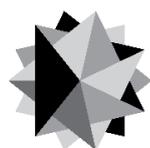


Affin Hwang Perwira Fund

Interim Report
31 October 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

AFFIN HWANG PERWIRA FUND

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

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FUND INFORMATION

Fund Name	Affin Hwang Perwira Fund
Fund Type	Income & Growth
Fund Category	Mixed Asset
Investment Objective	The Fund seeks to provide investor with a consistent income stream, while achieving long-term capital appreciation
Benchmark	6.0% per annum
Distribution Policy	Subject to the availability of income, the Fund will provide Unit Holders with annual income distribution by way of reinvestment in the form of additional Units

BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 31 OCTOBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	31,467	48,664
5,001 to 10,000	8,326	62,287
10,001 to 50,000	45,802	1,122,018
50,001 to 500,000	2,327	172,259
500,001 and above	0	0
Total	87,922	1,405,228

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Oct 2021 (%)	As at 31 Oct 2020 (%)
Portfolio composition		
Collective investment schemes – local	100.04	100.00
Cash & cash equivalent	-	-
Total	100.04**	100.00
Total NAV (RM'million)	863.501	888.746
NAV per Unit (RM)	0.6145	0.5672
Unit in Circulation (million)	1,405.232	1,566.908
Highest NAV	0.6150	0.5763
Lowest NAV	0.5857	0.4722
Return of the Fund (%) ⁱⁱⁱ	0.61	13.44
- Capital Growth (%) ⁱ	0.61	13.44
- Income Distribution (%) ⁱⁱ	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil
Management Expense Ratio (%) ¹	0.79	1.39
Portfolio Turnover Ratio (times) ²	0.04	0.81

** Total assets holding more than 100% of Net Asset Value due to the timing of trade settlement.

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 MER of the Fund was lower than previous year due to lower expenses incurred for the financial period.

²The decreased in the Fund's PTR was due to lesser buy and sell activities for the Fund for the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial period ended 31 October 2021.

Performance Review

For the period 1 May 2021 to 31 October 2021, the Fund registered a return of 0.61% compared to the benchmark return of 2.98%. The Fund thus underperformed the Benchmark by 2.37%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2021 was MYR0.6145 while the NAV as at 30 April 2021 was MYR0.6108.

Since commencement, the Fund has registered a return of 26.77% compared to the benchmark return of 11.63%, outperforming by 15.14%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/5/21 - 31/10/21)	1 Year (1/11/20 - 31/10/21)	Since Commencement (13/12/19 - 31/10/21)
Fund	0.61%	11.75%	26.77%
Benchmark	2.98%	6.00%	11.63%
Outperformance	(2.37%)	5.75%	15.14%

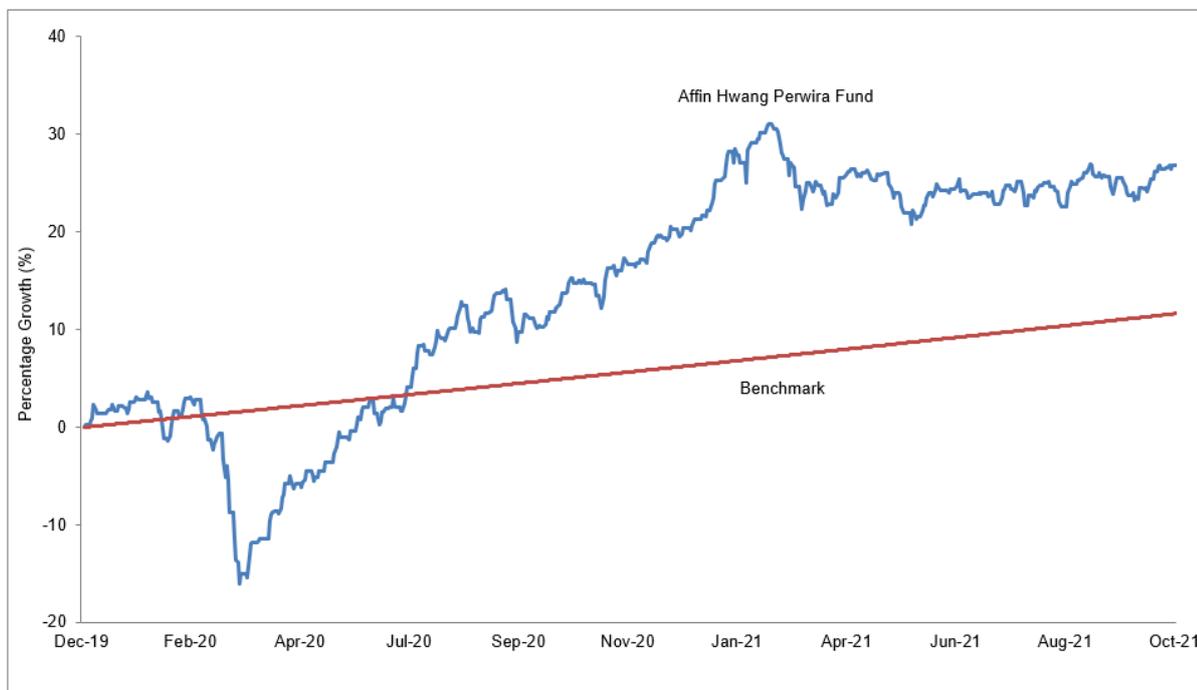
Table 2: Average Total Return

	1 Year (1/11/20 - 31/10/21)	Since Commencement (13/12/19 - 31/10/21)
Fund	11.75%	13.39%
Benchmark	6.00%	6.00%
Outperformance	5.75%	7.39%

Table 3: Annual Total Return

	FYE 2021 (13/12/19 - 30/4/21)
Fund	26.00%
Benchmark	8.40%
Outperformance	17.60%

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."
Benchmark: 6.0% per annum

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

Asset Allocation

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

As at 31 October 2021, the Fund's exposure into the collective investment scheme stood at 100.04% of the Fund's NAV.

Strategies Employed

The Manager continues to hold the flexibility to invest into a range of asset classes depending on the prevailing market conditions. Over the period under review, the Fund was fully invested into collective investment schemes.

Market Review

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

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

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

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

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

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

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

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

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

The Malaysian bond market saw an unwinding of "rate cut" bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

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

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

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.

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

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

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

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and

- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

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

Cross Trade

No cross trade transactions have been carried out during the reported period.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG PERWIRA FUND

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

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

For TMF Trustees Malaysia Berhad
(Company No.: 610812-W)

NORHAYATI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
15th December 2021

AFFIN HWANG PERWIRA FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

AFFIN HWANG PERWIRA FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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AFFIN HWANG PERWIRA FUND

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

	<u>Note</u>	6 months financial period ended <u>31.10.2021</u> RM	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
INVESTMENT INCOME			
Dividend income		20,089,043	20,947,820
Interest income from financial assets at amortised cost		1,455	4,901
Net (loss)/gain on financial assets at fair value through profit or loss	7	<u>(8,960,904)</u>	<u>101,674,019</u>
		<u>11,129,594</u>	<u>122,626,740</u>
EXPENSES			
Management fee	4	(6,624,295)	(11,412,745)
Trustee fee	5	(265,012)	(456,838)
Auditors' remuneration		(4,537)	(5,774)
Tax agent's fee		(1,765)	(2,245)
Other expenses		(2,337)	(5,746)
		<u>(6,897,946)</u>	<u>(11,883,348)</u>
NET PROFIT BEFORE TAXATION		4,231,648	110,743,392
Taxation	6	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>4,231,648</u>	<u>110,743,392</u>
Net profit after taxation is made up of the following:			
Realised amount		31,079,838	17,623,293
Unrealised amount		<u>(26,848,190)</u>	<u>93,120,099</u>
		<u>4,231,648</u>	<u>110,743,392</u>

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

AFFIN HWANG PERWIRA FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	8	748,133	5,983
Amount due from brokers		100,000	1,375,000
Amount due from Manager			
- management fee rebate receivables		1,007,210	1,053,120
Financial assets at fair value through profit or loss	7	863,816,443	888,706,803
TOTAL ASSETS		<u>865,671,786</u>	<u>891,140,906</u>
LIABILITIES			
Amount due to Manager			
- management fee		1,091,585	1,142,318
- cancellation of units		1,020,648	1,194,880
Amount due to Trustee		43,663	45,693
Auditors' remuneration		4,537	5,774
Tax agent's fee		5,265	2,245
Other payables and accruals		4,628	4,490
TOTAL LIABILITIES		<u>2,170,326</u>	<u>2,395,400</u>
NET ASSET VALUE OF THE FUND		<u>863,501,460</u>	<u>888,745,506</u>
EQUITY			
Unitholders' capital		680,523,195	778,002,114
Retained earnings		182,978,265	110,743,392
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>863,501,460</u>	<u>888,745,506</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>1,405,232,000</u>	<u>1,566,908,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6145</u>	<u>0.5672</u>

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

AFFIN HWANG PERWIRA FUND

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

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2021	741,769,493	178,746,617	920,516,110
Total comprehensive income for the financial period	-	4,231,648	4,231,648
Movement in unitholders' capital:			
Cancellation of units	(61,246,298)	-	(61,246,298)
Balance as at 31 October 2021	<u>680,523,195</u>	<u>182,978,265</u>	<u>863,501,460</u>
Balance as at 12 December 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	110,743,392	110,743,392
Movement in unitholders' capital:			
Creation of units arising from applications	860,603,506	-	860,603,506
Cancellation of units	(82,601,392)	-	(82,601,392)
Balance as at 31 October 2020	<u>778,002,114</u>	<u>110,743,392</u>	<u>888,745,506</u>

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

AFFIN HWANG PERWIRA FUND

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

	6 months financial period ended <u>Note</u> <u>31.10.2021</u> RM	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	61,910,000	288,277,851
Purchase of investments	(20,089,043)	(1,087,501,349)
Dividends received	20,089,043	20,947,820
Interest received	1,455	4,901
Management fee rebate received	6,160,054	9,762,594
Management fee paid	(6,672,028)	(10,270,427)
Trustee fee paid	(266,922)	(411,145)
Payment for other fees and expenses	(13,244)	(1,256)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	61,119,315	(779,191,011)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	-	860,603,506
Payments for cancellation of units	(61,513,261)	(81,406,512)
	<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities	(61,513,261)	779,196,994
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(393,946)	5,983
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/DATE OF LAUNCH	1,142,079	-
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8 748,133	5,983
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 31 October 2020 comprise of bank balances.

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

AFFIN HWANG PERWIRA FUND

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG PERWIRA FUND

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

B INCOME RECOGNITION

Dividend income

Dividend income for financial asset 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 is recognised based on effective interest rate method on an accruals basis.

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

Realised gains and losses on sale of investments

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

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 period.

D 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.

E 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.

AFFIN HWANG PERWIRA FUND

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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.

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

The Fund classifies cash and cash equivalents, amount due from brokers and amount due from Manager 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.

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is 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.

AFFIN HWANG PERWIRA FUND

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

(iii) Impairment

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

Significant increase in credit risk

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

AFFIN HWANG PERWIRA FUND

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 period.

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

G AMOUNTS DUE FROM/(TO) BROKERS

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

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

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

AFFIN HWANG PERWIRA FUND

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

H 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 asset 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 period 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.

I CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

J 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 PERWIRA FUND

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

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Perwira Fund (the “Fund”) pursuant to the execution of a Deed dated 10 June 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 12 December 2019 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest in any of the following assets:

- (a) Equities
- (b) Equity-linked instruments;
- (c) Debentures;
- (d) Money market instruments;
- (e) Deposits;
- (f) Derivatives;
- (g) Units or shares in collective investment schemes; and
- (h) Any other form of investments as may be permitted by the SC from time to time which are in line with objective of the Fund .

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

The main objective of the Fund is to provide investor with a consistent income stream, while achieving long-term capital appreciation.

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

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

AFFIN HWANG PERWIRA FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

<u>2021</u>	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>Financial assets</u>				
Cash and cash equivalents	8	748,133	-	748,133
Amount due from brokers		100,000	-	100,000
Amount due from Manager				
- management fee rebate receivables		1,007,210	-	1,007,210
Collective investment schemes	7	-	863,816,443	863,816,443
Total		1,855,343	863,816,443	865,671,786
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		1,091,585	-	1,091,585
- cancellation of units		1,020,648	-	1,020,648
Amount due to Trustee		43,663	-	43,663
Auditors' remuneration		4,537	-	4,537
Tax agent's fee		5,265	-	5,265
Other payables and accruals		4,628	-	4,628
Total		2,170,326	-	2,170,326
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	5,983	-	5,983
Amount due from brokers		1,375,000	-	1,375,000
Amount due from Manager				
- management fee rebate receivables		1,053,120	-	1,053,120
Collective investment schemes	7	-	888,706,803	888,706,803
Total		2,434,103	888,706,803	891,140,906

AFFIN HWANG PERWIRA FUND

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

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

Financial instruments are as follows: (continued)

<u>2020</u> (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>Financial liabilities</u>				
Amount due to Manager				
- management fee		1,142,318	-	1,142,318
- cancellation of units		1,194,880	-	1,194,880
Amount due to Trustee		45,693	-	45,693
Auditors' remuneration		5,774	-	5,774
Tax agent's fee		2,245	-	2,245
Other payables and accruals		4,490	-	4,490
Total		<u>2,395,400</u>	<u>-</u>	<u>2,395,400</u>

The Fund is exposed to a variety of risks which include market risk (including 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.

AFFIN HWANG PERWIRA FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2021 (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>2021</u> RM	<u>2020</u> RM
Quoted investment		
Collective investment schemes	863,816,443	888,706,803

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the CIS, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2021</u>		
-10%	777,434,799	(86,381,644)
0%	863,816,443	-
+10%	950,198,087	86,381,644
<u>2020</u>		
-10%	799,836,123	(88,870,680)
0%	888,706,803	-
+10%	977,577,483	88,870,680

(b) Interest rate risk

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

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

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

AFFIN HWANG PERWIRA FUND

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

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

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interests, principals and proceeds from realisation of investments. The Manager manages 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.

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

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

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

	Cash and cash <u>equivalents</u> RM	Amount due from <u>brokers</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2021</u>				
Financials				
- AAA	748,133	-	-	748,133
Others				
- NR	-	100,000	1,007,210	1,107,210
	<u>748,133</u>	<u>100,000</u>	<u>1,007,210</u>	<u>1,855,343</u>
<u>2020</u>				
Financials				
- AAA	5,983	-	-	5,983
Others				
- NR	-	1,375,000	1,053,120	2,428,120
	<u>5,983</u>	<u>1,375,000</u>	<u>1,053,120</u>	<u>2,434,103</u>

Liquidity risk

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

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

AFFIN HWANG PERWIRA FUND

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

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

Liquidity risk (continued)

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

	Within <u>one month</u> RM	Between <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	1,091,585	-	1,091,585
- cancellation of units	1,020,648	-	1,020,648
Amount due to Trustee	43,663	-	43,663
Auditors' remuneration	-	4,537	4,537
Tax agent fee	-	5,265	5,265
Other payables and accruals	-	4,628	4,628
	<u>2,155,896</u>	<u>14,430</u>	<u>2,170,326</u>
<u>2020</u>			
Amount due to Manager			
- management fee	1,142,318	-	1,142,318
- cancellation of units	1,194,880	-	1,194,880
Amount due to Trustee	45,693	-	45,693
Auditors' remuneration	-	5,774	5,774
Tax agent fee	-	2,245	2,245
Other payables and accruals	-	4,490	4,490
	<u>2,382,891</u>	<u>12,509</u>	<u>2,395,400</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of 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 Shariah compliant investment activities of the Fund.

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period end date.

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.

AFFIN HWANG PERWIRA FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

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

(i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	<u>863,816,443</u>	<u>-</u>	<u>-</u>	<u>863,816,443</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	<u>888,706,803</u>	<u>-</u>	<u>-</u>	<u>888,706,803</u>

AFFIN HWANG PERWIRA FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Investment whose value is based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. The Fund does not adjust the quoted prices for this instrument.

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

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the Net Asset Value ("NAV") of the Fund calculated on a daily basis.

For the 6 months financial period ended 31 October 2021, management fee is recognised at a rate of 1.50% (2020: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the Net Asset Value (NAV) of the Fund, excluding foreign custodian fees and charges.

For the 6 months financial period ended 31 October 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

6 TAXATION

	6 months financial period ended <u>31.10.2021</u> RM	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
Current taxation	-	-

AFFIN HWANG PERWIRA FUND

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

6 TAXATION (CONTINUED)

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

	6 months financial period ended <u>31.10.2021</u> RM	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> RM
Net profit before taxation	4,231,648	110,743,392
Tax at Malaysian statutory rate of 24% (2020: 24%)	1,015,596	26,578,414
Tax effects of:		
Investment income not subject to tax	(2,671,103)	(29,430,417)
Expenses not deductible for tax purposes	64,466	110,481
Restriction on tax deduction expenses for Unit Trust Funds	1,591,041	2,741,522
Tax expense	-	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- collective investment schemes – local	863,816,443	888,706,803
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	11,776,243	(2,261,794)
- unrealised (loss)/gain on change in fair value	(26,848,190)	93,120,099
- management fee rebate on collective investment schemes#	6,111,043	10,815,714
	(8,960,904)	101,674,019

In arriving at the fair value of CIS, the management fee initially paid to the Manager of CIS has been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines on Unit Trust Funds, management fee charged on the Fund's investments in collective investment schemes have been fully 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.

AFFIN HWANG PERWIRA FUND

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

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

(a) Collective investment schemes – local

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

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Aiiman Asia (ex Japan)				
Growth Fund - MYR Class	125,928,902	81,533,276	101,435,730	11.75
Affin Hwang Aiiman Growth Fund	31,764,615	33,228,337	45,880,809	5.31
Affin Hwang Aiiman Income Plus Fund	72,995,497	44,949,571	42,592,872	4.93
Affin Hwang Aiiman Quantum Fund	37,567,822	17,275,749	24,509,247	2.84
Affin Hwang Bond Fund	261,044,137	159,130,105	154,381,503	17.88
Affin Hwang Equity Fund	34,100,070	18,301,508	27,065,226	3.14
Affin Hwang Growth Fund	277,583,431	81,510,428	104,732,229	12.13
Affin Hwang Principled Growth Fund	185,573,215	56,151,575	75,750,987	8.77
Affin Hwang Select Asia Pacific (ex Japan)				
Dividend Fund - MYR Class	353,548,702	226,243,367	282,131,864	32.67
Aiiman Asia Pacific (ex-Japan)				
Dividend Fund	8,307,606	4,345,357	5,335,976	0.62
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment scheme – local	1,388,413,997	722,669,273	863,816,443	100.04
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on collective investment schemes – local		141,147,170		
		<hr/>		
Total collective investment schemes – local		863,816,443		
		<hr/> <hr/>		

AFFIN HWANG PERWIRA FUND

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

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

(a) Collective investment schemes – local (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Asia (ex Japan) Growth Fund - MYR Class	145,395,613	93,452,222	110,951,392	12.48
Affin Hwang Aiiman Growth Fund	41,584,406	43,103,637	51,348,425	5.78
Affin Hwang Aiiman Income Plus Fund	80,116,182	49,379,404	49,471,743	5.57
Affin Hwang Aiiman Quantum Fund (formerly known as Affin Hwang Aiiman Equity Fund)	38,735,842	17,655,797	20,103,902	2.26
Affin Hwang Bond Fund	257,677,915	157,149,607	159,657,236	17.97
Affin Hwang Equity Fund	36,350,210	19,509,158	21,871,921	2.46
Affin Hwang Growth Fund	322,183,400	94,009,965	101,101,151	11.38
Affin Hwang Principled Growth Fund	222,774,527	66,854,635	75,008,183	8.44
Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund - MYR Class	394,872,578	250,272,279	294,377,507	33.12
Aiiman Asia Pacific (ex-Japan) Dividend Fund	8,075,370	4,200,000	4,815,343	0.54
	<hr/>	<hr/>	<hr/>	<hr/>
Total collective investment scheme – local	1,547,766,043	795,586,704	888,706,803	100.00
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on collective investment schemes – local		93,120,099		
		<hr/>		
Total collective investment schemes – local		888,706,803		
		<hr/> <hr/>		

AFFIN HWANG PERWIRA FUND

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

8 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	228,058	5,983
Deposits with a licensed financial institution	520,075	-
	<u>748,133</u>	<u>5,983</u>

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

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

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

9 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of financial period/date of launch	1,506,962,000	-
Creation of units arising from applications	-	1,721,207,000
Cancellation of units	(101,730,000)	(154,299,000)
At the end of the financial period	<u>1,405,232,000</u>	<u>1,566,908,000</u>

10 TRANSACTIONS WITH BROKER

(i) Details of transactions with the top brokers for the 6 months financial period ended 31 October 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %
Affin Hwang Asset Management Berhad	<u>62,260,000</u>	<u>100.00</u>

AFFIN HWANG PERWIRA FUND

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

10 TRANSACTIONS WITH BROKER (CONTINUED)

(ii) Details of transaction with the top brokers for the financial period from 12 December 2019 (date of launch) to 31 October 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Affin Hwang Asset Management Berhad	495,604,108	100.00

Included in transactions with broker are trades conducted with Affin Hwang Asset Management Berhad, the Manager amounting to RM62,260,000 (2020: RM495,604,108). The Manager is of the opinion that all the transactions have been entered into in the normal course of business at agreed terms between the related parties.

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

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

<u>Related parties</u>	<u>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

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

	<u>2021</u>		<u>2020</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)	3,107	1,909	2,282	1,294

AFFIN HWANG PERWIRA FUND

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

12 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>31.10.2021</u> %	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u> %
MER	<u>0.79</u>	<u>1.39</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM876,136,158 (2020: RM856,028,558).

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>31.10.2021</u>	Financial period from 12.12.2019 (date of launch) to <u>31.10.2020</u>
PTR (times)	<u>0.04</u>	<u>0.81</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM20,089,043 (2020: RM1,087,501,349)
total disposal for the financial period = RM49,983,757 (2020: RM291,914,645)

AFFIN HWANG PERWIRA FUND

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

14 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

AFFIN HWANG PERWIRA 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 25 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 October 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 31 October 2021 in accordance with the Malaysia Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 December 2021

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