

Affin Hwang

Select Income Fund

Interim Report
31 August 2020

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



AFFIN HWANG
CAPITAL

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

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

AFFIN HWANG SELECT INCOME FUND

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

Contents	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT	V
TRUSTEE'S REPORT	X
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 30 Index, weighting at 30% for the equities investment.
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 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	503	1,159
5,001 to 10,000	299	2,213
10,001 to 50,000	795	19,723
50,001 to 500,000	643	93,085
500,001 and above	150	3,680,136
Total	2,390	3,796,316

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)	As at 31 Aug 2018 (%)
Portfolio composition			
Quoted equities – local			
- Consumer products	0.04	0.05	-
- Financials	-	0.42	0.37
- REITs	-	-	0.49
- Utilities	-	1.33	-
Total quoted equities – local	0.04	1.80	0.86
Quoted equities – foreign			
- Consumer goods	2.09	-	1.15
- Consumer services	8.93	2.02	2.06
- Financials	10.20	15.51	4.98
- Health care	0.54	-	-
- Industrial	1.62	1.26	1.43
- Oil & gas	-	-	0.95
- Preferred shares	1.42	-	0.92
- REITs	-	-	2.20
- Technology	3.10	1.32	4.41
- Telecommunications	-	2.28	0.45
- Utilities	0.18	-	-
Total quoted equities – foreign	28.08	22.39	18.55
Unquoted fixed income securities – local			
- Bonds	18.05	18.41	16.70
- Commercial papers	-	-	1.57
Total unquoted fixed income securities – local	18.05	18.41	18.27
Unquoted fixed income securities – foreign			
- Bond	52.40	54.60	54.50
Total unquoted fixed income securities – foreign	52.40	54.60	54.50
Collective Investment Scheme	-	0.15	0.20
Unquoted credit linked notes	0.46	0.38	0.33
Exchanged-traded fund	-	-	0.29
Cash & cash equivalent	0.97	2.27	7.00
Total	100.00	100.00	100.00
Total NAV (RM'million)	2,774.970	3,254.926	3,730.609
NAV per Unit (RM)	0.7310	0.7367	0.7242
Unit in Circulation (million)	3,796.319	4,418.516	5,151.067
Highest NAV	0.7475	0.7396	0.7503
Lowest NAV	0.6666	0.7174	0.7173
Return of the Fund (%) ⁱⁱⁱ	0.24	3.88	-1.68
- Capital Growth (%) ⁱ	-1.54	2.46	-2.99
- Income Distribution (%) ⁱⁱ	1.80	1.38	1.35
Gross Distribution per Unit (sen)	1.25	1.00	1.00
Net Distribution per Unit (sen)	1.25	1.00	1.00
Management Expense Ratio (%) ¹	0.81	0.80	0.82
Portfolio Turnover Ratio (times) ²	0.44	0.73	0.81

¹The Fund's MER remained relatively unchanged, albeit marginally higher than previous financial period.

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

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

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

An illustration of the above would be as follow:-

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

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

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)
17 Mar 2020	18 Mar 2020	0.7012	0.0075	0.6857
16 Jun 2020	17 Jun 2020	0.7199	0.0050	0.7171

No unit split was declared for the financial period ended 31 August 2020.

Performance review

For the period 1 March 2020 to 31 August 2020, the fund registered a return of 0.24%, outperformed the benchmark return of -2.03% by 2.27 percentage points. The Net Asset Value (NAV) per unit of the fund on 31 August 2020 was RM0.7310 while 29 February 2020 was RM0.7424. The fund declared a gross income distribution of RM0.0125 per unit for the period. (See Table 1 for performance of the fund and Figure 1 for movement of the fund versus the Benchmark respectively).

Since commencement, the fund has registered a return of 181.71%. Compare to the benchmark that gained 91.92%, the fund outperformed the benchmark by 89.79 percentage points. The fund has declared a total gross income distribution of RM0.3881 per unit to-date. As such, the objective of providing investors with a steady income stream in the form of distributions has been met.

Table 1: Performance of the Fund

	6 Months (1/3/20 - 31/8/20)	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (27/1/05 - 31/8/20)
Fund	0.24%	3.08%	6.63%	25.28%	181.71%
Benchmark	(2.03%)	(3.37%)	(3.65%)	7.91%	91.92%
Outperformance	2.27%	6.45%	10.28%	17.37%	89.79%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (27/1/05 - 31/8/20)
Fund	3.08%	2.16%	4.61%	6.86%
Benchmark	(3.37%)	(1.23%)	1.53%	4.27%
Outperformance	6.45%	3.39%	3.08%	2.59%

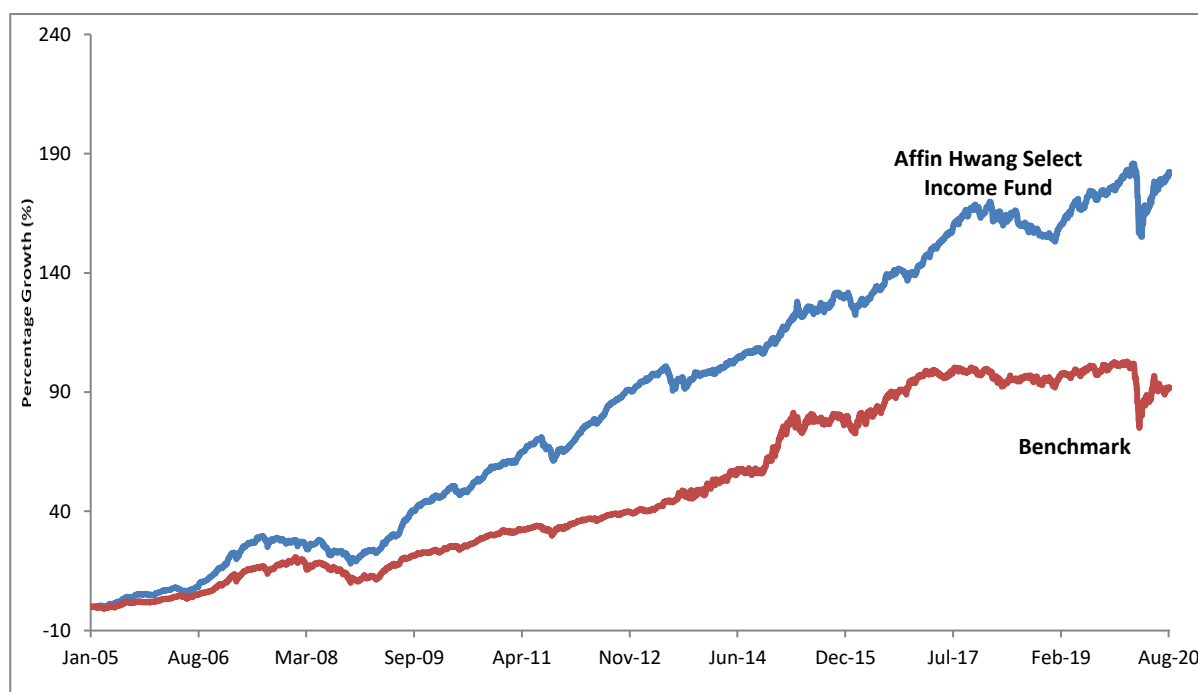
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/3/19 - 29/2/20)	FYE 2019 (01/3/18 - 28/2/19)	FYE 2018 (01/3/17 - 28/2/18)	FYE 2017 (01/3/16 - 28/2/17)	FYE 2016 (01/1/15 - 29/2/16)
Fund	6.82%	(0.29%)	6.70%	9.51%	6.30%
Benchmark	(0.72%)	0.82%	(1.43%)	12.76%	5.24%
Outperformance / (Underperformance)	7.54%	(1.11%)	8.13%	(3.25%)	1.06%

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% MBB FD 12M + 30% Dow Jones Asia / Pacific Select Dividend 30 Index

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

Asset Allocation

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

As at 31 August 2020, the asset allocation of the Fund stood at 28.12% in equities, 70.45% in fixed income securities, 0.46% in credit linked notes and the balance in cash and cash equivalent.

Compared to previous year, the Fund's foreign equity exposure was slightly increased to 28.12% from 24.19% a year ago. The Manager had increased exposures into consumer goods and services sectors while allocations were reduced from the financial sector. Overall, no significant changes have been made to the Fund's portfolio in terms of sector allocation. Meanwhile, cash levels of the Fund were reduced to a lower level of 0.97% 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 markets rose with US and Asia outperforming Europe and UK due to the sharp rise in Covid-19 infections in European countries. US supported by economic recovery and monetary policies benefitted from The Fed's decision on using average inflation targeting in setting interest rates, allowing temporary inflation overshoots to compensate for previous periods, whereas Asia saw a positive light following China's successful containment of the virus. Overall, a positive trend in global earnings expectations continued in September as market switches from extreme bearishness to neutral positionings.

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

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

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

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

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

In a tit-for-tat move, we saw China announce new restrictions on technology exports that would cover areas such as computing and data-processing technologies including text analysis, content recommendation,

speech modeling and voice-recognition. The move could complicate the sale of TikTok's US operations which is currently being negotiated by multiple parties according to Reuters.

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

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

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

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

Investment Outlook

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

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

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

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also

more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

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 2020. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

During this financial period, a total distribution of 1.25 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

Tan Bee Nie
Manager, Investment Compliance Monitoring

Kuala Lumpur
14 October 2020

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

AFFIN HWANG SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020

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 – 67
STATEMENT BY THE MANAGER	68

AFFIN HWANG SELECT INCOME FUND

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

	<u>Note</u>	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
INVESTMENT INCOME			
Dividend income		11,427,923	19,143,930
Interest income from financial assets at amortised cost		238,753	593,603
Interest income from financial assets at fair value through profit or loss		47,020,844	62,215,728
Net foreign currency exchange (loss)/gain		(8,845,392)	4,441,092
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss	10	10,755,734	(44,020,387)
Net loss on futures at fair value through profit or loss		(12,377,257)	-
Net (loss)/gain on financial assets at fair value through profit or loss	8	(29,845,444)	124,881,907
		<u>18,375,161</u>	<u>167,255,873</u>
EXPENSES			
Management fee	4	(21,001,911)	(25,620,786)
Trustee fee	5	(984,788)	(1,205,608)
Auditors' remuneration		(5,621)	(4,550)
Tax agent's fee		(15,529)	(10,848)
Transaction costs		(3,917,170)	(6,845,394)
Other expenses		(660,368)	(2,054,555)
		<u>(26,585,387)</u>	<u>(35,741,741)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(8,210,226)	131,514,132
Taxation	6	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u>(8,210,226)</u>	<u>131,514,132</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		14,557,032	85,202,531
Unrealised amount		(22,767,258)	46,311,601
		<u>(8,210,226)</u>	<u>131,514,132</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 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Cash and cash equivalents	9	47,390,575	90,339,086
Dividend receivables		2,099,061	2,171,801
Amount due from brokers		12,716,317	47,403,805
Amount due from Manager			
- management fee rebate receivable		-	863
Financial assets at fair value through profit or loss	8	2,748,108,359	3,181,212,249
Forward foreign currency contracts at fair value through profit or loss	10	17,588,110	2,471,351
TOTAL ASSETS		<u>2,827,902,422</u>	<u>3,323,599,155</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	2,983,231	12,431,460
Amount due to Manager			
- management fee		3,544,360	4,170,203
- cancellation of units		3,867,191	1,516,540
Amount due to Trustee		165,403	194,609
Amount due to brokers		42,250,127	50,307,755
Auditors' remuneration		5,044	4,550
Tax agent's fee		5,715	(245)
Other payables and accruals		111,788	48,720
TOTAL LIABILITIES		<u>52,932,859</u>	<u>68,673,592</u>
NET ASSET VALUE OF THE FUND		<u>2,774,969,563</u>	<u>3,254,925,563</u>
EQUITY			
Unitholders' capital		2,581,452,348	3,028,605,009
Retained earnings		193,517,215	226,320,554
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,774,969,563</u>	<u>3,254,925,563</u>
NUMBER OF UNITS IN CIRCULATION	11	<u>3,796,319,000</u>	<u>4,418,516,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.7310</u>	<u>0.7367</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 2020

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 March 2020	2,847,194,813	251,829,388	3,099,024,201
Total comprehensive income 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>
Balance as at 1 March 2019	3,397,322,528	142,393,177	3,539,715,705
Total comprehensive income for the financial period	-	131,514,132	131,514,132
Distributions (Note 7)	-	(47,586,755)	(47,586,755)
Movement in unitholders' capital:			
Creation of units arising from applications	11,439,621	-	11,439,621
Creation of units arising from distributions	36,297,283	-	36,297,283
Cancellation of units	(416,454,423)	-	(416,454,423)
Balance as at 31 August 2019	<u>3,028,605,009</u>	<u>226,320,554</u>	<u>3,254,925,563</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 2020

	Note	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,622,300,179	2,678,398,648
Purchase of investments		(1,373,253,986)	(2,283,311,021)
Proceed from margin accounts		1,524,577	-
Dividends received		10,813,990	16,189,560
Interest received		51,089,876	66,042,158
Management fee paid		(21,205,417)	(25,502,034)
Trustee fee paid		(994,285)	(1,200,449)
Payment for other fees and expenses		(4,576,376)	(443,716)
Realised loss on forward foreign currency contracts		(10,839,659)	(8,076,986)
Realised loss on futures		(12,377,257)	-
Net (loss)/gain on realised foreign currency exchange		(7,544,300)	18,853,257
Net cash generated from operating activities		<u>254,937,342</u>	<u>460,949,417</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		15,004,532	11,439,621
Payments for cancellation of units		(318,938,133)	(417,988,354)
Payment for distributions		(10,810,426)	(11,289,472)
Net cash used in from financing activities		<u>(314,744,027)</u>	<u>(417,838,205)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		(59,806,685)	43,111,212
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(3,102,658)	5,034,858
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>110,299,918</u>	<u>42,193,016</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u><u>47,390,575</u></u>	<u><u>90,339,086</u></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

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Amendments to MFRS 3 'Definition of a Business' (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 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.

B INCOME RECOGNITION

Dividend income

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

AFFIN HWANG SELECT INCOME FUND

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

B INCOME RECOGNITION (CONTINUED)

Interest income

Interest income from short term 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") and exchange traded funds, 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 DIVIDEND 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.

E TAXATION

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

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 2020 (CONTINUED)

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, which is the Fund’s functional and presentation currency.

G FOREIGN CURRENCY TRANSLATION

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

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

The Fund classifies amount due to 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.

AFFIN HWANG SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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.

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

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

Unquoted fixed income securities 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.

AFFIN HWANG SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

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 year.

AFFIN HWANG SELECT INCOME FUND

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

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.

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 net assets value;
- 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 year 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 net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to 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 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 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.

AFFIN HWANG SELECT INCOME FUND

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

L DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

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

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

M CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") 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. 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 2020

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 any of the following investment:

- (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

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

The main objective of the Fund is to 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 14 October 2020.

AFFIN HWANG SELECT INCOME FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u>				
<u>Financial assets</u>				
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 investment	8	-	12,902,039	12,902,039
Cash and cash equivalents	9	47,390,575	-	47,390,575
Dividend receivables		2,099,061	-	2,099,061
Amount due from brokers		12,716,317	-	12,716,317
Forward foreign currency contracts	10	-	17,588,110	17,588,110
Total		<u>62,205,953</u>	<u>2,765,696,469</u>	<u>2,827,902,422</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	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>
<u>2019</u>				
<u>Financial assets</u>				
Quoted equities	8	-	787,294,134	787,294,134
Unquoted fixed income securities	8	-	2,376,529,778	2,376,529,778
Unquoted credit linked investment	8	-	12,377,487	12,377,487
Collective investment scheme	8	-	5,010,850	5,010,850
Cash and cash equivalents	9	90,339,086	-	90,339,086
Amount due to Manager				
- management fee		863	-	863
Dividend receivables		2,171,801	-	2,171,801
Amount due from brokers		47,403,805	-	47,403,805
Forward foreign currency contracts	10	-	2,471,351	2,471,351
Total		<u>139,915,555</u>	<u>3,183,683,600</u>	<u>3,323,599,155</u>

AFFIN HWANG SELECT INCOME FUND

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2019 (continued)</u>				
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	12,431,460	12,431,460
Amount due to brokers		50,307,755	-	50,307,755
Amount due to Manager				
- management fee		4,170,203	-	4,170,203
- cancellation of units		1,516,540	-	1,516,540
Amount due to Trustee		194,609	-	194,609
Auditors' remuneration		4,550	-	4,550
Tax agent's fee		(245)	-	(245)
Other payables and accruals		48,720	-	48,720
Total		<u>56,242,132</u>	<u>12,431,460</u>	<u>68,673,592</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk, currency risk), liquidity risk, credit 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 2020 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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

	<u>2020</u> RM	<u>2019</u> RM
Quoted investments		
Quoted equities	780,477,406	787,294,134
Collective investment scheme	-	5,010,850
	<u>780,477,406</u>	<u>792,304,984</u>
Unquoted investments*		
Unquoted fixed income securities	1,954,728,914	2,376,529,778
Unquoted credit linked note	12,902,039	12,377,487
	<u>1,967,630,953</u>	<u>2,388,907,265</u>

*Include interest receivable RM 26,206,679 (2019: RM30,427,081).

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% (2019: 5%) and decreased by 7.5% (2019: 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	Impact on profit after <u>tax/NAV</u> RM
<u>2020</u>		
-7.5%	2,517,759,054	(204,142,626)
0%	2,721,901,680	-
+7.5%	2,926,044,306	204,142,626
	<u>2,926,044,306</u>	<u>204,142,626</u>
<u>2019</u>		
-5%	2,993,245,910	(157,539,258)
0%	3,150,785,168	-
+5%	3,308,324,426	157,539,258
	<u>3,308,324,426</u>	<u>157,539,258</u>

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(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 net asset value 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% (2019: 1%) (200 basis points) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2020</u>	<u>2019</u>
	RM	RM
+ 2% (2019: 1%)	(5,174,933)	(5,071,370)
- 2% (2019: 1%)	5,204,557	5,091,588

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 2020 (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>Unquoted credit- linked note</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contract</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2020</u>							
<u>Financial assets</u>							
Euro	-	-	36,838,836	-	39,780	-	36,878,616
Pound Sterling	-	-	22,006,790	-	325,322	-	22,332,112
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
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 dividends receivable and amount due from brokers.

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contract RM	Other payables** RM	Total RM
<u>2020</u>			
<u>Financial liabilities</u>			
Euro	685,717	7,335	693,052
Pound Sterling	571,537	-	571,537
Hong Kong Dollar	-	9,083,935	9,083,935
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 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Unquoted credit- linked note</u> RM	<u>Unquoted fixed income securities</u> RM	<u>Forward foreign currency contract</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2019</u>							
<u>Financial assets</u>							
Australian Dollar	-	-	26,956,104	-	29,271	-	26,985,375
British Pound	-	-	20,077,830	626,973	322,925	-	21,027,728
Chinese Yuan	-	-	-	-	6,077	-	6,077
Euro	-	-	38,205,784	883,498	21,079,981	10,049,026	70,218,289
Hong Kong Dollar	366,929,360	-	-	-	1,614,077	1,232,367	369,775,804
Indian Rupees	25,574,596	-	-	-	343,321	-	25,917,917
Indonesian Rupiah	7,358,167	-	152,896,662	-	-	-	160,254,829
Singapore Dollar	230,153,944	-	214,414,815	818,890	16,551,565	6,472,067	468,411,281
United States Dollar	98,835,522	12,377,487	1,324,643,177	141,990	14,353,473	13,743,536	1,464,095,185
	<u>728,851,589</u>	<u>12,377,487</u>	<u>1,777,194,372</u>	<u>2,471,351</u>	<u>54,300,690</u>	<u>31,496,996</u>	<u>2,606,692,485</u>

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

AFFIN HWANG SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contract RM	Other payables** RM	Total RM
<u>2019</u> (continued)			
<u>Financial liabilities</u>			
Australian Dollar	115,528	4,557,749	4,673,277
Euro	-	1,811,863	1,811,863
Hong Kong Dollar	-	1,408,678	1,408,678
Singapore Dollar	251,004	22,482,504	22,733,508
United States Dollar	12,064,928	12,615,000	24,679,928
	<u>12,431,460</u>	<u>42,875,794</u>	<u>55,307,254</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 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2019: 5%), with all other variables 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% (2019: 5%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/ <u>NAV</u> RM
<u>2020</u>		
Euro	+/- 10	+/- 3,618,556
Pound Sterling	+/- 10	+/- 2,176,058
Hong Kong Dollar	+/- 10	+/- 37,958,288
Indonesian Rupiah	+/- 10	+/- 2,397,987
Korean Won	+/- 10	+/- 3,938,493
Singapore Dollar	+/- 10	+/- 45,681,956
Taiwan Dollar	+/- 10	+/- 5,730,574
United States Dollar	+/- 10	+/- 126,547,336
<u>2019</u>		
Australian Dollar	+/-5	+/- 1,115,605
Pound Sterling	+/-5	+/- 1,051,386
Chinese Yuan	+/-5	+/- 304
Euro	+/-5	+/- 3,420,321
Hong Kong Dollar	+/-5	+/- 18,418,356
Indian Rupees	+/-5	+/- 1,295,896
Indonesian Rupiah	+/-5	+/- 8,012,741
Singapore Dollar	+/-5	+/- 22,283,889
United States Dollar	+/-5	+/- 71,970,763

AFFIN HWANG SELECT INCOME FUND

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

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated 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 one month <u>to one year</u> RM	<u>Total</u> RM
<u>2020</u>			
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
Amount due to brokers	42,250,127	-	42,250,127
Auditors' remuneration	-	5,044	5,044
Tax agent's fee	-	5,715	5,715
Other payables and accruals	-	111,788	111,788
Forward foreign currency contracts	64,680	2,918,551	2,983,231
	<u>49,891,761</u>	<u>3,041,098</u>	<u>52,932,859</u>
<u>2019</u>			
Amount due to Manager			
- management fee	4,170,203	-	4,170,203
- cancellation of units	1,516,540	-	1,516,540
Amount due to Trustee	194,609	-	194,609
Amount due to brokers	50,307,755	-	50,307,755
Auditors' remuneration	-	4,550	4,550
Tax agent's fee	-	(245)	(245)
Other payables and accruals	-	48,720	48,720
Forward foreign currency contracts	36,142	12,395,318	12,431,460
	<u>56,225,249</u>	<u>12,448,343</u>	<u>68,673,592</u>

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk

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

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

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.

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

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the 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 2020 (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 credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contract</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 2020 (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 credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contract</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 2020 (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 credit- linked <u>note</u> RM	Unquoted fixed income <u>securities</u> RM	Forward foreign currency <u>contract</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 2020 (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 credit- linked <u>note</u> RM	Unquoted fixed income securities <u>RM</u>	Forward foreign currency <u>contract</u> RM	Cash and cash equivalents <u>RM</u>	Other assets* <u>RM</u>	<u>Total</u> <u>RM</u>
<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 dividends receivable and amount due from brokers.

AFFIN HWANG SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted fixed income securities RM	Unquoted credit linked notes RM	Forward foreign currency contract RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2019</u>						
Basic Materials						
- Baa1	20,157,929	-	-	-	-	20,157,929
- Baa2	17,051,649	-	-	-	-	17,051,649
- Ba3	43,163,099	-	-	-	-	43,163,099
Consumer Goods						
- A1	25,393,909	-	-	-	-	25,393,909
- NR	6,905,846	-	-	-	-	6,905,846
Consumer Services						
- Ba2	53,904,263	-	-	-	-	53,904,263
- NR	7,699,750	-	-	-	8,391,486	16,091,236
Government						
- Aaa	115,937,026	-	-	-	-	115,937,026
- Baa2	59,436,376	-	-	-	-	59,436,376
- F-1+	21,022,897	-	-	-	-	21,022,897
- SOV	65,560,102	-	-	-	-	65,560,102
- NR	64,499,448	-	-	-	-	64,499,448
Healthcare						
- NR	25,263,149	-	-	-	-	25,263,149
Quasi-Government						
- AAA	5,340,671	-	-	-	-	5,340,671

AFFIN HWANG SELECT INCOME FUND

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

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

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

	Unquoted fixed income <u>securities</u> RM	Unquoted credit linked <u>notes</u> RM	Forward foreign currency <u>contract</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2019 (continued)</u>						
<u>Financials</u>						
- AAA	15,886,718	-	2,130,079	90,339,086	24,149,411	132,505,294
- AA1	6,132,251	-	-	-	-	6,132,251
- AA2	30,560,352	-	151,818	-	-	30,712,170
- AA3	103,371,344	-	34,274	-	-	103,405,618
- AA	21,594,989	-	-	-	-	21,594,989
- AA-	5,993,177	-	-	-	-	5,993,177
- A1	48,406,064	-	-	-	-	48,406,064
- A2	37,509,212	-	-	-	-	37,509,212
- A3	77,191,977	-	-	-	-	77,191,977
- BBB+	25,657,649	-	-	-	-	25,657,649
- BBB-	108,446,109	-	-	-	-	108,446,109
- Baa1	63,661,086	-	-	-	-	63,661,086
- Baa	20,449,686	-	-	-	-	20,449,686
- Baa3	206,047,343	-	-	-	-	206,047,343
- Ba1	76,005,732	-	-	-	-	76,005,732
- Ba2	111,199,483	-	-	-	-	111,199,483
- Ba3	56,243,264	-	-	-	-	56,243,264
- BB	11,913,398	-	-	-	-	11,913,398
- BB-	48,755,172	-	-	-	-	48,755,172
- B1	81,692,296	-	-	-	-	81,692,296
- NR	255,565,149	12,377,487	155,180	-	6,444,543	274,542,359

AFFIN HWANG SELECT INCOME FUND

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

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

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

	Unquoted fixed income <u>securities</u> RM	Unquoted credit linked <u>notes</u> RM	Forward foreign currency <u>contract</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2019</u> (continued)						
Industrials						
- AAA	16,030,565	-	-	-	-	16,030,565
- AA-	20,415,793	-	-	-	-	20,415,793
- A1	68,325,317	-	-	-	-	68,325,317
- BBB+	21,600,676	-	-	-	-	21,600,676
- BBB-	42,705,805	-	-	-	-	42,705,805
- Baa1	36,970,974	-	-	-	-	36,970,974
- Baa2	46,731,170	-	-	-	-	46,731,170
- Ba2	48,295,465	-	-	-	-	48,295,465
- NR	22,374,805	-	-	-	144,318	22,519,123
Oil & Gas						
- Baa2	9,190,845	-	-	-	-	9,190,845
- BBB-	30,710,578	-	-	-	-	30,710,578
Utilities						
- AA-	11,883,145	-	-	-	-	11,883,145
- AA	25,913,670	-	-	-	-	25,913,670
- AA3	1,068,591	-	-	-	-	1,068,591
Telecommunications						
- AA+	10,625,351	-	-	-	-	10,625,351
- Ba2	5,025,757	-	-	-	10,049,026	15,074,783
- NR					396,822	396,822

AFFIN HWANG SELECT INCOME FUND

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

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

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

	Unquoted fixed income securities RM	Unquoted credit linked notes RM	Forward foreign currency contract RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2019 (continued)</u>						
Other						
- Aaa	15,042,706	-	-	-	-	15,042,706
- NR	-	-	-	-	863	863
	<u>2,376,529,778</u>	<u>12,377,487</u>	<u>2,471,351</u>	<u>90,339,086</u>	<u>49,576,469</u>	<u>2,531,294,171</u>

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.

AFFIN HWANG SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value				
through profit or loss at inception				
- quoted equities	780,477,406	-	-	780,477,406
- unquoted fixed income securities	-	1,954,728,914	-	1,954,728,914
- unquoted credit linked investment	-	-	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>
<u>2019</u>				
Financial assets at fair value				
through profit or loss at inception				
- quoted equities	787,294,134	-	-	787,294,134
- unquoted fixed income securities	-	2,376,529,778	-	2,376,529,778
- unquoted credit linked investment	-	-	12,377,487	12,377,487
- collective investment schemes	5,010,850	-	-	5,010,850
- forward foreign currency contracts	-	2,471,351	-	2,471,351
	<u>792,304,984</u>	<u>2,379,001,129</u>	<u>12,377,487</u>	<u>3,183,683,600</u>
Financial liabilities at fair value				
through profit or loss:				
- forward foreign currency contracts	-	12,431,460	-	12,431,460
	<u>-</u>	<u>12,431,460</u>	<u>-</u>	<u>12,431,460</u>

AFFIN HWANG SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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 repackage the underlying investments and reissue the credit linked note. The valuation of the unquoted credit linked note utilises market observable inputs such as Credit Default Swap and USD interest rates and non-market observable inputs such as the USD cost of funding of the issuer. The unobservable input is determined by obtaining bid quotes from issuers that originate such investments directly themselves. These quotes will be based on similar terms as the contract in 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 counter-check, the Manager monitors the movement of the market observable quantitative factors generally used. By this, the Manager is able to determine the degree of change in any particular factor (some which are likely to affect the mark to market valuation of the unquoted credit linked note more than other factors, such as the change in underlying credit spread or Credit Default Swap spread against benchmark treasury) and extrapolate it against the mark to market valuations provided by the issuer to determine fairness of the valuations provided by the issuers.

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 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

The following table presents the movements in Level 3 instruments:

	<u>2020</u> RM	<u>2019</u> RM
- Opening balance	12,561,372	12,030,639
- Net change in fair value on financial assets at fair value through profit or loss	340,667	346,848
	<u>12,902,039</u>	<u>12,377,487</u>

- (i) The carrying values of cash and cash equivalents, dividends receivable, amount due from Manager, amount due from brokers 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 2020, the management fee is recognised at a rate of 1.50% (2019: 1.50%) per annum on the NAV of the Fund, calculated on daily basis as stated in the 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 2020, the Trustee's fee is recognised at a rate of 0.07% (2019: 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 2020 (CONTINUED)

6 TAXATION

	6 months financial period ended <u>31.8.2020</u> RM	6 months financial period ended <u>31.8.2019</u> RM
--	---	---

Current taxation	-	-
------------------	---	---

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

	6 months financial period ended <u>31.8.2020</u> RM	6 months financial period ended <u>31.8.2019</u> RM
Net (loss)/profit before taxation	(8,210,226)	131,514,132
Tax at Malaysian statutory rate of 24% (2019: 24%)	(1,970,454)	31,563,392
Tax effects of:		
Investment income not subject to tax	(4,410,039)	(40,140,611)
Expenses not deductible for tax purposes	1,328,401	2,418,617
Restrictions on tax deductible expenses for Unit Trust Funds	5,052,092	6,158,602
Tax expense	-	-

AFFIN HWANG SELECT INCOME FUND

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

7 DISTRIBUTIONS

	6 months financial period ended 31.8.2020 RM	6 months financial period ended 31.8.2019 RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	50,101,947	47,586,755
Gross realised income	50,101,947	47,586,755
Less: Expenses	-	-
	<u>50,101,947</u>	<u>47,586,755</u>

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

	<u>Gross/Net distribution per unit</u> (sen)
<u>2020</u>	
18.03.2020	0.75
17.06.2020	0.50
	<u>1.25</u>

During the 6 months financial period ended 31 August 2019, distributions were made as follows:

	<u>Gross/Net distribution per unit</u> (sen)
<u>2019</u>	
22.03.2019	0.50
21.06.2019	0.50
	<u>1.00</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 RM50,101,947 (2019: RM47,586,755) made from previous year's realised income.

There are unrealised losses of RM22,767,258 during the financial period.

AFFIN HWANG SELECT INCOME FUND

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

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Financial assets at fair value through profit or loss at inception		
- quoted equities – local	1,230,000	58,442,545
- quoted equities – foreign	779,247,406	728,851,589
- unquoted fixed income securities – local	500,743,347	599,335,406
- unquoted fixed income securities – foreign	1,453,985,567	1,777,194,372
- collective investment schemes – local	-	5,010,850
- unquoted credit linked investment contracts	12,902,039	12,377,487
	<u>2,748,108,359</u>	<u>3,181,212,249</u>
Net (loss)/gain on assets at fair value through profit or loss		
- realised gain on sale of investments	31,080,111	47,589,247
- unrealised (loss)/gain on changes in fair value	(60,925,555)	77,289,331
- management fee rebate on collective investment schemes #	-	3,329
	<u>(29,845,444)</u>	<u>124,881,907</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) Quoted equities - local 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>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 2020 (CONTINUED)

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

(a) Quoted equities - local (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer products</u>				
Esthetics Intl Group Bhd	3,000,000	2,850,000	1,680,000	0.05
<u>Financials</u>				
Allianz Malaysia Bhd	924,975	3,624,886	13,597,133	0.42
<u>Utilities</u>				
Tenaga Nasional Bhd	3,109,900	43,074,209	43,165,412	1.33
Total quoted equities - local	7,034,875	49,549,095	58,442,545	1.80
Accumulated unrealised gain on quoted equities – local		8,893,450		
Total quoted equities - local		58,442,545		

(b) Quoted equities - foreign

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>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
	1,102,700	26,965,554	30,739,146	1.10
<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
	16,280,600	177,632,660	191,394,844	6.90

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 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 2020 (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 2020 are as follows (continued):

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Health Care</u>				
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 2020 (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 2019 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 services</u>				
China Xinhua Education Group	7,006,000	11,408,360	10,077,122	0.31
<u>Financials</u>				
AIA Group Ltd	2,339,200	103,995,079	95,602,414	2.94
China Construction Bank Corp	24,514,000	84,225,111	76,440,217	2.35
Hong Kong Exchange & Clearing	418,500	60,561,950	53,861,226	1.65
Ping An Insurance Grp Co China	1,367,000	67,516,161	65,956,834	2.03
	28,638,700	316,298,301	291,860,691	8.97
<u>Telecommunications</u>				
China Mobile Ltd	538,000	20,395,136	18,739,525	0.57
CITIC Telecom Int Holding Ltd	1,974,000	3,235,879	3,241,904	0.10
	2,512,000	23,631,015	21,981,429	0.67
<u>Technology</u>				
HKBN Ltd	3,130,000	18,523,126	23,585,389	0.72
Tencent Holdings Ltd	111,500	19,603,469	19,424,729	0.60
	3,241,500	38,126,595	43,010,118	1.32
<u>India</u>				
<u>Financials</u>				
Embassy Office Parks REIT	1,113,200	19,760,759	25,574,596	0.79
<u>Indonesia</u>				
<u>Telecommunications</u>				
Telekomunikasi Indonesia	5,598,800	6,206,564	7,358,167	0.23

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u>				
<u>Consumer services</u>				
ComfortDelGro Corporation Ltd	2,699,500	20,218,628	20,075,453	0.62
<u>Financials</u>				
United Overseas Bank Ltd	376,300	29,606,963	28,509,837	0.87
Capitaland Ltd	3,727,300	40,586,841	39,259,047	1.21
CapitaLand Retail China Trust	2,699,200	11,950,093	12,699,385	0.39
Mapletree North Asia Com Trust	2,342,800	10,336,443	9,315,849	0.29
Suntec Real Estate Invtm Trust	2,030,000	11,088,369	11,830,775	0.36
Ascendas Real Estate InvTrust	1,733,000	15,475,346	16,149,269	0.50
ESR-REIT	4,016,640	5,299,481	6,217,976	0.19
Keppel-KBS US REIT	7,775,568	25,256,801	24,685,679	0.76
Manulife US REIT	5,701,141	17,997,759	21,695,835	0.66
Prime US REIT	4,496,600	16,253,410	16,922,842	0.52
	34,898,549	183,851,506	187,286,494	5.75
<u>Industrials</u>				
Singapore Tech Engineering Ltd	2,767,200	31,929,864	33,010,266	1.01
Venture Corp Ltd	177,300	9,679,488	8,158,755	0.25
	2,944,500	41,609,352	41,169,021	1.26
<u>Telecommunications</u>				
Singapore Telecom Ltd	4,683,900	48,568,392	44,927,332	1.38

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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>				
<u>Consumer services</u>				
Alibaba Group Holding Ltd	48,287	35,093,989	35,531,166	1.09
Total quoted equities - foreign	<u>93,384,936</u>	<u>744,773,461</u>	<u>728,851,589</u>	<u>22.39</u>
Accumulated unrealised loss on quoted equities - foreign		<u>(15,921,872)</u>		
Total quoted equities - foreign		<u>728,851,589</u>		

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 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 2020 (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 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 (continued)</u>				
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 2020 (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 2019 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>				
5.80% AFFIN Bank Bhd Call: 31.07.2023 (A3)	15,000,000	15,076,274	15,704,324	0.48
4.95% RHB Investment Bank Bhd Call: 16.04.2020 (AA3)	5,000,000	5,112,469	5,126,475	0.16
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	10,000,000	10,191,132	10,448,519	0.32
7.20% PBFIN Bhd Call: 13.11.2020 (AA2)	5,000,000	5,139,320	5,144,229	0.16
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,051,461	5,250,754	0.16
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	13,000,000	13,334,047	14,094,937	0.43
6.20% Jimah East Power Sdn Bhd 04.12.2031 (AA-)	5,000,000	5,384,714	6,047,539	0.19
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	5,000,000	5,360,238	5,835,606	0.18
4.232% MGS 30.06.2031 (SOV)	9,000,000	9,045,357	9,704,561	0.30
6.10% MEX II Sdn Bhd 29.04.2031 (AA-)	500,000	539,227	584,350	0.02
5.90% MEX II Sdn Bhd 27.04.2029 (AA-)	3,500,000	3,741,119	3,991,279	0.12
5.32% WCT Holdings Bhd 11.05.2022 (AA-)	10,000,000	10,169,571	10,393,286	0.32
4.85% Perbadanan Kemajuan N Selangor 29.05.2020 (AA3)	20,000,000	20,260,772	20,424,475	0.63
6.90% Mah Sing Group Bhd Call: 04.04.2022 (NR)	27,250,000	28,030,899	28,612,097	0.88
4.98% Ambank M Bhd Call: 15.11.2023 (AA3)	20,000,000	20,295,011	20,966,611	0.64
5.10% Krung Thai Bank PLC Call: 06.07.2020 (AA2)	25,000,000	25,310,161	25,416,123	0.78
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	5,000,000	4,941,711	5,119,534	0.16
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	10,000,000	10,066,301	10,661,401	0.33
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	20,000,000	20,417,293	20,889,693	0.64
4.86% PTPTN 12.03.2032 (NR)	10,000,000	10,227,688	11,544,688	0.36
5.05% Fortune Premiere Sdn Bhd 31.10.2025 (AA)	20,000,000	20,346,533	21,594,989	0.66
6.80% Mah Sing Group Bhd Call: 31.03.2020 (NR)	5,000,000	5,145,315	5,166,165	0.16

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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)				
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	6,000,000	6,017,951	6,132,251	0.19
6.50% Eco World Capital Assets Bhd 12.08.2022 (NR)	33,000,000	33,141,637	33,900,091	1.04
6.30% MEX II Sdn Bhd 29.04.2033 (AA-)	250,000	272,019	298,249	0.01
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (A1)	40,000,000	40,352,866	40,643,896	1.25
5.00% Lafarge Cement Sdn Bhd 11.12.2020 (A1)	22,000,000	22,201,438	22,388,936	0.69
4.80% Lafarge Cement Sdn Bhd 13.01.2020 (A1)	5,250,000	5,273,356	5,292,485	0.16
4.50% Axis REIT Sukuk Bhd Call: 13.07.2022 (AAA)	5,000,000	5,049,440	5,166,439	0.16
6.43% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2039 (AA-)	5,000,000	5,542,221	5,993,177	0.18
4.68% Malaysia Airports Capital Bhd 16.12.2022 (AAA)	10,000,000	10,184,174	10,481,047	0.32
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	10,000,000	10,025,845	10,625,351	0.33
5.25% Tanjung Bin Energy Issuer Bhd 15.09.2022 (AA3)	1,000,000	1,043,698	1,068,591	0.03
5.10% BEWG M Sdn Bhd 17.07.2020 (AA)	15,000,000	15,092,219	15,252,269	0.47
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	5,000,000	5,088,745	5,148,629	0.16
5.23% Hong Leong Financial Group Bhd Call: 30.11.2022 (A1)	5,000,000	5,067,345	5,222,145	0.16
4.50% Tan Chong Motor Holdings Bhd 22.11.2020 (A1)	20,000,000	20,174,372	20,274,375	0.62
3.885% MGS 15.08.2029 (SOV)	20,000,000	20,081,387	20,991,494	0.64
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	13,000,000	13,338,776	14,171,036	0.44
5.00% Perbadanan Kemajuan N Selangor 10.08.2021 (AA3)	15,000,000	15,044,837	15,392,087	0.47
5.35% East Klang Valley Expressway 29.01.2027 (AAA)	5,000,000	5,268,694	5,549,518	0.17

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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 (continued)</u>				
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	10,000,000	10,145,479	10,720,279	0.33
4.921% MGS 06.07.2048 (SOV)	20,000,000	21,346,812	24,153,444	0.74
4.30% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	15,000,000	15,133,738	15,321,249	0.47
5.03% AFFIN Bank Bhd Call: 20.09.2022 (A1)	25,000,000	25,654,970	26,375,459	0.81
4.13% GII 09.07.2029 (SOV)	10,000,000	10,225,412	10,710,603	0.33
4.60% Danga Capital Berhad 23.02.2026 (AAA)	5,000,000	5,045,263	5,340,671	0.16
Total unquoted fixed income securities - local	<u>568,750,000</u>	<u>578,999,307</u>	<u>599,335,406</u>	<u>18.41</u>
Accumulated unrealised gain on unquoted fixed income securities – local		<u>20,336,099</u>		
Total unquoted fixed income securities - local		<u>599,335,406</u>		

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 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 2020 (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 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 Cresent 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 2020 (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 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 2020 (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 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 2020 (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 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 2020 (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 2019 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>				
5.00% Frasers Property Treasury Pte Call: 09.03.2020 (NR)	9,106,200	8,719,736	9,381,295	0.29
5.625% Bank of East Asia Ltd Call: 18.05.2022 (Ba2)	20,184,000	20,011,267	20,635,995	0.63
6.75% Yanlord Land HK Co Ltd Call: 23.04.2021 (Ba3)	8,410,000	8,477,594	8,827,977	0.27
6.75% Australia New Zealand Bank Gp Call: 15.06.2026 (Baa2)	12,615,000	13,071,050	14,147,092	0.43
3.875% Nan Fung Treasury Ltd 03.10.2027 (BBB-)	8,410,000	8,084,170	8,647,419	0.27
4.8% Press Metal Labuan Ltd Call: 30.10.2020 (Ba3)	25,230,000	25,344,013	25,412,497	0.78
Barclays PLC 5.875% Call: 15.09.2024 (Ba3)	20,511,600	21,555,175	20,077,830	0.62
5.00% Nanyang Commercial Bank Ltd Call: 02.06.2022 (Ba2)	16,820,000	16,805,706	16,755,430	0.51
0% United States Treasury N/B05.09.2020 (F-1+)	21,025,000	20,930,814	21,022,897	0.65
Societe Generale SA Call: 13.09.2021 (Ba2)	2,943,500	2,937,543	3,198,456	0.10
3.875% United Overseas Bank Ltd Call: 19.10.2023 (Baa1)	25,230,000	23,882,501	25,762,563	0.79
4.25% Franshion Brilliant Ltd 23.07.2029 (Baa3)	7,148,500	6,973,063	7,171,991	0.22
5.00% HSBC Holdings PLC Call: 24.09.2023 (Baa3)	9,106,200	9,270,135	9,509,193	0.29
6.25% HSBC Holdings PLC Call: 23.03.2023 (Baa3)	29,435,000	30,453,887	30,842,892	0.95
4.25% Industrial & Comm Bank of China Asia Call: 21.07.2021 (Ba1)	25,230,000	24,750,440	25,439,970	0.78
6.875% Indika Energy Capital II Pte Call: 10.04.2020 (Ba3)	16,820,000	17,970,669	17,750,602	0.55
3.95% Incitec Pivot Finance LLC Call: 03.05.2027 (Baa2)	16,820,000	16,357,445	17,051,649	0.52
3.50% Dianjian Haiyu Ltd Call: 14.06.2022 (Baa1)	18,922,500	18,328,641	19,043,341	0.59
5.20% Shimao Property Holdings Ltd Call: 30.01.2022 (BBB-)	8,410,000	8,307,685	8,508,210	0.26
8.25% Indonesia Treasury Bond 15.07.2021 (Baa2)	14,805,000	14,891,900	15,403,970	0.47

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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)				
4.125% NWD MTN Ltd 18.07.2029 (NR)	6,728,000	6,531,663	6,744,329	0.21
4.50% LS Finance Ltd 26.06.2025 (Ba2)	33,640,000	34,047,241	32,762,837	1.01
7.00% Indonesia Treasury Bond 15.05.2022 (Baa2)	20,727,000	20,942,466	21,293,679	0.65
2.875% United States Treasury N/B 15.05.2049 (Aaa)	8,410,000	8,947,012	10,103,064	0.31
8.40% Lembaga Pembiayaan Ekspor Indo 23.02.2020 (NR)	21,911,400	21,852,666	22,054,992	0.68
5.625% HSBC Holdings PLC call: 17.01.2020 (Baa3)	23,127,500	22,831,225	23,348,946	0.72
6.55% CIFI Holdings Group Co Ltd Call: 28.03.2022 (BB-)	21,025,000	20,973,763	20,851,280	0.64
5.75% NWD Finance BVI Ltd Call: 05.10.2021 (NR)	16,820,000	16,793,882	17,007,029	0.52
4.70% Pertamina Persero PT 30.07.2049 (Baa2)	8,410,000	8,263,513	9,190,845	0.28
4.35% Bank Call: 02.07.2024 (Baa3)	8,410,000	8,364,867	8,640,679	0.27
4.625% Minejesa Capital BV 10.08.2030 (Baa3)	16,820,000	15,797,754	17,743,383	0.55
3.75% Weichai Int HK Energy Grp Co Call: 14.09.2022 (BBB-)	42,050,000	41,440,499	42,705,805	1.31
6.25% Times Property Holdings Ltd Call: 30.09.2020 (B1)	19,763,500	19,396,526	19,953,174	0.61
4.35% Far East Horizon Ltd Call: 14.06.2022 (NR)	42,050,000	41,030,959	40,956,875	1.26
4.6% Radiant Access Ltd Call: 18.05.2020 (A2)	9,251,000	9,643,067	9,243,239	0.28
5.625% HSBC Holdings PLC Call: 17.01.2020 (Baa3)	8,410,000	8,456,764	8,490,526	0.26
8.10% Yinson Juniper Ltd Call: 29.03.2024 (NR)	21,025,000	21,036,555	22,374,805	0.69
6.75% QBE Insurance Group Ltd Call: 02.12.2024 (BBB-)	14,717,500	15,765,410	16,526,096	0.51
5.00% Westpac Banking Corp Call: 21.09.2027 (Baa2)	6,307,500	5,600,029	6,302,594	0.19
8.50% Yuzhou Properties Co Ltd Call: 04.02.2022 (B1)	8,410,000	8,479,282	8,448,476	0.26
4.5% Huarong Finance 2017 Co Call: 24.01.2022 (Baa1)	12,615,000	13,384,605	12,804,540	0.39

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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)				
7.625% Times China Holdings Ltd Call: 21.02.2021 (B1)	12,615,000	12,253,139	12,978,539	0.40
2.50% Frasers Property Treasury Pte 21.07.2021 (NR)	8,410,000	8,656,811	8,330,759	0.26
5.625% DP World PLC 25.09.2048 (Baa1)	4,205,000	4,676,548	5,123,267	0.16
6.80% Yanlord Land HK Co Ltd Call: 27.02.2022 (Ba3)	10,092,000	10,030,025	10,194,490	0.31
2.75% Singapore Government Bond 01.03.2046 (AAA)	30,354,000	31,910,818	35,536,946	1.09
4.50% Korean Reinsurance Co Call: 21.10.2020 (BBB+)	25,230,000	25,212,088	25,657,649	0.79
4.48% Wing Tai Holdings Ltd Call: 24.05.2024 (NR)	24,283,200	24,404,703	24,615,247	0.76
8.45% Federal International Finance 26.04.2020 (NR)	6,810,300	6,837,624	6,905,846	0.21
3.876% Chong Hing Bank Ltd Call: 26.07.2022 (BBB-)	18,922,500	18,586,135	19,080,849	0.59
4.30% Dianjian Haiyu Ltd Call: 20.06.2024 (BBB+)	21,025,000	21,067,643	21,600,676	0.66
5.75% Celestial Miles Ltd Call: 31.01.2024 (NR)	15,979,000	16,503,582	16,863,460	0.52
5% Pakuwon Prima Pte Ltd Call: 14.02.2021 (Ba2)	8,410,000	8,826,036	8,513,116	0.26
5.00% Frasers Property Treasury Pte Call: 09.03.2020 (NR)	4,553,100	4,526,797	4,690,647	0.14
4.65% Hotel Properties Ltd Call: 05.05.2022 (NR)	7,588,500	7,924,712	7,699,750	0.24
4.50% Postal Savings Bk China Co Ltd Call: 27.09.2022 (Ba2)	46,255,000	47,408,032	48,295,465	1.48
4.60% GLL IHT Pte Ltd Call: 23.01.2023 (NR)	15,177,000	14,994,784	15,248,956	0.47
3.75% Telefonica Europe BV Call: 15.03.2022 (Ba2)	4,651,700	5,004,551	5,025,757	0.15
4.475% Heungkuk Life Insurance Co Ltd Call: 09.11.2022 (Baa3)	29,435,000	30,002,452	29,147,192	0.90
4.25% LS Finance Ltd 16.10.2022 (Ba2)	21,025,000	21,235,653	21,141,426	0.65
6.00% HSBC Holdings PLC Call: 22.05.2027 (Baa3)	16,820,000	17,218,572	17,191,722	0.53
4.45% Sun Hung Kai Properties Cap Mk Call: 23.05.2020 (A1)	16,820,000	17,183,372	16,808,460	0.52

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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)				
4.85% Ciputra Development Tbk PT 20.09.2021 (BB-)	27,318,600	28,625,851	27,903,892	0.86
5.875% UBS Grp Funding Switzerland AG Call: 28.11.2023 (BBB-)	16,694,700	17,120,018	17,642,021	0.54
4.00% CK Hutchison Capital Sec17 Ltd Call: 12.05.2022 (Baa1)	12,615,000	12,353,687	12,804,366	0.39
5.875% Yanlord Land HK Co Ltd Call: 23.01.2020 (Ba3)	16,820,000	17,213,915	17,142,967	0.53
4.25% Parkway Pantai Ltd Call: 27.07.2022 (NR)	25,230,000	25,844,270	25,263,149	0.78
4.00% Franshion Brilliant Ltd Call: 03.01.2023 (Baa3)	15,138,000	14,609,431	14,917,658	0.46
1.625% United States Treasury N/B 15.08.2029 (Aaa)	12,615,000	12,534,370	12,721,684	0.39
6.125% Shimao Property Holdings Ltd Call: 21.02.2022 (BBB-)	8,410,000	8,187,492	8,865,834	0.27
6% Yuzhou Properties Co Ltd Call: 25.10.2020 (B1)	16,820,000	16,050,950	15,397,028	0.47
5.6% Shimao Property Holdings Ltd Call: 15.07.2023 (BBB-)	16,820,000	16,628,833	17,032,866	0.52
3.95% Shenzhen International Holding Call: 29.11.2022 (Baa2)	46,255,000	45,816,237	46,731,170	1.44
4.00% Huarong Finance 2017 Co. Call: 07.11.2022 (Baa1)	24,809,500	25,075,984	25,093,983	0.77
6.375% HSBC Holdings PLC Call: 17.09.2024 (Baa3)	11,353,500	11,910,909	12,012,477	0.37
4.125% Santos Finance Ltd Call: 14.06.2027 (BBB-)	29,435,000	28,108,739	30,710,578	0.94
2.25% United States Treasury N/B 15.08.2049 (Aaa)	54,665,000	56,976,688	57,575,332	1.77
5.375% Standard Chartered PLC Call: 03.10.2024 (Ba1)	18,212,400	18,597,307	18,635,577	0.57
5.50% Bank of East Asia Ltd Call: 02.12.2020 (Ba2)	12,615,000	12,985,583	12,842,035	0.39
5.50% Cooperatieve Rabobank UA Call: 29.06.2020 (Baa3)	13,955,100	14,798,577	14,633,562	0.45
6.875% UBS Group AG Call: 22.03.2021 (Ba1)	12,615,000	12,989,875	13,383,720	0.41

AFFIN HWANG SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2020 (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 2019 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)				
1.50% Australia Government Bond 21.06.2031 (AAA)	14,152,500	14,978,277	15,042,706	0.46
6.125% Emirates NBD PJSC Call: 20.03.2025 (B1)	23,127,500	24,176,703	24,915,079	0.77
12.80% Indonesia Treasury Bond 15.06.2021 (Baa2)	5,922,000	6,488,082	6,678,489	0.21
6.125% Societe Generale SA Call: 16.04.2024 (Ba2)	18,212,400	18,571,316	19,011,355	0.58
8.375% Indonesia Treasury Bond 15.04.2039 (NR)	29,313,900	29,192,938	31,485,554	0.97
4.875% Prudential Plc Call: 20.01.2023 (A3)	8,410,000	8,482,407	8,476,036	0.26
6.50% Chong Hing Bank Ltd Call: 25.09.2020 (Ba2)	23,548,000	24,815,616	24,303,106	0.75
5.481% Banco Santander SA Call: 12.09.2020 (Ba1)	18,141,630	19,184,459	18,546,465	0.57
4.375% UBS Group AG Call: 27.08.2024 (BB)	11,888,100	11,877,290	11,913,398	0.37
4.70% HSBC Holdings PLC Call: 08.06.2022 (Baa3)	12,141,600	12,474,229	12,397,122	0.38
4.00% China Life Insurance Co. Ltd Call: 03.07.2020 (A3)	52,562,500	50,948,599	53,011,617	1.63
6.75% BHP Billiton Finance USA Ltd Call: 20.10.2025 (Baa1)	16,820,000	18,658,867	20,157,929	0.62
8.375% Indonesia Treasury Bond 15.03.2034 (Baa2)	14,805,000	15,226,631	16,060,238	0.49
4.85% UBS Group AG Call: 04.09.2024 (BBB-)	12,141,600	12,128,413	12,142,814	0.37
8.25% Indonesia Treasury Bond 15.05.2029 (NR)	30,498,300	30,972,566	33,013,894	1.01
7.375% Societe Generale SA Call: 13.09.2021 (Ba2)	5,466,500	5,492,789	5,939,990	0.18
Total unquoted fixed Income securities -foreign	<u>1,726,020,530</u>	<u>1,741,265,157</u>	<u>1,777,194,372</u>	<u>54.60</u>
Accumulated unrealised gain on unquoted fixed income securities -foreign		<u>35,929,215</u>		
Total unquoted fixed Income securities -foreign		<u>1,777,194,372</u>		

AFFIN HWANG SELECT INCOME FUND

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

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

(e) Collective investment schemes - local

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

(ii) Collective investment schemes - local as at 31 August 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Income Extra Fund	5,000,349	5,000,000	5,010,850	0.15
Accumulated unrealised gain on collective investment schemes - local		10,850		
Total collective investment schemes - local		5,010,850		

AFFIN HWANG SELECT INCOME FUND

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

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

(f) Unquoted credit linked notes - foreign

(i) Unquoted credit linked note - foreign as at 31 August 2020 are as follows:

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

(ii) Unquoted credit linked note - foreign as at 31 August 2019 are as follows:

	Nominal <u>value</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Credit link note</u>				
33.85% BNP Paribas SA 23.06.2021 (NR)	12,615,000	12,238,739	12,377,487	0.38
Accumulated unrealised gain on unquoted linked notes investment		138,748		
Total unquoted linked notes investment		12,377,487		

AFFIN HWANG SELECT INCOME FUND

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

9 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	25,983,468	64,934,911
Deposits with a licensed financial institution	21,407,107	25,404,175
	<u>47,390,575</u>	<u>90,339,086</u>

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

	<u>2020</u> %	<u>2019</u> %
Deposits with a licensed financial institution	<u>1.75</u>	<u>3.00</u>

Deposits with licensed financial institutions have an average maturity of 1 day (2019: 3 days).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 51 (2019: 62) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM1,252,877,224 (2019: RM1,248,496,939). 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.

11 NUMBER OF UNITS IN CIRCULATION

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial period	4,174,314,000	4,922,816,000
Creation of units arising from applications during the financial period	20,979,000	15,758,000
Creation of units arising from distributions during the financial period	57,145,597	49,989,228
Cancellation of units during the financial period	(456,119,597)	(570,047,228)
At the end of the financial period	<u>3,796,319,000</u>	<u>4,418,516,000</u>

AFFIN HWANG SELECT INCOME FUND

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

12 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 2020 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>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>

(b) Details of transactions with the top 10 brokers and dealers for the 6 months financial period ended 31 August 2019 are as follows:

<u>Name of brokers/dealers</u> RM	Percentage of <u>Value of trade</u> %	Brokerage <u>total trade</u> RM	Percentage of total <u>fees</u> %	<u>brokerage</u>
CLSA Ltd	507,654,362	10.68	637,030	12.80
Macquarie Bank Ltd	476,544,211	10.03	616,914	12.40
Citigroup Global Markets Ltd	453,113,699	9.54	776,063	15.60
China International Capital Corporation HK Securities Ltd	365,344,441	7.69	913,361	18.35
Nomura Singapore Ltd *	255,235,299	5.37	-	-
Standard Chartered Bank	215,866,540	4.54	-	-
JP Morgan Chase Bank Bhd	201,318,005	4.24	-	-
HSBC Corporation Ltd	139,104,991	2.93	-	-
UOB Kay Hian Pte Ltd	126,617,036	2.66	316,543	6.36
DBS Securities (Singapore) Pte Ltd	110,058,516	2.32	434,433	8.73
Others #*	1,901,068,728	40.00	1,281,787	25.76
	<u>4,751,925,828</u>	<u>100.00</u>	<u>4,976,131</u>	<u>100.00</u>

Included in transactions with brokers and dealers are trades conducted on normal terms in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting RM459,933 (2019: RM67,735,264). 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.

AFFIN HWANG SELECT INCOME FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

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

	<u>2020</u> RM	<u>2019</u> RM
<u>Name of brokers and dealers</u>		
RHB Bank Bhd	-	2,597,390
Nomura Singapore Ltd	-	72,227,658
RHB Investment Bank Bhd	6,056,262	8,278,399
Market Axess	10,853,268	-
	<u>16,909,530</u>	<u>83,103,447</u>

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

	<u>2020</u> RM	<u>2019</u> RM
Affin Hwang Flexible Maturity Income Fund IV	-	1,527,465
Affin Hwang Flexible Maturity Income Fund 6	-	8,278,399
Affin Hwang Fixed Maturity Income Fund 8	-	64,470,970
Affin Hwang Fixed Maturity Income Fund 9	16,909,530	-
Affin Hwang Fixed Maturity Income Fund 11	-	7,756,688
Private mandates managed by the Manager	-	1,069,925
	<u>16,909,530</u>	<u>83,103,447</u>

AFFIN HWANG SELECT INCOME FUND

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

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

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

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

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

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held for booking purposes)	<u>3,618</u>	<u>2,645</u>	<u>29,688</u>	<u>21,871</u>
<u>Parties related to the Manager</u>				
Directors of Affin Hwang Asset Management Berhad (The units are held beneficially)	<u>57,606</u>	<u>42,110</u>	<u>622,957</u>	<u>458,932</u>
Directors of Affin Hwang Capital Group (The units are held beneficially)	<u>-</u>	<u>-</u>	<u>55,439</u>	<u>40,841.91</u>
<u>Subsidiary and associated companies of the ultimate holding company of the Manager:</u>				
AXA Affin Life Insurance Bhd (The units are held beneficially)	<u>35,002,923</u>	<u>25,587,137</u>	<u>4,965,829</u>	<u>3,658,326</u>

AFFIN HWANG SELECT INCOME FUND

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

14 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended 31.8.2020 %	6 months financial period ended 31.8.2019 %
MER	0.81	0.80

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM2,790,892,534 (2019: RM3,417,396,924).

15 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 31.8.2020	6 months financial period ended 31.8.2019
PTR (times)	0.44	0.73

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 = RM1,392,305,962 (2019: RM2,316,524,310)
total disposal for the financial period = RM1,521,973,109 (2019: RM2,683,527,660)

16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

AFFIN HWANG SELECT INCOME FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 67 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2020 and of its financial performance, changes in equity and cash flows for the financial period ended 31 August 2020 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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
14 October 2020

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)