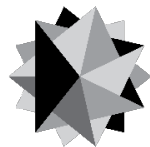


Affin Hwang

Select Asia Pacific (ex Japan) Dividend Fund

Annual Report
31 August 2020

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763950-H)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

Annual Report and Audited Financial Statements For the Financial Year Ended 31 August 2020

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FUND INFORMATION

Fund Name	Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund
Fund Type	Growth & Income
Fund Category	Equity
Investment Objective	The Fund endeavours to provide investors with regular income and capital growth over the medium to long-term period
Benchmark	MSCI AC Asia Pacific ex Japan High Dividend Yield Index
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability), after the end of its first financial year.

BREAKDOWN OF UNITHOLDERS BY MYR SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	5,823	9,308
5,001 to 10,000	1,925	14,625
10,001 to 50,000	3,104	64,079
50,001 to 500,000	927	115,815
500,001 and above	50	638,511
Total	11,829	842,338

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY AUD SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	3	57
50,001 to 500,000	2	361
500,001 and above	-	-
Total	5	418

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY EUR SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	15
50,001 to 500,000	2	149
500,001 and above	-	-
Total	0	0

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY USD SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	2
5,001 to 10,000	1	7
10,001 to 50,000	-	-
50,001 to 500,000	6	1,039
500,001 and above	-	-
Total	8	1,048

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY RMB SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	167
500,001 and above	-	-
Total	1	167

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY GBP SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	3	25
10,001 to 50,000	1	17
50,001 to 500,000	-	-
500,001 and above	-	-
Total	4	42

* Note : Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SGD SIZE AS AT 31 AUGUST 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	3
5,001 to 10,000	3	24
10,001 to 50,000	4	98
50,001 to 500,000	-	-
500,001 and above	-	-
Total	8	125

* Note : Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 31 Aug 2020 (%)	As at 31 Aug 2019 (%)	As at 31 Aug 2018 (%)
Portfolio composition			
Quoted equities – local			
- Financials	-	1.76	2.49
- REITs	-	-	1.43
- Trading / Services	-	-	1.90
- Utilities	-	3.26	-
Total quoted equities – local	-	5.02	5.82
Quoted equities – foreign			
- Basic materials	-	0.24	0.48
- Consumer goods	2.88	1.00	2.79
- Consumer services	29.85	8.21	3.82
- Telecommunications	-	0.34	-
- Financial services	15.76	26.06	20.92
- Health care	4.52	1.03	0.38
- Industrials	6.81	3.96	10.43
- Oil & Gas	-	-	4.85
- Preference Shares	-	-	1.96
- Technology	39.07	29.58	15.94
- Utilities	-	2.54	-
Total quoted equities – foreign	98.89	72.96	61.57
Exchange-traded fund – local	-	1.83	-
Exchange-traded fund – foreign	-	6.51	3.37
Collective investment scheme	-	1.76	-
Cash & cash equivalent	1.11	11.92	29.24
Total	100.00	100.00	100.00

Category	As at 31 Aug 2020 (%)							As at 31 Aug 2019 (%)							As at 31 Aug 2018 (%)
	MYR Class	AUD Class	EUR Class	USD Class	RMB Class	GBP Class	SGD Class	MYR Class	AUD Class	EUR Class	USD Class	RMB Class	GBP Class	SGD Class	MYR Class
Total NAV (million)	622.202	0.286	0.112	0.737	0.118	0.030	0.089	462.046	0.176	0.001	0.254	0.360	0.006	0.051	287.601
NAV per Unit (respective currencies)	0.7358	0.6799	0.6732	0.7010	0.6967	0.6684	0.6946	0.5981	0.5749	0.5638	0.5447	0.5617	0.5664	0.5513	0.6331
Unit in Circulation (million)	845.661	0.421	0.167	1.052	0.169	0.045	0.128	772.565	0.306	0.001	0.467	0.641	0.011	0.092	454.274
Highest NAV	0.7437	0.6954	0.6845	0.7070	0.7050	0.6799	0.7041	0.6350	0.5865	0.5899	0.5748	0.5718	0.5867	0.5724	0.7079
Lowest NAV	0.5329	0.5698	0.4993	0.4663	0.4803	0.5092	0.4961	0.5468	0.5000	0.5000	0.4973	0.4938	0.4985	0.4963	0.6251
Return of the Fund (%) ⁱⁱⁱ	27.42	18.26	19.40	28.69	24.03	18.01	25.99	-1.08	14.98	12.76	8.94	12.34	13.28	10.26	3.63
- Capital Growth (%) ⁱ	23.02	18.26	19.40	28.69	24.03	18.01	25.99	-5.53	14.98	12.76	8.94	12.34	13.28	10.26	-0.82
- Income Distribution (%) ⁱⁱ	3.58	Nil	Nil	Nil	Nil	Nil	Nil	4.71	Nil	Nil	Nil	Nil	Nil	Nil	4.49
Gross Distribution per Unit (sen)	2.30	Nil	Nil	Nil	Nil	Nil	Nil	2.50	Nil	Nil	Nil	Nil	Nil	Nil	3.00
Net Distribution per Unit (sen)	2.30	Nil	Nil	Nil	Nil	Nil	Nil	2.50	Nil	Nil	Nil	Nil	Nil	Nil	3.00
Management Expense Ratio (%) ¹	1.97							1.96							2.08
Portfolio Turnover Ratio (times) ²	2.10							2.01							2.44

¹The Fund's MER was slightly higher than previous year due to higher expenses incurred by the Fund during the financial year.

² The Fund's PTR was higher than previous year due to higher trading activities for the financial year.

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

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

An illustration of the above would be as follow:-

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

MANAGER'S REPORT

Income Distribution / Unit Split

MYR Class

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
17-Dec-19	18-Dec-19	0.6460	0.0100	0.6371
16-Jun-20	17-Jun-20	0.6667	0.0130	0.6580

No unit split were declared for the financial year ended 31 August 2020.

Performance Review

MYR Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 27.42% return compared to the benchmark return of -4.49%. The Fund thus outperformed the Benchmark by 31.91%. The Net Asset Value ("NAV") per unit of the Fund as at 31 August 2020 was RM 0.7358 compared to its NAV per unit as at 31 August 2019 was RM 0.5981.

Since its inception to 31 August 2020, the Fund has registered a return of 75.07%. Compared to the benchmark that declined 0.84% for the same period, the Fund outperformed the Benchmark by 75.91 percentage points.

Given the performance during the period under review, we believe the Fund's objective is being met to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement while maintaining capital preservation.

AUD Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 18.26% return compared to the benchmark return of -11.97%. The Fund thus outperformed the Benchmark by 30.23%. The Net Asset Value ("NAV") per unit of the Fund as at 31 August 2020 was AUD0.6799 compared to its NAV per unit as at 31 August 2019 was AUD 0.5749.

Since its inception to 31 August 2020, the Fund has registered a return of 35.98%. Compared to the benchmark that declined 7.86% for the same period, the Fund outperformed the Benchmark by 43.84 percentage points.

EUR Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 19.40% return compared to the benchmark return of -11.04%. The Fund thus outperformed the Benchmark by 30.44%. The Net Asset Value (“NAV”) per unit of the Fund as at 31 August 2020 was EUR0.6732 compared to its NAV per unit as at 31 August 2019 was EUR0.5638.

Since its inception to 31 August 2020, the Fund has registered a return of 34.64%. Compared to the benchmark that declined 7.68% for the same period, the Fund outperformed the Benchmark by 42.32 percentage points.

GBP Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 18.01% return compared to the benchmark return of -12.06%. The Fund thus outperformed the Benchmark by 30.07%. The Net Asset Value (“NAV”) per unit of the Fund as at 31 August 2020 was GBP0.6684 compared to its NAV per unit as at 31 August 2019 was GBP0.5664.

Since its inception to 31 August 2020, the Fund has registered a return of 33.68%. Compared to the benchmark that dropped 8.14% for the same period, the Fund outperformed the Benchmark by 41.82 percentage points.

RMB Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 24.03% return compared to the benchmark return of -7.52%. The Fund thus outperformed the Benchmark by 31.55%. The Net Asset Value (“NAV”) per unit of the Fund as at 31 August 2020 was RMB 0.6967 compared to its NAV per unit as at 31 August 2019 was RMB 0.5617

Since its inception to 31 August 2020, the Fund has registered a return of 39.34%. Compared to the benchmark that dropped 4.09% for the same period, the Fund outperformed the Benchmark by 43.43 percentage points.

SGD Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 25.99% return compared to the benchmark return of -5.30%. The Fund thus outperformed the Benchmark by 31.29%. The Net Asset Value (“NAV”) per unit of the Fund as at 31 August 2020 was SGD 0.6946 compared to its NAV per unit as at 31 August 2019 was SGD0.5513

Since its inception to 31 August 2020, the Fund has registered a return of 38.92%. Compared to the benchmark that dropped 4.35% for the same period, the Fund outperformed the Benchmark by 43.27 percentage points.

USD Class

For the period under review from 1 September 2019 – 31 August 2020, the Fund registered a 28.69% return compared to the benchmark return of -3.30%. The Fund thus outperformed the Benchmark by 31.99%. The Net Asset Value (“NAV”) per unit of the Fund as at 31 August 2020 was USD 0.7010 compared to its NAV per unit as at 31 August 2019 was USD 0.5447.

Since its inception to 31 August 2020, the Fund has registered a return of 40.20%. Compared to the benchmark that dropped 3.36% for the same period, the Fund outperformed the Benchmark by 43.56 percentage points.

MYR Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (29/12/14 - 31/8/20)
Fund	27.42%	30.20%	68.50%	75.07%
Benchmark	(4.49%)	(16.89%)	1.40%	(0.84%)
Outperformance	31.91%	47.09%	67.10%	75.91%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	3 Years (1/9/17 - 31/8/20)	5 Years (1/9/15 - 31/8/20)	Since Commencement (29/12/14 - 31/8/20)
Fund	27.42%	9.19%	10.99%	10.36%
Benchmark	(4.49%)	(5.98%)	0.28%	(0.15%)
Outperformance	31.91%	15.17%	10.71%	10.51%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (01/9/18 - 31/8/19)	FYE 2018 (01/9/17 - 31/8/18)	FYE 2017 (01/9/16 - 31/8/17)	FYE 2016 (01/9/15 - 31/8/16)
Fund	27.42%	(1.40%)	3.63%	19.33%	8.45%
Benchmark	(4.49%)	(6.49%)	(6.95%)	19.23%	2.33%
Outperformance / (Underperformance)	31.91%	5.09%	10.58%	0.10%	6.12%

Source of Benchmark: Bloomberg

AUD Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	18.26%	35.98%
Benchmark	(11.97%)	(7.86%)
Outperformance	30.23%	43.84%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	18.26%	19.97%
Benchmark	(11.97%)	(4.75%)
Outperformance	30.23%	24.72%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	18.26%	14.98%
Benchmark	(11.97%)	4.67%
Outperformance	30.23%	10.31%

Source of Benchmark: Bloomberg

EUR Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	19.40%	34.64%
Benchmark	(11.04%)	(7.68%)
Outperformance	30.44%	42.32%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	19.40%	19.27%
Benchmark	(11.04%)	(4.64%)
Outperformance	30.44%	23.91%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	19.40%	12.76%
Benchmark	(11.04%)	3.77%
Outperformance	30.44%	8.99%

Source of Benchmark: Bloomberg

GBP Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	18.01%	33.68%
Benchmark	(12.06%)	(8.14%)
Outperformance / (Underperformance)	30.07%	41.82%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	18.01%	18.77%
Benchmark	(12.06%)	(4.92%)
Outperformance / (Underperformance)	30.07%	23.69%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	18.01%	13.28%
Benchmark	(12.06%)	4.46%
Outperformance / (Underperformance)	30.07%	8.82%

Source of Benchmark: Bloomberg

RMB Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	24.03%	39.34%
Benchmark	(7.52%)	(4.09%)
Outperformance	31.55%	43.43%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	24.03%	21.72%
Benchmark	(7.52%)	(2.45%)
Outperformance	31.55%	24.17%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	24.03%	12.34%
Benchmark	(7.52%)	3.70%
Outperformance / (Underperformance)	31.55%	8.64%

Source of Benchmark: Bloomberg

SGD Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	25.99%	38.92%
Benchmark	(5.30%)	(4.35%)
Outperformance	31.29%	43.27%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	25.99%	21.50%
Benchmark	(5.30%)	(2.61%)
Outperformance	31.29%	24.11%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	25.99%	10.26%
Benchmark	(5.30%)	1.00%
Outperformance	31.29%	9.26%

Source of Benchmark: Bloomberg

USD Class

Table 1: Performance of the Fund

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	28.69%	40.20%
Benchmark	(3.30%)	(3.36%)
Outperformance	31.99%	43.56%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/19 - 31/8/20)	Since Commencement (25/12/18 - 31/8/20)
Fund	28.69%	22.17%
Benchmark	(3.30%)	(2.01%)
Outperformance	31.99%	24.18%

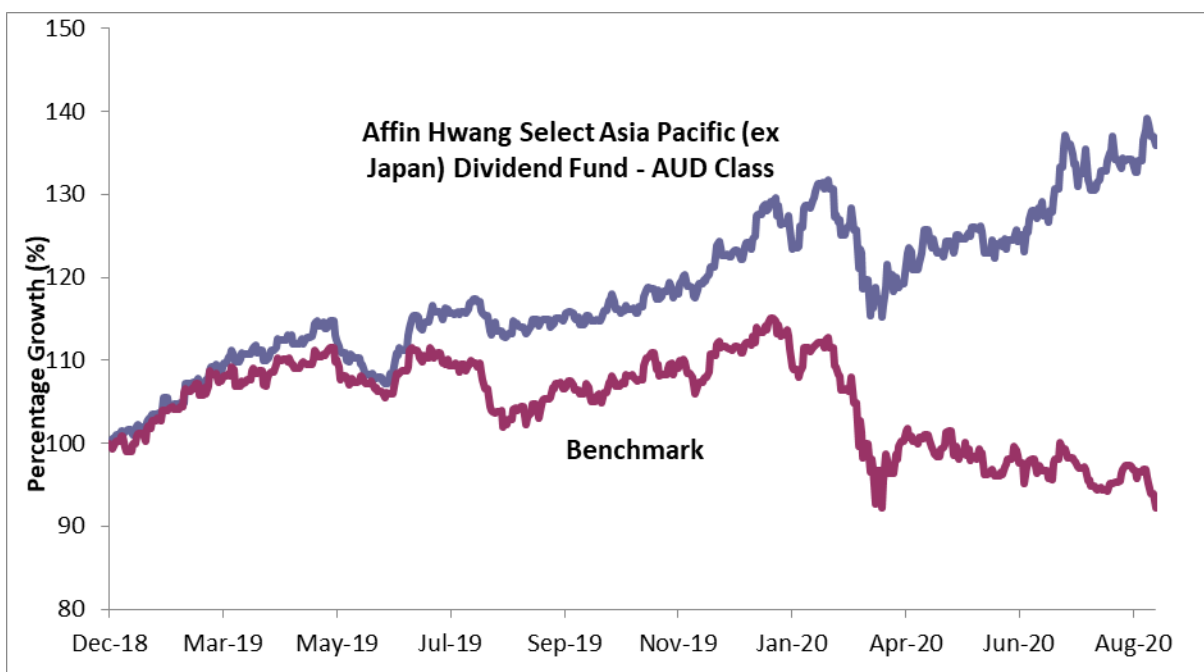
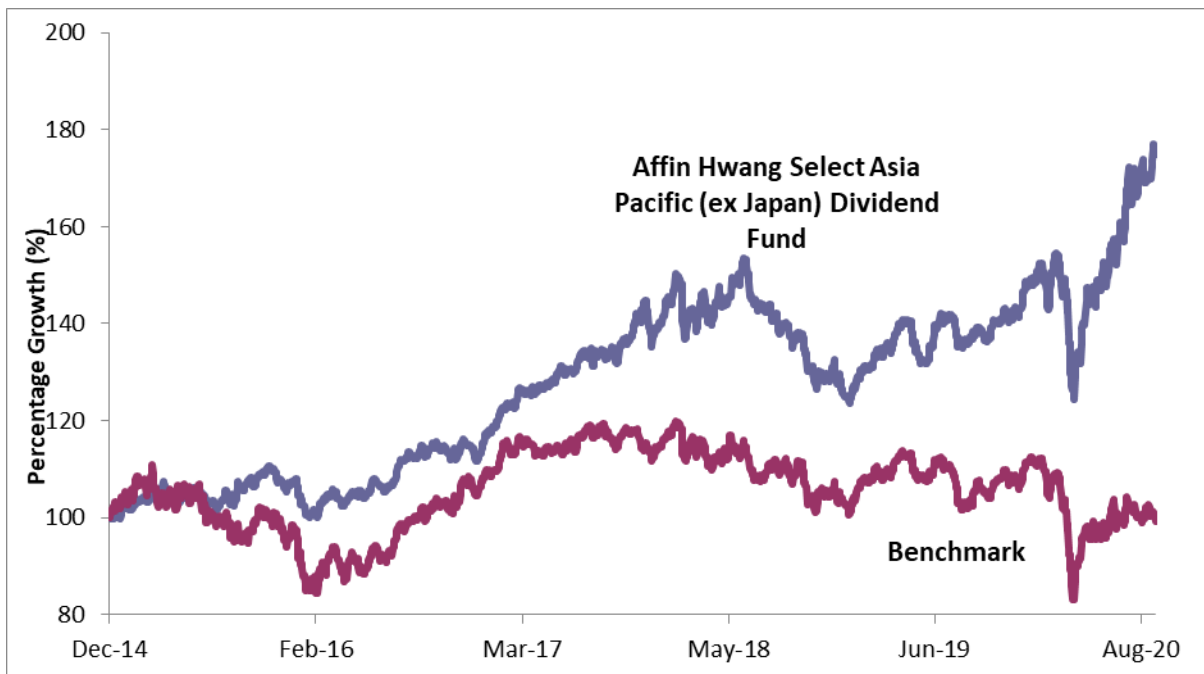
Source of Benchmark: Bloomberg

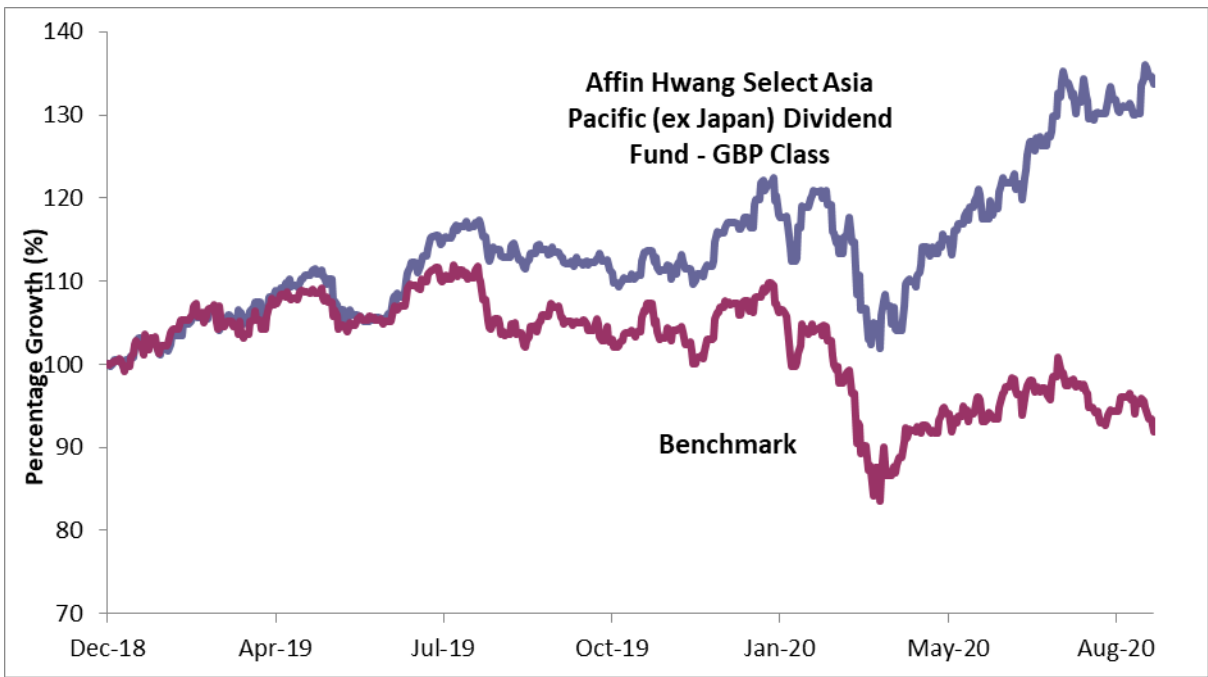
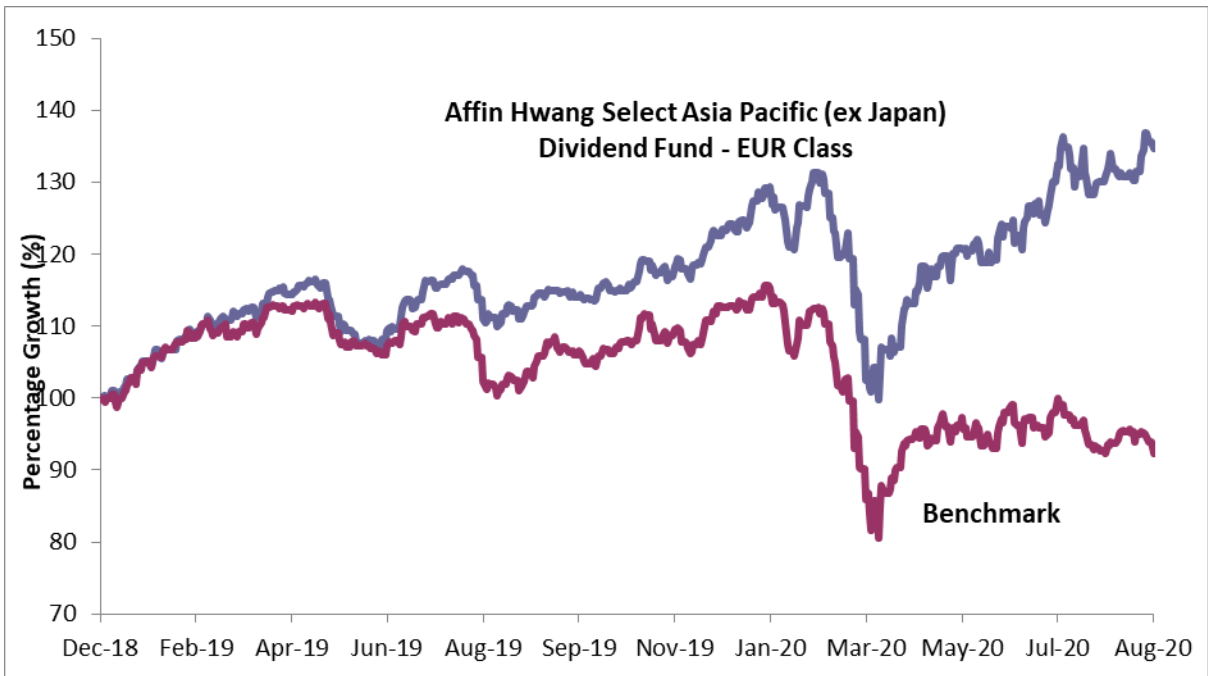
Table 3: Annual Total Return

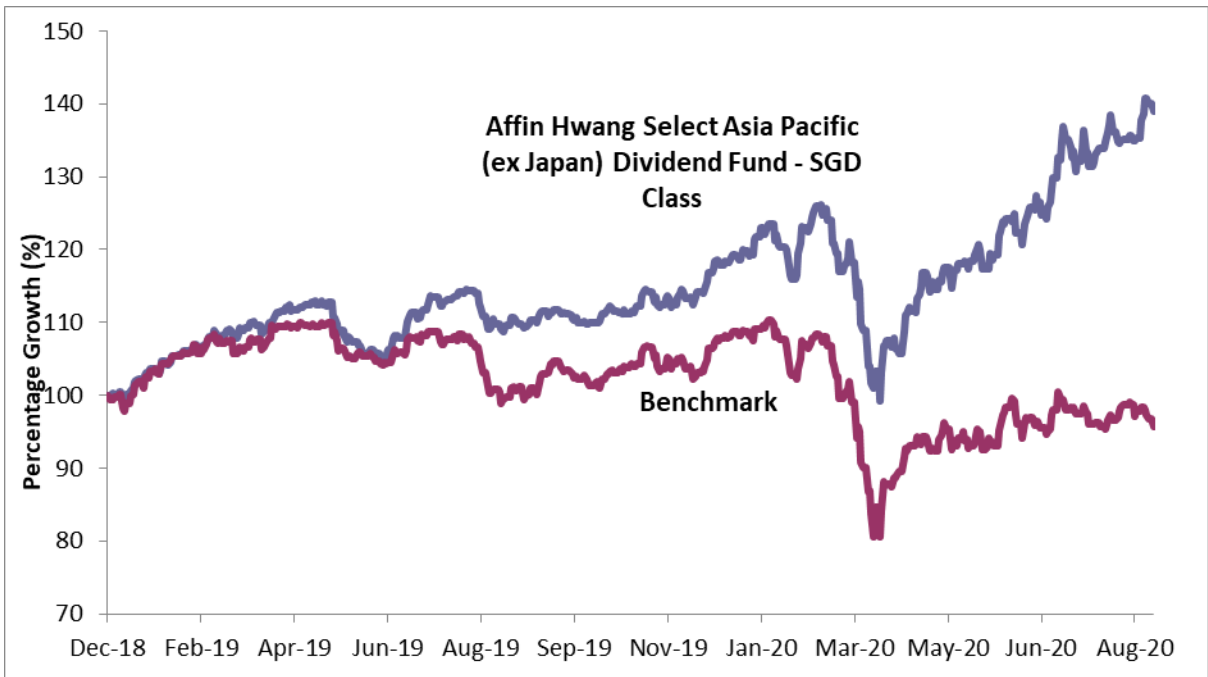
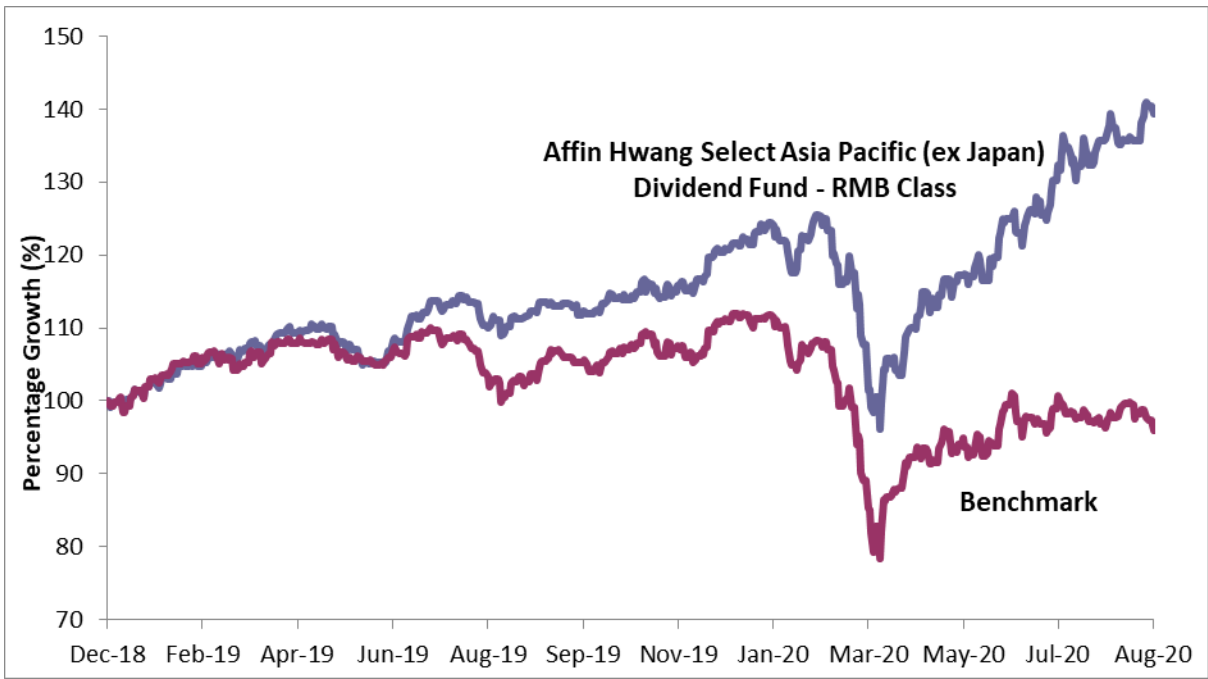
	FYE 2020 (01/9/19 - 31/8/20)	FYE 2019 (25/12/18 - 31/8/19)
Fund	28.69%	8.94%
Benchmark	(3.30%)	(0.07%)
Outperformance	31.99%	9.01%

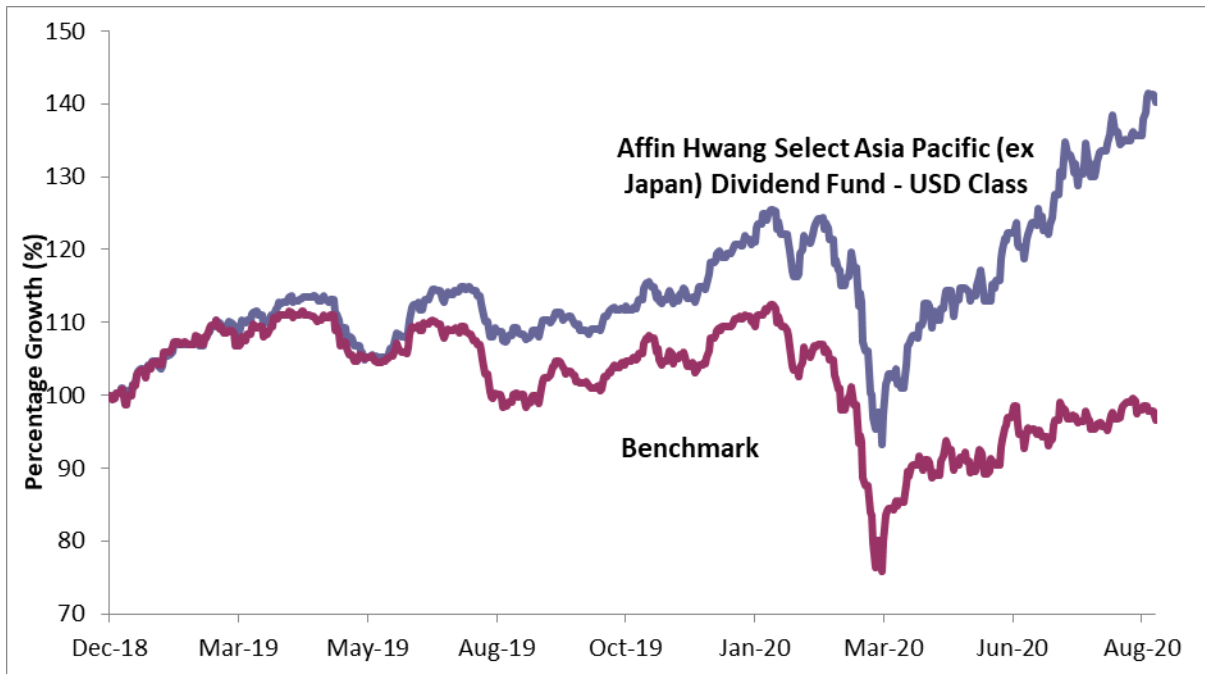
Source of Benchmark: Bloomberg

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









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

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

Asset Allocation

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

As at 31 August 2020, the Fund's asset allocation stood at 98.89% in equities and the remaining was held in cash and cash equivalent.

During the year under review, the Manager had stripped off allocation towards local equities, exchange-traded fund and collective investment scheme. On the other hand, the Manager had also increased exposures into foreign equities via allocation towards the consumers and technology sectors. Within the foreign equities, exposure towards the financial services names has also been reduced amidst market weakness and uncertainty. Cash level on the other hand, were lowered to 1.11% level over the same period.

Strategies Employed

Over the period under review, the Manager continued to focus on domestic-driven sectors that are less directly impacted from trade tariffs as well as defensive high yields sectors as volatility persisted in markets.

Market Review

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

Coming into October, the S&P 500 index fell 6.0%, whilst the Nasdaq Composite index plunged 7.7% as a tech rout deepened. Global equities traded erratically following news that US President Donald Trump had

tested positive for COVID-19. Following his recovery, markets saw a surge in optimism over the US economy, mainly reflecting vaccine hopes and delayed response to gain in jobs from May to September.

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

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

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

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

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

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

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

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

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

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death rates despite the rise in infections. The accelerated efforts to shorten the timeline for a successful vaccine inoculation also lessened market's response towards increasing infection rates. Economic restarts have since moved at different paces between countries, each depending on their own ways of dealing with Covid-

19. President Trump later instilled optimism by initiating a new US stimulus bill negotiation, surging global equities higher. However, prospects for additional US fiscal stimulus has since dimmed and could be delayed until the next Congress gets seated. The US elections have generated higher market volatility due to the uncertainty in election odds.

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

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

The worldwide Covid-19 death toll has since breached the 1 million mark, with US cases remaining stable at a high rate and Europe battling new waves. The shift in infections to younger age groups and more effective treatments however ensured Europe's continuous recovery despite the increasing infection rates. It is also more exposed to global trade than US, thus will benefit from the rebound in Chinese demand. Europe's exposure to financials, cyclical sectors such as energy and industrials, will potentially outperform in the second phase of recovery when economy continues to pick up as yield curve steepens. US dollar should weaken as economy recovers globally given its counter-cyclical behaviour, with more economically sensitive currencies appreciating instead, including euro and British sterling that are undervalued. However, British sterling faces higher volatility due to Brexit negotiations.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

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

We have acted as Trustee for Affin Hwang Select Asia Pacific (Ex Japan) Dividend Fund ("the Fund") for the financial year ended 31 August 2020. To the best of our knowledge, for the financial year under review, 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 Manager and the Trustee under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

We are of the view that the distributions made during this financial year ended 31 August 2020 by the Manager are not inconsistent with the objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
14 October 2020

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

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AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
INVESTMENT INCOME			
Dividend income		8,545,024	8,726,481
Interest income from financial assets at amortised cost		68,147	501,773
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss		182,798	(2,311,109)
Net gain/(loss) on foreign currency exchange		409,701	(223,406)
Net gain on financial assets at fair value through profit or loss	8	132,502,045	16,789,404
		<u>141,707,715</u>	<u>23,483,143</u>
EXPENSES			
Management fee	4	(9,165,402)	(7,107,415)
Trustee fee	5	(301,558)	(237,927)
Auditors' remuneration		(9,500)	(7,500)
Tax agent's fee		(49,547)	(54,087)
Transaction costs		(4,345,440)	(3,403,085)
Other expenses		(931,015)	(612,217)
		<u>(14,802,462)</u>	<u>(11,422,231)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		126,905,253	12,060,912
FINANCE COST			
Distributions	7	(17,724,083)	(14,357,050)
NET PROFIT/(LOSS) BEFORE TAXATION		<u>109,181,170</u>	<u>(2,296,138)</u>
Taxation	6	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>109,181,170</u>	<u>(2,296,138)</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
Increase/(decrease) in net assets attributable to unitholders comprise the following:			
Realised amount		34,820,322	(15,748,521)
Unrealised amount		74,360,848	13,452,383
		<u>109,181,170</u>	<u>(2,296,138)</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Cash and cash equivalents	9	12,341,570	57,465,184
Amount due from Manager			
- creation of units		1,383,665	-
Dividends receivable		351,054	493,003
Other receivables		-	387,775
Financial assets at fair value through profit or loss	8	620,306,854	408,670,006
Forward foreign currency contracts at fair value through profit or loss	10	677,500	-
TOTAL ASSETS		635,060,643	467,015,968
LIABILITIES			
Amount due to Manager			
- management fee		953,234	725,405
- cancellation of units		409,012	1,300,134
Amount due to Trustee		30,916	23,553
Amount due to brokers		6,436,204	705,988
Auditors' remuneration		9,500	7,500
Tax agent's fee		3,800	3,800
Other payables and accruals		4,158	16,469
Forward foreign currency contracts at fair value through profit or loss	10	-	218,920
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		7,846,824	3,001,769
NET ASSET VALUE OF THE FUND		627,213,819	464,014,199
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		627,213,819	464,014,199

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- RM Class		622,202,156	462,046,249
- AUD Class		873,024	497,979
- EUR Class		558,255	2,623
- GBP Class		166,543	31,948
- RMB Class		71,400	211,879
- SGD Class		272,430	153,965
- USD Class		3,070,011	1,069,556
		<u>627,213,819</u>	<u>464,014,199</u>
NUMBER OF UNITS IN CIRCULATION			
- RM Class	11(a)	845,661,000	772,565,000
- AUD Class	11(b)	421,000	306,000
- EUR Class	11(c)	167,000	1,000
- GBP Class	11(d)	45,000	11,000
- RMB Class	11(e)	169,000	641,000
- SGD Class	11(f)	128,000	92,000
- USD Class	11(g)	1,052,000	467,000
		<u>847,643,000</u>	<u>774,083,000</u>
NET ASSET VALUE PER UNIT (RM)			
- RM Class		0.7358	0.5981
- AUD Class		2.0737	1.6274
- EUR Class		3.3428	2.6228
- GBP Class		3.7010	2.9044
- RMB Class		0.4225	0.3305
- SGD Class		2.1284	1.6735
- USD Class		2.9183	2.2903
		<u>2.9183</u>	<u>2.2903</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

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

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
REPRESENTED BY (CONTINUED)			
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- RM Class		RM 0.7358	RM 0.5981
- AUD Class		AUD 0.6799	AUD 0.5749
- EUR Class		EUR 0.6732	EUR 0.5638
- GBP Class		GBP 0.6684	GBP 0.5664
- RMB Class		RMB 0.6967	RMB 0.5617
- SGD Class		SGD 0.6946	SGD 0.5513
- USD Class		USD 0.7010	USD 0.5447

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	<u>2020</u> RM	<u>2019</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	464,014,199	287,600,999
Movement due to units created and cancelled during the financial year:		
Creation of units arising from applications	130,095,999	214,345,369
- RM Class	123,634,724	212,251,853
- AUD Class	776,081	507,402
- EUR Class	518,526	2,392
- GBP Class	256,113	81,783
- RMB Class	68,347	206,234
- SGD Class	259,605	152,017
- USD Class	4,582,603	1,143,688
Creation of units arising from distributions	17,607,452	14,283,496
- RM Class	17,607,452	14,283,496
Cancellation of units	(93,685,001)	(49,919,527)
- RM Class	(89,294,196)	(49,803,243)
- AUD Class	(584,230)	-
- GBP Class	(146,535)	(50,676)
- RMB Class	(261,241)	-
- SGD Class	(164,903)	-
- USD Class	(3,233,896)	(65,608)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020
(CONTINUED)**

	<u>2020</u> RM	<u>2019</u> RM
Net increase/(decrease) in net assets attributable to unitholders during the financial year	109,181,170	(2,296,138)
- RM Class	108,217,208	(2,286,857)
- AUD Class	173,771	(9,423)
- EUR Class	37,337	231
- GBP Class	25,858	841
- RMB Class	58,060	5,645
- SGD Class	25,712	1,949
- USD Class	643,224	(8,524)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>627,213,819</u></u>	<u><u>464,014,199</u></u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,044,176,889	703,820,595
Purchase of investments		(1,121,539,143)	(895,848,087)
Dividend income received		7,983,189	8,317,172
Interest income received		68,147	501,773
Management fee paid		(8,937,573)	(6,836,220)
Trustee fee paid		(294,195)	(229,105)
Payment for other fees and expenses		(296,588)	(216,278)
Realised loss on forward foreign currency contract		(713,621)	(2,931,264)
Net realised foreign currency exchange gain/(loss)		414,038	(226,156)
		<hr/>	<hr/>
Net cash used in operating activities		(79,138,857)	(193,647,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		128,712,334	214,585,782
Payments for cancellations of units		(94,576,123)	(48,841,267)
Payments for distribution		(116,631)	(73,554)
		<hr/>	<hr/>
Net cash generated from financing activities		34,019,580	165,670,961
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(45,119,277)	(27,976,609)
EFFECTS OF FOREIGN CURRENCY EXCHANGE			
		(4,337)	2,751
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		57,465,184	85,439,042
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	9	12,341,570	57,465,184
		<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 SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial 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 N.

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

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

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

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

- Amendments to MFRS 3 ‘Definition of a Business’ (effective 1 January 2020) revise the definition of a business.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

For quoted equities, realised gain and losses on sale of investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C DISTRIBUTION

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

D TRANSACTION COSTS

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

E TAXATION

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FOREIGN CURRENCY TRANSLATION

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

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

The Fund classifies cash and cash equivalents, amount due from Manager and dividend receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

I CASH AND CASH EQUIVALENTS

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

J AMOUNT DUE FROM/(TO) BROKERS

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

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

K CREATION AND CANCELLATION OF UNITS

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

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

M DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

N 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 Fund.

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

The analysis of realised and unrealised increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang Select Asia Pacific (ex Japan) Dividend Fund (the “Fund”) pursuant to the execution of a Deed dated 1 July 2013 as modified by a Supplemental Deed dated 5 November 2014 and a Second Supplemental Deed dated 23 July 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from Hwang Select Asia Pacific (ex Japan) Dividend Fund to Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund as amended by the Supplemental Deed dated 5 November 2014. The Fund issued six new class of units in Australian Dollar (“AUD”), Euro (“EUR”), Pound Sterling (“GBP”), Renminbi (“RMB”), Singapore Dollar (“SGD”) and United States Dollar (“USD”) as amended by Second Supplemental Deed dated 23 July 2018 entered into between the Manager, the Trustee and the registered unitholders of the Fund.

The Fund commenced operations on 29 December 2014 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deeds.

The Fund may invest in any of the following investments:

- 1) Listed securities;
- 2) Unlisted securities including, without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation for such securities;
- 3) Government bonds, treasury bills and other government approved or guaranteed bonds;
- 4) Debentures;
- 5) Money market instruments;
- 6) Deposits with financial institutions;
- 7) Structured products such as credit - linked notes;
- 8) Derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- 9) Warrants;
- 10) Units or shares in local and foreign collective investment schemes which are in line with the objective of the Fund; and
- 11) Any other form of investments as may be permitted by the SC from time to time which are in line with the objective of the Fund.

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

The main objective of the Fund endeavours to provide unitholders with regular income and capital growth over the medium to long-term period.

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>2020</u>				
<u>Financial assets</u>				
Quoted equities	8	-	620,306,854	620,306,854
Cash and cash equivalents	9	12,341,570	-	12,341,570
Dividends receivable		351,054	-	351,054
Amount due from Manager				
- creation of units		1,383,665	-	1,383,665
Forward foreign currency contracts		-	677,500	677,500
Total		<u>14,076,289</u>	<u>620,984,354</u>	<u>635,060,643</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		953,234	-	953,234
- cancellation of units		409,012	-	409,012
Amount due to Trustee		30,916	-	30,916
Amount due to brokers		6,436,204	-	6,436,204
Auditors' remuneration		9,500	-	9,500
Tax agent's fee		3,800	-	3,800
Other payables and accruals		4,158	-	4,158
Total		<u>7,846,824</u>	<u>-</u>	<u>7,846,824</u>
<u>2019</u>				
<u>Financial assets</u>				
Quoted equities	8	-	361,784,809	361,784,809
Exchange-traded funds	8	-	38,709,884	38,709,884
Collective investment scheme	8	-	8,175,313	8,175,313
Cash and cash equivalents	9	57,465,184	-	57,465,184
Dividends receivable		493,003	-	493,003
Other receivables		387,775	-	387,775
Total		<u>58,345,962</u>	<u>408,670,006</u>	<u>467,015,968</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2019 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		725,405	-	725,405
- cancellation of units		1,300,134	-	1,300,134
Amount due to Trustee		23,553	-	23,553
Amount due to brokers		705,988	-	705,988
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		3,800	-	3,800
Other payables and accruals		16,469	-	16,469
Forward foreign currency contracts		-	218,920	218,920
Total		<u>2,782,849</u>	<u>218,920</u>	<u>3,001,769</u>

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (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>2020</u> RM	<u>2019</u> RM
Quoted investments		
Quoted equities	620,306,854	361,784,809
Exchange-traded fund	-	38,709,884
Collective investment scheme	-	8,175,313
	<u>620,306,854</u>	<u>408,670,006</u>

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

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2020</u>		
-10%	558,276,169	(62,030,685)
0%	620,306,854	-
+10%	682,337,539	62,030,685
	<u>620,306,854</u>	<u>0</u>
<u>2019</u>		
-5%	388,236,506	(20,433,500)
0%	408,670,006	-
+5%	429,103,506	20,433,500
	<u>408,670,006</u>	<u>0</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(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 a short term deposit placement with a licensed 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 a deposit with a licensed financial institution is not material as the deposit is held on a short term basis.

(c) Currency risk

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Forward foreign currency contract</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2020</u>					
<u>Financial assets</u>					
Australian Dollar	-	-	239,052	-	239,052
Chinese Yuan	6,976,857	-	637,948	-	7,614,805
Euro	-	-	44	54,383	54,427
Hong Kong Dollar	311,403,506	-	598,330	-	312,001,836
Korean Won	39,976,444	-	2	-	39,976,446
Pound Sterling	13,688,592	-	74,411	-	13,763,003
Singapore Dollar	7,585,047	-	5,730,209	164,284	13,479,540
Taiwan Dollar	58,710,057	-	-	153,784	58,863,841
United States Dollar	181,966,351	677,500	2,561,143	68,307	185,273,301
	<u>620,306,854</u>	<u>677,500</u>	<u>9,841,139</u>	<u>440,758</u>	<u>631,266,251</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Amount due to brokers</u> RM	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2020</u>			
<u>Financial liabilities</u>			
Australian Dollar	-	873,024	873,024
Chinese Yuan	-	71,400	71,400
Euro	-	558,255	558,255
Hong Kong Dollar	6,436,204	-	6,436,204
Pound Sterling	-	166,543	166,543
Singapore Dollar	-	272,430	272,430
United States	-	3,070,011	3,070,011
	<u>6,436,204</u>	<u>5,011,663</u>	<u>11,447,867</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Collective investment scheme</u> RM	<u>Exchange -traded funds</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2019</u>						
Australian Dollar	1,106,882	-	-	9,910,272	-	11,017,154
Chinese Yuan	4,654,199	-	-	4,087,342	-	8,741,541
Euro	-	-	-	2,326	-	2,326
Hong Kong Dollar	116,731,789	-	5,284,116	5,817,008	-	127,832,913
Indian Rupee	16,642,489	-	-	-	-	16,642,489
Indonesian Rupiah	10,067,382	-	-	-	-	10,067,382
Korean Won	13,406,658	-	-	2	-	13,406,660
Pound Sterling	-	-	-	2,999	-	2,999
Singapore Dollar	63,056,984	-	-	549,518	420,749	63,873,286
Taiwan Dollar	21,057,255	-	-	-	-	21,057,255
Thailand Baht	10,243,832	8,175,313	-	-	280,428	18,699,573
United States Dollar	81,567,279	-	24,945,768	36,689,002	99,311	143,301,360
	<u>338,534,749</u>	<u>8,175,313</u>	<u>30,229,884</u>	<u>57,058,469</u>	<u>800,488</u>	<u>434,798,903</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Forward foreign currency contracts RM	Other liabilities** RM	Net assets attributable to unitholders RM	Total RM
<u>2019</u>				
<u>Financial liabilities</u>				
Australian Dolla			497,979	497,979
Chinese Yuan			211,879	211,879
Euro			2,623	2,623
Hong Kong Dollar	-	625,698	-	625,698
Pound Sterling			31,948	31,948
Singapore Dollar			153,965	153,965
United States Dollar	218,920	-	1,069,556	1,288,476
	<u>218,920</u>	<u>625,698</u>	<u>1,967,950</u>	<u>2,812,568</u>

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

** Other liabilities consist of amount due to brokers.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in in rate %	Impact on profit after tax/ NAV RM
<u>2020</u>		
Australian Dollar	+/-13.14	-/+ 83,308
Chinese Yuan	+/-5.95	+/- 448,925
Euro	+/-8.27	-/+ 41,671
Hong Kong Dollar	+/-6.27	+/- 19,145,808
Korean Won	+/-9.37	+/- 3,747,047
Pound Sterling	+/-12.30	+/- 1,672,494
Singapore Dollar	+/-4.57	+/- 603,253
Taiwan Dollar	+/-5.73	+/- 3,374,797
United States Dollar	+/-6.21	+/- 11,315,805
<u>2019</u>		
Australian Dollar	+/-5	+/-525,959
Chinese Yuan	+/-5	+/-426,483
Euro	+/-5	-/+15
Hong Kong Dollar	+/-5	+/-6,360,361
Indian Rupee	+/-5	+/-832,124
Indonesian Rupiah	+/-5	+/-503,369
Korean Won	+/-5	+/-670,333
Pound Sterling	+/-5	+/-1,447
Singapore Dollar	+/-5	+/-3,193,664
Taiwan Dollar	+/-5	+/-1,052,863
Thailand Baht	+/-5	+/-934,979
United States Dollar	+/-5	+/-7,100,644

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Credit risk

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

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

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 concentrations of the Fund:

	<u>Forward foreign currency contracts</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2020</u>				
Consumer Goods				
- NR	-	-	79,311	79,311
Financial Services				
- AAA	677,500	12,341,570	-	13,019,070
- NR	-	-	164,332	164,332
Industrials				
- NR	-	-	3,182	3,182
Technology				
- NR	-	-	104,229	104,229
Others				
- NR	-	-	1,383,665	1,383,665
	<u>677,500</u>	<u>12,341,570</u>	<u>1,734,719</u>	<u>14,753,789</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Credit risk (continued)

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

	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2019</u>			
Financial Services			
- AAA	325,651	-	325,651
- AA1	57,139,533	-	57,139,533
- NR	-	480,355	480,355
Industrials			
- NR	-	5,103	5,103
Technology			
- NR	-	315,030	315,030
Utilities			
- NR	-	80,290	80,290
	<u>57,465,184</u>	<u>880,778</u>	<u>58,345,962</u>

* Other assets consist of dividends receivable, amount due from Manager and other receivables.

Liquidity risk

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (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.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2020</u>			
Amount due to Manager			
- management fee	953,234	-	953,234
- cancellation of units	409,012	-	409,012
Amount due to Trustee	30,916	-	30,916
Amount due to brokers	6,436,204	-	6,436,204
Auditors remuneration	-	9,500	9,500
Tax agent's fee	-	3,800	3,800
Other payables and accruals	-	4,158	4,158
Net assets attributable to unitsholders*	627,213,819	-	627,213,819
	<u>635,043,185</u>	<u>17,458</u>	<u>635,060,643</u>
<u>2019</u>			
Amount due to Manager			
- management fee	725,405	-	725,405
- cancellation of units	1,300,134	-	1,300,134
Amount due to Trustee	23,553	-	23,553
Amount due to brokers	705,988	-	705,988
Auditors remuneration	-	7,500	7,500
Tax agent's fee	-	3,800	3,800
Other payables and accruals	-	16,469	16,469
Forward foreign currency contracts	218,920	-	218,920
Net assets attributable to unitholders*	464,014,199	-	464,014,199
	<u>466,988,199</u>	<u>27,769</u>	<u>467,015,968</u>

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders 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 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 market (such as trading securities) is based on quoted market prices at the close of trading on the 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.

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION

(i) Fair value hierarchy (continued)

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

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>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	620,306,854	-	-	620,306,854
- forward foreign currency contracts	-	677,500	-	677,500
	<u>620,306,854</u>	<u>677,500</u>	<u>-</u>	<u>620,984,354</u>
<u>2019</u>				
Financial assets at fair value through profit or loss				
- quoted equities	361,784,809	-	-	361,784,809
- exchange-traded funds	38,709,884	-	-	38,709,884
- collective investment scheme	8,175,313	-	-	8,175,313
	<u>408,670,006</u>	<u>-</u>	<u>-</u>	<u>408,670,006</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	218,920	-	218,920
	<u>-</u>	<u>218,920</u>	<u>-</u>	<u>218,920</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

(ii) The carrying value of cash and cash equivalents, dividends receivable, 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 Deeds, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund calculated on a daily basis.

For the financial year ended 31 August 2020, the management fee is recognised at a rate of 1.85% (2019: 1.85%) 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 Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund subject to a minimum of RM12,000 per annum, excluding foreign custodian fees.

For the financial year ended 31 August 2020, the Trustee fee is recognised at a rate of 0.06% (2019: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee, 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

6 TAXATION

	<u>2020</u> RM	<u>2019</u> RM
Current taxation	-	-

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

	<u>2020</u> RM	<u>2019</u> RM
Net profit before finance cost and taxation	126,905,253	12,060,912
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	30,457,261	2,894,619
Tax effects of:		
Investment income not subject to tax	(34,009,851)	(5,635,955)
Expenses not deductible for tax purposes	1,350,614	1,033,115
Restriction on tax deductible expenses for Unit Trust Funds	2,201,976	1,708,221
Tax expense	-	-

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

7 DISTRIBUTIONS

	<u>2020</u> RM	<u>2019</u> RM
Distributions to unitholders is from the following sources:		
Gross dividend income	2,333,457	4,417,994
Previous years' realised income	15,390,626	9,939,056
	<hr/>	<hr/>
Less: Expenses	17,724,083	14,357,050
	-	-
	<hr/>	<hr/>
Net distribution amount	<u>17,724,083</u>	<u>14,357,050</u>

During the financial year ended 31 August 2020, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen)</u> <u>RM class</u> RM
<u>2020</u>	
18.12.2019	1.00
17.06.2020	1.30
	<hr/>
	2.30
	<hr/> <hr/>

During the financial year ended 31 August 2019, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen)</u> <u>RM class</u> RM
<u>2019</u>	
10.12.2018	1.50
19.06.2019	1.00
	<hr/>
	2.50
	<hr/> <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 distributions for the financial year is an amount of RM15,390,626 (2019: RM9,939,056) made from previous years' realised income.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – local	-	23,250,060
- quoted equities – foreign	620,306,854	338,534,749
- exchange-traded fund – local	-	8,480,000
- exchange-traded funds – foreign	-	30,229,884
- collective investment scheme – foreign	-	8,175,313
	<u>620,306,854</u>	<u>408,670,006</u>
Net gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	59,033,278	3,959,926
- unrealised gain on changes in fair value	73,468,767	12,829,478
	<u>132,502,045</u>	<u>16,789,404</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(a) Quoted equities – local

(i) There are no investment in quoted equities – local as at 31 August 2020

(ii) Quoted equities – local as at 31 August 2019 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Financial Services</u>				
Bursa Malaysia Bhd	164,000	1,122,498	1,023,360	0.22
CIMB Group Holdings Bhd	1,414,700	7,351,966	7,130,088	1.54
	<u>1,578,700</u>	<u>8,474,464</u>	<u>8,153,448</u>	<u>1.76</u>
<u>Utilities</u>				
Mega First Corporation Bhd	1,556,000	2,925,280	5,881,680	1.27
Tenaga Nasional Bhd	663,900	9,278,799	9,214,932	1.99
	<u>2,219,900</u>	<u>12,204,079</u>	<u>15,096,612</u>	<u>3.26</u>
Total quoted equities – local	<u>3,798,600</u>	20,678,543	<u>23,250,060</u>	<u>5.02</u>
Accummulated unrealised gain on quoted equities – local		<u>2,571,517</u>		
Total quoted equities – local		<u>23,250,060</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 August 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>CHINA</u>				
<u>Consumer Services</u>				
Joyoung Co Ltd	260,953	6,138,932	6,976,857	1.11
<u>HONG KONG</u>				
<u>Consumer Services</u>				
China Mengniu Dairy Co Ltd	320,000	5,032,266	6,548,323	1.04
Nissin Foods Co Ltd	2,996,000	10,420,038	13,452,507	2.14
Nongfu Spring Co Ltd -IPO	551,800	6,371,993	6,371,993	1.02
Shenzhou Intl Group Holdings	182,700	10,194,590	12,266,021	1.96
Zhongsheng Group Holdings Ltd	230,000	6,213,985	5,978,997	0.95
	<u>4,280,500</u>	<u>38,232,872</u>	<u>44,617,841</u>	<u>7.11</u>
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	436,784	42,870,109	66,297,024	10.57
JD.com Inc	43,550	6,485,354	7,265,153	1.16
Sun Art Retail Group Ltd	1,742,000	11,513,275	9,431,132	1.51
Topsports International Hld	1,381,000	7,701,669	7,105,822	1.13
	<u>3,603,334</u>	<u>68,570,407</u>	<u>90,099,131</u>	<u>14.37</u>
<u>Financial Services</u>				
AIA Group Ltd	323,800	13,462,927	13,869,560	2.21
A-Living Services Co Ltd	566,250	13,268,667	12,165,315	1.94
CIFI Holdings Group Co Ltd	2,501,116	7,307,380	8,839,239	1.41
Ping An Insurance Grp Co China	815,000	37,915,193	36,113,261	5.76
Shimao Group Holdings Ltd	668,000	12,223,813	12,521,520	2.00
	<u>4,874,166</u>	<u>84,177,980</u>	<u>83,508,895</u>	<u>13.32</u>
<u>Industrials</u>				
China Resources Cement Holdings Ltd	1,322,000	7,157,896	8,023,522	1.28

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>HONG KONG (continued)</u>				
<u>Technology</u>				
Alibaba Health Information Tec	972,000	10,533,588	9,762,544	1.56
HKBN Ltd	1,775,500	9,616,638	13,846,578	2.21
Tencent Holdings Ltd	181,600	31,948,630	51,743,570	8.25
Xiaomi Corp	778,200	6,347,924	9,801,425	1.56
	<u>3,707,300</u>	<u>58,446,780</u>	<u>85,154,117</u>	<u>13.58</u>
 <u>KOREA</u>				
<u>Technology</u>				
Samsung Electronics Co Ltd - Pref Shares	117,590	18,400,301	19,627,535	3.13
SK Hynix Inc	77,108	23,533,810	20,348,909	3.24
	<u>194,698</u>	<u>41,934,111</u>	<u>39,976,444</u>	<u>6.37</u>
 <u>SINGAPORE</u>				
<u>Industrials</u>				
Venture Corp Ltd	124,700	6,272,681	7,585,047	1.21
 <u>TAIWAN</u>				
<u>Consumer Goods</u>				
Largan Precision Co Ltd	9,000	5,295,024	4,295,304	0.68
 <u>Industrials</u>				
Hon Hai Precision Industry Co	499,000	5,655,631	5,418,282	0.86

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>TAIWAN (continued)</u>				
<u>Technology</u>				
Accton Technology Corp	196,000	6,085,411	6,475,997	1.03
MediaTek Inc	63,000	6,308,302	4,945,954	0.79
Parade Technologies Ltd	35,000	5,398,848	5,114,970	0.82
Taiwan Semiconductor Manufacturing Company Ltd	539,000	21,127,564	32,459,550	5.17
	<u>833,000</u>	<u>38,920,125</u>	<u>48,996,471</u>	<u>7.81</u>
<u>UNITED KINGDOM</u>				
<u>Consumer Services</u>				
Compass Group PLC	202,542	13,677,956	13,688,592	2.18
<u>UNITED STATES</u>				
<u>Consumer Goods</u>				
The Coca-Cola Company	33,274	6,560,768	6,859,494	1.09
<u>Consumer Services</u>				
Amazon.com Inc	2,047	19,259,280	29,323,973	4.67
TJX Cos Inc/The	41,763	9,294,700	9,524,016	1.52
	<u>43,810</u>	<u>28,553,980</u>	<u>38,847,989</u>	<u>6.19</u>
<u>Financial Services</u>				
Visa Inc	17,313	13,735,763	15,278,971	2.44
<u>Health Care</u>				
Anthem Inc	14,590	17,185,514	17,098,402	2.72
Laboratory Corp of America Hdq	15,400	12,252,229	11,266,085	1.80
	<u>29,990</u>	<u>29,437,743</u>	<u>28,364,487</u>	<u>4.52</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 31 August 2020 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>UNITED STATES (continued)</u>				
<u>Industrials</u>				
Axon Enterprise Inc	20,865	8,569,038	7,093,069	1.13
PayPal Holdings Inc	10,972	8,066,443	9,315,252	1.49
TransUnion	14,559	5,086,904	5,256,023	0.84
	<u>46,396</u>	<u>21,722,385</u>	<u>21,664,344</u>	<u>3.46</u>
<u>Technology</u>				
Facebook Inc	26,499	20,621,089	32,332,322	5.16
Kingsoft Cloud Holdings	101,933	10,740,822	14,639,974	2.33
Micron Technology Inc	27,589	5,828,795	5,224,663	0.83
Microsoft Corporation	20,022	10,496,662	18,754,107	2.99
	<u>176,043</u>	<u>47,687,368</u>	<u>70,951,066</u>	<u>11.31</u>
Total quoted equities – foreign	<u>20,258,019</u>	<u>522,178,402</u>	<u>620,306,854</u>	<u>98.89</u>
Accumulated unrealised gain on quoted equities – foreign		<u>98,128,452</u>		
Total quoted equities – foreign		<u>620,306,854</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 August 2019 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>AUSTRALIA</u>				
<u>Basic Materials</u>				
Hastings Technology Metals Ltd	2,300,000	1,450,159	1,106,882	0.24
<u>CHINA</u>				
<u>Consumer Goods</u>				
Midea Group Co Ltd	150,055	4,576,327	4,654,199	1.00
<u>HONG KONG</u>				
<u>Consumer Services</u>				
China Education Group Holdings	1,406,000	9,025,599	8,768,454	1.89
<u>Financial Services</u>				
AIA Group Ltd	516,400	20,945,686	21,105,116	4.55
Ping An Insurance Grp CO China	385,000	16,770,032	18,575,992	4.00
	901,400	37,715,718	39,681,108	8.55
<u>Telecommunications</u>				
CITIC Telecom Int Hol Ltd	952,000	1,562,562	1,563,472	0.34
<u>Technology</u>				
HKBN Ltd	3,089,500	16,733,655	23,280,211	5.02
Tencent Holdings Ltd	181,600	31,948,630	31,637,048	6.82
	3,271,100	48,682,285	54,917,259	11.84
<u>Utilities</u>				
CK Infrastructure Holdings Ltd	220,000	7,289,095	6,240,211	1.34
Guangdong Investment Ltd	628,000	5,345,379	5,561,285	1.20
	848,000	12,634,474	11,801,496	2.54

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2019 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>INDONESIA</u>				
<u>Financial Services</u>				
Bank Central Asia Tbk PT	1,117,500	9,630,442	10,067,382	2.17
<u>INDIA</u>				
<u>Financial Services</u>				
HDFC bank Ltd	35,933	4,786,456	4,721,808	1.02
Housing Development Finance	40,506	4,546,796	5,160,851	1.11
Kotak Mahindra Bank Ltd	79,986	7,138,407	6,759,830	1.46
	<u>156,425</u>	<u>16,471,659</u>	<u>16,642,489</u>	<u>3.59</u>
<u>KOREA</u>				
<u>Industrials</u>				
Wooshin Systems Co Ltd	97,886	3,016,482	1,702,111	0.37
<u>Technology</u>				
Samsung Electronics Co Ltd	91,514	11,948,404	11,704,547	2.52
<u>SINGAPORE</u>				
<u>Financial Services</u>				
CapitaLand Retail China Trust	1,699,100	7,224,026	7,994,045	1.72
ESR-REIT	7,370,800	11,569,713	11,410,396	2.46
Frasers Logistic & Indus Trust	1,295,550	3,341,389	4,797,665	1.03
Keppel DC REIT	1,025,800	4,320,661	5,666,958	1.22
Manulife US REIT	1,575,000	5,339,722	5,993,702	1.29
Mapletree Industrial Trust	774,649	4,517,592	5,408,150	1.17
Mapletree North Asia Com Trust	1,189,500	4,381,565	4,729,897	1.02
Prime US REIT	2,270,000	8,210,136	8,543,088	1.84
	<u>17,200,399</u>	<u>48,904,804</u>	<u>54,543,901</u>	<u>11.75</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2019 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>SINGAPORE</u> (continued)				
<u>Industrials</u>				
Venture Corp Ltd	185,000	10,144,921	8,513,083	1.84
<u>THAILAND</u>				
<u>Health Care</u>				
Bangkok Dusit Medical Services	1,485,300	4,535,121	4,793,547	1.03
<u>Technology</u>				
Digital Telecomm Infra Fund	2,362,300	4,704,415	5,450,285	1.18
<u>TAIWAN</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Company Ltd	607,000	18,823,673	21,057,255	4.54
<u>UNITED STATES</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	34,314	23,545,743	25,249,372	5.44
Ctrip.com International Ltd	30,105	4,832,258	4,097,768	0.88
	64,419	28,378,001	29,347,140	6.32
<u>Industrials</u>				
Transunion	23,115	7,151,800	8,123,857	1.75

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 31 August 2019 is as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Technology</u>				
Adobe Inc	4,129	5,239,241	4,939,616	1.06
Alphabet Inc - Class C	2,353	11,202,235	11,753,615	2.53
Facebook Inc	19,840	14,594,332	15,489,928	3.34
Microsoft Corporation	20,543	9,121,601	11,913,123	2.57
	<u>46,865</u>	<u>40,157,409</u>	<u>44,096,282</u>	<u>9.50</u>
Total quoted equities – foreign	<u>33,266,278</u>	319,514,255	<u>338,534,749</u>	<u>72.96</u>
Accumulated unrealised gain on quoted equities – foreign		<u>19,020,494</u>		
Total quoted equities – foreign		<u>338,534,749</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(c) Exchange-traded fund – local

(i) There are no investment in exchange-traded fund – local as at 31 August 2020.

(ii) Exchange-traded fund – local as at 31 August 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
TradePlus Shariah Gold Tracker	4,000,000	8,190,029	8,480,000	1.83
Total exchange-traded fund – local	<u>4,000,000</u>	8,190,029	<u>8,480,000</u>	<u>1.83</u>
Accumulated unrealised gain on exchange-traded fund – local		<u>289,971</u>		
Total exchange-traded fund – local		<u>8,480,000</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(d) Exchange-traded funds – foreign

(i) There are no investment in exchange-traded fund – foreign as at 31 August 2020.

(ii) Exchange-traded fund – foreign as at 31 August 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
CSOP Hang Seng Index ETF	1,709,300	5,363,463	5,284,116	1.14
ProShares Short QQQ	150,334	17,903,245	17,744,576	3.82
VanEck Vectors Gold Miners ETF	57,352	5,327,026	7,201,192	1.55
	<hr/>	<hr/>	<hr/>	<hr/>
Total exchange-traded funds – foreign	1,916,986	28,593,734	30,229,884	6.51
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on exchange-traded funds – foreign		1,636,150		
		<hr/>		
Total exchange-traded funds – foreign		30,229,884		
		<hr/> <hr/>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

(e) Collective investment scheme – foreign

(i) There are no investment in collective investment scheme – foreign as at 31 August 2020.

(ii) Collective investment scheme – foreign as at 31 August 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Jasmine Broadband Internet Infrastructure Fund	5,315,100	7,033,760	8,175,313	1.76
Total collective investment scheme – foreign	<u>5,315,100</u>	<u>7,033,760</u>	<u>8,175,313</u>	<u>1.76</u>
Accumulated unrealised gain on collective investment scheme – foreign		<u>1,141,553</u>		
Total collective investment scheme – foreign		<u>8,175,313</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	9,868,738	57,139,533
Deposit with a licensed financial institution	2,472,832	325,651
	<u>12,341,570</u>	<u>57,465,184</u>

Weighted average effective interest rates per annum for deposit with a licensed financial institutions are as follows:

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

Deposit with a licensed financial institution has an average maturity period of 1 day (2019: 3 days).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 August 2020, there is 1 (2019: 1) forward foreign currency contract outstanding. The notional principal amount of the outstanding forward foreign currency contract amounted to RM146,394,500 (2019: RM30,756,724). The forward foreign currency contracts entered into during the financial year was for hedging against the currency exposure arising from the investment in the foreign equities denominated in United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the changes in the fair value of the forward foreign currency contract is recognised immediately in profit or loss.

11 NUMBER OF UNITS IN CIRCULATION

(a) RM Class units in circulation	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial year	772,565,000	454,274,000
Creation of units arising from applications	190,414,316	378,695,548
Creation of units arising from distributions	27,056,684	24,181,827
Cancellation of units	(144,375,000)	(84,586,375)
At the end of the financial year	<u>845,661,000</u>	<u>772,565,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b)	AUD Class units in circulation		
		<u>2020</u>	<u>2019</u>
		No. of units	No. of units
	At the beginning of the financial year	306,000	-
	Creation of units arising from applications	424,000	306,000
	Cancellation of units	(309,000)	-
	At the end of the financial year	<u>421,000</u>	<u>306,000</u>
(c)	EUR Class units in circulation		
		<u>2020</u>	<u>2019</u>
		No. of units	No. of units
	At the beginning of the financial year	1,000	-
	Creation of units arising from applications	166,000	1,000
	At the end of the financial year	<u>167,000</u>	<u>1,000</u>
(d)	GBP Class units in circulation		
		<u>2020</u>	<u>2019</u>
		No. of units	No. of units
	At the beginning of the financial year	11,000	-
	Creation of units arising from applications	79,000	28,000
	Cancellation of units	(45,000)	(17,000)
	At the end of the financial year	<u>45,000</u>	<u>11,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(e) RMB Class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	641,000	-
Creation of units arising from applications	167,000	641,000
Cancellation of units	(639,000)	-
At the end of the financial year	<u>169,000</u>	<u>641,000</u>

(f) SGD Class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	92,000	-
Creation of units arising from applications	126,000	92,000
Cancellation of units	(90,000)	-
At the end of the financial year	<u>128,000</u>	<u>92,000</u>

(g) USD Class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial year	467,000	-
Creation of units arising from applications	1,797,000	496,000
Cancellation of units	(1,212,000)	(29,000)
At the end of the financial year	<u>1,052,000</u>	<u>467,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

12 TRANSACTIONS WITH BROKERS

(a) Details of transactions with the top 10 brokers for the financial year ended 31 August 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Robert W. Baird & Co.	287,974,935	13.29	62,305	2.26
CLSA Ltd (Hong Kong)	249,613,284	11.52	165,540	5.99
Macquarie Bank Ltd (Hong Kong)	220,327,339	10.17	262,034	9.49
CLSA Singapore Pte Ltd.	148,275,923	6.84	111,829	4.05
JPMorgan Securities (Asia Pacific)	148,188,623	6.84	414,112	14.99
CLSA Securities Korea Ltd.	123,085,575	5.68	80,953	2.93
Credit Suisse (Hong Kong) Ltd	99,021,769	4.57	192,352	6.96
Masterlink Securities Co. Ltd	85,917,844	3.97	214,795	7.78
CIMB Securities (Singapore) Pte Ltd.	65,469,054	3.02	90,052	3.26
Deutsche Bank (Malaysia) Bhd	61,324,351	2.83	-	-
Others #	677,534,976	31.27	1,167,825	42.29
	<u>2,166,733,673</u>	<u>100.00</u>	<u>2,761,797</u>	<u>100.00</u>

(b) Details of transactions with the top 10 brokers for the financial year ended 31 August 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> <u>of total</u> <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	<u>Percentage</u> <u>of total</u> <u>brokerage</u> %
Macquarie Bank Ltd (Hong Kong)	319,090,725	19.95	226,512	9.25
Clsa Limited (Hong Kong)	215,340,939	13.46	197,402	8.06
China International Capital Corporation Hong Kong Securities Ltd	130,259,664	8.14	107,266	4.38
Robert W. Baird & Co.	101,909,046	6.37	46,575	1.90
Citigroup Global Markets Ltd	97,873,109	6.12	230,455	9.41
Clsa Singapore Pte Ltd.	66,067,511	4.13	68,272	2.79
Dbv Vickers Securities (Singapore) Pte Ltd	61,880,957	3.87	271,819	11.10
Daiwa Securities Capital Markets Korea Co Ltd	51,667,041	3.23	129,167	5.27
Ccb International Securities	43,715,601	2.73	109,289	4.46
Affin Hwang Investment Bank Bhd #	38,987,839	2.44	97,470	3.98
Others	472,907,250	29.56	965,196	39.40
	<u>1,599,699,682</u>	<u>100.00</u>	<u>3,449,423</u>	<u>100.00</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 3 AUGUST 2020 (CONTINUED)

12 TRANSACTIONS WITH BROKERS (CONTINUED)

Included in transactions with brokers are trades conducted with Affin Hwang Investment Bank Berhad, a related party of the Manager amounting to RM12,081,660 (2019: RM38,987,839). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

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

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

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

The number of units held by the Manager and party related to the Manager as follows:

	<u>2020</u>		<u>2019</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held for booking purposes)				
- RM Class	3,323,653	2,445,544	507,999	303,834
- AUD Class	2,956	6,130	2,062	3,356
- EUR Class	2,977	9,952	1,000	2,623
- GBP Class	3,410	12,620	2,145	6,230
- RMB Class	2,289	967	1,735	573
- SGD Class	3,083	6,562	1,741	2,914
- USD Class	3,403	9,931	2,607	5,971

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

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

The number of units held by the Manager and party related to the Manager as follows (continued):

Party related to the Manager:

Director of Affin Hwang Asset
Management Berhad (The units
are held beneficially)
- RM Class

1,635,216	1,203,192	1,572,125	940,288
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14 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2020</u> %	<u>2019</u> %
MER	1.97	1.96

MER is derived from the following calculation:

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

A = Management fee, excluding management fee rebates

B = Trustee fee

C = Auditors' remuneration

D = Tax agent's fee

E = Other expenses, excluding sales and service tax on transaction costs and withholding tax

F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM502,543,681 (2019: RM396,502,783).

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2020</u>	<u>2019</u>
PTR (times)	2.10	2.01

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM1,127,396,954 (2019: RM894,305,852)
total disposal for the financial year = RM984,883,430 (2019: RM701,609,978)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, Affin Hwang Asset Management Berhad, do hereby state that in the opinion as the Manager, the financial statements set out on pages 1 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2020 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2020 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
14 October 2020

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Select Asia Pacific (ex Japan) Dividend Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 August 2020, and of its financial performance and its cash flows for the 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 31 August 2020, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 53.

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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

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 gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal controls 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 has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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 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 represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

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
14 October 2020

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