(i) Quoted equities - foreign as at 31 August 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic Materials</u>				
Rameli Resources Ltd	595,276	1,983,275	3,739,874	1.30
<u>Hong Kong</u>				
<u>Consumer goods</u>				
Bosideng International Holdings Ltd	4,424,000	5,365,035	5,275,009	1.82
CMGE Technology Group Ltd	10,654,000	18,724,641	19,970,699	6.91
Stella International Holdings	1,305,000	5,939,648	5,284,903	1.83
	16,383,000	30,029,324	30,530,611	10.56
<u>Consumer services</u>				
Hypebeast Ltd	5,382,500	2,555,479	2,312,753	0.80
Zhejiang New Century Hotel Management	197,800	1,682,878	1,408,721	0.49
	5,580,300	4,238,357	3,721,474	1.29

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 August 2020 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Hong Kong (continued)</u>				
<u>Financials</u>				
A-Living Services Co Ltd	585,000	4,913,211	12,568,140	4.35
Aoyuan Healthy Life Group Co Ltd	1,879,000	5,782,471	7,266,318	2.51
Sichuan Languang Justbon Svcs	419,600	8,875,410	10,941,576	3.79
Yeahka Ltd	430,800	4,300,359	12,031,899	4.16
	<u>3,314,400</u>	<u>23,871,451</u>	<u>42,807,933</u>	<u>14.81</u>
<u>Health care</u>				
CStone Pharmaceuticals	1,585,000	7,774,380	7,789,427	2.69
Hygeia Healthcare Holdings Co	859,000	11,823,649	18,777,714	6.50
	<u>2,444,000</u>	<u>19,598,029</u>	<u>26,567,141</u>	<u>9.19</u>
<u>Technology</u>				
Pentamaster International Ltd	16,409,000	10,998,736	16,833,353	5.82
Weimob Inc	1,683,300	4,325,145	11,735,223	4.06
	<u>18,092,300</u>	<u>15,323,881</u>	<u>28,568,576</u>	<u>9.88</u>
<u>Philippines</u>				
<u>Consumer Goods</u>				
Axelum Resources Corp	15,654,000	5,311,538	3,348,250	1.16
<u>Singapore</u>				
<u>Financials</u>				
CapitaLand Retail China Trust	1,181,324	5,014,375	4,162,921	1.44
Manulife US REIT	1,000,361	3,265,701	3,081,732	1.07
	<u>2,181,685</u>	<u>8,280,076</u>	<u>7,244,653</u>	<u>2.51</u>
<u>Techonology</u>				
AEM Holdings Ltd	545,000	2,342,444	6,713,575	2.32

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(i) Quoted equities - foreign as at 31 August 2020 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Health care</u>				
Riverstone Holdings Ltd	726,100	8,061,427	8,944,453	3.09
UG Healthcare Corp Ltd	1,281,000	8,963,652	8,910,586	3.08
	<u>2,007,100</u>	<u>17,025,079</u>	<u>17,855,039</u>	<u>6.17</u>
<u>Taiwan</u>				
<u>Consumer Goods</u>				
Universal Vision Biotechnology	<u>758,000</u>	<u>7,353,497</u>	<u>26,757,400</u>	<u>9.26</u>
<u>Techonolgy</u>				
Accton Technology Corp	167,000	3,720,785	5,517,814	1.91
Test Research Inc	549,000	4,076,564	4,542,602	1.57
	<u>716,000</u>	<u>7,797,349</u>	<u>10,060,416</u>	<u>3.48</u>
Total quoted equities – foreign	<u>68,271,061</u>	<u>143,154,300</u>	<u>207,914,942</u>	<u>71.93</u>
Accumulated unrealised gain on quoted equities - foreign		<u>64,760,642</u>		
Total quoted equities - foreign		<u>207,914,942</u>		

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 August 2019 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic Materials</u>				
Ramelius Resources Ltd	974,525	3,420,958	3,503,654	1.11
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
Intron Technology Holdings Ltd	455,000	751,733	769,225	0.24
JNBY Design Ltd	647,500	4,139,551	3,899,099	1.24
Tsit Wing Intl Holdings Ltd	8,098,000	5,642,498	5,171,974	1.64
	9,200,500	10,533,782	9,840,298	3.12
<u>Consumer Services</u>				
Zhejiang New Century Hotel Mgt	1,717,200	14,609,902	13,676,859	4.34
<u>Financials</u>				
A-Living Services Co Ltd	609,250	4,699,305	5,002,862	1.59
Aoyuan Healthy Life Grp Co Ltd	1,160,000	2,877,376	2,851,380	0.90
	1,769,250	7,576,681	7,854,242	2.49
<u>Industrials</u>				
Pentamaster International Ltd	13,752,000	7,886,254	10,332,978	3.28
<u>Technology</u>				
Huifu Payment Ltd	7,579,200	16,027,720	13,626,985	4.32
Weimob Inc	7,554,000	18,119,030	16,419,639	5.21
	15,133,200	34,146,750	30,046,624	9.53

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 August 2019 are as follows (continued):

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Indonesia</u>				
<u>Financials</u>				
Ciputra Development Tbk PT	14,320,100	4,165,443	4,620,237	1.47
<u>Industrials</u>				
Pembangunan Perumahan Persero Bk	12,307,900	8,227,257	6,721,590	2.13
<u>Korea</u>				
<u>Consumer Services</u>				
Nasmedia Co Ltd	28,044	3,269,350	3,134,371	0.99
<u>Technology</u>				
Koh Young Technology Inc	22,620	6,350,338	6,006,323	1.91
<u>Philippines</u>				
<u>Consumer Services</u>				
Max's Group Inc	9,780,100	11,033,327	10,907,491	3.46
<u>Singapore</u>				
<u>Financials</u>				
ARA US Hospitality Trust	2,043,100	7,437,088	7,259,594	2.30
CapitaLand Retail China Trust	2,297,424	10,075,239	10,809,081	3.43
Cromwell European REIT	2,747,800	5,904,960	6,263,151	1.99
ESR-REIT	5,690,500	9,285,160	8,809,201	2.80
Frasers Commercial Trust	1,347,611	5,956,007	6,708,483	2.13
Keppel-KBS US REIT	486,000	1,501,830	1,542,941	0.49
Manulife US REIT	2,285,800	7,708,383	8,698,669	2.76
	16,898,235	47,868,667	50,091,120	15.90

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities - foreign (continued)

(ii) Quoted equities - foreign as at 31 August 2019 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Industrials</u>				
Fraser and Neave Ltd	1,627,100	8,561,359	8,396,129	2.66
Total quoted equities – foreign	<u>97,530,774</u>	<u>167,650,068</u>	<u>165,131,916</u>	<u>52.39</u>
Accumulated unrealised loss on quoted equities - foreign		<u>(2,518,152)</u>		
Total quoted equities - foreign		<u>165,131,916</u>		

(c) Exchange-traded fund - foreign

(i) There is no exchange-traded fund - foreign as at 31 August 2020.

(ii) Exchange-traded fund - foreign as at 31 August 2019.

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
CSOP Hang Seng Index ETP	5,266,100	16,359,592	16,279,579	5.16
Total exchange-traded fund - foreign	<u>5,266,100</u>	<u>16,359,592</u>	<u>16,279,579</u>	<u>5.16</u>
Accumulated unrealised loss on exchange-traded fund - foreign		<u>(80,013)</u>		
Total exchange-traded fund - foreign		<u>16,279,579</u>		

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	6,868,778	33,517,827
Deposits with a licensed financial institution	-	25,564,015
	<u>6,868,778</u>	<u>59,081,842</u>

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

	<u>2020</u> %	<u>2019</u> %
Deposits with licensed a financial institution	-	3.00

Deposits with licensed a financial institution of the Fund have an average of nil day (2019: 3 days).

9 NUMBER OF UNITS IN CIRCULATION

(a) MYR class units in circulation

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial period	212,413,000	285,381,000
Creation of units arising from applications during the financial period	14,576,000	1,556,000
Cancellation of units during the financial period	(85,755,000)	(49,535,000)
At the end of the financial period	<u>141,234,000</u>	<u>237,402,000</u>

(b) AUD class units in circulation

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial period	169,000	2,000
Creation of units arising from applications during the financial period	2,537,000	-
Cancellation of units during the financial period	(110,000)	-
At the end of the financial period	<u>2,596,000</u>	<u>2,000</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c) GBP class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	12,000	1,000
Creation of units arising from applications during the financial period	358,000	11,000
At the end of the financial period	<u>370,000</u>	<u>12,000</u>

(d) SGD class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	50,000	1,000
Creation of units arising from applications during the financial period	2,089,000	-
Cancellation of units during the financial period	(6,000)	-
At the end of the financial period	<u>2,133,000</u>	<u>1,000</u>

(e) USD class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	1,000	1,000
Creation of units arising from applications during the financial period	250,000	-
At the end of the financial period	<u>251,000</u>	<u>1,000</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

10 TRANSACTIONS WITH BROKERS

- (i) Detail of transactions with the top 10 brokers for the 6 months financial period ended 31 August 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
DBS Securities (S) Pte Ltd	60,015,751	13.91	187,308	18.68
Macquarie Bank Ltd Hong Kong	56,361,915	13.06	87,085	8.68
Citigroup Global Markets Ltd	36,437,071	8.45	72,874	7.27
CIMB-GK Securities Pte Ltd	34,768,935	8.06	59,889	5.97
Grand Cathay Securities (HK) Ltd	26,955,629	6.25	67,389	6.72
Sanford C. Bernstein and Co LLC	26,460,896	6.13	39,424	3.93
Morgan Stanley and Co. International PLC	24,621,097	5.71	49,242	4.91
JP Morgan Securities (Asia Pac) Ltd	24,202,560	5.61	74,150	7.39
CLSA Ltd	20,667,302	4.79	48,531	4.84
Credit Suisse First Boston Ltd	17,196,308	3.99	42,991	4.29
Others #	103,731,104	24.04	273,908	27.32
	<u>431,418,568</u>	<u>100.00</u>	<u>1,002,791</u>	<u>100.00</u>

- (ii) Detail of transactions with the top 10 brokers for the 6 months financial period ended 31 August 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
CLSA Ltd	151,282,120	21.64	119,689	9.23
Macquarie Bank Ltd Hong Kong	88,977,637	12.73	82,250	6.34
Affin Hwang Investment Bank Bhd #	53,842,215	7.70	134,606	10.39
CLSA Sec Malaysia Sdn Bhd	39,915,507	5.71	44,915	3.46
RBS Morgans Ltd	30,706,477	4.39	76,766	5.92
DBS Securities (S) Pte Ltd	30,019,693	4.29	68,622	5.30
Credit Lyonnais Sec (Singapore)	25,844,308	3.70	18,564	1.43
CIMB-Gk Securities Pte Ltd	24,115,265	3.45	24,420	1.88
Sanford C. Bernstein and Co.Llc	21,454,596	3.07	10,727	0.83
China International Capital Corp HK Sec Ltd	20,446,430	2.92	85,997	6.63
Other	212,423,007	30.40	629,776	48.59
	<u>699,027,255</u>	<u>100.00</u>	<u>1,296,332</u>	<u>100.00</u>

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

10 TRANSACTIONS WITH BROKERS (CONTINUED)

Included in transactions with brokers are trades in the stockbroking industry with Affin Affin Investment Bank Bhd, companies related to the Manager amounting to RM16,614,767 (2019: RM53,842,215). The Manager is of the opinion that all transactions with the related company has been entered into at agreed terms between the related parties.

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

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

<u>Related parties</u>	<u>Relationships</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)				
- MYR class	3,391	6,646	2,641	3,506
- AUD class	3,615	7,940	2,000	2,977
- GBP class	3,200	11,923	1,259	3,178
- SGD class	3,189	6,679	1,000	1,420
- USD class	3,150	9,031	1,000	1,941

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (CONTINUED)

12 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended 31.8.2020 %	6 months financial period ended 31.8.2019 %
MER	0.92	0.83

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM278,642,030 (2019: RM343,746,846).

13 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 31.8.2020	6 months financial period ended 31.8.2019
PTR (times)	0.73	1.01

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM175,703,023 (2019: RM304,470,639)
 total disposal for the financial period = RM230,653,240 (2019: RM391,131,579)

14 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

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

AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND

STATEMENT BY THE MANAGER

I, 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 our opinion as the Manager, the financial statements set out on pages 1 to 36 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 August 2020 and of its financial performance, net assets attributable to unitholders and cash flows for the financial period ended 31 August 2020 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/ MANAGING DIRECTOR

Kuala Lumpur
14 October 2020

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