

Affin Hwang Bond Fund

Annual Report
30 April 2022

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
AmanahRaya Trustee Berhad (766894-T)

AFFIN HWANG BOND FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 30 April 2022

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FUND INFORMATION

Fund Name	Affin Hwang Bond Fund
Fund Type	Income
Fund Category	Bond
Investment Objective	To provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.
Benchmark	12-month fixed deposit rate quoted by Maybank
Distribution Policy	Distribution (if any) is on quarterly basis and will be subject to the availability of income

FUND PERFORMANCE DATA

Category	As at 30 Apr 2022 (%)	As at 30 Apr 2021 (%)	As at 30 Apr 2020 (%)
Portfolio Composition			
Unquoted fixed income securities – local	89.83	92.76	91.41
Cash	10.17	7.24	8.59
Total	100.00	100.00	100.00
Total NAV (RM'million)	772.351	1,007.037	804.147
NAV per Unit (RM)	0.5747	0.5963	0.6127
Unit in Circulation (million)	1,343.862	1,688.731	1,312.374
Highest NAV	0.6044	0.6258	0.6228
Lowest NAV	0.5747	0.5900	0.5872
Return of the Fund (%)	-0.97	0.07	7.51
- Capital Growth (%)	-3.70	-2.68	4.34
- Income Return (%)	2.84	2.82	3.04
Gross Distribution per Unit (sen)	1.67	1.70	1.80
Net Distribution per Unit (sen)	1.67	1.70	1.80
Total Expense Ratio (%) ¹	1.09	1.09	1.09
Portfolio Turnover Ratio (times) ²	0.26	0.67	1.07

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

¹The TER of the Fund was unchanged for the financial year.

²The Fund's PTR was lower than previous year due to lower average Net Asset Value and trading activities for the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Jun-21	16-Jun-21	0.5993	0.0042	0.5952
19-Sep-21	20-Sep-21	0.6044	0.0042	0.6000
14-Dec-21	15-Dec-21	0.5967	0.0042	0.5922
15-Mar-22	16-Mar-22	0.5940	0.0041	0.5899

No unit splits were declared for the financial year ended 30 April 2022.

Performance Review

For the period 1 May 2021 to 30 April 2022, the Fund has registered a return of -0.97% as compared to the benchmark return of 1.85%. The Fund thus underperformed the benchmark by 2.82%. The Net Asset Value (NAV) per unit of the Fund as at 30 April 2022 was RM 0.5747 while the NAV per unit on 30 April 2021 was RM 0.5968. During the same period under review, the Fund has declared a total gross income distribution of RM0.0167 per unit.

Since commencement, the Fund has outperformed the benchmark by 21.60% with returns of 111.85% compared to the benchmark return of 90.25%.

Table 1: Performance of the Fund

	1 Year (1/5/21 - 30/4/22)	3 Years (1/5/19 - 30/4/22)	5 Years (1/5/17 - 30/4/22)	Since Commencement (14/12/01 - 30/4/22)
Fund	(0.97%)	6.63%	18.08%	111.85%
Benchmark	1.85%	6.93%	14.00%	90.25%
Outperformance	(2.82%)	(0.30%)	4.08%	21.60%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/5/21 - 30/4/22)	3 Years (1/5/19 - 30/4/22)	5 Years (1/5/17 - 30/4/22)	Since Commencement (14/12/01 - 30/4/22)
Fund	(0.97%)	2.16%	3.38%	3.75%
Benchmark	1.85%	2.26%	2.65%	3.20%
Outperformance	(2.82%)	(0.10%)	0.73%	0.55%

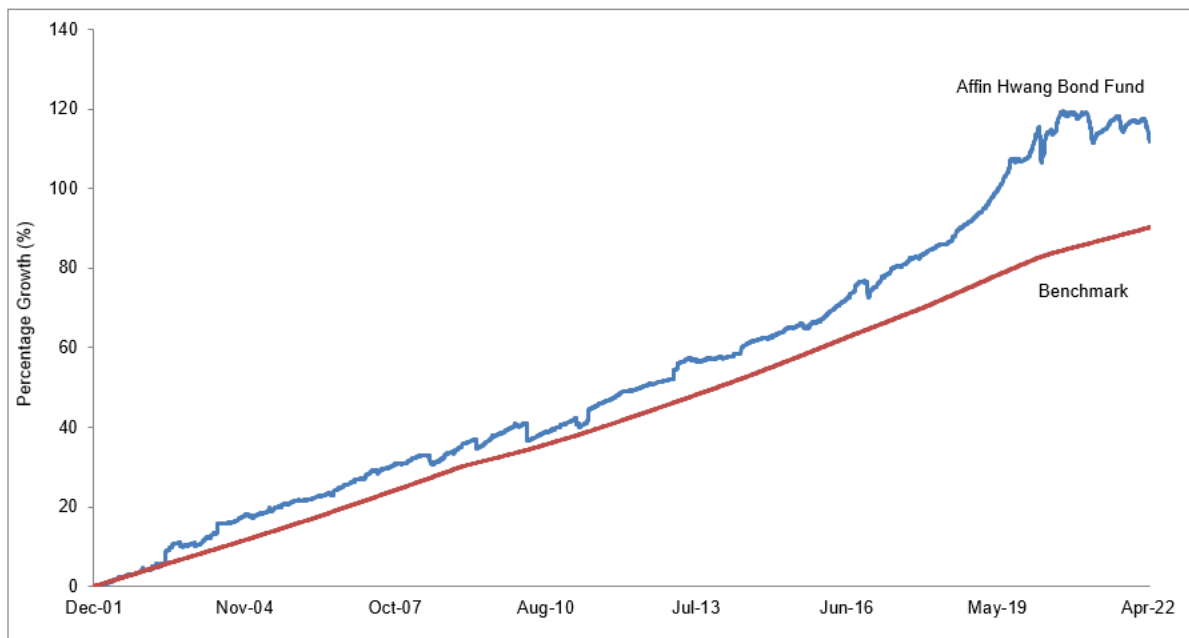
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/5/21 - 30/4/22)	FYE 2021 (1/5/20 - 30/4/21)	FYE 2020 (1/5/19 - 30/4/20)	FYE 2019 (1/5/18 - 30/4/19)	FYE 2018 (1/5/17 - 30/4/18)
Fund	(0.97%)	0.16%	7.51%	6.80%	3.69%
Benchmark	1.85%	1.91%	3.02%	3.35%	3.16%
Outperformance	(2.82%)	(1.75%)	4.49%	3.45%	0.53%

Source of Benchmark: Bloomberg

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



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

Benchmark: Maybank 12-month fixed deposit rate

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

Asset Allocation

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

During the period under review, the Fund's exposure in fixed income instruments had decreased to 89.83%, 2.93 percentage points lower than 92.76% a year ago. Correspondingly, the cash level of the Fund was increased to 10.17%.

Strategies Employed

With the return of volatility in markets, we decided to take a more defensive stance. To date, the Fund's bond holdings have continued to meet their respective financial obligations in respect of their outstanding debt. Cash level was maintained at a moderate level to better navigate through heightened volatility environment, and the manager continues to stick to quality credits.

Market Review

Uncertainty has been an ongoing theme in economies and markets. While global equities started on a strong note at the start of 2021 due to policy easing and optimism surrounding vaccination rollout, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook. For the most of second half of 2021 ("2H 2021"), expensive valuations in both fixed income and equities loomed over investors. However, the challenging market conditions in the first quarter of 2022 ("1Q 2022") addressed some of these concerns as Chinese equities both onshore and offshore traded below their 15-year average and the Standard & Poor's (S&P) plummeted 8.7% in April 2022.

In general, government policies to encourage demand throughout one of the largest economic contractions produced one of the fastest recoveries. Developed market output reached its pre-pandemic peak in the third quarter of 2021.

Real gross domestic product (“GDP”) growth for US in 1Q 2022 was weaker than expected, falling 1.4% on an annualised basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualised basis.

In the Eurozone, equities continue to decline as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 7.5% in April, an increase from 7.4% in March. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and industrials fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

In China, although 1Q 2022 GDP has shown that the Chinese economy began to rebound in January and February, the impact the pandemic had on consumption, investment and production overshadowed the growth as Covid-19 continued to put downward pressure on the Chinese economy. The tightened credit conditions that persisted until early 2022 and regulatory policies in place as a result of the government’s common prosperity initiative have slowed growth. A decline in new Covid infection numbers could be the first step in restoring market confidence, however, with parts of China in lockdown since April 2022 resulting in a decrease in both the manufacturing and services sector, investor confidence remained cautious. The Chinese Yuan also experienced some sharp depreciation during the quarter as the 2-year US Treasury yield rose above its Chinese equivalent.

Asia equities were lower in April as China fought hard to contain its worst outbreak of Covid-19, implementing measures that affected the market adversely. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to supply chain disruptions brought upon by lockdowns in Shanghai and neighbouring cities.

Bond yields continued to rise in April 2022, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 8.5% year on year in March though the core personal consumption expenditure index fell slightly to an annualised 5.2% from 5.3%. Corporate bonds garnered negative total returns and underperformed government bonds in general.

The S&P GSCI Index reported a positive return in April 2022. Higher prices in agricultural and energy components supported weaker prices for livestock, industrial and precious metals. Energy was the top performing component of the index as the global economy normalises after the Covid-19 pandemic and supplies are disrupted due to geopolitical unrest.

On the domestic front, March exports jumped 25.4% year on year, exceeding consensus estimates. The growth was largely attributed to electrical & electronic and commodities-based products such as palm oil. In the local bond market, Malaysia’s sovereign bonds’ trading volume declined to RM55.3billion in April 2022, a 25% reduction since March 2022. A decline in trading volume of corporate bonds from RM9.1billion in March to RM5.7billion in April was also recorded.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalisation of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with it peak GDP growth during the pandemic era also likely realized in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

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, no soft commission was received by the management company on behalf of the Fund.

Cross Trade

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

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG BOND FUND (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 30 April 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **AFFIN HWANG ASSET MANAGEMENT BERHAD** has operated and managed the fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI
Chief Executive Officer

Kuala Lumpur, Malaysia
17 June 2022

AFFIN HWANG BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

AFFIN HWANG BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

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AFFIN HWANG BOND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
INVESTMENT INCOME			
Dividend income		-	65,769
Interest income from financial assets at amortised cost		902,834	1,322,086
Interest income from financial assets at fair value through profit or loss		34,474,429	38,211,815
Net loss on financial assets at fair value through profit or loss	8	(29,688,894)	(32,224,471)
		<u>5,688,369</u>	<u>7,375,199</u>
EXPENSES			
Management fee	4	(9,255,979)	(10,335,050)
Trustee fee	5	(740,830)	(834,021)
Auditors' remuneration		(8,000)	(9,500)
Tax agent's fee		-	(4,380)
Other expenses		(39,493)	(44,870)
		<u>(10,044,302)</u>	<u>(11,227,821)</u>
NET LOSS BEFORE TAXATION		(4,355,933)	(3,852,622)
Taxation	6	-	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(4,355,933)</u>	<u>(3,852,622)</u>
Net loss after taxation is made up of the following:			
Realised amount		25,181,019	37,706,423
Unrealised amount		(29,536,952)	(41,559,045)
		<u>(4,355,933)</u>	<u>(3,852,622)</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	9	81,539,012	63,262,513
Amount due from dealers		-	10,607,577
Financial assets at fair value through profit or loss	8	693,787,551	934,172,598
TOTAL ASSETS		<u>775,326,563</u>	<u>1,008,042,688</u>
LIABILITIES			
Amount due to Manager			
- management fee		653,680	822,246
- cancellation of units		2,249,376	90,668
Amount due to Trustee		52,295	65,780
Auditors' remuneration		9,590	11,090
Tax agent's fee		8,120	12,500
Other payable and accruals		2,202	3,199
TOTAL LIABILITIES		<u>2,975,263</u>	<u>1,005,483</u>
NET ASSET VALUE OF THE FUND		<u>772,351,300</u>	<u>1,007,037,205</u>
EQUITY			
Unitholders' capital		805,200,440	1,009,578,049
Accumulated losses		(32,849,140)	(2,540,844)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>772,351,300</u>	<u>1,007,037,205</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>1,343,862,000</u>	<u>1,688,731,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5747</u>	<u>0.5963</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2021	1,009,578,049	(2,540,844)	1,007,037,205
Total comprehensive loss for the financial year	-	(4,355,933)	(4,355,933)
Distributions (Note 7)	-	(25,952,363)	(25,952,363)
Movement in unitholders' capital:			
Creation of units arising from applications	144,545,662	-	144,545,662
Creation of units arising from distributions	22,530,794	-	22,530,794
Cancellation of units	(371,454,065)	-	(371,454,065)
Balance as at 30 April 2022	<u>805,200,440</u>	<u>(32,849,140)</u>	<u>772,351,300</u>
Balance as at 1 May 2020	773,019,526	31,127,586	804,147,112
Total comprehensive loss for the financial year	-	(3,852,622)	(3,852,622)
Distributions (Note 7)	-	(29,815,808)	(29,815,808)
Movement in unitholders' capital:			
Creation of units arising from applications	824,519,439	-	824,519,439
Creation of units arising from distributions	25,750,487	-	25,750,487
Cancellation of units	(613,711,403)	-	(613,711,403)
Balance as at 30 April 2021	<u>1,009,578,049</u>	<u>(2,540,844)</u>	<u>1,007,037,205</u>

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

AFFIN HWANG BOND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		285,274,477	547,401,708
Redemptions from sales of investments		61,900,000	36,750,000
Purchase of investments		(134,403,500)	(821,914,006)
Dividend received		-	65,769
Interest received		43,910,016	41,761,084
Management fee rebate received		-	12,508
Management fee paid		(9,424,545)	(10,121,892)
Trustee's fee paid		(754,315)	(816,968)
Payment for other fees and expenses		(54,370)	(56,904)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		246,447,763	(206,918,701)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		144,545,662	845,766,875
Payments for cancellation of units		(369,295,357)	(613,620,735)
Payment for distributions		(3,421,569)	(4,065,321)
		<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities		(228,171,264)	228,080,819
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,276,499	9,209,731
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		63,262,513	54,052,782
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	81,539,012	63,262,513
		<hr/> <hr/>	<hr/> <hr/>

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

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 (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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

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

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

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 profit 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 rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain and loss on sale of investments

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.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

C TAXATION

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

D DISTRIBUTIONS

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 year in which it is approved by the Trustee of the Fund.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies amount due to 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.

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 BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

F 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 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.

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.

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

(iii) Impairment

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

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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.

G 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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

H AMOUNTS DUE FROM/(TO) DEALERS

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

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

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

I UNITHOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's net 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 unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholders' 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 unitholders with the total number of outstanding units.

J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' 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.

AFFIN HWANG BOND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES(CONTINUED)

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

K 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 BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Capital Fund (the “Fund”) pursuant to the execution of a Master Deed dated 3 December 2001, First Supplemental Deed dated 29 August 2002, Second Supplemental Deed dated 23 August 2007, Third Supplemental Deed dated 8 September 2008, Fourth Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 22 July 2014, Sixth Supplemental Deed dated 6 August 2015 and Seventh Supplemental Deed dated 10 April 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Fund changed its name from Affin Capital Fund to Affin Hwang Bond Fund as amended by the Fifth Supplemental Deed dated 22 July 2014.

The objective of the Fund is to provide investors with a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities as defined under Clause 3(1) of the Deed. The principal activity of the Fund is to invest in “Authorised Investments” as defined under Clause 1 of the Deed, which includes unlisted corporate bonds and money market instruments.

The Fund commenced operations on 12 December 2002 and will continue its operations until terminated by the Trustee as provided under Clause 23 of the Deed.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the SC and/or the relevant authorities and/or the Deeds:

- (i) Listed securities;
- (ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
- (iii) Fixed deposits with financial institutions;
- (iv) Money market instruments;
- (v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
- (vi) Debentures including private debt securities and bonds;
- (vii) Units/shares in collective investment schemes, both local and foreign which are in line with the objective of the Trust; and
- (viii) Any other form of investments as may be permitted by the Securities Commissions from time to time that is in line with the Trust’s objectives.

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

The financial statements were authorised for issue by the Manager on 17 June 2022.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	81,539,012	-	81,539,012
Unquoted fixed income securities	8	-	693,787,551	693,787,551
Total		<u>81,539,012</u>	<u>693,787,551</u>	<u>775,326,563</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		653,680	-	653,680
- cancellation of units		2,249,376	-	2,249,376
Amount due to Trustee		52,295	-	52,295
Auditors' remuneration		9,590	-	9,590
Tax agent's fee		8,120	-	8,120
Other payables and accruals		2,202	-	2,202
Total		<u>2,975,263</u>	<u>-</u>	<u>2,975,263</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	63,262,513	-	63,262,513
Amount due from dealers		10,607,577	-	10,607,577
Unquoted fixed income securities	8	-	934,172,598	934,172,598
Total		<u>73,870,090</u>	<u>934,172,598</u>	<u>1,008,042,688</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Financial instruments of the Fund 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>2021</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		822,246	-	822,246
- cancellation of units		90,668	-	90,668
Amount due to Trustee		65,780	-	65,780
Auditors' remuneration		11,090	-	11,090
Tax agent's fee		12,500	-	12,500
Other payables and accruals		3,199	-	3,199
Total		<u>1,005,483</u>	<u>-</u>	<u>1,005,483</u>

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

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

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Market risk

(a) Price risk

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

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

	<u>2022</u> RM	<u>2021</u> RM
Unquoted investment		
Unquoted fixed income securities *	693,787,551	934,172,598
	<u>693,787,551</u>	<u>934,172,598</u>

* Includes interest receivable of RM7,567,721 (2021: RM10,165,447).

The following table summarises the sensitivity of the Fund's loss after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 1% (2021: 5%) and decreased by 1% (2021: 5%) with all other variables held constant. This represents management's best estimate of a reasonable shift in unquoted investments, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on loss after tax/NAV</u> RM
<u>2022</u>		
-1%	679,357,632	(6,862,198)
0%	686,219,830	-
+1%	693,082,028	6,862,198
	<u>693,082,028</u>	<u>6,862,198</u>
<u>2021</u>		
-5%	877,806,793	(46,200,358)
0%	924,007,151	-
+5%	970,207,509	46,200,358
	<u>970,207,509</u>	<u>46,200,358</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (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 loss after taxation and NAV to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% (2021: 2%) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on loss after tax/NAV</u>	
	<u>2022</u>	<u>2021</u>
	RM	RM
+ 2% (2021: + 2%)	(4,849,433)	(6,329,763)
- 2% (2021: - 2%)	4,918,131	6,443,507

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

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (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 investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

Credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

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

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

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u>			
Consumer Staples			
- AA	5,244,961	-	5,244,961
- AA2	15,097,445	-	15,097,445
Consumer Discretionary			
- A+	5,107,537	-	5,107,537
- A1	20,763,477	-	20,763,477
- AA2	4,915,117	-	4,915,117
Energy			
- AA-	27,626,549	-	27,626,549
Financial services			
- A1	2,566,569	-	2,566,569
- A3	35,051,399	-	35,051,399
- AA	2,062,331	-	2,062,331
- AA-	3,968,706	-	3,968,706
- AA1	16,160,073	-	16,160,073
- AA2	9,502,816	-	9,502,816
- AA3	13,812,464	720,188	14,532,652
- AAA	73,766,393	80,818,824	154,585,217
- NR	20,885,920	-	20,885,920
Government			
- SOV	41,811,665	-	41,811,665

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM
<u>2022</u> (continued)			
Health Care			
- AA-	16,792,371	-	16,792,371
Industrials			
- A	25,103,513	-	25,103,513
- AA	5,422,953	-	5,422,953
- AA-	32,889,606	-	32,889,606
- AA1	15,602,029	-	15,602,029
- AA3	9,115,656	-	9,115,656
- AAA	10,212,014	-	10,212,014
- NR	9,066,364	-	9,066,364
Quasi-Gov			
- AAA	43,128,084	-	43,128,084
Real estate			
- A2	10,223,765	-	10,223,765
- AA	5,091,562	-	5,091,562
- AA-	10,157,802	-	10,157,802
- AA1	10,846,040	-	10,846,040
- AA3	3,048,835	-	3,048,835
- NR	15,275,764	-	15,275,764
Utilities			
- AA	4,170,841	-	4,170,841
- AA-	67,756,308	-	67,756,308
- AA1	34,370,760	-	34,370,760
- AA3	34,570,849	-	34,570,849
- AAA	21,623,440	-	21,623,440
Telecommunications			
- AA+	10,975,573	-	10,975,573
	<u>693,787,551</u>	<u>81,539,012</u>	<u>775,326,563</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>2021</u>				
Construction and engineering				
- AA1	18,642,053	-	-	18,642,053
- AA3	26,275,608	-	-	26,275,608
- AA- IS	53,290,050	-	-	53,290,050
- A IS	25,461,958	-	-	25,461,958
Diversified holdings				
- AAA (S)	39,974,690	-	-	39,974,690
- AA1	15,822,111	-	-	15,822,111
- AA2	5,004,917	-	-	5,004,917
- A1	21,955,707	-	-	21,955,707
- A2 (S)	10,528,733	-	-	10,528,733
Financial services				
- AAA	43,083,147	53,098,807	10,607,577	106,789,531
- AAA (BG)	10,043,805	-	-	10,043,805
- AAA IS	9,587,935	-	-	9,587,935
- AA1	16,546,882	-	-	16,546,882
- AA2	12,762,551	-	-	12,762,551
- AA2 (S)	4,852,421	-	-	4,852,421
- AA3	5,654,397	2,602,798	-	8,257,195
- AA	7,351,858	-	-	7,351,858
- AA-	-	7,560,908	-	7,560,908
- A1	17,167,031	-	-	17,167,031
- A3	28,929,183	-	-	28,929,183
- NR	6,947,793	-	-	6,947,793
- NR (LT)	15,330,419	-	-	15,330,419

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted fixed income <u>securities</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>dealers</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
Industrial products				
- AA3	3,110,578	-	-	3,110,578
- A1	26,660,015	-	-	26,660,015
- AA- IS (CG)	4,354,916	-	-	4,354,916
- NR	19,950,903	-	-	19,950,903
Infrastructures and utilities				
- AAA	110,506,343	-	-	110,506,343
- AAA IS	1,619,790	-	-	1,619,790
- AA+ IS	17,063,655	-	-	17,063,655
- AA IS	10,074,712	-	-	10,074,712
- AA- IS	79,123,436	-	-	79,123,436
- AA1	20,946,799	-	-	20,946,799
- AA3	41,468,347	-	-	41,468,347
- C IS	758,182	-	-	758,182
- NR(LT)	5,365,967	-	-	5,365,967
Plantation and agriculture				
- AA IS	5,508,311	-	-	5,508,311
- AA3	20,794,979	-	-	20,794,979
Real estate				
- AA IS	15,389,566	-	-	15,389,566
- AA-	15,373,636	-	-	15,373,636
- AA- IS	17,368,118	-	-	17,368,118
- AA3	13,419,960	-	-	13,419,960
- NR	23,144,910	-	-	23,144,910
Government				
- SOV	77,174,603	-	-	77,174,603
Trading and services				
- AA1	5,422,537	-	-	5,422,537
Transportation				
- NR(LT)	4,359,086	-	-	4,359,086
	<u>934,172,598</u>	<u>63,262,513</u>	<u>10,607,577</u>	<u>1,008,042,688</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (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 principal obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other investments which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month RM</u>	<u>Between one month to one year RM</u>	<u>Total RM</u>
<u>2022</u>			
Amount due to Manager			
- management fee	653,680	-	653,680
- cancellation of units	2,249,376	-	2,249,376
Amount due to Trustee	52,295	-	52,295
Auditors' remuneration	-	9,590	9,590
Tax agent's fee	-	8,120	8,120
Other payables and accruals	-	2,202	2,202
Total	<u>2,955,351</u>	<u>19,912</u>	<u>2,975,263</u>
<u>2021</u>			
Amount due to Manager			
- management fee	822,246	-	822,246
- cancellation of units	90,668	-	90,668
Amount due to Trustee	65,780	-	65,780
Auditors' remuneration	-	11,090	11,090
Tax agent's fee	-	12,500	12,500
Other payables and accruals	-	3,199	3,199
Total	<u>978,694</u>	<u>26,789</u>	<u>1,005,483</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

Capital risk

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

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial 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 categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	693,787,551	-	693,787,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- unquoted fixed income securities	-	934,172,598	-	934,172,598
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 investments in unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(ii) The carrying values of cash and cash equivalents, amount due from dealers and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 1.50% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 30 April 2022, the management fee is recognised at a rate of 1.00% (2021: 1.00%) per annum based on the NAV of the Fund, calculated on a daily basis as stated in Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.08% per annum, calculated daily based on the NAV of the Fund.

For the financial year ended 30 April 2022, the Trustee fee is recognised at a rate of 0.08% (2021: 0.08%) per annum based on the NAV of the Fund calculated on a daily basis as stated in Fund's Prospectus.

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

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

6 TAXATION

	<u>2022</u> RM	<u>2021</u> RM
Current taxation - local	-	-

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

	<u>2022</u> RM	<u>2021</u> RM
Net loss before taxation	(4,355,933)	(3,852,622)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(1,045,424)	(924,629)
Tax effect of:		
Investment income not subject to tax	(1,365,208)	(1,770,048)
Expenses not deductible for tax purposes	177,976	210,065
Restrictions on tax deductible expenses for Unit Trust Funds	2,232,656	2,484,612
Tax expense	-	-

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

7 DISTRIBUTIONS

	<u>2022</u> RM	<u>2021</u> RM
Distribution to unitholders is from the following sources:		
Interest income	11,097,555	22,439,808
Previous years' realised income	14,953,239	11,511,600
	<hr/>	<hr/>
Gross realised income	26,050,794	33,951,408
Less: Expenses	(98,431)	(4,135,600)
	<hr/>	<hr/>
Net distribution amount	<u>25,952,363</u>	<u>29,815,808</u>

During the financial year ended 30 April 2022, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
16.06.2021	0.42
20.09.2021	0.42
15.12.2021	0.42
16.03.2022	0.41
	<hr/>
	1.67
	<hr/>

During the financial year ended 30 April 2021, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
17.06.2020	0.35
17.09.2020	0.50
16.12.2020	0.45
17.03.2021	0.40
	<hr/>
	1.70
	<hr/>

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

Included in distribution for the financial year is an amount of RM14,953,239 (2021: RM11,511,600) made from previous financial years' realised income.

There are unrealised losses during the financial year of RM29,536,952 (2021: RMRM41,559,045).

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- unquoted fixed income securities – local	693,787,551	934,172,598
Net loss on financial assets at fair value through profit or loss		
- realised (loss)/gain on sale of investments	(8,340,073)	4,631,383
- unrealised loss on changes in fair value	(21,348,821)	(36,868,362)
- management fee rebate on collective investment schemes	-	12,508
	<u>(29,688,894)</u>	<u>(32,224,471)</u>

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

(a) Unquoted fixed income securities – local

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u>	<u>Fair value</u>	<u>Percentage of NAV</u>
		RM	RM	%
<u>Bonds</u>				
5.5% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,084,612	1.95
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	6,500,000	6,761,319	6,793,223	0.88
6.00% Anih Bhd 29.11.2028 (AA)	5,000,000	5,928,663	5,422,953	0.70
4.7% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	15,000,000	15,273,908	15,334,588	1.99
4.85% AZRB Capital Sdn Bhd 26.12.2024 (AA-)	3,000,000	3,124,229	3,055,559	0.40
5.1% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,087,329	4,916,279	0.64
4.5% Bank Muamalat Malaysia Bhd Call: 15.06.2026 (A3)	7,000,000	7,118,558	7,040,928	0.91
3.00% Bank Pembangunan Malaysia Bhd 12.10.2027 (AAA)	5,000,000	5,007,808	4,685,408	0.61
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	5,500,000	5,674,043	5,683,275	0.74
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	5,000,000	5,841,460	5,103,480	0.66

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,547,302	5,151,798	0.67
5.4% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,042,497	2,075,161	0.27
5.5% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,053,377	2,095,680	0.27
5.65% IJM Land Berhad Call: 7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,038,011	1,052,291	0.14
5.45% BGSM Management Sdn Bhd 28.06.2024 (AA3)	5,000,000	5,365,418	5,286,325	0.68
4.1% Bumitama Agri Ltd 22.07.2024 (AA2)	5,000,000	5,054,479	5,091,029	0.66
4.2% Bumitama Agri Ltd 22.07.2026 (AA2)	10,000,000	10,312,307	10,006,416	1.30
2.78% Cagamas Berhad 30.09.2024 (AAA)	5,000,000	5,012,948	4,919,798	0.64
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	504,895	520,044	0.07
5.2% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	10,000,000	10,861,960	10,455,529	1.35
4.7% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,297,990	5,186,439	0.67
4.9% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	2,000,000	2,052,961	2,062,331	0.27
5.4% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,502,219	2,566,569	0.33
3.57% DanaInfra Nasional Bhd 18.05.2040 (NR)	5,000,000	5,078,247	4,153,097	0.54
5.02% Danga Capital Berhad 21.09.2033 (AAA)	5,000,000	5,917,421	5,108,995	0.66
3.42% Danum Capital Bhd 21.02.2035 (AAA)	30,000,000	30,142,554	25,914,756	3.36
4.3% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,057,784	2,036,827	0.26
4.55% DRB-Hicom Berhad 12.12.2024 (A+)	5,000,000	5,157,040	5,107,537	0.66
4.8% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,077,509	5,091,562	0.66

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
6.5% Eco World Capital Services Bhd 12.08.2022 (NR)	15,000,000	15,252,719	15,275,764	1.98
5.88% Edra Energy Sdn Bhd 03.07.2026 (AA3)	5,000,000	5,572,794	5,361,636	0.69
5.97% Edra Energy Sdn Bhd 05.01.2028 (AA3)	20,000,000	22,972,169	21,665,463	2.81
6.12% Edra Energy Sdn Bhd 05.07.2030 (AA3)	5,000,000	5,929,104	5,474,599	0.71
4.117% Gamuda Bhd 18.11.2026 (AA3)	5,000,000	5,096,942	5,023,642	0.65
4.13% GII 09.07.2029 (SOV)	1,000,000	1,100,059	994,778	0.13
4.467% GII 15.09.2039 (SOV)	10,000,000	11,569,087	9,381,751	1.21
4.64% IJM Corporation Bhd 02.06.2023 (AA3)	1,000,000	1,036,981	1,035,080	0.13
5.65% IJM Land Berhad Call: 19.03.2026 (A2)	5,000,000	5,031,733	5,111,833	0.66
5.73% IJM Land Berhad Call: 19.03.2027 (A2)	5,000,000	5,032,182	5,111,932	0.66
3.2% Imtiaz Sukuk II Bhd 07.10.2027 (AA2)	5,000,000	5,010,521	4,703,221	0.61
5.52% Jimah East Power Sdn Bhd 04.06.2026 (AA-)	5,000,000	5,386,700	5,282,100	0.68
5.77% Jimah East Power Sdn Bhd 04.12.2029 (AA-)	5,000,000	5,526,654	5,299,500	0.69
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	10,000,000	11,120,145	10,654,500	1.38
4.55% Kedah Cement Sdn Bhd 07.07.2023 (AA3)	1,000,000	1,028,797	1,025,587	0.13
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	3,000,000	3,046,090	3,056,934	0.40
3.95% Leader Energy Sdn Bhd 16.07.2025 (AA-)	3,000,000	3,054,810	2,958,404	0.38
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,028,475	1,010,302	0.13
4.9% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,000,000	3,145,200	2,873,292	0.37
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA3)	5,000,000	5,020,932	5,001,883	0.65

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,057,082	5,165,932	0.67
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	12,000,000	12,310,540	12,478,476	1.62
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,284,795	15,531,995	2.01
6.30% MEX II Sdn Bhd 29.04.2033 (D)*	2,500,000	1,294,515	-	-
3.757% MGS 22.05.2040 (SOV)	20,000,000	21,334,456	17,455,310	2.26
3.885% MGS 15.08.2029 (SOV)	4,000,000	4,389,400	3,882,196	0.50
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,418,517	11,018,930	1.09
5.7% MMC Corp Berhad 24.03.2028 (AA-)	10,000,000	10,588,083	10,522,196	1.36
5.8% MMC Corp Berhad 12.11.2025 (AA-)	5,000,000	5,198,823	5,384,118	0.70
5.95% MMC Corp Berhad 12.11.2027 (AA-)	3,000,000	3,332,396	3,266,497	0.42
5.3% Northern Gateway Infra Sdn Bhd 29.08.2031 (AA1)	5,000,000	5,433,939	5,169,164	0.67
5.5% Northern Gateway Infra Sdn Bhd 29.08.2033 (AA1)	5,000,000	5,874,945	5,237,612	0.68
3.15% Pelabuhan Tanjung Pelepas SB 28.08.2025 (AA-)	5,000,000	5,026,753	4,863,353	0.63
3.3% Pelabuhan Tanjung Pelepas SB 27.08.2027 (AA-)	5,000,000	5,028,027	4,719,827	0.61
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-	1,500,000	1,524,041	1,490,051	0.19
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,054,705	9,357,407	1.21
3.9% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,534	2,380,384	0.31
4.3% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	3,000,000	3,044,863	3,048,835	0.39
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-	1,500,000	1,524,040	1,490,051	0.19
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,054,705	9,357,407	1.21
3.9% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,534	2,380,384	0.31

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
4.3% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	3,000,000	3,044,863	3,048,835	0.39
4.86% Plus Bhd 12.01.2038 (NR)	5,000,000	5,869,334	4,913,267	0.63
4.85% PTPTN 26.07.2041 (NR)	11,500,000	12,940,940	11,219,405	1.45
2.85% RHB Bank Bhd 20.10.2025 (AA2)	5,000,000	5,004,295	4,799,595	0.62
4.06% RHB Islamic Bank Bhd Call: 21.04.2027 (AA3)	2,000,000	2,002,225	1,965,805	0.25
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,105,416	5,111,116	0.66
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,008,928	1,013,172	0.13
3.3% Sarawak Energy Berhad 14.06.2030 (AAA)	5,000,000	5,061,932	4,601,782	0.60
4.7% Sarawak Energy Berhad 24.11.2028 (AAA)	7,500,000	8,410,026	7,718,308	1.00
4.85% Sarawak Energy Berhad 19.01.2027 (AAA)	7,500,000	8,206,395	7,810,451	1.01
5.32% Sarawak Energy Berhad 03.12.2032 (AAA)	2,500,000	2,926,719	2,676,275	0.35
5.18% Sarawak Energy Bhd 25.04.2036 (AAA)	15,000,000	17,727,853	15,212,273	1.97
5.65% Sime Darby Plantation Bhd Call: 24.03.2026 (AA)	5,000,000	5,079,888	5,244,961	0.68
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,138	508,463	0.07
5.06% Southern Power Generation SB 31.10.2028 (AA-)	20,000,000	22,074,901	20,272,345	2.62
5.25% Southern Power Generation SB 30.04.2031 (AA-)	5,000,000	5,314,894	5,076,538	0.66
5.70% Tanjung Bin Energy Sdn Bhd 16.03.2027 (AA3)	1,000,000	1,043,008	1,043,564	0.14
2.9% Tenaga Nasional Bhd 12.08.2030 (AAA)	10,000,000	10,024,593	8,842,684	1.14
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	16,750,000	16,809,918	16,792,371	2.17
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,022,787	1,042,965	0.14

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.6% Triplc Medical Sdn Bhd 21.10.2033 (AA1)	5,000,000	5,886,529	5,195,253	0.67
3.9% UEM Sunrise Bhd 21.09.2023 (AA-)	5,000,000	5,052,407	5,016,004	0.65
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,104,211	5,141,798	0.67
5.9% UiTM Solar Power Sdn Bhd 27.04.2029 (AA-)	5,000,000	5,240,335	5,067,533	0.66
6.2% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,016,368	2,037,639	0.26
6.3% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,342,972	10,238,204	1.33
6.4% UiTM Solar Power Sdn Bhd 27.04.2034 (AA-)	5,000,000	5,717,090	5,136,457	0.67
6.6% UiTM Solar Power Sdn Bhd 25.04.2036 (AA-)	5,000,000	5,777,007	5,146,716	0.67
3.03% UMW Holdings Bhd 05.11.2025 (AA2)	5,000,000	5,073,467	4,915,117	0.64
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	19,500,000	20,807,821	20,763,477	2.68
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	5,000,000	5,772,650	5,431,021	0.70
5.87% UniTapah Sdn Bhd 10.12.2027 (AA1)	5,000,000	5,716,299	5,415,019	0.70
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	5,000,000	5,035,753	4,869,853	0.63
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,054,027	10,125,127	1.31
6% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,083,836	14,978,386	1.93
4.68% Westports Malaysia Sdn Bhd 23.10.2025 (AA+)	10,000,000	10,611,096	10,212,014	1.32
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,698,572	14,097,861	1.83
4.49% YTL Power International Bhd 24.03.2023 ()AA1	10,000,000	10,122,264	10,108,715	1.31

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(i) Unquoted fixed income securities – local as at 30 April 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds (continued)</u>				
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,083,632	5,054,555	0.65
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,141,782	5,109,629	0.66
Total unquoted fixed income securities – local	<u>693,750,000</u>	<u>734,629,109</u>	<u>693,787,551</u>	<u>89.83</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(40,841,558)</u>		
Total unquoted fixed income securities – local		<u>693,787,551</u>		

* The bond had defaulted as of 31 December 2021.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u>				
6.65% Aeon Credit Service M Bhd Call: 08.12.2023 (NR)	6,500,000	6,815,429	6,947,793	0.69
4.88% AmBank Islamic Bhd Call: 18.10.2023 (A1)	5,000,000	5,137,420	5,137,322	0.51
6.00% Anih Bhd 29.11.2028 (AA)	5,000,000	6,035,409	5,788,432	0.57
5.5% Ara Bintang Bhd 17.03.2026 (AAA)	15,000,000	15,101,712	15,479,262	1.54
4.7% AZRB Capital Sdn Bhd 23.12.2022 (AA-)	15,000,000	15,321,360	15,461,957	1.54
4.85% AZRB Capital Sdn Bhd 26.12.2024 (AA-)	3,000,000	3,149,954	3,121,130	0.31
5.1% AZRB Capital Sdn Bhd 26.12.2028 (AA-)	5,000,000	5,086,630	5,160,630	0.51
3.00% Bank Pembangunan Malaysia Bhd 12.10.2027 (AAA)	5,000,000	5,007,808	4,894,608	0.49
3.18% Bank Pembangunan Malaysia Bhd 11.10.2030 (AAA)	5,000,000	5,008,277	4,693,327	0.47
4.50% Bank Pembangunan Malaysia Bhd 04.11.2026 (AAA)	10,500,000	10,853,481	11,419,349	1.13
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	5,000,000	5,882,823	5,330,149	0.53
4.98% Bank Pembangunan Malaysia Bhd 02.03.2032 (AAA)	5,000,000	5,589,220	5,389,048	0.54
5.4% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,052,195	2,125,501	0.21
5.5% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,062,858	2,160,780	0.21
5.45% BGSM Management Sdn Bhd 28.06.2024 (AA3)	5,000,000	5,486,074	5,449,775	0.54
7.10% BGSM Management Sdn Bhd 28.12.2022 (AA3)	1,000,000	1,058,270	1,092,641	0.11
4.1% Bumitama Agri Ltd 22.07.2024 (AA3)	5,000,000	5,055,603	5,188,953	0.52
4.2% Bumitama Agri Ltd 22.07.2026 (AA3)	15,000,000	15,536,655	15,606,027	1.55

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	500,000	505,284	536,237	0.05
5.2% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	15,000,000	16,491,584	16,527,417	1.64
4.7% CIMB Bank Bhd 18.05.2027 (AAA)	5,000,000	5,331,887	5,465,339	0.54
4.88% CIMB Group Holdings Bhd Call: 28.06.2024 (A1)	6,000,000	6,099,472	6,334,732	0.63
4.9% CIMB Group Holdings Bhd Call: 30.11.2022 (AA)	7,000,000	7,256,124	7,351,858	0.73
5.4% CIMB Group Holdings Bhd Call: 23.10.2023 (A1)	2,500,000	2,502,959	2,614,134	0.26
5.80% CIMB Group Holdings Bhd Call: 25.05.2021 (A1)	3,000,000	3,075,541	3,080,844	0.31
3.27% DanaInfra Nasional Bhd 18.05.2035 (NR)	5,000,000	5,072,567	4,653,317	0.46
3.57% DanaInfra Nasional Bhd 18.05.2040 (NR)	5,000,000	5,079,225	4,526,275	0.45
4.85% DanaInfra Nasional Bhd 03.05.2041 (NR)	5,000,000	5,409,814	5,376,575	0.53
5.06% DanaInfra Nasional Bhd 12.02.2049 (NR)	5,000,000	5,964,436	5,394,736	0.54
5.02% Danga Capital Bhd 21.09.2033 (AAA)	5,000,000	5,980,660	5,393,507	0.54
3.42% Danum Capital Bhd 21.02.2035 (AAA)	30,000,000	30,136,698	27,235,545	2.70
3.96% Danum Capital Bhd 09.05.2023 (AAA)	5,000,000	5,096,967	5,221,647	0.52
4.3% Danum Capital Bhd 13.02.2026 (AAA)	2,000,000	2,067,185	2,123,991	0.21
6.5% Eco World Capital Assets Bhd 12.08.2022 (NR)	15,000,000	15,429,131	15,558,392	1.54

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.88% Edra Energy Sdn Bhd 03.07.2026 (AA3)	5,000,000	5,677,920	5,565,436	0.55
5.97% Edra Energy Sdn Bhd 05.01.2028 (AA3)	20,000,000	23,378,457	22,524,863	2.24
6.12% Edra Energy Sdn Bhd 05.07.2030 (AA3)	5,000,000	6,014,524	5,711,949	0.57
3.985% Fortune Premiere Sdn Bhd 11.09.2026 (AA)	10,000,000	10,075,280	10,206,089	1.01
4.8% Fortune Premiere Sdn Bhd 13.03.2023 (AA)	5,000,000	5,130,154	5,183,477	0.51
4.117% Gamuda Bhd 18.11.2026 (AA3)	10,000,000	10,195,669	10,361,983	1.03
4.825% Gamuda Bhd 23.11.2022 (AA3)	5,000,000	5,127,077	5,243,642	0.52
4.119% GII 30.11.2034 (SOV)	10,000,000	11,115,330	10,375,102	1.03
4.13% GII 09.07.2029 (SOV)	1,000,000	1,110,880	1,078,898	0.11
4.467% GII 15.09.2039 (SOV)	20,000,000	23,265,148	20,659,103	2.05
4.638% GII 15.11.2049 (SOV)	10,000,000	11,016,769	10,434,263	1.04
4.3% Hong Leong Financial Group Bhd Call: 14.06.2024 (AA2)	7,500,000	7,621,932	7,836,507	0.78
5.05% IJM Corporation Bhd 18.08.2028 (AA3)	10,000,000	10,706,365	10,669,982	1.06
5.65% IJM Land Bhd Call: 19.03.2026 (A2)	5,000,000	5,033,281	5,250,231	0.52
5.73% IJM Land Bhd Call: 19.03.2027 (A2)	5,000,000	5,033,752	5,278,502	0.52
3.2% Imtiaz Sukuk II Bhd 07.10.2027 (AA2)	5,000,000	5,010,521	4,852,421	0.48
5.06% Lafarge Cement Sdn Bhd 08.07.2022 (AA3)	3,000,000	3,047,701	3,110,578	0.31
3.95% Leader Energy Sdn Bhd 16.07.2025 (AA-)	3,000,000	3,060,583	3,023,870	0.30

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	1,000,000	1,029,437	1,077,972	0.11
6.13% Lebuhraya DUKE Fasa 3 Sdn Bhd 22.08.2036 (AA-)	5,000,000	5,487,939	5,447,912	0.54
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	10,000,000	11,498,271	10,962,559	1.09
4.9% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,000,000	3,147,619	3,139,380	0.31
6.9% Mah Sing Group Bhd Call: 04.04.2022 (NR)	7,400,000	7,591,661	7,586,518	0.75
4.13% Malayan Banking Bhd Call: 25.09.2026 (AA3)	5,000,000	5,020,933	5,139,633	0.51
4.63% Malayan Banking Bhd Call: 31.01.2024 (AA1)	5,000,000	5,058,351	5,268,901	0.52
5.05% MBSB Bank Bhd Call: 20.12.2024 (A3)	12,000,000	12,318,603	12,788,696	1.27
5.25% MBSB Bank Bhd Call: 21.12.2026 (A3)	15,000,000	15,282,637	16,140,487	1.60
6.30% MEX II Sdn Bhd 29.04.2033 (C)	2,500,000	2,548,827	758,182	0.08
3.757% MGS 22.05.2040 (SOV)	20,000,000	21,374,169	19,362,111	1.92
3.885% MGS 15.08.2029 (SOV)	4,000,000	4,433,455	4,246,196	0.42
4.921% MGS 06.07.2048 (SOV)	10,000,000	12,469,979	11,018,930	1.09
5.7% MMC Corp Bhd 24.03.2028 (AA-)	11,000,000	11,564,443	11,909,391	1.18
5.8% MMC Corp Bhd 12.11.2025 (AA-)	5,000,000	5,214,798	5,505,718	0.55
5.95% MMC Corp Bhd 12.11.2027 (AA-)	5,000,000	5,619,225	5,586,862	0.55

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
2.88% MUFG Bank Malaysia 24.03.2023 (AAA)	10,000,000	10,028,405	10,043,805	1.00
5.5% Northern Gateway Infra Sdn Bhd 29.08.2033 (AA1)	5,000,000	5,934,301	5,542,319	0.55
3.15% Pelabuhan Tanjung Pelepas SB 28.08.2025 (AA-)	5,000,000	5,027,616	4,983,166	0.49
3.3% Pelabuhan Tanjung Pelepas SB 27.08.2027 (AA-)	5,000,000	5,028,932	4,901,782	0.49
4.68% Penang Port Sdn Bhd 26.12.2031 (AA-)	2,500,000	2,539,748	2,618,598	0.26
2.91% Pengurusan Air SPV Bhd 28.09.2027 (AAA)	10,000,000	10,058,594	9,728,410	0.97
3.9% Pengurusan Air SPV Bhd 30.10.2029 (AAA)	2,500,000	2,500,267	2,527,492	0.25
4% Pengurusan Air SPV Bhd 30.10.2034 (AAA)	5,000,000	5,000,548	4,824,848	0.48
4.3% Perbadanan Kemajuan N Selangor 28.06.2022 (AA3)	8,000,000	8,136,691	8,198,467	0.81
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	5,000,000	5,083,627	5,221,493	0.52
4.86% Plus Bhd 12.01.2038 (GG)	5,000,000	5,906,550	5,365,967	0.53
3.8% Prasarana Malaysia Bhd 25.02.2050 (NR)	5,000,000	5,033,836	4,359,086	0.43
4.85% PTPTN 26.07.2041 (NR)	11,500,000	12,985,001	12,191,040	1.21
2.85% RHB Bank Bhd 20.10.2025 (AA2)	5,000,000	5,004,294	4,926,044	0.49
4.82% RHB Bank Bhd Call: 27.09.2022 (AA3)	500,000	502,179	514,764	0.05
4.45% Sabah Credit Corp 19.06.2026 (AA1)	5,000,000	5,110,255	5,284,006	0.52
4.55% Sabah Development Bank Bhd 08.08.2022 (AA1)	1,000,000	1,004,931	1,030,472	0.10
3.3% Sarawak Energy Bhd 14.06.2030 (AAA)	10,000,000	10,123,863	9,725,663	0.97

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.65% Sarawak Energy Bhd 15.06.2035 (AAA)	5,000,000	5,068,500	4,652,300	0.46
4.7% Sarawak Energy Bhd 24.11.2028 (AAA)	7,500,000	8,513,089	8,194,407	0.81
4.85% Sarawak Energy Bhd 19.01.2027 (AAA)	10,000,000	11,098,469	10,945,534	1.09
5.18% Sarawak Energy Bhd 25.04.2036 (AAA)	15,000,000	17,873,503	16,096,344	1.60
5.28% Sarawak Energy Bhd 17.08.2035 (AAA)	5,000,000	6,078,815	5,478,927	0.54
5.32% Sarawak Energy Bhd 03.12.2032 (AAA)	2,500,000	2,954,818	2,815,036	0.28
5.65% Sarawak Energy Bhd 23.06.2026 (AAA)	5,000,000	5,776,552	5,676,842	0.56
4.43% Sarawak Hidro Sdn Bhd 11.08.2026 (AAA)	5,000,000	5,446,072	5,339,491	0.53
5.1% Segi Astana Sdn Bhd 07.01.2022 (AA-)	15,000,000	15,293,474	15,373,636	1.53
5.65% Sime Darby Bhd Call: 24.03.2026 (AA)	5,000,000	5,091,306	5,508,311	0.55
5.04% Southern Power Generation SB 28.04.2028 (AA-)	500,000	500,069	538,559	0.05
5.06% Southern Power Generation SB 31.10.2028 (AA-)	20,000,000	22,353,000	21,545,773	2.14
4.70% Tan Chong Motor Holdings Bhd 24.11.2021 (A1)	26,000,000	26,500,273	26,660,015	2.65
5.70% Tanjung Bin Energy Issuer Bhd 16.03.2027 (AA3)	1,000,000	1,049,380	1,123,683	0.11
2.9% Tenaga Nasional Bhd 12.08.2030 (AAA)	10,000,000	10,020,071	9,383,289	0.93
3.25% Tenaga Nasional Bhd 10.08.2035 (AAA)	5,000,000	5,033,390	4,457,740	0.44

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
3.95% TG Excellence Bhd Call: 27.02.2025 (AA-)	4,250,000	4,279,436	4,354,916	0.43
4.385% TNB Northern Energy Bhd 29.11.2029 (AAA)	500,000	504,442	533,225	0.05
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	1,000,000	1,026,481	1,086,565	0.12
5.6% TRIpIc Medical Sdn Bhd 21.10.2033 (AA1)	5,000,000	5,948,672	5,422,537	0.54
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	2,000,000	2,001,329	2,040,008	0.20
3.9% UEM Sunrise Bhd 21.09.2023 (AA-)	5,000,000	5,072,978	5,003,220	0.50
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	5,000,000	5,118,364	5,191,334	0.52
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	5,000,000	5,051,828	5,133,555	0.51
6.2% UiTM Solar Power Sdn Bhd 27.04.2032 (AA-)	2,000,000	2,017,434	2,160,919	0.21
6.3% UiTM Solar Power Sdn Bhd 27.04.2033 (AA-)	10,000,000	10,364,204	10,866,404	1.08
6.4% UiTM Solar Power Sdn Bhd 27.04.2034 (AA-)	5,000,000	5,760,143	5,469,857	0.54
6.6% UiTM Solar Power Sdn Bhd 25.04.2036 (AA-)	5,000,000	5,814,279	5,526,066	0.55
3.03% UMW Holdings Bhd 05.11.2025 (AA2)	5,000,000	5,073,467	5,004,917	0.50
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	19,500,000	20,985,693	21,955,707	2.18
5.69% UniTapah Sdn Bhd 12.12.2025 (AA1)	1,500,000	1,587,236	1,679,344	0.17
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	5,000,000	5,822,799	5,697,022	0.58

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

(ii) Unquoted fixed income securities – local as at 30 April 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Nominal value</u>	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Bonds</u> (continued)				
5.87% UniTapah Sdn Bhd 10.12.2027 (AA1)	5,000,000	5,877,424	5,723,367	0.57
3.00% United Overseas Bank Malaysia Call: 01.08.2025 (AA1)	5,000,000	5,035,753	4,963,503	0.49
4.95% WCT Holdings Bhd 22.10.2021 (AA-)	6,500,000	6,507,490	6,544,362	0.65
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	10,000,000	10,052,438	10,199,238	1.01
6% WCT Holdings Bhd Call: 28.09.2026 (A)	15,000,000	15,081,370	15,262,720	1.52
4.68% Westports Malaysia Sdn Bhd 23.10.2025 (AA+)	10,000,000	10,775,037	10,660,019	1.06
5.15% YTL Corporation Bhd 11.11.2036 (AA1)	15,000,000	16,763,478	15,822,111	1.57
4.49% YTL Power International Bhd 24.03.2023 (AA1)	10,000,000	10,205,149	10,284,415	1.02
4.95% YTL Power International Bhd 11.10.2024 (AA1)	5,000,000	5,110,717	5,251,405	0.52
5.05% YTL Power International Bhd 03.05.2027 (AA1)	5,000,000	5,144,873	5,410,979	0.54
Total unquoted fixed income securities – local	<u>897,150,000</u>	<u>953,665,335</u>	<u>934,172,598</u>	<u>92.76</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(19,492,737)</u>		
Total unquoted fixed income securities – local		<u>934,172,598</u>		

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	720,188	2,602,798
Deposit with licensed financial institutions	80,818,824	60,659,715
	<u>81,539,012</u>	<u>63,262,513</u>

Weighted average interest rates per annum of deposit with licensed financial institutions is as follows:

	<u>2022</u> %	<u>2021</u> %
Deposits with licensed financial institutions	<u>1.75</u>	<u>1.75</u>

Deposits with licensed financial institutions have an average maturity period of 5 days (2021: 3 days).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	1,688,731,000	1,312,374,000
Creation of units arising from applications during the financial year	242,883,087	1,332,407,368
Creation of units arising from distributions during the financial year	37,907,020	42,295,794
Cancellation of units during the financial year	(625,659,107)	(998,346,162)
At the end of the financial year	<u>1,343,862,000</u>	<u>1,688,731,000</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

11 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the financial year ended 30 April 2022 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Hong Leong Bank Bhd	85,917,000	21.00
Affin Hwang Investment Bank Bhd*#	85,375,150	20.87
RHB Investment Bank Bhd#	76,393,900	18.68
CIMB Bank Bhd	44,478,600	10.87
Citibank Bhd	24,667,400	6.03
United Overseas Bank (Malaysia) Bhd	24,010,000	5.87
CIMB Islamic Bank Bhd	20,100,000	4.91
Standard Chartered Bank Malaysia Bhd	16,880,550	4.13
Bank of America Merrill Lynch	10,632,800	2.61
JP Morgan Chase Bank Bhd	10,615,000	2.59
Others	10,000,000	2.44
	<u>409,070,400</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the financial year ended 30 April 2021 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Affin Hwang Investment Bank Bhd*#	323,238,785	23.72
Citibank Bhd	204,037,500	14.98
CIMB Bhd	186,373,300	13.68
RHB Investment Bank Bhd#	146,220,976	10.73
Hong Leong Bank Bhd	125,106,260	9.18
Standard Chartered Bank Malaysia Bhd	105,550,650	7.75
JP Morgan Chase Bank Bhd	90,946,500	6.68
Malayan Banking Bhd	78,928,000	5.79
AmBank (M) Bhd	32,427,000	2.38
Bank of America Merrill Lynch	21,866,100	1.60
Others#	47,746,000	3.51
	<u>1,362,441,071</u>	<u>100.00</u>

*Included in transactions with brokers are trades with Affin Hwang Investment Bank Bhd, holding company of the Manager amounting RM85,375,150 (2021: RM323,238,785). The Manager is of the opinion that the transactions with the related company have been entered at agreed terms between the related parties.

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

11 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	<u>2022</u> RM	<u>2021</u> RM
Affin Hwang Investment Bank Bhd	55,515,650	15,562,950
RHB Investment Bank Bhd	30,809,800	39,397,726
Bank Muamalat Malaysia Bhd	-	11,261,000
	<u>86,325,450</u>	<u>66,221,676</u>

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

	<u>2022</u> RM	<u>2021</u> RM
Affin Hwang Aiiman Income Plus Fund	10,713,000	11,261,000
Affin Hwang Select Bond Fund	10,897,000	-
Affin Hwang Flexible Maturity Income Fund 9	-	10,156,000
Affin Hwang Flexible Maturity Income Fund 11	-	14,853,226
Affin Hwang Flexible Maturity Income Fund 13	-	3,153,300
Affin Hwang Flexible Maturity Income Fund 21	5,123,000	
Affin Hwang Income Extra Fund	-	11,235,200
Affin Hwang Select Cash Fund	10,219,300	5,067,950
Affin Hwang Income Fund I	5,243,000	10,495,000
Affin Hwang Income Fund 6	29,592,350	-
Affin Hwang Income Fund 7	5,313,000	-
Affin Hwang Wholesale Corporate Bond Fund	5,162,500	-
Affin Hwang Aiiman Global Sukuk Fund	2,028,800	-
Private mandate managed by the Manager	2,033,500	-
	<u>86,325,450</u>	<u>66,221,676</u>

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

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

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

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

The units held by Manager and its related parties at the end of the financial year is as follows:

	<u>2022</u>	<u>2021</u>		
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	2,898	1,665	27,660	16,507
<u>Holding company of the Manager:</u>				
Affin Hwang Investment Bank Berhad (The units are held beneficially)	110,704,608	63,621,938	160,989,556	96,078,567
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	122,254	70,259	-	-

AFFIN HWANG BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONTINUED)

13 TOTAL EXPENSE RATIO (“TER”)

	<u>2022</u> %	<u>2021</u> %
TER	1.09	1.09

TER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebates
- B = Trustee fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM925,983,670 (2021: RM1,042,463,463).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2022</u>	<u>2021</u>
PTR	0.26	0.67

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM134,403,500 (2021: RM816,384,198)
total disposal for the financial year = RM344,906,973 (2021: RM578,175,514)

AFFIN HWANG BOND FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 47 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 30 April 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
17 June 2022

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 47.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral,
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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Auditors' responsibilities for the audit of the financial statements

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 June 2022

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