

Affin Hwang

Select Income Fund

Interim Report
31 August 2021

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



AFFIN HWANG
CAPITAL

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

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

AFFIN HWANG SELECT INCOME FUND

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

Contents	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT	V
TRUSTEE'S REPORT	IX
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

FUND INFORMATION

Fund Name	Affin Hwang Select Income Fund
Fund Type	Income & Growth
Fund Category	Fixed Income
Investment Objective	To provide investors with a steady and regular income stream in the form of distributions over the medium to longer term
Benchmark	The benchmark will be a combination of Maybank 12-month fixed deposit rate, weighting at 70% for the fixed income investments and Dow Jones / Asia Pacific Select Dividend 50 Index, weighting at 30% for the equities investment. <i>Dow Jones / Asia Pacific Select Dividend 30 was discontinued on 22 June 2020 and replaced by Dow Jones / Asia Pacific Select Dividend 50 as per announcement from Dow Jones.</i>
Distribution Policy	Subject to the availability of income, the Fund will distribute income on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 31 AUGUST 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	487	1,017
5,001 to 10,000	284	2,134
10,001 to 50,000	664	16,284
50,001 to 500,000	538	76,405
500,001 and above	140	3,017,916
Total	2,113	3,113,756

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Aug 2021 (%)	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)
Portfolio composition			
Quoted equities – local			
- Consumer products	-	0.04	0.05
- Financials	-	-	0.42
- REITs	-	-	-
- Utilities	-	-	1.33
Total quoted equities – local	-	0.04	1.80
Quoted equities – foreign			
- Basic materials	0.69	2.09	-
- Consumer staples	2.20	-	-
- Consumer discretionary	5.29	-	-
- Consumer goods	-	2.09	-
- Consumer services	-	8.93	2.02
- Financials	5.07	10.20	15.51
- Health care	-	0.54	-
- Industrial	3.65	1.62	1.26
- Preferred shares	-	1.42	-
- Real estate	7.80	-	-
- Technology	1.64	3.10	1.32
- Telecommunications	-	-	2.28
- Utilities	0.52	0.18	-
Total quoted equities – foreign	26.86	28.08	22.39
Unquoted fixed income securities – local			
- Bonds	18.46	18.05	18.41
- Commercial papers	-	-	-
Total unquoted fixed income securities – local	18.46	18.05	18.41
Unquoted fixed income securities – foreign			
- Bond	51.57	52.40	54.60
Total unquoted fixed income securities – foreign	51.57	52.40	54.60
Collective Investment Scheme	0.22	-	0.15
Unquoted credit linked notes	-	0.46	0.38
Exchanged-traded fund	-	-	-
Cash & cash equivalent	2.89	0.97	2.27
Total	100.00	100.00	100.00
Total NAV (RM'million)	2,331.627	2,774.970	3,254.926
NAV per Unit (RM)	0.7488	0.7310	0.7367
Unit in Circulation (million)	3,113.760	3,796.319	4,418.516
Highest NAV	0.7535	0.7475	0.7396
Lowest NAV	0.7421	0.6666	0.7174
Return of the Fund (%) ⁱⁱⁱ	1.57	0.24	3.88
- Capital Growth (%) ⁱ	0.03	-1.54	2.46
- Income Distribution (%) ⁱⁱ	1.55	1.80	1.38
Gross Distribution per Unit (sen)	1.15	1.25	1.00
Net Distribution per Unit (sen)	1.15	1.25	1.00
Management Expense Ratio (%) ¹	0.81	0.81	0.80
Portfolio Turnover Ratio (times) ²	0.33	0.44	0.73

¹The Fund's MER remains unchanged during the financial period.

²The Fund's PTR was lower than previous period 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**

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16 Mar 2021	17 Mar 2021	0.7532	0.0050	0.7485
15 Jun 2021	16 Jun 2021	0.7525	0.0065	0.7445

No unit split was declared for the financial period ended 31 August 2021.

Performance review

For the period 1 March 2021 to 31 August 2021, the Fund registered a 1.57% return compared to the benchmark return of 0.03%. The Fund thus outperformed the Benchmark by 1.54%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2021 was RM0.7488 while the NAV as at 28 February 2021 was RM0.7486. During the period under review, the Fund has declared a total gross income distribution of RM0.0115 per unit.

Since commencement, the Fund has registered a return of 199.03% compared to the benchmark return of 102.84%, outperforming by 96.19%. The fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/3/21 - 31/8/21)	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (27/1/05 - 31/8/21)
Fund	1.57%	6.15%	15.26%	24.96%	199.03%
Benchmark	0.03%	5.69%	3.60%	7.28%	102.84%
Outperformance	1.54%	0.46%	11.66%	17.68%	96.19%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/20 - 31/8/21)	3 Years (1/9/18 - 31/8/21)	5 Years (1/9/16 - 31/8/21)	Since Commencement (27/1/05 - 31/8/21)
Fund	6.15%	4.84%	4.56%	6.82%
Benchmark	5.69%	1.19%	1.41%	4.35%
Outperformance	0.46%	3.65%	3.15%	2.47%

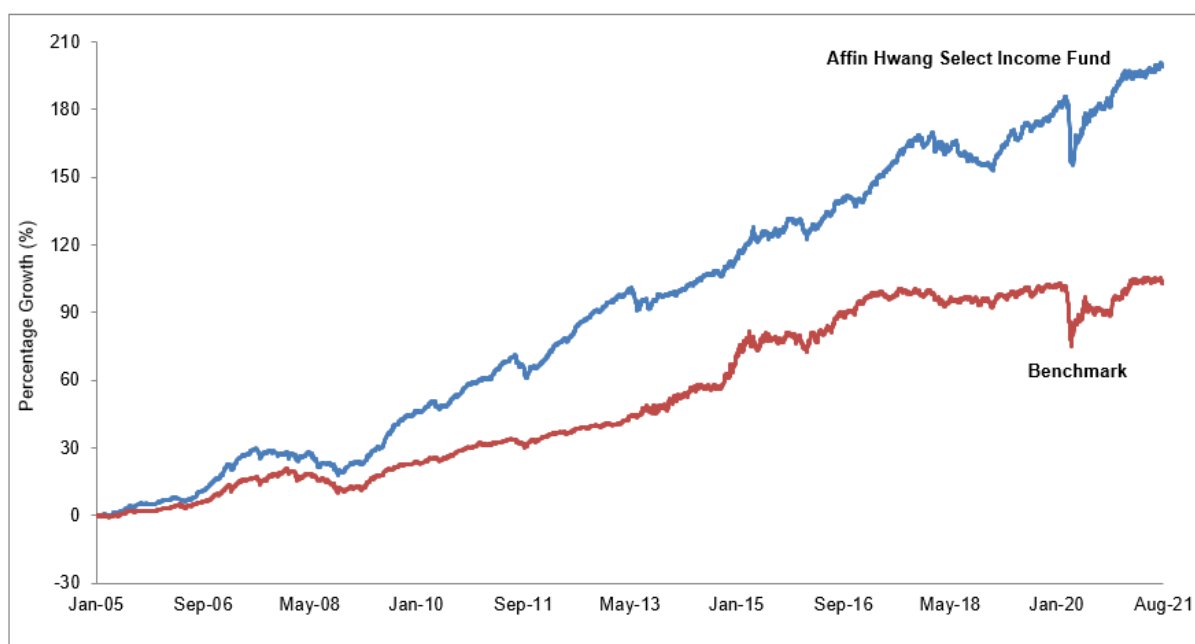
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/3/20 - 28/2/21)	FYE 2020 (1/3/19 - 29/2/20)	FYE 2019 (1/3/18 - 28/2/19)	FYE 2018 (1/3/17 - 28/2/18)	FYE 2017 (1/3/16 - 28/2/17)
Fund	4.75%	6.82%	(0.29%)	6.70%	9.51%
Benchmark	3.52%	(0.72%)	0.82%	(1.43%)	12.76%
Outperformance	1.23%	7.54%	(1.11%)	8.13%	(3.25%)

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: 70% Maybank 12-month fixed deposit rate + 30% Dow Jones / Asia Pacific Select Dividend 50 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 2021, the asset allocation of the Fund stood at 26.86% in equities, 70.03% in fixed income securities, 0.22% in collective investment scheme and the balance in cash and cash equivalent.

Compared to previous period, the Fund's foreign local exposure was stripped off from the portfolio. The Manager had slightly reduced exposures into foreign equities and fixed income securities. Overall, no significant changes have been made to the Fund's portfolio in terms of sector allocation. Meanwhile, cash levels of the Fund were increased to 2.89% over the same period.

Strategies Employed

Over the period under review, the Manager continued to focus on domestic-driven sectors that are less directly impacted from trade tariffs. As the sell-down accelerated, we took a view that the correction was overdone, where we then deployed into the market with a focus on quality. To date, the Fund's bond holdings have continued to meet their respective financial obligations in respect of their outstanding debt.

Market Review

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

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

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets, while the Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

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

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

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

The local equity market’s performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

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

On the monetary policy side, Bank Negara Malaysia (“BNM”) kept Overnight Policy Rates (“OPR”) at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia’s growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers. During its quarterly GDP briefing, BNM said that Malaysia’s GDP grew 16.1% y-o-y in the 2Q’21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

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

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

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages as well as a power crunch in China sent shockwaves across the region's supply chain. The crackdown on power consumption is being driven by rising demand for electricity and surging coal and gas prices, as well as strict targets from Beijing to cut emissions. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. News of the potential default of China's leading real estate developer Evergrande also sent chills down investors' spines. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery is on track as backed by positive vaccine roll-outs throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. The 12th Malaysia Plan also aims to revive the economy as well as move up the supply value chain, with an emphasis of clean & sustainable energy at the forefront. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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 INCOME FUND

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

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

During this financial period, a total distribution of 1.15 sen per unit (gross) has been distributed to the unitholders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 October 2021

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021

CONTENTS	PAGE (S)
UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION	2
UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED INTERIM STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 – 12
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS	13 – 63
STATEMENT BY THE MANAGER	64

AFFIN HWANG SELECT INCOME FUND

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

	<u>Note</u>	6 months financial period ended 31.8.2021 RM	6 months financial period ended 31.8.2020 RM
INVESTMENT INCOME			
Dividend income		10,225,321	11,427,923
Interest income from financial assets at amortised cost		20,513	238,753
Interest income from financial assets at fair value through profit or loss		39,623,260	47,020,844
Net gain/(loss) on foreign currency exchange		1,313,551	(8,845,392)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(22,267,438)	10,755,734
Net gain/(loss) on futures at fair value through profit or loss		427,921	(12,377,257)
Net gain/(loss) on financial assets at fair value through profit or loss	8	27,396,930	(29,845,444)
		<u>56,740,058</u>	<u>18,375,161</u>
EXPENSES			
Management fee	4	(18,120,629)	(21,001,911)
Trustee fee	5	(846,066)	(984,788)
Auditors' remuneration		(5,545)	(5,621)
Tax agent's fee		(15,840)	(15,529)
Transaction costs		(1,780,282)	(3,917,170)
Other expenses		(888,716)	(660,368)
		<u>(21,657,078)</u>	<u>(26,585,387)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		35,082,980	(8,210,226)
Taxation	6	2,754,872	-
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>37,837,852</u>	<u>(8,210,226)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		57,043,036	14,557,032
Unrealised amount		(19,205,184)	(22,767,258)
		<u>37,837,852</u>	<u>(8,210,226)</u>

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

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	9	68,659,205	47,390,575
Margin account	10	1,666,677	-
Amount due from brokers		-	12,716,317
Amount due from Manager			
- creation of units		158,894	-
- management fee rebate receivable		4,405	-
Dividend receivables		2,298,195	2,099,061
Financial assets at fair value through profit or loss	8	2,264,108,179	2,748,108,359
Forward foreign currency contracts at fair value through profit or loss	11	7,193,140	17,588,110
TOTAL ASSETS		<u>2,344,088,695</u>	<u>2,827,902,422</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	11	4,611,457	2,983,231
Amount due to brokers		4,523,011	42,250,127
Amount due to Manager			
- management fee		2,988,119	3,544,360
- cancellation of units			3,867,191
Amount due to Trustee		139,445	165,403
Auditors' remuneration		4,805	5,044
Tax agent's fee		5,165	5,715
Other payables and accruals		190,030	111,788
TOTAL LIABILITIES		<u>12,462,032</u>	<u>52,932,859</u>
NET ASSET VALUE OF THE FUND		<u>2,331,626,663</u>	<u>2,774,969,563</u>
EQUITY			
Unitholders' capital		2,072,939,402	2,581,452,348
Retained earnings		258,687,261	193,517,215
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,331,626,663</u>	<u>2,774,969,563</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>3,113,760,000</u>	<u>3,796,319,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7488</u>	<u>0.7310</u>

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

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 March 2021	2,221,880,526	257,878,457	2,479,758,983
Total comprehensive income for the financial period	-	37,837,852	37,837,852
Distributions (Note 7)	-	(37,029,048)	(37,029,048)
Movement in unitholders' capital:			
Creation of units arising from applications	22,086,287	-	22,086,287
Creation of units arising from distributions	28,978,775	-	28,978,775
Cancellation of units	(200,006,186)	-	(200,006,186)
Balance as at 31 August 2021	<u>2,072,939,402</u>	<u>258,687,261</u>	<u>2,331,626,663</u>
Balance as at 1 March 2020	2,847,194,813	251,829,388	3,099,024,201
Total comprehensive loss for the financial period	-	(8,210,226)	(8,210,226)
Distributions (Note 7)	-	(50,101,947)	(50,101,947)
Movement in unitholders' capital:			
Creation of units arising from applications	15,004,532	-	15,004,532
Creation of units arising from distributions	39,291,521	-	39,291,521
Cancellation of units	(320,038,518)	-	(320,038,518)
Balance as at 31 August 2020	<u>2,581,452,348</u>	<u>193,517,215</u>	<u>2,774,969,563</u>

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

AFFIN HWANG SELECT INCOME FUND

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

	Note	6 months financial period ended 31.8.2021 RM	6 months financial period ended 31.8.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		896,875,372	1,622,300,179
Purchase of investments		(712,571,261)	(1,373,253,986)
(Payments to)/proceed from margin accounts		(1,666,677)	1,524,577
Dividends received		9,388,223	10,813,990
Interest received		42,087,200	51,089,876
Management fee rebate received		3,692	-
Management fee paid		(18,038,766)	(21,205,417)
Trustee fee paid		(842,246)	(994,285)
Payment for other fees and expenses		(2,658,275)	(4,576,376)
Realised gain/(loss) on forward foreign currency contracts		1,788,025	(10,839,659)
Realised gain/(loss) on futures		427,921	(12,377,257)
Net gain/(loss) on realised foreign currency exchange		3,983,088	(7,544,300)
Tax refund		2,754,872	-
Net cash flows generated from operating activities		221,531,168	254,937,342
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		21,927,393	15,004,532
Payments for cancellation of units		(203,187,069)	(318,938,133)
Payment for distributions		(8,050,273)	(10,810,426)
Net cash flows used in from financing activities		(189,309,949)	(314,744,027)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		32,221,219	(59,806,685)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		1,830,539	(3,102,658)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		34,607,447	110,299,918
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	68,659,205	47,390,575

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

AFFIN HWANG SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

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

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

For unquoted credit linked note, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost.

C TRANSACTION COSTS

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

D TAXATION

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

E DISTRIBUTION

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

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FOREIGN CURRENCY TRANSLATION

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

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

AFFIN HWANG SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

(ii) Recognition and measurement

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

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

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

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

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

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

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

Unquoted fixed income securities including money market instruments denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission’s (“SC”) as per the SC’s Guidelines on Unit Trust Funds. Where such quotation is not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

AFFIN HWANG SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

Valuation of the investment in unquoted credit linked note is based on amount as stated in the contract between issuers and the Manager. Valuation provided by issuers is then compared against the Manager's valuation determined by using a valuation model, which is based on independently sourced observable or implied market data, mainly interest rate yield curves, recent market transactions, foreign exchange rates and market volatility.

Valuation of derivatives and structured products will be based on rates provided by the respective issuers.

Investment in CIS is valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

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

(iii) Impairment

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

Significant increase in credit risk

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

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.

AFFIN HWANG SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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

Qualitative criteria:

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

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

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

Write-off

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

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

I CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and 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.

J AMOUNTS DUE FROM/(TO) BROKERS

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

K UNITHOLDERS' CAPITAL

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

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

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

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

L DERIVATIVE FINANCIAL INSTRUMENTS

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

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

The fair value of the Fund's futures is obtained from the relevant stock exchanges where the futures are listed on the financial period end date.

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

The initial fair value of the Fund's investment in unquoted credit linked note is based on amount as stated in the contract between issuer and the Manager. Subsequent valuation is provided by the issuer and is then compared against the Manager's own valuation, determined by using a valuation model, which is outlined in Note 3 to the financial statements.

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

AFFIN HWANG SELECT INCOME FUND

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

M 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.

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

(i) Fair value of credit linked note

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

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

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

N REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG SELECT INCOME FUND

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

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name of Hwang-DBS Select Income Fund (the “Fund”) pursuant to the execution of Deed dated 9 December 2004 as modified by First Supplemental Deed dated 16 November 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 15 October 2008, Fourth Supplemental Deed dated 18 January 2012, Fifth Supplemental Deed dated 27 June 2014, Sixth Supplemental Deed dated 22 July 2015, Seventh Supplemental Deed dated 28 April 2019 and Eighth Supplemental Deed dated 5 October 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”). The Fund has changed its name from Hwang-DBS Select Income Fund to HwangDBS Select Income Fund, from HwangDBS Select Income Fund to Hwang Select Income Fund and from Hwang Select Income Fund to Affin Hwang Select Income Fund.

The Fund was launched on 6 January 2005 and will continue its operations until being terminated by the Trustee as provided under Clause 3.1 of the Deed.

The Fund may invest in the following assets, subject to the Deeds, the Fund’s objective, the Guidelines, the requirements of the SC and any other regulatory body and all relevant laws:

- (a) Securities of companies listed on Bursa Malaysia and any other exchanges of countries who are members of International Organization of Securities Commissions
- (b) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities
- (c) Debentures
- (d) Money market instruments
- (e) Deposits
- (f) Derivatives, for the purpose of hedging only
- (g) Warrants
- (h) Structured products
- (i) Units or shares in collective investment schemes
- (j) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund

The main objective of the Fund is to seek steady and regular income stream in the form of distributions over the medium to long term through investment primarily in equity and fixed income instruments.

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

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

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021 (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>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	68,659,205	-	68,659,205
Margin accounts	10	1,666,677	-	1,666,677
Amount due from Manager				
- creation of units		158,894	-	158,894
- management fee rebate receivable		4,405	-	4,405
Dividend receivables		2,298,195	-	2,298,195
Quoted equities	8	-	626,455,148	626,455,148
Unquoted fixed income securities	8	-	1,632,528,248	1,632,528,248
Collective investment scheme	8	-	5,124,783	5,124,783
Forward foreign currency contracts	11	-	7,193,140	7,193,140
Total		<u>72,787,376</u>	<u>2,271,301,319</u>	<u>2,344,088,695</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	4,611,457	4,611,457
Amount due to brokers		4,523,011	-	4,523,011
Amount due to Manager				
- management fee		2,988,119	-	2,988,119
Amount due to Trustee		139,445	-	139,445
Auditors' remuneration		4,805	-	4,805
Tax agent's fee		5,165	-	5,165
Other payables and accruals		190,030	-	190,030
Total		<u>7,850,575</u>	<u>4,611,457</u>	<u>12,462,032</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	47,390,575	-	47,390,575
Amount due from brokers		12,716,317	-	12,716,317
Dividend receivables		2,099,061	-	2,099,061
Quoted equities	8	-	780,477,406	780,477,406
Unquoted fixed income securities	8	-	1,954,728,914	1,954,728,914
Unquoted credit linked note	8	-	12,902,039	12,902,039
Forward foreign currency contracts	11	-	17,588,110	17,588,110
Total		<u>62,205,953</u>	<u>2,765,696,469</u>	<u>2,827,902,422</u>

AFFIN HWANG SELECT INCOME FUND

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Forward foreign currency contracts	11	-	2,983,231	2,983,231
Amount due to brokers		42,250,127	-	42,250,127
Amount due to Manager				
- management fee		3,544,360	-	3,544,360
- cancellation of units		3,867,191	-	3,867,191
Amount due to Trustee		165,403	-	165,403
Auditors' remuneration		5,044	-	5,044
Tax agent's fee		5,715	-	5,715
Other payables and accruals		111,788	-	111,788
Total		<u>49,949,628</u>	<u>2,983,231</u>	<u>52,932,859</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 for 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 INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2021 (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>2021</u> RM	<u>2020</u> RM
Quoted investments		
Quoted equities	626,455,148	780,477,406
Collective investment scheme	5,124,783	-
	<u>631,579,931</u>	<u>780,477,406</u>
Unquoted investments*		
Unquoted fixed income securities	1,632,528,248	1,954,728,914
Unquoted credit linked note	-	12,902,039
	<u>1,632,528,248</u>	<u>1,967,630,953</u>

*Include interest receivable RM21,836,403 (2020: RM26,206,679).

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

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2021</u>		
-7.5%	2,074,101,393	(168,170,383)
0%	2,242,271,776	-
+7.5%	<u>2,410,442,159</u>	<u>168,170,383</u>
<u>2020</u>		
-7.5%	2,517,759,054	(204,142,626)
0%	2,721,901,680	-
+7.5%	<u>2,926,044,306</u>	<u>204,142,626</u>

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(b) Interest rate risk

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

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

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

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

<u>% Change in interest rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2021</u>	<u>2020</u>
	RM	RM
+ 2% (2020: 2%)	(4,259,789)	(5,174,933)
- 2% (2020: 2%)	4,330,725	5,204,557

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

(c) Currency risk

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

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Collective investment scheme</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>							
<u>Financial assets</u>							
Australian Dollar	48,758,530	-	-	-	25,287,362	302,254	74,348,146
Chinese Yuan	-	5,124,783	81,368,447	-	803,174	-	87,296,404
Euro	-	-	12,184,595	87,187	240,759	-	12,512,541
Hong Kong Dollar	258,435,144	-	-	-	5,689	139,658	258,580,491
Indian Rupee	-	-	-	-	2,740,328	-	2,740,328
Pound Sterling	-	-	18,531,468	332,340	254,167	-	19,117,975
Singapore Dollar	198,869,278	-	179,272,706	248,600	15,465,800	1,758,195	395,614,579
Taiwan Dollar	38,306,983	-	-	-	-	-	38,306,983
United States Dollar	82,085,213	-	910,783,464	6,525,013	21,189,497	1,764,765	1,022,347,952
	<u>626,455,148</u>	<u>5,124,783</u>	<u>1,202,140,680</u>	<u>7,193,140</u>	<u>65,986,776</u>	<u>3,964,872</u>	<u>1,910,865,399</u>

* Other assets consist of margin accounts and dividends receivable.

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts RM	Other payables** RM	Total RM
<u>2021</u> (continued)			
<u>Financial liabilities</u>			
Australian Dollar	-	4,523,011	4,523,011
Euro	-	7,197	7,197
Singapore Dollar	577,833	-	577,833
United States Dollar	4,033,624	-	4,033,624
	<u>4,611,457</u>	<u>4,530,208</u>	<u>9,141,665</u>

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

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Quoted <u>equities</u> RM	Unquoted credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u>							
<u>Financial assets</u>							
Euro	-	-	36,838,836	-	39,780	-	36,878,616
Hong Kong Dollar	376,599,063	-	-	-	12,067,749	-	388,666,812
Indonesian Rupiah	-	-	23,979,871	-	-	-	23,979,871
Korean Won	39,384,930	-	-	-	-	-	39,384,930
Pound Sterling	-	-	22,006,790	-	325,322	-	22,332,112
Singapore Dollar	244,469,668	-	201,687,999	441,254	897,708	13,345,023	460,841,652
Taiwan Dollar	57,305,738	-	-	-	-	-	57,305,738
United States Dollar	61,488,007	12,902,039	1,169,472,071	17,146,856	12,625,842	1,470,355	1,275,105,170
	<u>779,247,406</u>	<u>12,902,039</u>	<u>1,453,985,567</u>	<u>17,588,110</u>	<u>25,956,401</u>	<u>14,815,378</u>	<u>2,304,494,901</u>

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

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts RM	Other payables** RM	Total RM
<u>2020</u> (continued)			
<u>Financial liabilities</u>			
Euro	685,717	7,335	693,052
Hong Kong Dollar	-	9,083,935	9,083,935
Pound Sterling	571,537	-	571,537
Singapore Dollar	419,765	3,602,328	4,022,093
United States Dollar	1,306,212	8,325,595	9,631,807
	<u>2,983,231</u>	<u>21,019,193</u>	<u>24,002,424</u>

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

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in price %	Impact on profit after tax/ NAV RM
<u>2021</u>		
Australian Dollar	+/- 10	+/- 6,982,514
Chinese Yuan	+/- 10	+/- 8,729,640
Euro	+/- 10	+/- 1,250,534
Hong Kong Dollar	+/- 10	+/- 25,858,049
Indian Rupee	+/- 10	+/- 274,033
Pound Sterling	+/- 10	+/- 1,911,798
Singapore Dollar	+/- 10	+/- 39,503,675
Taiwan Dollar	+/- 10	+/- 3,830,698
United States Dollar	+/- 10	+/- 101,831,433
<u>2020</u>		
Euro	+/- 10	+/- 3,618,556
Hong Kong Dollar	+/- 10	+/- 37,958,288
Indonesian Rupiah	+/- 10	+/- 2,397,987
Korean Won	+/- 10	+/- 3,938,493
Pound Sterling	+/- 10	+/- 2,176,058
Singapore Dollar	+/- 10	+/- 45,681,956
Taiwan Dollar	+/- 10	+/- 5,730,574
United States Dollar	+/- 10	+/- 126,547,336

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk

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

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.

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Dividend receivables RM	Other assets* RM	Total RM
<u>2021</u>						
Basic Materials						
- Baa2	8,524,032	-	-	-	-	8,524,032
- Baa3	12,877,570	-	-	-	-	12,877,570
- BBB	8,714,909	-	-	-	-	8,714,909
- NR	6,867,443	-	-	-	-	6,867,443
Consumer Discretionary						
- A1	7,597,550	-	-	-	-	7,597,550
- Baa3	21,757,798	-	-	-	-	21,757,798
- BBB-	3,175,607	-	-	-	-	3,175,607
- NR	24,303,070	-	-	776,444	-	25,079,514
- WR	24,625,452	-	-	-	-	24,625,452
Energy						
- A3	8,171,051	-	-	-	-	8,171,051
- Baa1	8,574,215	-	-	-	-	8,574,215
- Baa2	12,539,603	-	-	-	-	12,539,603
Financials						
- A1	15,608,234	-	-	-	-	15,608,234
- A3	15,598,708	-	-	-	-	15,598,708
- AA-	5,503,677	-	-	-	-	5,503,677
- AA1	16,024,819	-	-	-	-	16,024,819
- AA2	-	251,180	-	-	-	251,180

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Dividend receivables RM	Other assets* RM	Total RM
<u>2021</u> (continued)						
Financials (continued)						
- AA3	15,636,758	294,446	-	-	-	15,931,204
- AAA	15,742,844	5,532,011	68,659,205	-	1,666,677	91,600,737
- B1	27,432,036	-	-	-	-	27,432,036
- Ba1	29,008,089	-	-	-	-	29,008,089
- Ba2	56,919,422	-	-	-	-	56,919,422
- Ba3	21,174,209	-	-	-	-	21,174,209
- Baa1	25,973,358	-	-	-	-	25,973,358
- Baa2	10,981,166	-	-	-	-	10,981,166
- Baa3	241,803,721	-	-	-	-	241,803,721
- BB	3,586,115	-	-	-	-	3,586,115
- BBB-	14,867,788	-	-	-	-	14,867,788
- BBB	25,497,692	-	-	-	-	25,497,692
- BBB+	15,712,401	-	-	-	-	15,712,401
- NR	41,129,601	1,115,503	-	-	-	42,245,104
Government						
- AAA	30,992,538	-	-	-	-	30,992,538
- NR	64,166,707	-	-	-	-	64,166,707
- SOV	109,758,874	-	-	-	-	109,758,874
Healthcare						
- NR	12,656,025	-	-	-	-	12,656,025

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Dividend receivables RM	Other assets* RM	Total RM
<u>2021</u> (continued)						
Industrials						
- A	13,522,977	-	-	-	-	13,522,977
- AA-	15,369,880	-	-	-	-	15,369,880
- AA3	47,120,033	-	-	-	-	47,120,033
- AAA	5,530,368	-	-	-	-	5,530,368
- Ba2	26,730,784	-	-	-	-	26,730,784
- Baa2	17,243,164	-	-	-	-	17,243,164
- Baa3	28,420,755	-	-	-	-	28,420,755
- BBB	49,699,280	-	-	-	-	49,699,280
- C	2,722,528	-	-	-	-	2,722,528
- NR	51,770,636	-	-	139,658	-	51,910,294
Others						
- NR	-	-	-	-	163,299	163,299
Quasi-Gov						
- AAA	5,338,321	-	-	-	-	5,338,321
Real Estate						
- A2	22,269,774	-	-	-	-	22,269,774
- AA	21,543,022	-	-	-	-	21,543,022
- AA3	20,466,793	-	-	-	-	20,466,793
- AAA	5,124,572	-	-	-	-	5,124,572
- B1	4,180,341	-	-	-	-	4,180,341

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Dividend receivables RM	Other assets* RM	Total RM
<u>2021</u> (continued)						
Real Estate (continued)						
- B2	53,436,781	-	-	-	-	53,436,781
- Ba3	10,458,140	-	-	-	-	10,458,140
- Baa1	13,551,845	-	-	-	-	13,551,845
- Baa2	32,714,699	-	-	-	-	32,714,699
- Baa3	12,306,827	-	-	-	-	12,306,827
- BB-	25,616,794	-	-	-	-	25,616,794
- BBB-	29,080,899	-	-	-	-	29,080,899
- NR	136,885,936	-	-	-	-	136,885,936
REITs						
- NR	-	-	-	1,382,093	-	1,382,093
Utilities						
- AA-	11,528,295	-	-	-	-	11,528,295
- AA	5,346,201	-	-	-	-	5,346,201
- AA3	1,045,521	-	-	-	-	1,045,521
	<u>1,632,528,248</u>	<u>7,193,140</u>	<u>68,659,205</u>	<u>2,298,195</u>	<u>1,829,976</u>	<u>1,712,508,764</u>

*Other assets consist of margin account, amount due from brokers and amount due from Manager.

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u>						
Basic Materials						
- Ba2	-	4,997,765	-	-	-	4,997,765
- Ba3	-	33,837,783	-	-	-	33,837,783
- Baa2	-	9,954,959	-	-	-	9,954,959
Consumer Goods						
- A1	-	5,079,452	-	-	-	5,079,452
- Ba2	-	4,310,400	-	-	-	4,310,400
- Baa1	-	12,693,057	-	-	-	12,693,057
- Baa2	-	8,359,720	-	-	-	8,359,720
- Baa3	-	32,891,277	-	-	-	32,891,277
- BBB-	-	5,889,119	-	-	-	5,889,119
Consumer Services						
- Ba3	-	51,591,591	-	-	-	51,591,591
- NR	-	28,637,003	-	-	-	28,637,003
Financials						
- A1	-	31,575,771	-	-	-	31,575,771
- A2	-	23,248,404	-	-	-	23,248,404
- A3	-	26,966,966	-	-	-	26,966,966
- AA	-	22,062,655	-	-	-	22,062,655
- AA-	-	5,780,797	-	-	-	5,780,797

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)						
Financials (continued)						
- Aa1	-	16,276,831	-	-	-	16,276,831
- AA2	-	-	1,591,833	-	-	1,591,833
- AA3	-	78,749,699	717,464	-	-	79,467,163
- AAA	-	21,378,866	11,905,509	47,390,575	-	80,674,950
- B1	-	82,364,845	-	-	-	82,364,845
- Ba1	-	68,434,711	-	-	-	68,434,711
- Ba2	-	120,855,330	-	-	-	120,855,330
- Ba3	-	27,495,695	-	-	-	27,495,695
- Baa1	-	64,429,409	-	-	-	64,429,409
- Baa2	-	53,170,798	-	-	-	53,170,798
- Baa3	-	191,326,381	-	-	-	191,326,381
- BB-	-	41,275,796	-	-	-	41,275,796
- BBB	-	21,891,561	-	-	-	21,891,561
- BBB-	-	69,541,207	-	-	-	69,541,207
- BBB+	-	12,728,285	-	-	-	12,728,285
- NR	12,902,039	205,476,965	3,373,304	-	2,140,821	223,893,129
Government						
- AAA	-	29,163,917	-	-	-	29,163,917
- NR	-	35,963,284	-	-	-	35,963,284
- SOV	-	86,221,203	-	-	-	86,221,203

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)						
Health Care						
- NR	-	12,609,067	-	-	-	12,609,067
Industrials						
- A	-	14,588,406	-	-	-	14,588,406
- A1	-	69,261,012	-	-	-	69,261,012
- AA-	-	15,656,823	-	-	-	15,656,823
- AAA	-	5,729,118	-	-	-	5,729,118
- Ba2	-	26,612,810	-	-	-	26,612,810
- Baa1	-	21,231,450	-	-	-	21,231,450
- Baa2	-	21,366,482	-	-	-	21,366,482
- Baa3	-	65,278,939	-	-	-	65,278,939
- BBB	-	6,480,421	-	-	-	6,480,421
- BBB-	-	42,762,163	-	-	-	42,762,163
- NR	-	34,456,180	-	-	12,674,557	47,130,737
Oil & Gas						
- A1	-	13,300,785	-	-	-	13,300,785
- A3	-	8,372,302	-	-	-	8,372,302
- Aa1	-	10,395,190	-	-	-	10,395,190
- BBB-	-	22,241,565	-	-	-	22,241,565

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u> (continued)						
Quasi-Gov						
- AAA	-	5,504,541	-	-	-	5,504,541
Utilities						
- AA	-	10,916,995	-	-	-	10,916,995
- AA-	-	12,267,945	-	-	-	12,267,945
- AA3	-	1,075,218	-	-	-	1,075,218
	<u>12,902,039</u>	<u>1,954,728,914</u>	<u>17,588,110</u>	<u>47,390,575</u>	<u>14,815,378</u>	<u>2,047,425,016</u>

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

AFFIN HWANG SELECT INCOME FUND

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

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment 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 <u>one month</u> RM	Between <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Forward foreign currency contracts at fair value through profit or loss	839,917	3,771,540	4,611,457
Amount due to brokers	4,523,011	-	4,523,011
Amount due to Manager			
- management fee	2,988,119	-	2,988,119
Amount due to Trustee	139,445	-	139,445
Auditors' remuneration	-	4,805	4,805
Tax agent's fee	-	5,165	5,165
Other payables and accruals	-	190,030	190,030
	<u>8,490,492</u>	<u>3,971,540</u>	<u>12,462,032</u>
<u>2020</u>			
Forward foreign currency contracts at fair value through profit or loss	64,680	2,918,551	2,983,231
Amount due to brokers	42,250,127	-	42,250,127
Amount due to Manager			
- management fee	3,544,360	-	3,544,360
- cancellation of units	3,867,191	-	3,867,191
Amount due to Trustee	165,403	-	165,403
Auditors' remuneration	-	5,044	5,044
Tax agent's fee	-	5,715	5,715
Other payables and accruals	-	111,788	111,788
	<u>49,891,761</u>	<u>3,041,098</u>	<u>52,932,859</u>

AFFIN HWANG SELECT INCOME FUND

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

2 FINANCIAL INSTRUMENTS, 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 shareholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	626,455,148	-	-	626,455,148
- unquoted fixed income securities	-	1,632,528,248	-	1,632,528,248
- collective investment scheme	5,124,783	-	-	5,124,783
- forward foreign currency contracts	-	7,193,140	-	7,193,140
	<u>631,579,931</u>	<u>1,639,721,388</u>	<u>-</u>	<u>2,271,301,319</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	4,611,457	-	4,611,457
	<u>-</u>	<u>4,611,457</u>	<u>-</u>	<u>4,611,457</u>
<u>2020</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	780,477,406	-	-	780,477,406
- unquoted fixed income securities	-	1,954,728,914	-	1,954,728,914
- unquoted credit linked note	-	-	12,902,039	12,902,039
- forward foreign currency contracts	-	17,588,110	-	17,588,110
	<u>780,477,406</u>	<u>1,972,317,024</u>	<u>12,902,039</u>	<u>2,765,696,469</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	2,983,231	-	2,983,231
	<u>-</u>	<u>2,983,231</u>	<u>-</u>	<u>2,983,231</u>

AFFIN HWANG SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

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

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

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

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

AFFIN HWANG SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table presents the movements in Level 3 instruments:

	<u>2021</u> RM	<u>2020</u> RM
- Opening balance	-	12,561,372
- Net change in fair value on financial assets at fair value through profit or loss	-	340,667
	<u>-</u>	<u>12,902,039</u>

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

4 MANAGEMENT FEE

In accordance with the Deed, 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 2021, the management fee is recognised at a rate of 1.50% (2020: 1.50%) per annum on the NAV of the Fund, calculated on daily basis as stated in the Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.30% per annum on the NAV of the Fund.

For the 6 months financial period ended 31 August 2021, the Trustee's fee is recognised at a rate of 0.07% (2020: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on daily basis as stated in the Prospectus.

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

AFFIN HWANG SELECT INCOME FUND

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

6 TAXATIONS

	6 months financial period ended 31.8.2021 RM	6 months financial period ended 31.8.2020 RM
Current taxation - foreign	-	-
Overprovision in previous financial year	(2,754,872)	-
	<u>(2,754,872)</u>	<u>-</u>

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

	6 months financial period ended 31.8.2021 RM	6 months financial period ended 31.8.2020 RM
Net profit/(loss) before taxation	<u>35,082,980</u>	<u>(8,210,226)</u>
Tax at Malaysian statutory rate of 24% (2020: 24%)	8,419,915	(1,970,454)
Tax effects of:		
Investment income not subject to tax	(13,615,670)	(4,410,039)
Expenses not deductible for tax purposes	837,133	1,328,401
Restrictions on tax deductible expenses for Unit Trust Funds	4,358,622	5,052,092
Overprovision in previous financial year	<u>(2,754,872)</u>	<u>-</u>
Tax expense	<u>(2,754,872)</u>	<u>-</u>

AFFIN HWANG SELECT INCOME FUND

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

7 DISTRIBUTIONS

	6 months financial period ended 31.8.2021 RM	6 months financial period ended 31.8.2020 RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	37,029,048	50,101,947
Gross realised income	37,029,048	50,101,947
Less: Expenses	-	-
	<u>37,029,048</u>	<u>50,101,947</u>

During the 6 months financial period ended 31 August 2021, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> (sen)
17.3.2021	0.50
16.6.2021	0.65
	<u>1.15</u>

During the 6 months financial period ended 31 August 2020, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> (sen)
18.3.2020	0.75
17.6.2020	0.50
	<u>1.25</u>

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

Included in distribution for the financial period is an amount of RM37,029,048 (2020: RM50,101,947) made from previous year's realised income.

There are unrealised losses of RM19,205,184 (2020: RM22,767,258).

AFFIN HWANG SELECT INCOME FUND

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

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss at inception		
- quoted equities – local	-	1,230,000
- quoted equities – foreign	626,455,148	779,247,406
- unquoted fixed income securities – local	430,387,568	500,743,347
- unquoted fixed income securities – foreign	1,202,140,680	1,453,985,567
- collective investment schemes – local	5,124,783	-
- unquoted credit linked note – foreign	-	12,902,039
	<u>2,264,108,179</u>	<u>2,748,108,359</u>
Net gain/(loss) on assets at fair value through profit or loss		
- realised gain on sale of investments	24,369,093	31,080,111
- unrealised (loss)/gain on changes in fair value	3,019,740	(60,925,555)
- management fee rebate on collective investment scheme #	8,097	-
	<u>27,396,930</u>	<u>(29,845,444)</u>

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

(a) Quoted equities – local

- (i) There is no investment in quoted equities – local as at 31 August 2021.
- (ii) 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</u>				
Esthetics Intl Group Bhd	3,000,000	2,850,000	1,230,000	0.04
	<u>3,000,000</u>	<u>2,850,000</u>	<u>1,230,000</u>	<u>0.04</u>
Total quoted equities – local				
	<u>3,000,000</u>	<u>2,850,000</u>	<u>1,230,000</u>	<u>0.04</u>
Accumulated unrealised loss on quoted equities – local		(1,620,000)		
Total quoted equities – local		<u>1,230,000</u>		

AFFIN HWANG SELECT INCOME FUND

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

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 August 2021 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>				
BHP Group Ltd	116,596	16,212,972	16,098,139	0.69
<u>Financials</u>				
Bank of Queensland Ltd	552,779	16,266,279	15,816,505	0.68
<u>Industrials</u>				
Arcor PLC Depositary Receipt	318,801	16,204,211	16,843,886	0.72
<u>Hong Kong</u>				
<u>Consumer discretionary</u>				
Alibaba Group Holding Ltd	145,700	19,852,031	12,851,879	0.55
Haier Smart Home Co Ltd	953,400	16,619,986	14,872,111	0.64
Yum China Holdings Inc	98,966	21,973,262	25,270,378	1.08
	1,198,066	58,445,279	52,994,368	2.27
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	1,038,000	24,767,428	25,823,826	1.11
<u>Financials</u>				
AIA Group Ltd	804,200	35,392,994	39,864,383	1.71
<u>Industrials</u>				
CK Hutchison Holdings Ltd	684,500	21,862,792	20,716,238	0.89
MTR Corp Ltd	1,047,500	22,942,163	24,468,071	1.05
Swire Pacific Limited - CL A	822,500	25,921,674	23,116,289	0.99
	2,554,500	70,726,629	68,300,598	2.93
<u>Real estate</u>				
Link REIT	942,900	33,425,825	35,978,815	1.54
Sun Hung Kai Properties Ltd	400,000	23,732,040	23,379,872	1.00
	1,342,900	57,157,865	59,358,687	2.54

AFFIN HWANG SELECT INCOME FUND

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

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

(b) Quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Utilities</u>				
China Resources Power Holdings	1,186,000	11,513,997	12,093,282	0.52
<u>Singapore</u>				
<u>Consumer discretionary</u>				
ComfortDelGro Corporation Ltd	5,799,000	35,554,693	29,013,603	1.24
SATS Ltd	1,350,100	16,998,050	16,970,471	0.73
	7,149,100	52,552,743	45,984,074	1.97
<u>Financials</u>				
DBS Group Holdings Ltd	326,260	22,414,733	30,198,413	1.30
<u>Real estate</u>				
CapitaLand China Trust	3,944,320	17,374,095	15,836,129	0.68
CapitaLand Integrated Comm Trt	5,599,960	44,740,070	35,627,528	1.53
Capitaland Limited	1,918,200	22,690,508	23,696,676	1.02
Mapletree Industrial Trust	1,776,500	16,306,047	15,965,839	0.68
Mapletree North Asia Com Trust	10,322,307	36,736,278	31,560,619	1.35
	23,561,287	137,846,998	122,686,791	5.26
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufac	418,000	25,600,941	38,306,983	1.64
<u>United states</u>				
<u>Consumer discretionary</u>				
Walmart Inc	39,755	23,781,716	24,445,078	1.05

AFFIN HWANG SELECT INCOME FUND

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

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

(b) Quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>United States</u> (continued)				
<u>Consumer staples</u>				
Mondelez International Inc-A	26,933	7,111,628	6,942,700	0.30
Procter & Gamble Co	31,352	17,782,376	18,534,661	0.79
	<u>58,285</u>	<u>24,894,004</u>	<u>25,477,361</u>	<u>1.09</u>
<u>Financials</u>				
JPMorgan Chase & Co	48,412	25,528,947	32,162,774	1.38
Total quoted equities - foreign	<u>40,712,941</u>	<u>619,307,736</u>	<u>626,455,148</u>	<u>26.86</u>
Accumulated unrealised gain on quoted equities - foreign		<u>7,147,412</u>		
Total quoted equities - foreign		<u>626,455,148</u>		

(ii) 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>Hong Kong</u>				
<u>Consumer goods</u>				
Nongfu Spring Co Ltd -IPO	778,800	8,993,310	8,993,310	0.32
Shenzhou Intl Group Holdings	323,900	17,972,244	21,745,836	0.78
	<u>1,102,700</u>	<u>26,965,554</u>	<u>30,739,146</u>	<u>1.10</u>
<u>Consumer services</u>				
Alibaba Group Holding Ltd	721,100	88,798,440	109,451,774	3.95
Sun Art Retail Group Ltd	7,011,500	44,304,388	37,960,037	1.37
Topsports International Hld	8,548,000	44,529,832	43,983,033	1.58
	<u>16,280,600</u>	<u>177,632,660</u>	<u>191,394,844</u>	<u>6.90</u>

AFFIN HWANG SELECT INCOME FUND

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

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

(b) Quoted equities – foreign (continued)

(ii) 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>Hong Kong (continued)</u>				
<u>Financials</u>				
AIA Group Ltd	1,592,800	70,099,429	68,225,557	2.46
Ping An Insurance Grp Co China	1,183,500	58,035,630	52,441,773	1.89
	<u>2,776,300</u>	<u>128,135,059</u>	<u>120,667,330</u>	<u>4.35</u>
<u>Technology</u>				
Tencent Holdings Ltd	101,100	28,325,094	28,806,580	1.04
<u>Utilities</u>				
Guangdong Investment Ltd	768,000	5,573,352	4,991,163	0.18
<u>Korea</u>				
<u>Preference shares</u>				
Samsung Electronics Co Ltd	235,958	40,621,558	39,384,930	1.42
<u>Singapore</u>				
<u>Consumer goods</u>				
Wilmar International Ltd	2,044,500	29,530,908	27,315,231	0.99
<u>Consumer services</u>				
ComfortDelGro Corporation Ltd	5,799,000	35,554,692	26,121,717	0.94
<u>Financials</u>				
CapitaLand Commercial Trust	6,563,000	39,876,588	33,585,371	1.21
CapitaLand Retail China Trust	7,245,000	32,665,870	25,530,982	0.92
Fraser's Logistics & Comm Trust	10,560,600	40,391,287	43,363,534	1.56
Manulife US REIT	5,837,700	18,517,550	17,983,735	0.65
Mapletree North Asia Com Trust	9,987,300	36,631,490	28,614,818	1.03
Prime US REIT	4,119,670	15,787,118	13,377,145	0.48
	<u>44,313,270</u>	<u>183,869,903</u>	<u>162,455,585</u>	<u>5.85</u>

AFFIN HWANG SELECT INCOME FUND

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

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

(b) Quoted equities – foreign (continued)

(ii) 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 (continued)</u>				
<u>Health Care</u>				
UG Healthcare Corp Ltd	2,166,000	18,931,447	15,066,612	0.54
<u>Industrials</u>				
Singapore Tech Engineering Ltd	2,821,600	31,210,655	29,397,178	1.06
Venture Corp Ltd	254,400	13,148,681	15,474,225	0.56
	3,076,000	44,359,336	44,871,403	1.62
<u>Taiwan</u>				
<u>Technology</u>				
MediaTek Inc	104,000	10,488,535	8,164,749	0.29
Taiwan Semiconductor Manufac	816,000	49,976,957	49,140,989	1.77
	920,000	60,465,492	57,305,738	2.06
<u>United States</u>				
<u>Consumer services</u>				
Yum China Holdings Inc	125,466	27,985,515	30,127,127	1.09
Total quoted equities - foreign	79,708,894	807,950,570	779,247,406	28.08
Accumulated unrealised loss on quoted equities - foreign		(28,703,164)		
Total quoted equities - foreign		779,247,406		

AFFIN HWANG SELECT INCOME FUND

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

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

(c) Unquoted fixed income securities – local

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	10,000,000	10,189,556	10,544,719	0.45
5.80% AFFIN Bank Bhd Call: 31.07.2023 (A3)	15,000,000	15,079,084	15,598,708	0.67
4.98% Ambank (M) Bhd Call: 15.11.2023 (A1)	10,000,000	10,147,266	10,430,205	0.45
5.50% Ara Bintang Bhd 17.03.2026 (AAA)	10,000,000	10,114,447	10,356,021	0.44
4.50% Axis REIT Sukuk Bhd Call: 13.07.2022 (AAA)	5,000,000	5,042,731	5,124,572	0.22
4.50% Bank Pembangunan M Bhd 04.11.2026 (AAA)	5,000,000	5,073,848	5,386,823	0.23
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	5,000,000	5,033,087	5,346,201	0.23
4.60% Danga Capital Berhad 23.02.2026 (AAA)	5,000,000	5,034,124	5,338,321	0.23
5.35% East Klang Valley Expressway 29.01.2027 (AAA)	5,000,000	5,210,319	5,530,368	0.24
6.50% Eco World Capital Services Bhd 12.08.2022 (NR)	30,000,000	30,096,108	30,650,079	1.31
5.05% Fortune Premiere Sdn Bhd 31.10.2025 (AA)	20,000,000	20,340,800	21,543,022	0.92
5.23% Hong Leong Financial Group Bhd Call: 30.11.2022 (A1)	5,000,000	5,066,589	5,178,029	0.22
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,130,205	5,361,649	0.23
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	8,000,000	8,205,421	8,525,087	0.37
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	5,000,000	5,319,839	5,684,456	0.24
6.20% Jimah East Power Sdn Bhd 04.12.2031 (AA)	5,000,000	5,346,918	5,843,839	0.25
4.60% Lafarge Cement Sdn Bhd 13.01.2023 (AA3)	6,000,000	6,038,914	6,150,428	0.26
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	40,000,000	40,299,478	40,969,605	1.76
6.43% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2039 (AA-)	5,000,000	5,510,782	5,503,677	0.24
6.90% Mah Sing Group Bhd Call: 04.04.2022 (NR)	18,400,000	18,921,862	19,176,059	0.82
3.757% MGS 22.05.2040 (SOV)	59,000,000	62,038,152	57,844,392	2.48
4.119% GII 30.11.2034 (SOV)	20,000,000	22,041,204	20,702,526	0.89
3.502% MGS 31.05.2027 (SOV)	30,000,000	31,991,136	31,211,956	1.34
5.90% MEX II Sdn Bhd 27.04.2029 (C)	3,500,000	3,814,658	2,243,406	0.10

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6.10% MEX II Sdn Bhd 29.04.2031 (C)	500,000	550,573	319,355	0.01
6.30% MEX II Sdn Bhd 29.04.2033 (C)	250,000	278,093	159,767	0.01
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	15,000,000	15,119,802	15,274,449	0.66
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,034,879	5,192,344	0.22
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	15,000,000	15,308,503	15,636,758	0.67
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	6,000,000	6,017,152	6,073,483	0.26
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	7,500,000	7,585,310	7,597,550	0.33
5.25% Tanjung Bin Energy Issuer Bhd 15.09.2022 (AA3)	1,000,000	1,035,937	1,045,521	0.04
3.00% United Overseas Bank M Call: 01.08.2025 (AA1)	10,000,000	10,023,689	9,951,336	0.43
5.32% WCT Holdings Bhd 11.05.2022 (AA-)	10,000,000	10,166,202	10,271,901	0.44
5.80% WCT Holdings Bhd Call: 27.09.2024 (A)	13,000,000	13,370,169	13,522,977	0.58
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	5,000,000	5,088,545	5,097,979	0.22
Total unquoted fixed income securities - local	<u>418,150,000</u>	<u>430,665,382</u>	<u>430,387,568</u>	<u>18.46</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(277,814)</u>		
Total unquoted fixed income securities - local		<u>430,387,568</u>		

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	10,000,000	10,190,019	10,792,519	0.39
5.03% AFFIN Bank Bhd Call: 20.09.2022 (A1)	25,000,000	25,644,423	26,318,709	0.95
5.8% AFFIN Bank Bhd Call: 31.07.2023 (A3)	15,000,000	15,079,089	15,679,408	0.57
4.98% Ambank M Bhd Call: 15.11.2023 (AA3)	20,000,000	20,294,645	21,501,811	0.77
5.5% Ara Bintang Bhd 17.03.2026 (AAA)	10,000,000	10,114,459	10,576,521	0.38
4.50% Axis REIT Sukuk Bhd Call: 13.07.2022 (AAA)	5,000,000	5,046,631	5,221,372	0.19
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	5,000,000	5,073,874	5,580,973	0.20
5.5% BEWG M Sdn Bhd 19.07.2024 (AA)	10,000,000	10,064,839	10,916,995	0.39
4.60% Danga Capital Bhd 23.02.2026 (AAA)	5,000,000	5,039,131	5,504,541	0.20
5.35% East Klang Valley Expressway 29.01.2027 (AAA)	5,000,000	5,239,951	5,729,118	0.21
6.5% Eco World Capital Assets Bhd 12.08.2022 (NR)	33,000,000	33,130,400	34,503,331	1.24
5.05% Fortune Premiere Sdn Bhd 31.10.2025 (AA)	20,000,000	20,339,576	22,062,655	0.80
3.465% GII 15.10.2030 (SOV)	10,000,000	10,124,021	10,918,355	0.39
4.119% GII 30.11.2034 (SOV)	20,000,000	22,150,257	22,447,326	0.81
5.23% Hong Leong Financial Group Bhd Call: 30.11.2022 (A1)	5,000,000	5,068,024	5,257,062	0.19
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	8,000,000	8,205,411	8,571,007	0.31
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,130,200	5,391,849	0.19
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	5,000,000	5,340,417	6,025,956	0.22
6.20% Jimah East Power Sdn Bhd 04.12.2031 (AA-)	5,000,000	5,366,201	6,241,989	0.23
4.6% Lafarge Cement Sdn Bhd 13.01.2023 (A1)	6,000,000	6,039,897	6,078,788	0.22
5% Lafarge Cement Sdn Bhd 11.12.2020 (A1)	22,000,000	22,225,093	22,303,928	0.80
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	40,000,000	40,332,018	40,878,296	1.47
6.43% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2039 (AA-)	5,000,000	5,525,914	5,780,797	0.21

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	22,250,000	22,886,532	23,679,901	0.85
5.90% MEX II Sdn Bhd 27.04.2029 (A)	3,500,000	3,726,970	3,469,254	0.13
6.1% MEX II Sdn Bhd 29.04.2031 (A)	500,000	537,377	490,330	0.02
6.30% MEX II Sdn Bhd 29.04.2033 (A)	250,000	271,170	242,254	0.01
3.502% MGS 31.05.2027 (SOV)	10,000,000	10,590,411	10,838,985	0.39
3.757% MGS 22.05.2040 (SOV)	40,000,000	42,917,201	42,016,537	1.51
4.3% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	15,000,000	15,125,095	15,425,237	0.56
5% Perbadanan Kemajuan N Selangor 10.08.2021(AA3)	15,000,000	15,044,802	15,326,987	0.55
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,044,430	5,273,171	0.19
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	20,000,000	20,416,623	21,222,493	0.77
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	6,000,000	6,016,500	6,221,295	0.22
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	5,000,000	4,993,090	5,079,452	0.18
5.25% Tanjung Bin Energy Issuer Bhd 15.09.2022 (AA3)	1,000,000	1,037,745	1,075,218	0.04
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	10,000,000	10,023,688	10,055,536	0.36
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	5,000,000	5,088,656	5,179,979	0.19
5.32% WCT Holdings Bhd 11.05.2022 (AA-)	10,000,000	10,167,955	10,476,844	0.38
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,250,576	10,386,568	0.37
Total unquoted fixed income securities - local	<u>472,500,000</u>	<u>484,903,311</u>	<u>500,743,347</u>	<u>18.05</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>15,840,036</u>		
Total unquoted fixed income securities - local		<u>500,743,347</u>		

AFFIN HWANG SELECT INCOME FUND

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

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

(d) Unquoted fixed income securities - foreign

(i) Unquoted fixed income securities - foreign as at 31 August 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
3.828% Adani Ports&Spec Eco Zone Ltd Call: 02.08.2031 (Baa3)	12,459,000	12,728,114	12,615,780	0.54
5.00% Adani Ports&Spec Eco Zone Ltd Call: 02.02.2041 (Baa3)	8,306,000	8,493,109	8,718,209	0.37
3.00% Ascendas Real Estate InvTrust Call: 17.09.2025 (Baa2)	4,632,600	4,728,666	4,717,415	0.20
3.75% Bank Negara Indonesia 30.03.2026 (Ba2)	2,907,100	2,931,057	3,050,505	0.13
2.88% Bank of China Ltd 28.07.2024 (NR)	10,914,170	11,181,826	10,931,214	0.47
5.875% Barclays PLC Call: 15.09.2024 (Ba2)	17,162,700	15,212,143	18,531,468	0.79
4.375% BP Capital Markets PLC Call: 22.06.2025 (Baa1)	7,890,700	8,285,735	8,574,215	0.37
5.75% Celestial Miles Ltd Call: 31.01.2024 (NR)	15,781,400	16,478,198	16,714,892	0.72
2.64% China Government Bond 13.08.2022 (NR)	25,680,400	24,919,384	25,795,300	1.11
5.88% China Aoyuan Group Ltd Call: 01.03.2025 (BB)	4,153,000	4,044,160	3,586,115	0.15
5.49% China National Bluestar Call: 23.10.2022 (NR)	6,420,100	6,556,714	6,867,443	0.29
3.75% China Resources Land Ltd Call: 09.12.2024 (Baa2)	7,060,100	7,155,804	7,457,878	0.32
6.55% CIFI Holdings Group Co Ltd Call: 28.03.2022 (BB-)	12,459,000	12,700,566	13,381,433	0.57
3.00% CNAC HK Finbridge Co Ltd 22.09.2030 (Baa2)	8,306,000	8,103,471	8,524,032	0.37
3.35% CNAC HK Finbridge Co Ltd Call: 22.09.2023 (Baa3)	12,459,000	12,451,742	12,877,570	0.55
4.875% CNP Assurances Call: 07.10.2030 (Baa3)	6,644,800	6,753,799	7,283,897	0.31
4.375% Cooperative Rabobank UA Call: 29.06.2027 (Baa3)	10,780,440	10,679,328	12,184,595	0.52
2.50% COSL Singapore Capital Ltd Call: 24.03.2030 (A3)	8,306,000	8,083,545	8,171,051	0.35
4.25% Dah Sing Bank Ltd Call: 30.11.2021 (Baa1)	8,306,000	8,672,106	8,442,576	0.36
4.30% Dianjian Haiyu Ltd Call: 20.06.2024 (BBB)	6,229,500	6,318,626	6,578,854	0.28
4.875% DNB Bank ASA Call: 12.11.2024 (Baa3)	16,612,000	17,159,780	18,245,548	0.78
4.70% DP World Ltd Call: 30.03.2049 (Baa3)	6,229,500	6,392,578	7,086,766	0.30

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.90% Dubai Govt Int'l Bonds 09.09.2050 (NR)	10,382,500	10,089,823	10,144,049	0.44
4.10% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	19,519,100	19,790,721	20,539,406	0.88
6.125% Emirates NBD Bank PJSC Call: 20.03.2025 (B1)	24,918,000	26,359,766	27,432,036	1.18
4.70% Far East Horizon Ltd 09.02.2024 (BBB-)	5,138,400	5,019,065	5,255,358	0.23
4.125% Ford Motor Credit Co LLC 20.06.2024 (BBB-)	3,088,400	3,037,824	3,175,607	0.14
4.25% Franshion Brilliant Ltd 23.07.2029 (Baa3)	12,459,000	12,262,587	12,306,827	0.53
3.50% Gazprom PJSC 14.07.2031 (Baa2)	12,459,000	12,538,067	12,539,603	0.54
4.00% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	20,765,000	20,882,694	21,757,798	0.93
4.60% GLL IHT Pte Ltd Call: 23.01.2023 (NR)	15,442,000	14,788,616	15,626,395	0.67
3.70% HDFC Bank Ltd Call: 25.08.2026 (Ba3)	8,306,000	8,475,077	8,334,379	0.36
3.30% Henderson Land MTN Ltd 13.05.2023 (NR)	12,846,000	12,805,021	12,964,641	0.56
4.475% Heungkuk Life Insurance Co Ltd Call: 09.11.2022 (Baa3)	12,459,000	12,856,193	12,897,834	0.55
2.25% Hongkong Land Finance Call: 15.04.2031 (A2)	8,306,000	8,283,137	8,383,038	0.36
4.65% Hotel Properties Ltd Call: 05.05.2022 (NR)	7,721,000	7,921,674	7,501,416	0.32
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	33,224,000	34,690,926	35,849,711	1.54
6.00% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	16,612,000	17,218,112	18,633,680	0.80
4.70% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	12,353,600	12,476,589	12,649,410	0.54
5.00% HSBC Holdings PLC Call: 24.09.2023 (Baa3)	9,265,200	9,273,379	9,766,955	0.42
6.375% HSBC Holdings PLC Call: 17.09.2024 (Baa3)	11,213,100	11,895,701	12,545,683	0.54
4.00% Huarong Finance 2017 Co Call: 07.11.2022 (Baa3)	12,459,000	14,717,354	11,961,471	0.51
4.50% Huarong Finance 2017 Co Call: 24.01.2022 (Baa3)	20,765,000	21,257,484	20,279,618	0.87

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
3.20% Hyundai Capital Services Inc 11.08.2024 (BBB+)	6,423,000	6,542,650	6,439,963	0.28
4.04% Ind & Comm Bk of China Call: 08.06.2026 (NR)	6,420,100	6,507,691	6,553,937	0.28
3.90% Jollibee Worldwide Pte Ltd Call: 23.01.2025 (NR)	16,612,000	16,336,201	16,801,654	0.72
5.275% Kasikornbank Public Co Ltd Call: 14.10.2025 (Ba1)	11,628,400	11,785,608	12,517,674	0.54
4.40% Krung Thai Bank PLC Call: 25.03.2026 (Ba3)	12,459,000	12,638,446	12,839,830	0.55
6.30% KWG Group Holdings Ltd Call: 13.02.2024 (BB-)	12,459,000	12,356,000	12,235,361	0.52
4.20% Lendlease Global Commer REIT Call: 04.06.2026 (NR)	6,176,800	6,320,005	6,306,766	0.27
4.25% LS Finance 2022 Ltd 16.10.2022 (WR)	24,087,400	24,565,462	24,625,452	1.06
3.50% Mapletree North Asia Com Trust Call: 08.06.2026 (NR)	4,632,600	4,623,131	4,637,468	0.20
4.625% Minejesa Capital BV 10.08.2030 (Baa3)	18,688,500	19,960,923	19,761,181	0.85
5.625% Minejesa Capital BV 10.08.2037 (Baa3)	12,459,000	12,917,934	13,603,748	0.58
3.80% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa2)	10,382,500	10,839,718	10,981,166	0.47
5.00% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	16,612,000	16,860,994	17,093,102	0.73
4.50% NBK Tier 1 Financing 2 Ltd Call: 27.11.2025 (Baa3)	20,765,000	20,929,887	21,845,819	0.94
4.70% Newcastle Coal Infrastructure Call: 12.02.2031 (BBB)	8,306,000	8,340,347	8,714,909	0.37
4.125% NWD Finance BVI Ltd Call: 10.03.2028 (NR)	12,459,000	12,531,987	12,730,373	0.55
4.125% NWD MTN Ltd 18.07.2029 (NR)	12,459,000	12,315,212	13,099,731	0.56
4.25% Parkway Pantai Ltd Call: 27.07.2022 (NR)	12,459,000	12,921,689	12,656,025	0.54
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB)	8,306,000	8,577,977	9,072,904	0.39
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB+)	8,306,000	8,939,744	9,272,438	0.40
4.50% Postal Savings Bk China Co Ltd Call: 27.09.2022 (Ba2)	24,918,000	25,860,911	26,730,784	1.15
3.69% Postal Savings Bk China Co Ltd Call: 18.03.2025 (NR)	6,420,100	6,238,271	6,560,591	0.28

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6.95% Powerlong Real Estate Call: 29.09.2021 (B2)	10,797,800	11,116,866	11,241,980	0.48
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	8,306,000	8,978,407	9,612,430	0.41
4.75% Scentre Group Trust 2 Call: 24.06.2026 (Baa1)	12,459,000	12,600,253	13,551,845	0.58
3.95% Shenzhen International Holding Call: 29.11.2022 (Baa2)	16,612,000	16,660,167	17,243,164	0.74
5.20% Shimao Group Holdings Ltd Call: 30.01.2022 (BBB-)	12,459,000	12,817,746	12,719,117	0.55
6.375% Shimao Group Holdings Ltd Call: 01.10.2021 (BBB-)	8,306,000	8,619,450	8,547,566	0.37
3.45% Shimao Group Holdings Ltd Call: 11.01.2026 (BBB-)	8,306,000	7,817,665	7,814,216	0.34
2.875% Singapore Government Bond 01.09.2030 (NR)	24,707,200	28,999,334	28,227,358	1.21
2.375% Singapore Government Bond 01.07.2039 (AAA)	9,265,200	10,909,953	10,208,410	0.44
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	16,986,200	17,029,732	18,244,347	0.78
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	13,125,700	13,191,614	13,972,784	0.60
4.00% Swedbank AB Call: 17.03.2029 (Ba1)	2,491,800	2,542,661	2,517,631	0.11
6.20% Times China Holdings Ltd Call: 22.09.2023 (B1)	4,153,000	4,229,688	4,180,341	0.18
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	15,442,000	15,557,429	16,424,788	0.70
5.125% UBS Group AG Call: 29.07.2026 (Baa3)	4,153,000	4,262,891	4,560,247	0.20
4.85% UBS Group AG Call: 04.09.2024 (Baa3)	9,265,200	9,241,217	9,734,324	0.42
3.875% United Overseas Bank Ltd Call: 19.10.2023 (Baa1)	16,612,000	15,936,125	17,530,782	0.75
0.125% United States Treasury N/B 30.04.2022 (Aaa)	20,765,000	21,713,615	20,784,128	0.89
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB)	41,530,000	41,488,316	43,120,426	1.85
4.48% Wing Tai Holdings Ltd Call: 24.05.2024 (NR)	17,758,300	17,552,468	18,079,263	0.78
6.80% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	9,967,200	10,035,741	10,458,140	0.45
8.10% Yinson Juniper Ltd Call: 29.03.2024 (NR)	24,918,000	25,595,538	28,179,767	1.21

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
7.85% Yinson Juniper Ltd Call: 05.10.2022 (NR)	15,781,400	17,442,043	17,030,278	0.73
7.375% Yuzhou Properties Co Ltd Call: 13.01.2024 (B2)	10,382,500	9,896,210	8,481,811	0.36
8.30% Yuzhou Group Holdings Co Ltd Call: 27.11.2022 (B2)	4,153,000	4,191,112	3,644,142	0.16
8.375% Yuzhou Properties Co Ltd Call: 30.10.2022 (B2)	18,688,500	19,057,855	16,908,407	0.73
6.00% Yuzhou Group Holdings Co Ltd Call: 01.10.2021 (B2)	14,535,500	14,396,623	13,160,441	0.56
Total unquoted fixed Income securities -foreign	1,154,765,710	1,177,461,768	1,202,140,680	51.57
Accumulated unrealised gain on unquoted fixed income securities -foreign		24,678,912		
Total unquoted fixed Income securities -foreign		1,202,140,680		

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.2% Adani Ports & Spec Eco Zone Ltd 04.08.2027 (Baa3)	10,823,800	11,087,695	11,008,346	0.40
6.75% Australia New Zealand Bank Gp Call: 15.06.2026 (Baa2)	8,326,000	8,706,474	9,692,712	0.35
5.50% Bank of East Asia Ltd Call: 02.12.2020 (Ba2)	12,489,000	12,995,579	12,657,567	0.46
5.625% Bank of East Asia Ltd Call: 18.05.2022 (Ba2)	19,982,400	20,023,640	20,256,034	0.73
5.875% Barclays PLC Call: 15.09.2024 (Ba2)	22,149,600	20,253,789	22,006,790	0.79
6.125% Barclays PLC Call: 15.12.2025 (Ba2)	4,163,000	4,202,417	4,308,840	0.16
6.125% Bayan Resources Tbk PT 24.01.2023 (Ba3)	12,489,000	14,043,512	12,341,569	0.45
4.375% BP Capital Markets PLC Call: 22.06.2025 (A3)	7,909,700	8,199,791	8,372,302	0.30
3.425% CCCI Treasury Ltd Call: 21.11.2024 (Baa1)	8,326,000	8,337,583	8,356,401	0.30
5.75% Celestial Miles Ltd Call: 31.01.2024 (NR)	15,819,400	16,486,287	16,720,337	0.60
2.45% China Construction Bank Corp Call: 24.06.2025 (BBB+)	12,489,000	12,875,463	12,728,285	0.46
2.5% China Mengniu Dairy Co Ltd Call: 17.03.2030 (Baa1)	12,489,000	12,760,723	12,693,057	0.46
3.75% China Resources Land Ltd Call: 09.12.2024 (Baa2)	7,077,100	7,155,946	7,291,123	0.26
6.55% CIFI Holdings Group Co Ltd Call: 28.03.2022 (BB-)	12,489,000	12,647,496	13,426,144	0.48
4.85% Ciputra Development Tbk PT 20.09.2021 (BB-)	27,578,700	28,630,948	27,849,652	1.00
4% CK Hutchison Capital Sec17 Ltd Call: 12.05.2022 (Baa1)	12,489,000	12,360,622	12,875,049	0.46
4% CNP Assurances Call: 18.11.2024 (A3)	9,931,200	10,549,785	11,287,558	0.41
4.375% Cooperatieve Rabobank UA Call: 29.06.2027 (Baa3)	10,924,320	10,661,101	11,479,900	0.41
4.25% Dah Sing Bank Ltd Call: 30.11.2021 (Baa1)	8,326,000	8,657,790	8,587,795	0.31
4.3% Dianjian Haiyu Ltd Call: 20.06.2024 (BBB)	6,244,500	6,319,110	6,480,421	0.23
6.75% DIB Tier 1 Sukuk 2 Ltd Call: 20.01.2021 (NR)	16,652,000	17,108,713	16,914,893	0.61

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
4.875% DNB Bank ASA Call: 12.11.2024 (Baa3)	16,652,000	17,162,484	17,656,705	0.64
4.7% DP World Crescent Ltd Call: 30.03.2049 (Baa3)	10,407,500	10,654,787	11,229,837	0.41
4.1% Elect Global Investments Ltd Call: 03.06.2025 (Baa2)	19,566,100	19,778,007	19,637,951	0.71
6.125% Emirates NBD PJSC Call: 20.03.2025 (B1)	29,141,000	30,765,357	30,906,722	1.11
4.227% Exxon Mobil Corp Call: 19.09.2039 (Aa1)	8,326,000	10,677,486	10,395,190	0.38
4.35% Far East Horizon Ltd Call: 14.06.2022 (NR)	29,141,000	28,734,035	29,263,514	1.05
4.875% Flex Ltd Call: 12.02.2030 (Baa3)	16,652,000	19,488,371	19,060,885	0.69
1.744% Ford Motor Credit Co LLC 19.07.2024 (Ba2)	4,469,040	4,064,582	4,310,400	0.16
4.125% Ford Motor Credit Co LLC 20.06.2024 (BBB-)	6,128,600	6,067,770	5,889,119	0.21
4% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	8,326,000	8,126,365	8,467,079	0.31
4% Geely Automobile Holdings Ltd Call: 09.12.2024 (Baa3)	22,896,500	22,969,966	23,130,299	0.83
4.6% GLL IHT Pte Ltd Call: 23.01.2023 (NR)	15,321,500	14,786,198	15,308,340	0.55
4.475% Heungkuk Life Insurance Co Ltd Call: 09.11.2022 (Baa3)	16,652,000	17,142,029	16,943,780	0.61
4.65% Hotel Properties Ltd Call: 05.05.2022 (NR)	7,660,750	7,922,130	7,436,752	0.27
4.7% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	12,257,200	12,475,526	12,256,529	0.44
5% HSBC Holdings PLC Call: 24.09.2023 (Baa3)	9,192,900	9,271,775	9,277,059	0.33
6% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	16,652,000	17,217,917	17,587,842	0.63
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	29,141,000	30,423,384	30,587,284	1.10
6.375% HSBC Holdings PLC Call: 17.09.2024 (Baa3)	11,240,100	11,900,201	12,065,592	0.44
6.875% HSBC Holdings PLC Call: 01.06.2021 (Baa3)	5,828,200	6,156,237	6,099,721	0.22
4% Huarong Finance 2017 Co Call: 07.11.2022 (Baa1)	16,652,000	19,685,437	17,157,665	0.62

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
4.5% Huarong Finance 2017 Co Call: 24.01.2022 (Baa1)	12,489,000	13,384,471	12,806,533	0.46
6.875% Indika Energy Capital II Pte Call: 02.09.2020 (Ba3)	20,815,000	21,871,155	21,496,214	0.77
5.45% Indonesia Asahan Aluminium Tbk Call: 15.02.2030 (Baa2)	8,326,000	8,605,345	9,954,959	0.36
4.25% Indust & Comm Bank of China Asia Call: 21.07.2021 (Ba1)	16,652,000	16,513,841	16,890,493	0.61
7.5% Jasa Marga Persero Tbk PT 11.12.2020 (Baa3)	24,174,000	25,763,723	23,979,871	0.86
3.9% Jollibee Worldwide Pte Ltd Call: 23.01.2025 (NR)	22,896,500	22,461,722	21,200,251	0.76
3.95% Longfor Group Holdings Ltd 16.09.2029 (Baa3)	8,326,000	8,404,970	8,969,634	0.32
4.25% LS Finance Ltd 16.10.2022 (Ba3)	20,815,000	21,236,006	20,817,862	0.75
4.5% LS Finance Ltd 26.06.2025 (Ba3)	33,304,000	34,104,898	30,773,729	1.11
2.125% Metropolitan Bank & Trust Co 15.01.2026 (Baa2)	16,652,000	16,991,743	16,549,012	0.60
3.8% Nanyang Commercial Bank Ltd Call: 20.11.2024 (Baa3)	10,407,500	10,827,220	10,757,829	0.39
5% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	24,978,000	25,292,203	25,374,179	0.91
4.5% NBK Tier 1 Financing 2 Ltd Call: 27.11.2025 (Baa3)	29,141,000	29,300,500	29,177,427	1.05
5.75% NWD Finance BVI Ltd Call: 05.10.2021 (NR)	24,978,000	25,164,454	25,830,235	0.93
4.125% NWD MTN Ltd 18.07.2029 (NR)	12,489,000	12,298,864	12,677,922	0.46
5% Pakuwon Prima Pte Ltd Call: 14.02.2021 (Ba2)	8,326,000	8,834,939	8,432,249	0.30
4.25% Parkway Pantai Ltd Call: 27.07.2022 (NR)	12,489,000	12,921,813	12,609,067	0.45
4.75% Phoenix Group Holdings PLC Call: 04.06.2026 (BBB)	4,163,000	4,447,538	4,408,531	0.16
5.625% Phoenix Group Holdings PLC Call: 29.01.2025 (BBB-)	16,652,000	17,162,862	17,218,688	0.62
4.5% Postal Savings Bk China Co Ltd Call: 27.09.2022 (Ba2)	24,978,000	25,859,345	26,612,810	0.96
3.125% PVH Corp Call: 15.09.2027 (Baa3)	9,931,200	9,742,154	9,760,978	0.35

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	14,570,500	15,731,846	16,734,037	0.60
4.6% Radiant Access Ltd Call: 18.11.2020 (A2)	9,158,600	9,643,281	9,285,548	0.33
4.125% Santos Finance Ltd Call: 14.06.2027 (BBB-)	20,815,000	21,179,423	22,241,565	0.80
3.95% Shenzhen International Holding Call: 29.11.2022 (Baa2)	20,815,000	20,824,983	21,366,482	0.77
4.6% Shimao Group Holdings Limited Call: 13.07.2025 (BBB-)	4,163,000	4,301,321	4,310,509	0.16
5.2% Shimao Group Holdings Limited Call: 30.01.2022 (BBB-)	8,326,000	8,327,575	8,805,393	0.32
5.6% Shimao Group Holdings Limited Call: 15.07.2023 (BBB-)	12,489,000	12,486,607	13,581,233	0.49
6.125% Shimao Group Holdings Limited Call: 21.02.2022 (BBB-)	8,326,000	8,186,499	8,891,347	0.32
2.25% Singapore Government Bond 01.08.2036 (NR)	9,192,900	10,614,662	10,466,993	0.38
2.875% Singapore Government Bond 01.09.2030 (NR)	21,450,100	25,806,557	25,496,291	0.92
2.7% Sinopec Grp Oversea Dev't 2018 Call:13.02.2030 (A1)	12,489,000	12,997,213	13,300,785	0.48
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	18,385,800	18,574,558	18,907,382	0.68
7.375% Societe Generale SA Call: 13.09.2021 (Ba2)	8,326,000	8,428,102	8,912,289	0.32
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	18,385,800	18,619,669	19,017,100	0.69
6% Standard Chartered PLC Call: 26.07.2025 (Ba1)	2,497,800	2,595,340	2,651,248	0.10
7.625% Times China Holdings Ltd Call: 21.02.2021 (B1)	12,489,000	12,245,240	12,893,869	0.46
4.85% UBS Group AG Call: 04.09.2024 (Ba1)	12,257,200	12,320,123	12,513,779	0.45
5.125% UBS Group AG Call: 29.07.2026 (Ba1)	4,163,000	4,262,900	4,338,100	0.16
6.875% UBS Group AG Call: 22.03.2021 (Ba1)	12,489,000	12,983,025	13,023,991	0.47
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB)	16,853,650	17,114,895	17,483,030	0.63
3.875% United Overseas Bank Ltd Call: 19.10.2023 (Baa1)	24,978,000	23,896,021	25,877,416	0.93

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u> (continued)				
0.125% United States Treasury N/B 30.04.2022 (Aaa)	20,815,000	21,696,931	20,813,360	0.75
0.25% United States Treasury N/B 15.04.2023 (Aaa)	8,326,000	8,664,948	8,350,557	0.30
5.25% UPL Corp Ltd Call: 27.02.2025 (Ba2)	4,995,600	5,122,885	4,997,765	0.18
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	41,630,000	41,472,672	42,762,163	1.54
4.48% Wing Tai Holdings Limited Call: 24.05.2024 (NR)	19,917,950	19,836,819	19,785,973	0.71
5.875% Yanlord Land HK Co Ltd Call: 02.09.2020 (Ba3)	16,652,000	17,133,002	17,083,310	0.62
6.8% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	9,991,200	10,037,848	10,412,385	0.38
7.85% Yinson Juniper Ltd Call: 05.10.2022 (NR)	9,991,200	11,171,365	11,047,631	0.40
8.1% Yinson Juniper Ltd Call: 29.03.2024 (NR)	20,815,000	21,027,470	23,408,549	0.84
2.25% Yunda Holding Inv 19.08.2025 (Baa2)	8,326,000	8,383,297	8,359,720	0.30
6% Yuzhou Properties Co Ltd Call: 25.10.2020 (B1)	14,570,500	14,222,931	14,848,796	0.54
7.375% Yuzhou Properties Co Ltd Call: 13.01.2024 (B1)	12,489,000	12,349,035	12,483,171	0.45
8.375% Yuzhou Properties Co Ltd Call: 30.10.2022 (B1)	10,407,500	10,907,930	11,232,287	0.41
Total unquoted fixed Income securities -foreign	<u>1,406,000,610</u>	<u>1,443,891,247</u>	<u>1,453,985,567</u>	<u>52.40</u>
Accumulated unrealised gain on unquoted fixed income securities -foreign		<u>10,094,320</u>		
Total unquoted fixed Income securities —foreign		<u>1,453,985,567</u>		

AFFIN HWANG SELECT INCOME FUND

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

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

(e) Collective investment schemes – local

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang RMB Bond Fund	15,996,801	5,135,200	5,124,783	0.22
Total collective investment schemes – local	<u>15,996,801</u>	<u>5,135,200</u>	<u>5,124,783</u>	<u>0.22</u>
Accumulated unrealised loss on collective investment schemes – local		<u>(10,417)</u>		
Total collective investment schemes – local		<u>5,124,783</u>		

(ii) There is no investment in collective investment schemes – local as at 31 August 2020.

(f) Unquoted credit linked note – foreign

(i) There is no investment in unquoted credit linked note – foreign as at 31 August 2021

(ii) Unquoted credit linked note – foreign as at 31 August 2020 are as follows:

	<u>Nominal value</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Credit Linked Note</u>				
33.85% BNP Paribas SA 23.06.2021 (NR)	12,489,000	12,237,260	12,902,039	0.46
Total unquoted credit linked note – foreign	<u>12,489,000</u>	<u>12,237,260</u>	<u>12,902,039</u>	<u>0.46</u>
Accumulated unrealised gain on unquoted credit linked note – foreign		<u>664,779</u>		
Total unquoted credit linked note – foreign		<u>12,902,039</u>		

AFFIN HWANG SELECT INCOME FUND

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

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	66,008,147	25,983,468
Deposits with a licensed financial institution	2,651,058	21,407,107
	<u>68,659,205</u>	<u>47,390,575</u>

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

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

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

10 MARGIN ACCOUNTS

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

11 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 36 (2020: 51) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM1,018,033,536 (2020: RM1,252,877,224). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in Australian Dollar, Euro, Pound Sterling, Singapore Dollar and United States Dollar. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contract is recognised immediately in the income statement.

12 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial period	3,312,628,000	4,174,314,000
Creation of units arising from applications during the financial period	29,554,000	20,979,000
Creation of units arising from distributions during the financial period	38,879,219	57,145,597
Cancellation of units during the financial period	<u>(267,301,219)</u>	<u>(456,119,597)</u>
At the end of the financial period	<u>3,113,760,000</u>	<u>3,796,319,000</u>

AFFIN HWANG SELECT INCOME FUND

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

13 TRANSACTIONS WITH BROKERS AND DEALERS

(a) Details of transactions with the top 10 brokers and dealers for the 6 months financial period ended 31 August 2021 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Citigroup Global Markets Ltd Ldn	160,214,505	10.99	128,815	9.68
RBS Morgan Ltd	120,693,350	8.28	301,733	22.68
Robert W.Baird & Co Inc New York	109,837,363	7.53	24,249	1.82
Nomura Singapore Ltd	76,559,539	5.25	-	-
Standard Chartered Bank, London	74,347,433	5.10	-	-
Mizuho Securities Asia Ltd	72,090,241	4.95	-	-
Sanford C. Bernstein And Co., Llc	52,203,119	3.58	98,130	7.38
Morgan Stanley And Co. International Plc	51,226,234	3.51	64,706	4.86
Macquarie (M)Sdn Bhd	46,042,036	3.16	80,501	6.05
DBS Securities (S) Pte Ltd	44,938,927	3.08	112,347	8.45
Others #*	649,687,245	44.57	519,901	39.08
	<u>1,457,839,992</u>	<u>100.00</u>	<u>1,330,382</u>	<u>100.00</u>

(b) Details of transactions with the top 10 brokers and dealers for the 6 months financial period ended 31 August 2020 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
JP Morgan Secs (Asia Pac) Ltd HK	168,745,368	6.19	520,105	17.90
Citigroup Global Mkts Ltd	116,441,182	4.27	283,798	9.77
Morgan Stanley and Co. International Plc	113,107,415	4.15	298,161	10.26
CLSA Ltd	108,023,996	3.96	159,155	5.48
CIMB-GK Securities Pte Ltd	103,717,256	3.81	215,837	7.43
Citigroup Global Markets Ltd	100,787,435	3.70	-	-
Sanford C. Bernstein And Co., LLC	92,690,247	3.40	144,665	4.98
The Hongkong and Shanghai Banking	87,994,499	3.23	-	-
Bank of America Merrill Lynch	80,634,682	2.96	-	-
Macquarie Bank Ltd Hong Kong	80,390,993	2.95	124,226	4.27
Others #*	1,672,860,741	61.38	1,159,603	39.91
	<u>2,725,393,814</u>	<u>100.00</u>	<u>2,905,550</u>	<u>100.00</u>

AFFIN HWANG SELECT INCOME FUND

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

13 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

Included in transactions with brokers and dealers are trades conducted on normal terms in the stockbroking industry with Affin Hwang Investment Bank Bhd and Affin Hwang Asset Management Bhd, a company related to the Manager and the Manager amounting RM336,920 and RM5,135,200 (2020: RM459,933 and RM Nil). The Manager is of the opinion that all transactions with the related company were have been entered into at agreed terms between the related parties.

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

	<u>2021</u> RM	<u>2020</u> RM
<u>Name of brokers and dealers</u>		
RHB Bank Bhd	7,147,800	-
RHB Investment Bank Bhd	3,201,675	6,056,262
Market Axess	4,455,549	10,853,268
	<u>14,805,024</u>	<u>16,909,530</u>

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

	<u>2021</u> RM	<u>2020</u> RM
Affin Hwang Flexible Maturity Income Fund 9	-	16,909,530
Affin Hwang Flexible Maturity Income Fund 13	7,504,749	-
Private mandates managed by the Manager	7,300,275	-
	<u>14,805,024</u>	<u>16,909,530</u>

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

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

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	<u>3,152</u>	<u>2,360</u>	<u>3,618</u>	<u>2,645</u>
<u>Parties related to the Manager</u>				
Directors of Affin Hwang Asset Management Berhad (The units are held beneficially)	<u>59,696</u>	<u>44,700</u>	<u>57,606</u>	<u>42,110</u>
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	<u>6,302,194</u>	<u>4,719,083</u>	<u>-</u>	<u>-</u>
AXA Affin Life Insurance Bhd (The units are held beneficially)	<u>42,443,174</u>	<u>31,781,449</u>	<u>35,002,923</u>	<u>25,587,137</u>

AFFIN HWANG SELECT INCOME FUND

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

15 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended 31.8.2021 %	6 months financial period ended 31.8.2020 %
MER	0.81	0.81

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM2,397,523,983 (2020: RM2,790,892,534).

16 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 31.8.2021	6 months financial period ended 31.8.2020
PTR (times)	0.33	0.44

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 = RM706,139,555 (2020: RM1,392,305,962)
total disposal for the financial period = RM865,289,786 (2020: RM1,521,973,109)

17 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

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

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

AFFIN HWANG SELECT INCOME FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 64 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 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 31 August 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 October 2021

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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

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

PENANG

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

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

PERAK

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

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

MELAKA

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

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

JOHOR

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

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

SABAH

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

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

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

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

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

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

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

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)