

Affin Hwang

Select Asia Pacific (ex Japan) Dividend Fund

Interim Report
29 February 2020

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
Deutsche Trustees Malaysia Berhad (763590-H)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

Interim Report and Unaudited Financial Statements 6 Months Financial Period Ended 29 February 2020

Content	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	VI
MANAGER'S REPORT	VIII
TRUSTEE'S REPORT	XX
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

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 RM CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	5,831	9,308
5,001 to 10,000	1,894	14,446
10,001 to 50,000	2,575	48,943
50,001 to 500,000	506	62,283
500,001 and above	43	650,584
Total	112,561	785,564

* Note: Excluding Manager's stock

BREAKDOWN OF USD CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 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	3	363
500,001 and above	1	1,373
Total	4	1,736

* Note: Excluding Manager's stock

BREAKDOWN OF SGD CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 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	-	-
500,001 and above	-	-
Total	0	0

* Note: Excluding Manager's stock

BREAKDOWN OF EUR CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 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	-	-
500,001 and above	-	-
Total	0	0

* Note: Excluding Manager's stock

BREAKDOWN OF AUD CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 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	2	492
500,001 and above	-	-
Total	2	492

* Note: Excluding Manager's stock

BREAKDOWN OF RMB CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 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	-	-
500,001 and above	1	639
Total	1	639

** Note: Excluding Manager's stock*

BREAKDOWN OF GBP CLASS UNITHOLDERS BY SIZE AS AT 29 FEBRUARY 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	-	-
5,001 to 10,000	1	9
10,001 to 50,000	1	28
50,001 to 500,000	-	-
500,001 and above	-	-
Total	2	37

** Note: Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 29 Feb 2020 (%)	As at 28 Feb 2019 (%)	As at 28 Feb 2018 (%)
Portfolio composition			
Quoted equities – local			
- Financials	-	1.44	2.06
- REITs	-	1.74	-
- Industrials	-	1.20	-
- Trading / services	-	-	2.02
- Utilities	0.94	3.21	1.57
Total quoted equities – local	0.94	7.59	5.65
Quoted equities – foreign			
- Basic materials	0.77	1.41	1.37
- Consumer goods	4.52	2.64	6.00
- Consumer services	10.80	9.65	-
- Financials	22.37	18.76	27.83
- Healthcare	-	-	3.14
- Industrials	3.22	10.11	24.24
- Oil & Gas	-	4.34	10.69
- REITs	1.96	15.38	-
- Preference	4.67	-	0.02
- Technology	19.99	17.63	11.40
- Utilities	-	4.10	-
Total quoted equities – foreign	68.31	84.02	84.69
Collective investment schemes - foreign	3.00	-	-
Cash & cash equivalent	27.75	8.39	9.66
Total	100.00	100.00	100.00

Category	As at 29 Feb 2020 (%)							As at 28 Feb 2019 (%)							As at 28 Feb 2018 (%)
	RM Class	EUR Class	USD Class	AUD Class	RMB Class	SGD Class	GBP Class	RM Class	EUR Class	USD Class	AUD Class	RMB Class	SGD Class	GBP Class	RM Class
Total NAV (million)	490.384	0.001	1.001	0.310	0.372	0.001	0.022	445.168	0.001	0.050	0.001	0.001	0.001	0.001	279.112
NAV per Unit (respective currencies)	0.6233	0.5973	0.5754	0.6255	0.5801	0.5854	0.5666	0.5894	0.5491	0.5462	0.5430	0.5279	0.5379	0.5202	0.6531
Unit in Circulation (million)	786.701	0.001	1.739	0.495	0.641	0.002	0.039	775.286	0.001	0.091	0.001	0.001	0.001	0.001	427.351
Highest NAV	0.6623	0.6566	0.6275	0.6587	0.6273	0.6305	0.6124	0.6350	0.5566	0.5518	0.5474	0.5322	0.5441	0.5350	0.6925
Lowest NAV	0.5937	0.5638	0.5404	0.5698	0.5590	0.5492	0.5469	0.5468	0.5000	0.4973	0.5000	0.4938	0.4963	0.4985	0.6251
Return of the Fund (%) ⁱⁱⁱ	5.85	5.94	5.64	8.80	3.28	6.19	0.04	-4.43	9.82	9.24	8.60	5.58	7.58	4.04	5.38
- Capital Growth (%) ⁱ	4.21	5.94	5.64	8.80	3.28	6.19	0.04	-6.90	9.82	9.24	8.60	5.58	7.58	4.04	2.32
- Income Distribution (%) ⁱⁱ	1.57	Nil	Nil	Nil	Nil	Nil	Nil	2.66	Nil	Nil	Nil	Nil	Nil	Nil	2.99
Gross Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	Nil	Nil	1.50	Nil	Nil	Nil	Nil	Nil	Nil	2.00
Net Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	Nil	Nil	1.50	Nil	Nil	Nil	Nil	Nil	Nil	2.00
Management Expense Ratio (%) ¹				0.99							0.98				1.05
Portfolio Turnover Ratio (times) ²				1.16							0.82				1.10

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

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

An illustration of the above would be as follow:-

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

¹The MER of the Fund was slightly higher than previous year due to higher expenses incurred during the period under review.

²The PTR of the Fund was higher than previous year due to higher trading activities during the period under review.

MANAGER'S REPORT

Income Distribution / Unit Split

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

RM Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
17 Dec 2019	18 Dec 2019	0.6460	0.0100	0.6371

No unit split were declared for the financial year ended 29 February 2020.

Performance Review

RM Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 29 February 2020, the Fund registered a 5.85% return compared to the benchmark return of -1.90%. The Fund thus outperformed the Benchmark by 7.75%. The Net Asset Value ("NAV") per unit of the Fund as at 29 February 2020 was RM 0.6233 compared to its NAV per unit as at 31 August 2019 was RM 0.5981.

Since its inception to 29 February 2020, the Fund has registered a return of 45.43%. Compared to the benchmark that rose 1.85% for the same period, the Fund outperformed the Benchmark by 43.58 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 (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 29 February 2020, the Fund registered a -8.80% return compared to the benchmark return of 1.73%. The Fund thus outperformed the Benchmark by 7.07%. The Net Asset Value ("NAV") per unit of the Fund as at 29 February 2020 was AUD0.6255 compared to its NAV per unit as at 31 August 2019 was AUD 0.5749.

Since its inception to 29 February 2020, the Fund has registered a return of 25.10%. Compared to the benchmark that rose 6.48% for the same period, the Fund outperformed the Benchmark by 18.62 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.

EUR Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 28 February 2020, the Fund registered a 5.94% return compared to the benchmark return of -1.97%. The Fund thus outperformed the Benchmark by 7.91%. The Net Asset Value ("NAV") per unit of the Fund as at 29 February 2020 was EUR0.5973 compared to its NAV per unit as at 31 August 2019 was EUR0.5638.

Since its inception to 29 February 2020, the Fund has registered a return of 19.46%. Compared to the benchmark that rose 1.73% for the same period, the Fund outperformed the Benchmark by 17.73 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.

GBP Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 28 February 2020, the Fund registered a 0.04% return compared to the benchmark return of -6.43%. The Fund thus outperformed the Benchmark by 6.47%. The Net Asset Value (“NAV”) per unit of the Fund as at 29 February 2020 was GBP0.5666 compared to its NAV per unit as at 31 August 2019 was GBP0.5664.

Since its inception to 29 February 2020, the Fund has registered a return of 13.32%. Compared to the benchmark that dropped 2.26% for the same period, the Fund outperformed the Benchmark by 15.58 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.

RMB Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 28 February 2020, the Fund registered a 3.28% return compared to the benchmark return of -4.26%. The Fund thus outperformed the Benchmark by 7.54%. The Net Asset Value (“NAV”) per unit of the Fund as at 29 February 2020 was RMB 0.5801 compared to its NAV per unit as at 31 August 2019 was RMB 0.5617

Since its inception to 29 February 2020, the Fund has registered a return of 16.02%. Compared to the benchmark that dropped 0.71% for the same period, the Fund outperformed the Benchmark by 16.73 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.

SGD Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 28 February 2020, the Fund registered a 6.19% return compared to the benchmark return of -1.43%. The Fund thus outperformed the Benchmark by 7.62%. The Net Asset Value (“NAV”) per unit of the Fund as at 29 February 2020 was SGD 0.5854 compared to its NAV per unit as at 31 August 2019 was SGD0.5513

Since its inception to 29 February 2020, the Fund has registered a return of 17.08%. Compared to the benchmark that dropped 0.44% for the same period, the Fund outperformed the Benchmark by 17.52 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.

USD Class (1 September 2019– 29 February 2020)

For the period under review from 1 September 2019 – 28 February 2020, the Fund registered a 5.64% return compared to the benchmark return of -1.85%. The Fund thus outperformed the Benchmark by 7.49%. The Net Asset Value (“NAV”) per unit of the Fund as at 29 February 2020 was USD 0.5754 compared to its NAV per unit as at 31 August 2019 was USD 0.5447.

Since its inception to 29 February 2020, the Fund has registered a return of 15.08%. Compared to the benchmark that dropped 1.92% for the same period, the Fund outperformed the Benchmark by 17.00 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.

MYR Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	3 Years (1/3/17 - 29/2/20)	5 Years (1/3/15 - 29/2/20)	Since Commencement (29/12/14 - 29/2/20)
Fund	5.85%	9.20%	17.96%	40.67%	45.43%
Benchmark	(1.90%)	(6.14%)	(11.13%)	(4.85%)	1.85%
Outperformance	7.75%	15.34%	29.09%	45.52%	43.58%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	3 Years (1/3/17 - 29/2/20)	5 Years (1/3/15 - 29/2/20)	Since Commencement (29/12/14 - 29/2/20)
Fund	9.20%	5.65%	7.06%	7.50%
Benchmark	(6.14%)	(3.85%)	(0.99%)	0.36%
Outperformance	15.34%	9.50%	8.05%	7.14%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	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)	FYE 2015 (29/12/14 - 31/8/15)
Fund	(1.40%)	3.63%	19.33%	8.45%	3.90%
Benchmark	(6.49%)	(6.95%)	19.23%	2.33%	(2.21%)
Outperformance / (Underperformance)	5.09%	10.58%	0.10%	6.12%	6.11%

Source of Benchmark: Bloomberg

AUD Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	8.80%	15.19%	25.10%
Benchmark	1.73%	(0.98%)	6.48%
Outperformance	7.07%	16.17%	18.62%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	15.19%	20.83%
Benchmark	(0.98%)	5.48%
Outperformance	16.17%	15.35%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (25/12/18 - 31/8/19)
Fund	14.98%
Benchmark	4.67%
Outperformance	10.31%

Source of Benchmark: Bloomberg

EUR Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	5.94%	8.78%	19.46%
Benchmark	(1.97%)	(6.34%)	1.73%
Outperformance / (Underperformance)	7.91%	15.12%	17.73%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	8.78%	16.21%
Benchmark	(6.34%)	1.47%
Outperformance	15.12%	14.74%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (25/12/18 - 31/8/19)
Fund	12.76%
Benchmark	3.77%
Outperformance	8.99%

Source of Benchmark: Bloomberg

GBP Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	0.04%	8.92%	13.32%
Benchmark	(6.43%)	(8.68%)	(2.26%)
Outperformance	6.47%	17.60%	15.58%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	8.92%	11.14%
Benchmark	(8.68%)	(1.92%)
Outperformance	17.60%	13.06%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (25/12/18 - 31/8/19)
Fund	13.28%
Benchmark	4.46%
Outperformance	8.82%

Source of Benchmark: Bloomberg

RMB Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	3.28%	9.89%	16.02%
Benchmark	(4.26%)	(5.56%)	(0.71%)
Outperformance	7.54%	15.45%	16.73%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	9.89%	13.38%
Benchmark	(5.56%)	(0.61%)
Outperformance	15.45%	13.99%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (25/12/18 - 31/8/19)
Fund	12.34%
Benchmark	3.70%
Outperformance	8.64%

Source of Benchmark: Bloomberg

SGD Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	6.19%	8.83%	17.08%
Benchmark	(1.43%)	(7.72%)	(0.44%)
Outperformance / (Underperformance)	7.62%	16.55%	17.52%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	8.83%	14.25%
Benchmark	(7.72%)	(0.37%)
Outperformance	16.55%	14.62%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2019 (25/12/18 - 31/8/19)
Fund	10.26%
Benchmark	1.00%
Outperformance / (Underperformance)	9.26%

Source of Benchmark: Bloomberg

USD Class

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	5.64%	5.35%	15.08%
Benchmark	(1.85%)	(10.31%)	(1.92%)
Outperformance	7.49%	15.66%	17.00%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/19 - 29/2/20)	Since Commencement (25/12/18 - 29/2/20)
Fund	5.35%	12.60%
Benchmark	(10.31%)	(1.63%)
Outperformance	15.66%	14.23%

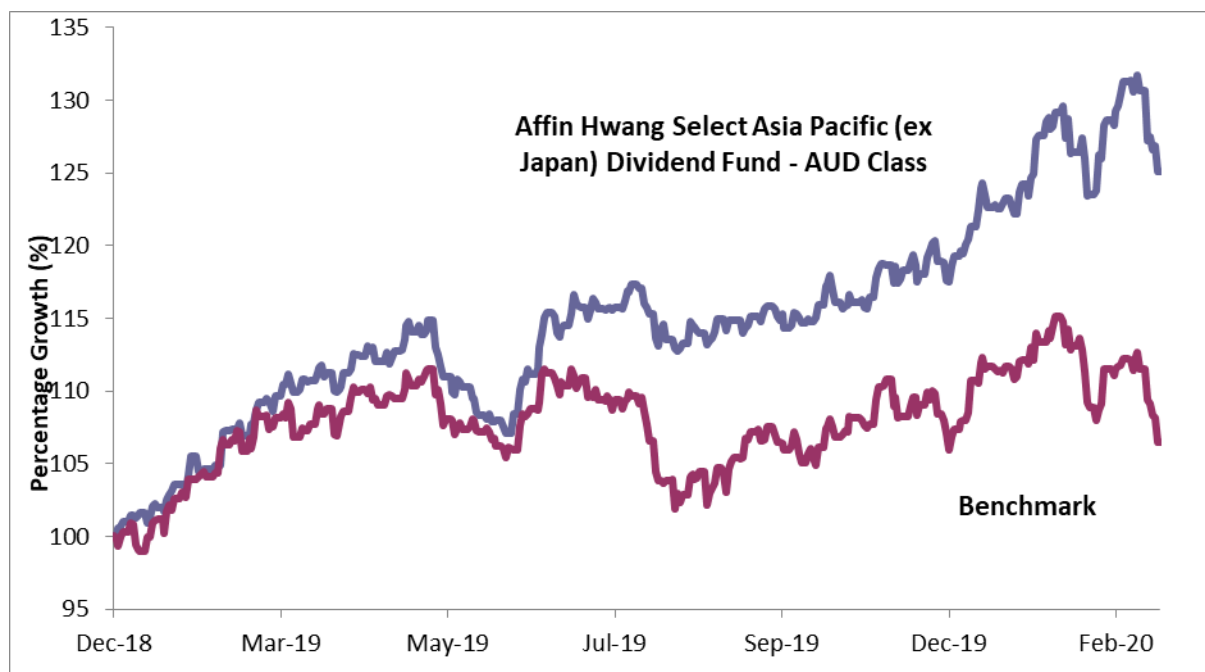
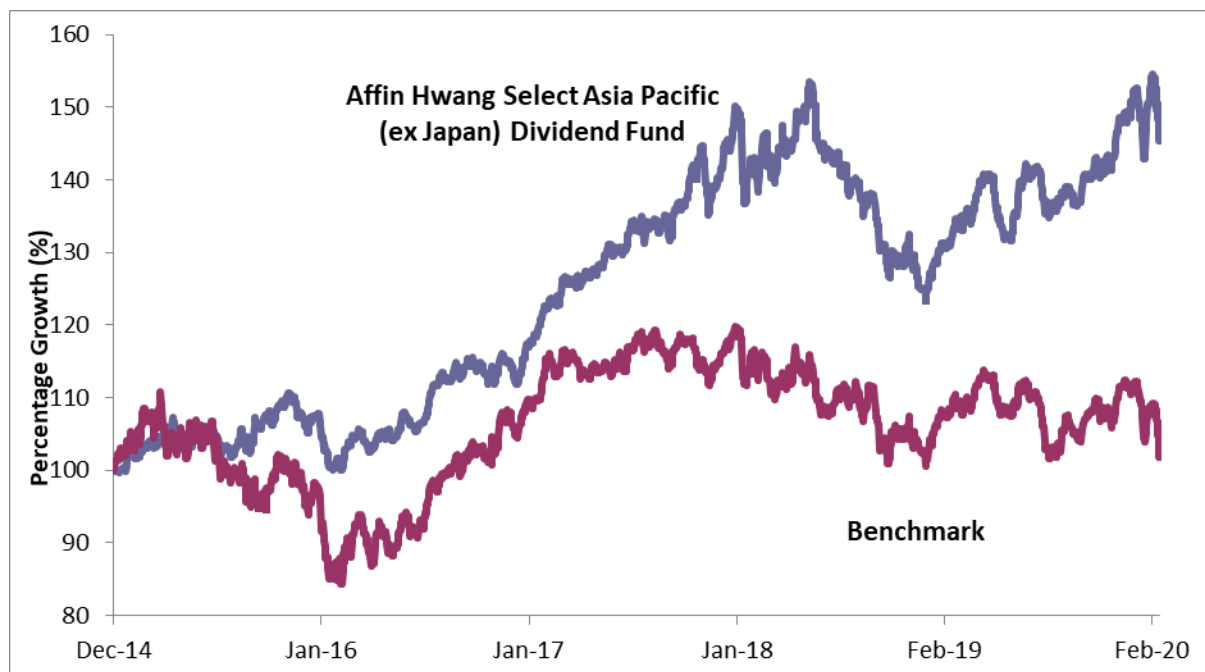
Source of Benchmark: Bloomberg

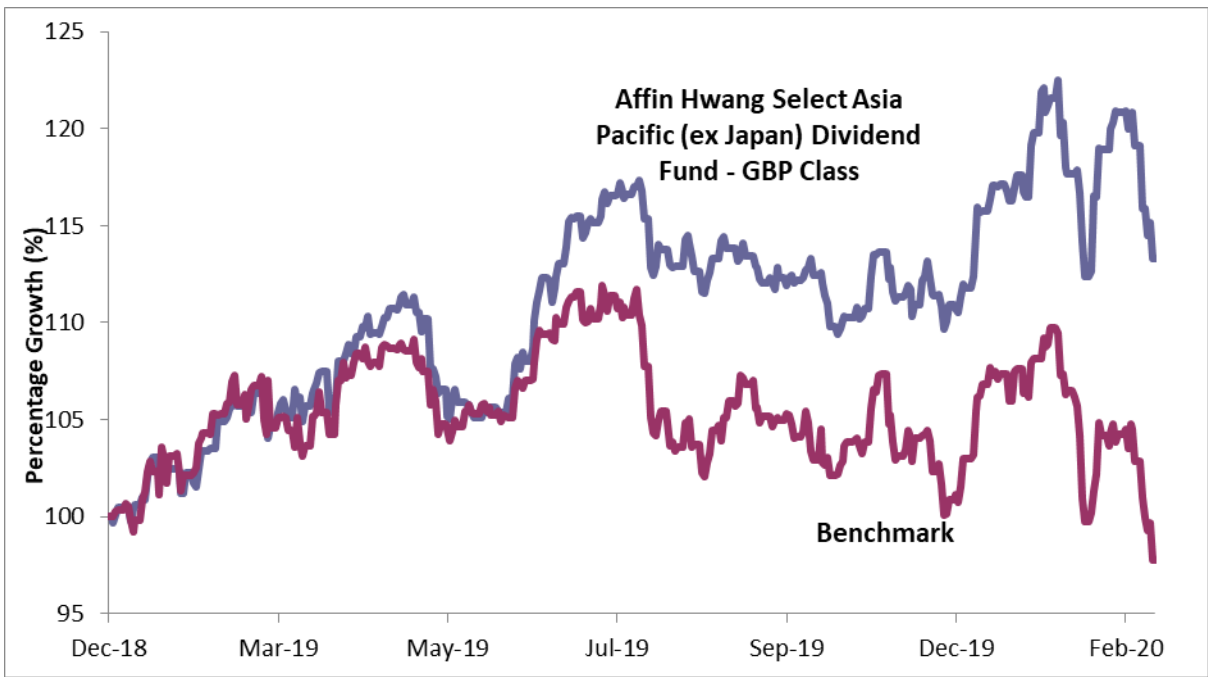
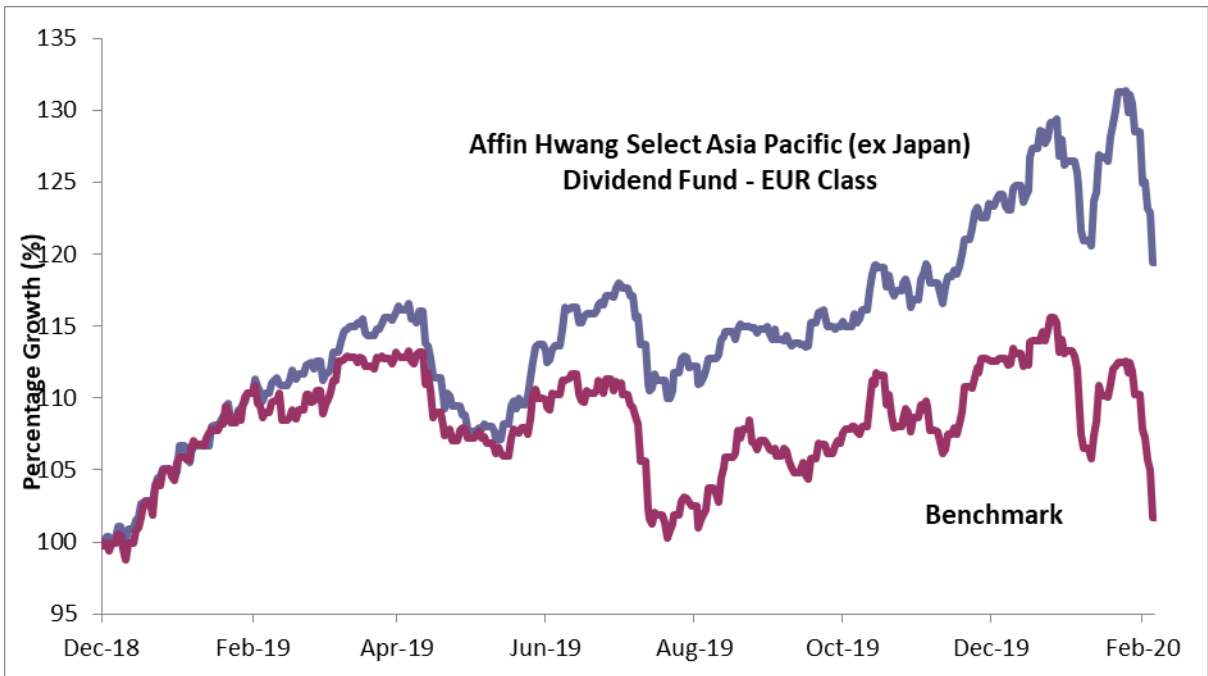
Table 3: Annual Total Return

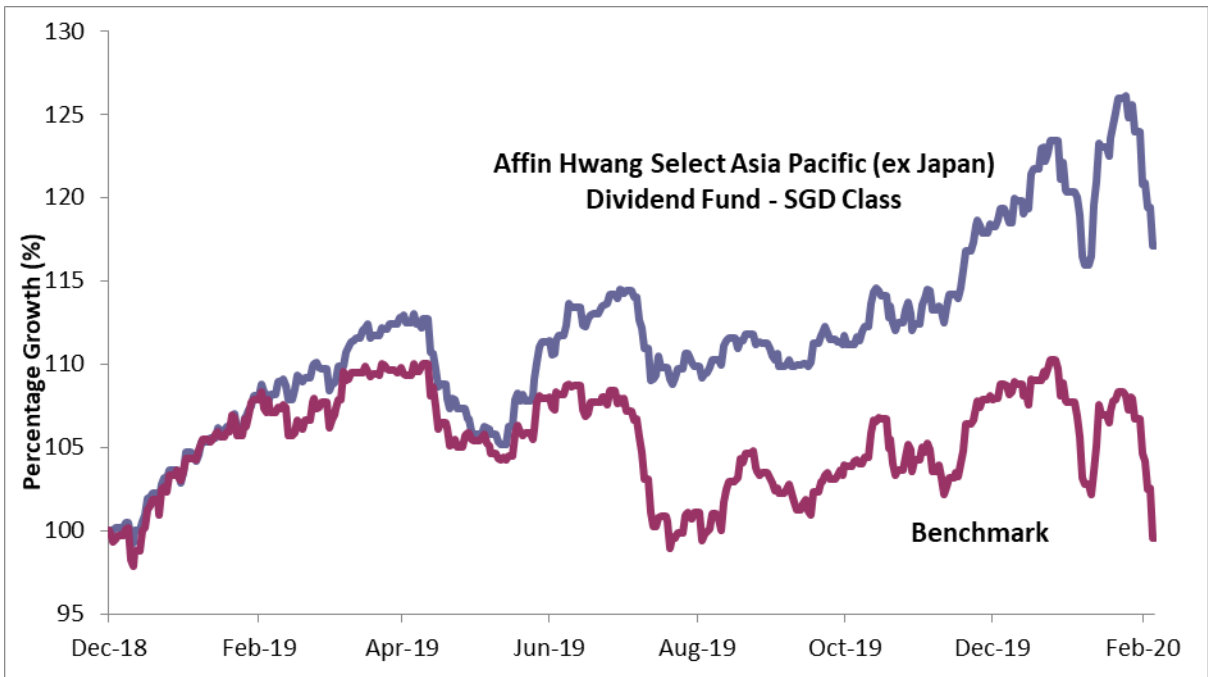
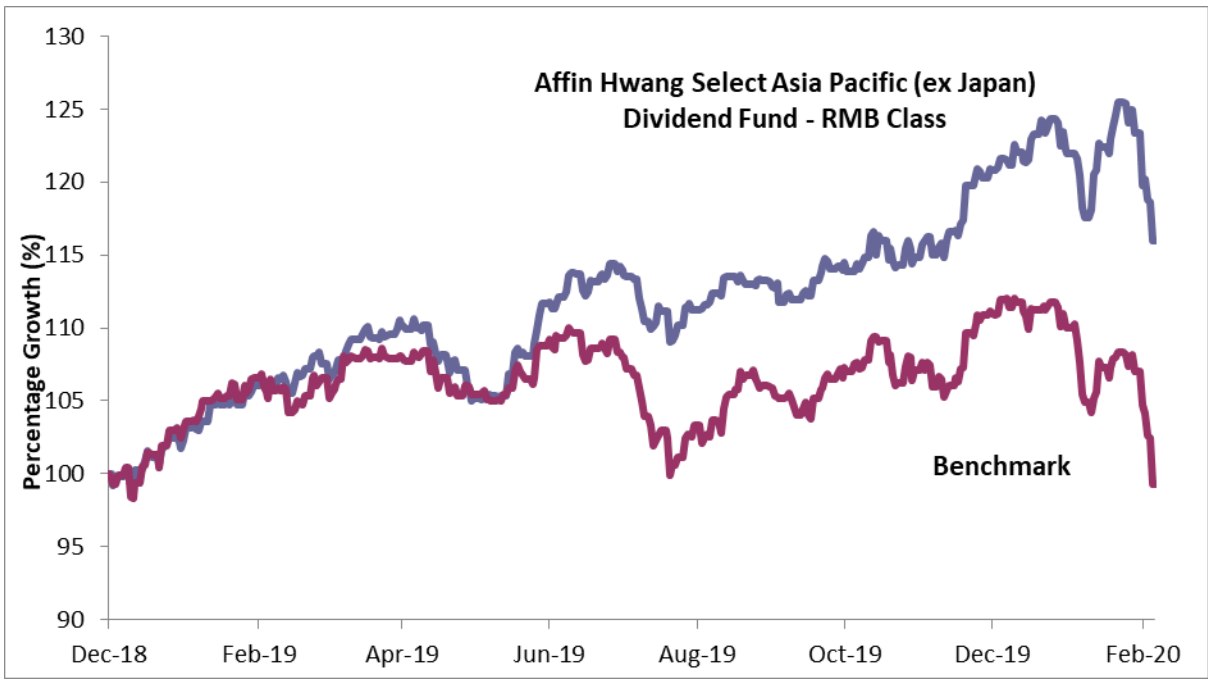
	FYE 2019 (25/12/18 - 31/8/19)
Fund	8.94%
Benchmark	(0.07%)
Outperformance	9.01%

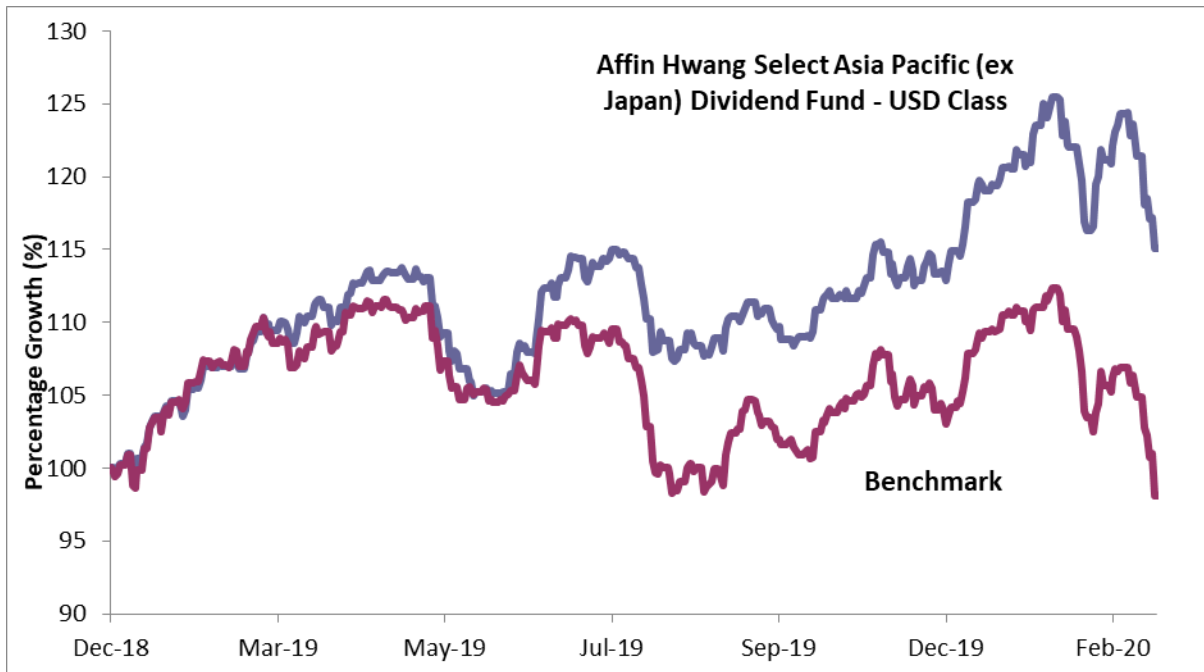
Source of Benchmark: Bloomberg

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 29 February 2020, the Fund's equities weighting stood lower at 69.25%. During the period under review, the Manager had decreased its exposure within both the domestic and foreign equities space. The decreased in equities exposures mainly comes from the selling of REITs sector within the foreign space. In addition, few sectors such as oil and gas and utilities were stripped off from the foreign portfolio, while financials, REITs and industrials space were stripped off from the domestic portfolio. Cash level of the Fund was kept at a higher level as the Manager went into defensive stance.

Strategies Employed

With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor and stay vigilant towards market development amidst the rare double whammy of global pandemic and oil price collapse.

Market Review

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The Hong Kong Hang Seng index tumbled 6.7% in January, whilst the broader MSCI Asia ex-Japan index fell 4.5%. The World Health Organization declared a global health emergency over the coronavirus outbreak that has claimed the lives of at least 300 people with rates of infection rapidly increasing.

Investors have been closely tracking the coronavirus outbreak to assess its potential impact to the economy as a result of wide scale city and factory shutdowns in China, as well as travel restriction bans. Global supply chains could see disruption due to stalled manufacturing activity; impacting markets like Taiwan and Korea which are heavily interlinked. Meanwhile, the US-China trade war made some positive headway with the two countries signing a phase-one trade deal. US President Donald Trump and Chinese Vice Premier Liu He signed the pact that will roll back some tariffs as well as see Beijing boost purchases of US goods and

services by US\$200 billion over two years. This include purchases of US agriculture products by US\$32 billion over the next two years by China.

The US will cut by half the tariff rate it imposed on September 1 on US\$120 billion worth of Chinese goods to 7.5%. Tariffs that were scheduled to go into effect on December 15 on nearly US\$160 billion worth of Chinese goods including electronics goods were suspended indefinitely. China's retaliatory December 15 tariffs including a 25.0% tariff on US-made autos were also suspended. However, US tariffs of 25.0% on US\$250 billion worth of Chinese goods put in place earlier will remain. These could be rolled back as part of a Phase 2 trade negotiation according to US Treasury Secretary Steven Mnuchin. Negotiations for the second phase of the trade deal is expected to commence before the presidential election in November.

On monetary policy, the US Federal Reserve ("Fed") kept its benchmark rates unchanged in its policy meeting, but extended its repo injection programme by two more months to June 2020. This has resulted in a surge in the Fed's balance sheet to above the US\$4 trillion mark. With US inflation currently hovering 0.7% below the Fed's target of 2.0%, consensus now expects the central bank to deliver two rate cuts in 2H'2020.

Meanwhile, the European Central Bank left monetary policy unchanged at a historic low of -0.5%, and announced the launched of a strategic review of its monetary policy strategy to assess if its inflation target is still appropriate.

Bank Negara Malaysia unexpectedly lowered its overnight policy rate by 25bps to 2.75% during its January meeting, its first interest rate cut since March 2019. The rate cut is expected to boost economic growth amid price stability.

Investment Outlook

Markets are drawing comparisons of the coronavirus outbreak to that of SARS (Severe Acute Respiratory Syndrome) in 2003, when the economy also came to a standstill at the height of the disease. However, the long-term impact of epidemics to significantly derail economic growth is transient and stock markets staged a quick recovery soon thereafter once the outbreak is contained.

The quick and measured response from Chinese authorities in containing the outbreak has also soothed fears, as authorities draw upon lessons from past outbreaks like SARS and MERS. Whilst we could see impact to China's 1Q'2020 GDP, additional fiscal and monetary support may cushion downside to its economy albeit with a lag effect.

While the temporary trade truce between US and China has allowed financial markets to stand on firmer ground as compared to 2018, President Trump's hardball negotiation tactics to claim more favourable terms – as reflected in the resurgence of tariff threats in late April 2019 – may spark a new phase of trade uncertainty. Though, the more synchronised dovish stance by central banks globally may help prop up markets to some extent.

The market could see further weakness following a plunge in commodity prices such as crude oil and palm oil, as demand from China wanes due to the outbreak. On the flipside, glove makers lead gainers as expectations of rising healthcare demand would lift sales.

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 Dividend Fund ("the Fund") for the financial period 29 February 2020. To the best of our knowledge, for the financial period 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 Deeds, 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 has been carried out in accordance with the Deeds of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deeds of the Fund and applicable regulatory requirements.

We are of the view that the distributions made during this financial period ended 29 February 2020 by the Manager are not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
24 April 2020

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

CONTENTS	PAGE (S)
UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME	1 - 2
UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION	3 - 4
UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5 - 6
UNAUDITED INTERIM STATEMENT OF CASH FLOWS	7
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	8 - 14
NOTES TO THE INTERIM FINANCIAL STATEMENTS	15 - 47
STATEMENT BY THE MANAGER	48

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	Note	6 months financial period ended 29.2.2020 RM	6 month financial period ended 28.2.2019 RM
INVESTMENT INCOME			
Dividend income		3,610,860	2,631,150
Interest income from deposits with licensed financial institutions		27,723	443,300
Net loss on foreign currency exchange		(1,262,189)	(12,088)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(318,252)	2,275,514
Net gain/(loss) on financial assets at fair value through profit or loss	8	32,000,981	(2,570,210)
		<u>34,059,123</u>	<u>2,767,666</u>
EXPENSES			
Management fee	4	(4,334,509)	(2,783,226)
Trustee fee	5	(143,726)	(96,683)
Auditors' remuneration		(3,730)	(3,719)
Tax agent's fee		(47,636)	(44,234)
Transaction costs		(2,240,437)	(1,392,006)
Other expenses		(482,686)	(215,575)
		<u>(7,252,724)</u>	<u>(4,535,443)</u>
NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		26,806,399	(1,767,777)
FINANCE COST (EXCLUDING INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)			
Distribution	6	(7,635,160)	(6,626,790)
NET PROFIT/(LOSS) BEFORE TAXATION		19,171,239	(8,394,567)
TAXATION	7	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>19,171,239</u>	<u>(8,394,567)</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

	<u>Note</u>	6 months financial period ended <u>29.2.2020</u> RM	6 month financial period ended <u>28.2.2019</u> RM
Increase/(decrease) in net asset attributable to unitholders comprise the following:			
Realised amount		16,335,905	(15,432,693)
Unrealised amount		<u>2,835,334</u>	<u>7,038,126</u>
		<u>19,171,239</u>	<u>(8,394,567)</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

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Financial assets at fair value through profit or loss	8	357,747,302	427,084,717
Cash and cash equivalents	9	123,538,396	17,658,082
Dividend receivables		503,666	250,787
Amount due from Manager			
- creation of units		2,116,333	1,036,602
- rebate of management fee		414	-
Amount due from brokers		22,823,278	7,616,560
Forward foreign currency contract at fair value through profit or loss	10	-	651,960
TOTAL ASSETS		<u>506,729,389</u>	<u>454,298,708</u>
LIABILITIES			
Forward foreign currency contract at fair value through profit or loss	10	-	81,724
Amount due to Manager			
- management fee		737,302	624,173
- cancellation of units		99,535	142,944
Amount due to Trustee		23,912	20,243
Amount due to brokers		10,047,620	8,033,713
Auditors' remuneration		3,729	3,719
Tax agent's fee		5,690	(2,653)
Other payables and accruals		8,058	15,728
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>10,925,846</u>	<u>8,919,591</u>
NET ASSET VALUE OF THE FUND		<u>495,803,543</u>	<u>445,379,117</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>495,803,543</u>	<u>445,379,117</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

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020 (CONTINUED)

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS			
- RM Class		490,383,838	445,168,198
- AUD Class		852,764	1,578
- EUR Class		2,777	2,543
- GBP Class		119,910	2,816
- RMB Class		224,299	321
- SGD Class		3,538	1,623
- USD Class		4,216,417	202,038
		<u>495,803,543</u>	<u>445,379,117</u>
NUMBER OF UNITS IN CIRCULATION			
- RM Class	11(a)	786,701,000	755,286,000
- AUD Class	11(b)	495,000	1,000
- EUR Class	11(c)	1,000	1,000
- GBP Class	11(d)	39,000	1,000
- RMB Class	11(e)	641,000	1,000
- SGD Class	11(f)	2,000	1,000
- USD Class	11(g)	1,739,000	91,000
		<u>789,618,000</u>	<u>755,382,000</u>
NET ASSET VALUE PER UNIT (RM)			
- RM Class		0.6233	0.5894
- AUD Class		1.7228	1.5772
- EUR Class		2.7769	2.5422
- GBP Class		3.0746	2.8146
- RMB Class		0.3499	0.3205
- SGD Class		1.7687	1.6223
- USD Class		2.4246	2.2202
		<u>0.6233</u>	<u>0.5894</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- RM Class		RM 0.6233	RM 0.5894
- AUD Class		AUD 0.6255	AUD 0.5430
- EUR Class		EUR 0.5973	EUR 0.5491
- GBP Class		GBP 0.5666	GBP 0.5202
- RMB Class		RMB 0.5801	RMB 0.5279
- SGD Class		SGD 0.5854	SGD 0.5379
- USD Class		USD 0.5754	USD 0.5462
		<u>0.6233</u>	<u>0.5894</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	6 months financial period ended <u>29.2.2020</u> RM	6 months financial period ended <u>28.2.2019</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	464,014,199	287,600,999
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications	44,579,632	186,953,522
- MYR Class	40,498,553	186,741,832
- AUD Class	333,442	1,485
- EUR Class	-	2,392
- GBP Class	137,491	2,649
- RMB Class	-	302
- SGD Class	-	1,527
- USD Class	3,610,146	203,335
Creation of units arising from distribution	7,596,176	6,584,174
- MYR Class	7,596,176	6,584,174
- AUD Class	-	-
- EUR Class	-	-
- GBP Class	-	-
- RMB Class	-	-
- SGD Class	-	-
- USD Class	-	-
Cancellation of units	(39,557,703)	(27,365,011)
- MYR Class	(38,940,658)	(27,365,011)
- AUD Class	-	-
- EUR Class	-	-
- GBP Class	(56,871)	-
- RMB Class	-	-
- SGD Class	(164,903)	-
- USD Class	(395,271)	-

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

	6 months financial period ended <u>29.2.2020</u> RM	6 months financial period ended <u>28.2.2019</u> RM
Net increase/(decrease) in net assets attributable to unitholders during the financial period	19,171,239	(8,394,567)
- MYR Class	19,183,518	(8,393,796)
- AUD Class	21,343	93
- EUR Class	154	151
- GBP Class	7,342	167
- RMB Class	12,420	19
- SGD Class	14,476	96
- USD Class	(68,014)	(1,297)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>495,803,543</u>	<u>445,379,117</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

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	<u>Note</u>	6 months financial period ended <u>29.2.2020</u> RM	6 month financial period ended <u>28.2.2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		586,020,091	142,153,631
Purchase of investments		(521,825,291)	(370,263,119)
Dividends received		3,600,197	2,767,240
Interest received from deposits with licensed financial institutions		27,723	443,300
Rebate of management fee		10,981	-
Management fee paid		(4,323,433)	(2,613,263)
Trustee fee paid		(143,367)	(91,171)
Realised gain on forward foreign currency contract		(537,172)	866,203
Payment for other fees and expenses		(544,344)	(120,160)
Net realised foreign currency exchange gain/(loss)		2,109,329	415,470
		<hr/>	<hr/>
Net cash generated from /(used in) operating activities		64,394,714	(226,441,869)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		42,463,299	186,157,333
Payments for cancellation of units		(40,758,302)	(27,443,941)
Payment for distribution		(38,984)	(42,616)
		<hr/>	<hr/>
Net cash generated from financing activities		1,666,013	158,670,776
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		66,060,727	(67,771,093)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		12,485	(9,867)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		57,465,184	85,439,042
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	123,538,396	17,658,082
		<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 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 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 ("MFRS") and International Financial Reporting Standards ("IFRS").

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

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

- (a) Standards and amendments to existing standards effective 1 March 2019:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 March 2019 that have a material effect on the financial statements of the Fund.

- (b) New standards, amendments and interpretations effective after 1 March 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Dividend income

Dividend income is recognised 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 are recognised based on effective interest rate method on an accrual basis.

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

B INCOME RECOGNITION (CONTINUED)

Realised gains and losses on sale of investments

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

C DISTRIBUTION

A distribution to the Fund's unitholders is accounted for as a financial cost in the statement of comprehensive income. 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 and brokers. 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.

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 TRANSLATIONS

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured subsequently 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 are measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the financial 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 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 and lifetime 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.

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 write 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 impairment gains. There are no write-offs/recoveries during the financial year.

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 change in value.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

J CREATION AND CANCELLATION OF UNITS

The unitholders' capital 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 net asset value ("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.

K 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.

L DERIVATIVE FINANCIAL INSTRUMENTS

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

The Fund's derivative financial instruments comprise forward foreign currency contracts. 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 position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments 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 in liabilities at fair value through profit or loss.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of 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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

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

N CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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

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

O REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 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
- 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 investors 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 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 13 April 2020.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	Financial assets at amortised <u>costs</u> RM	Financial assets at fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u>				
Quoted equities	8	-	343,283,627	343,283,627
Collective investment scheme	8	-	14,463,675	14,463,675
Cash and cash equivalents	9	123,538,395	-	123,538,395
Dividend receivables		503,666	-	503,666
Amount due from Manager				
- creation of units		2,116,333	-	2,116,333
- rebate of management fee		414	-	414
Amount due from brokers		22,823,278	-	22,823,278
Total		<u>148,982,087</u>	<u>357,747,302</u>	<u>506,729,389</u>
<u>2019</u>				
Quoted equities	8	-	408,045,623	408,045,623
Exchange-traded funds	8	-	19,039,094	19,039,094
Cash and cash equivalents	9	17,658,082	-	17,658,082
Dividend receivables		250,787	-	250,787
Amount due from Manager				
- creation of units		1,036,602	-	1,036,602
Amount due from brokers		7,616,560	-	7,616,560
Forward foreign currency contracts at fair value through profit or loss	10	-	570,236	570,236
Total		<u>26,562,031</u>	<u>427,654,953</u>	<u>454,216,984</u>

All current liabilities, except foreign forward currency contracts are financial liabilities which are carried at amortised cost.

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 INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 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	343,283,627	408,045,623
Exchange-traded fund	-	19,039,094
Collective investment scheme	14,463,675	-
	<u>357,747,302</u>	<u>427,084,717</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</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2020</u>		
-10%	321,972,572	(35,774,730)
0%	357,747,302	-
+10%	393,522,032	35,774,730
	<u>357,747,302</u>	<u>35,774,730</u>
<u>2019</u>		
-5%	405,730,481	(21,354,236)
0%	427,084,717	-
+5%	448,438,953	21,354,236
	<u>427,084,717</u>	<u>21,354,236</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 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 institutions is not material as the deposits are held on a short term basis.

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable 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 INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Collective investment schemes</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other Assets*/ (liabilities)**</u> RM	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2020</u>						
Australian Dollar	3,830,622	-	2,244	-	852,764	4,685,630
China Renminbi	4,061,216	-	6,034,621	-	224,299	10,320,136
Euro	-	-	-	-	2,777	2,777
Hong Kong Dollar	212,146,324	-	24,744,920	12,502,046	-	249,393,290
Korea Won	24,557,093	-	2	287,051	-	24,844,146
Pound Sterling	-	-	53,719	-	119,910	173,629
Singapore Dollar	40,468,069	-	5,923,135	(9,744,714)	3,538	36,650,028
Taiwan Dollar	24,999,222	-	-	-	-	24,999,222
Thailand Bath	-	14,463,675	-	185,710	-	14,649,385
US Dollar	28,582,361	-	81,811,276	9,949,696	4,216,417	124,559,750
	<u>338,644,907</u>	<u>14,463,675</u>	<u>118,569,917</u>	<u>13,179,789</u>	<u>5,419,705</u>	<u>490,277,993</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Quoted equities RM	Exchange -traded funds RM	Forward foreign currency contracts RM	Cash and cash equivalents RM	Other Assets*/ (liabilities)** RM	Net assets attributable to unitholders RM	Total RM
<u>2019</u>							
Australian Dollar	5,977,321	-	(77,852)	7,448,721	-	1,578	13,349,768
China Renminbi	-	-	-	2,366,625	-	321	2,366,946
Euro	-	-	-	2,315	-	2,543	4,858
Hong Kong Dollar	138,734,422	19,039,094	-	-	3,715,642	-	161,489,158
Indian Rupee	5,174,545	-	-	-	-	-	5,174,545
Indonesia Rupiah	2,409,784	-	-	-	3,896,102	-	6,305,886
Korea Won	20,895,616	-	-	3	39,352	-	20,934,971
Philippines Peso	2,549,463	-	-	-	-	-	2,549,463
Pound Sterling	-	-	-	2,705	-	2,816	5,521
Singapore Dollar	98,568,393	-	-	514,327	182,802	1,623	99,267,145
Taiwan Dollar	26,590,106	-	-	-	(3,572,128)	-	23,017,978
Thailand Bath	17,399,520	-	-	-	-	-	17,399,520
US Dollar	55,914,007	-	648,088	4,143,551	(4,428,135)	202,038	56,479,549
	<u>374,213,177</u>	<u>19,039,094</u>	<u>570,236</u>	<u>14,478,247</u>	<u>(166,365)</u>	<u>210,919</u>	<u>408,345,308</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

**Other liabilities consist of amount due to brokers.

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2019: 5%), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2019: 5%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in <u>price</u> %	Impact on profit after <u>tax/NAV</u> RM
<u>2020</u>		
Australian Dollar	+/- 10	+/- 468,563
Chinese Yuan	+/- 10	+/- 1,032,014
Euro	+/- 10	+/- 278
Hong Kong Dollar	+/- 10	+/- 24,939,329
Korean Won	+/- 10	+/- 2,484,415
Pound Sterling	+/- 10	+/- 17,363
Singapore Dollar	+/- 10	+/- 3,665,003
Taiwan Dollar	+/- 10	+/- 2,499,922
Thailand Baht	+/- 10	+/- 1,464,939
United States Dollar	+/- 10	+/- 12,455,975

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	Change in <u>price</u> %	Impact on profit after tax tax/ <u>NAV</u> RM
<u>2019</u>		
Australian Dollar	+/- 5	+/- 667,488
Chinese Yuan	+/- 5	+/- 118,347
Indian Rupee	+/- 5	+/- 258,727
Euro	+/- 5	+/- 243
Hong Kong Dollar	+/- 5	+/- 8,074,458
Indonesian Rupiah	+/- 5	+/- 315,294
Korean Won	+/- 5	+/- 1,046,749
Philippines	+/- 5	+/- 127,473
Pound Sterling	+/- 5	+/- 276
Singapore Dollar	+/- 5	+/- 4,963,357
Thailand Baht	+/- 5	+/- 869,976
Taiwan Dollar	+/- 5	+/- 1,150,899
United States Dollar	+/- 5	+/- 2,823,977

Credit risk

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

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

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

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

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Credit risk (continued)

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

	Forward foreign currency <u>contracts</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2020</u>				
Consumer service				
- NR	-	-	9,540,975	9,540,975
Finance				
-AAA		4,938,488	-	4,938,488
- AA1		118,599,908	-	118,599,908
- AA-	-	-	-	-
- A3	-	-	-	-
- NR	-	-	3,263,977	3,263,977
Other				
- NR	-	-	2,116,747	2,116,747
Technology				
- NR	-	-	10,521,992	10,521,992
	<u>-</u>	<u>123,538,396</u>	<u>25,443,691</u>	<u>123,538,396</u>
<u>2019</u>				
Consumer goods				
- NR	-	-	7,627,454	7,627,454
Finance				
-AA3	651,960	14,603,546	-	15,255,506
- AA-		3,055,886	-	3,055,886
- A3	(81,724)	-	-	(81,724)
- NR	-	-	182,802	182,802
Industrial				
- NR	-	-	23,641	23,641
Other				
- NR	-	-	1,036,602	1,036,602
Technology				
- NR	-	-	33,450	33,450
	<u>570,236</u>	<u>17,659,432</u>	<u>8,903,949</u>	<u>27,133,617</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

Credit risk (continued)

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

The financial assets of the Fund are neither past due nor impaired.

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.

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	737,302	-	737,302
- cancellation of units	99,535	-	99,535
Amount due to Trustee	23,912	-	23,912
Amount due to brokers	10,047,620	-	10,047,620
Auditor's remuneration	-	3,729	3,729
Tax agent's fee	-	5,690	5,690
Other payables and accruals	-	8,058	8,058
Net assets attributable to unitholders*	495,803,543	-	495,803,543
	<u>506,711,912</u>	<u>17,477</u>	<u>506,729,389</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 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. (continued)

	<u>Within</u> <u>one month</u> RM	<u>Between</u> <u>one month</u> <u>to one year</u> RM	<u>Total</u> RM
<u>2019</u>			
Amount due to Manager			
- management fee	624,173	-	624,173
- cancellation of units	142,944	-	142,944
Amount due to Trustee	20,243	-	20,243
Amount due to brokers	8,033,713	-	8,033,713
Auditor's remuneration	-	3,719	3,719
Tax agent's fee	-	(2,653)	(2,653)
Other payables and accruals	-	15,728	15,728
Forward foreign currency contracts at fair value through profit or loss	81,724	-	81,724
Net assets attributable to unitholders*	445,379,117	-	445,379,117
	<u>454,281,914</u>	<u>16,794</u>	<u>454,298,708</u>

*Outstanding units are redeemed on demand at the holder'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.

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.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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

(i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted equities	343,283,627	-	-	343,283,627
- collective investment schemes	14,463,675	-	-	14,463,675
	<u>357,747,302</u>	<u>-</u>	<u>-</u>	<u>357,747,302</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2019</u>				
Financial assets at fair value through profit or loss				
- quoted equities	408,045,623	-	-	408,045,623
- exchange-traded funds	19,039,094	-	-	19,039,094
- forward foreign currency contracts	-	651,960	-	651,960
	<u>427,084,717</u>	<u>651,960</u>	<u>-</u>	<u>427,736,677</u>
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	(81,724)	-	(81,724)
	<u>-</u>	<u>(81,724)</u>	<u>-</u>	<u>(81,724)</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include quoted equities and exchange-traded funds. 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, dividend receivables, amount due from Manager, amount due from brokers and all current liabilities except forward foreign currency contracts are a reasonable approximation of the fair values due to their short term nature.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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 6 months financial period ended 29 February 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 fee of RM12,000 per annum (excluding foreign custodian fees and charges) calculated and accrued daily.

For the 6 months financial period ended 29 February 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 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 amount recognised above.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

6 DISTRIBUTION

	6 months financial period ended <u>29.2.2020</u> RM	6 months financial period ended <u>28.2.2019</u> RM
Distribution to unitholders are from the following sources:		
Gross dividend income	113,894	-
Previous year's realised income	7,521,266	6,626,790
	<u>7,635,160</u>	<u>6,626,790</u>
Less: Expenses	-	-
	<u>7,635,160</u>	<u>6,626,790</u>
Gross/net distribution per unit (sen)	<u>1.00</u>	<u>1.50</u>
Ex date	<u>18.12.2019</u>	<u>10.12.2018</u>

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

Included in the distribution for the financial period is an amount of RM7,521,266 (2019: RM6,626,790) made from previous year's realised income.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

7 TAXATION

	6 months financial period ended <u>29.2.2020</u> RM	6 month financial period ended <u>28.2.2019</u> RM
Current taxation - foreign	-	-

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

	6 months financial period ended <u>29.2.2020</u> RM	6 month financial period ended <u>28.2.2019</u> RM
Net profit/(loss) before taxation	<u>26,806,399</u>	<u>(1,767,777)</u>
Tax at Malaysian statutory rate of 24% (2019: 24%)	6,433,536	(424,266)
Tax effects of:		
Investment income not subject to tax	(8,174,189)	(664,239)
Expenses not deductible for tax purposes	699,476	419,281
Restriction on tax deductible expenses for Unit Trust Funds	<u>1,041,177</u>	<u>669,224</u>
Tax expense	<u>-</u>	<u>-</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

	<u>2020</u> RM	<u>2019</u> RM
Designated at fair value through profit or loss at inception:		
- quoted equities – local	4,638,720	33,832,446
- quoted equities – foreign	338,644,907	374,213,177
- collective investment schemes – foreign	14,463,675	19,039,094
	<u>357,747,302</u>	<u>427,084,717</u>
	<u>2020</u> RM	<u>2019</u> RM
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	26,002,474	(8,208,892)
- unrealised gain/(loss) on changes in fair value	2,536,751	5,638,682
- management fee rebate on collective investment schemes #	10,574	-
	<u>32,000,981</u>	<u>(2,570,210)</u>

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

(a) Quoted equities – local

(i) Quoted equities – local as at 29 February 2020 is as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Utilities</u>				
Mega First Corp Bhd	906,000	1,703,280	4,638,720	0.94
	<u>906,000</u>	<u>1,703,280</u>	<u>4,638,720</u>	<u>0.94</u>
Total quoted equities – local				
Accumulated unrealised gain on quoted equities – local		2,935,440		
Total quoted equities – local		<u>4,638,720</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 28 February 2019 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Financials</u>				
Malayan Banking Bhd	675,300	6,524,208	6,435,609	1.44
<u>Industrial Products & Services</u>				
Petronas Chemicals Group Bhd	113,500	1,004,520	1,046,470	0.23
Press Metal Aluminium Hldg Bhd	1,023,700	4,419,518	4,309,777	0.97
	<u>1,137,200</u>	<u>5,424,038</u>	<u>5,356,247</u>	<u>1.20</u>
<u>REIT's</u>				
Axis Real Estate Investment Trust	1,393,600	2,296,334	2,410,928	0.54
IGB REIT	3,082,300	5,279,876	5,363,202	1.20
	<u>4,475,900</u>	<u>7,576,210</u>	<u>7,774,130</u>	<u>1.74</u>
<u>Utilities</u>				
Mega First Corp Bhd	1,556,000	2,925,280	5,959,480	1.34
Tenaga Nasional Bhd	619,000	8,572,779	8,306,980	1.87
	<u>2,175,000</u>	<u>11,498,059</u>	<u>14,266,460</u>	<u>3.21</u>
Total quoted equities – local	<u>8,463,400</u>	<u>31,022,515</u>	<u>33,832,446</u>	<u>7.59</u>
Accumulated unrealised gain on quoted equities – local		<u>2,809,931</u>		
Total quoted equities – local		<u>33,832,446</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 29 February 2020 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>AUSTRALIA</u>				
<u>Basic materials</u>				
Hastings Technology Metals Ltd	2,300,000	1,450,159	665,188	0.13
Ramelius Resources Ltd	1,008,095	3,691,884	3,165,434	0.64
	<u>3,308,095</u>	<u>5,142,043</u>	<u>3,830,622</u>	<u>0.77</u>
<u>CHINA</u>				
<u>Financials</u>				
Ping An Bank Co Ltd	464,800	4,167,846	4,061,216	0.82
<u>HONG KONG</u>				
<u>Consumer Goods</u>				
Ausnutria Dairy Corporation	758,000	5,178,581	5,139,526	1.04
Li Ning Company Limited	216,500	2,524,347	2,399,762	0.48
Nissin Foods Co Ltd	1,391,000	5,195,604	4,911,302	0.99
Shenzhen Intl Group Holdings	100,000	5,661,831	5,174,499	1.04
Techtronic Industries Co	140,500	5,273,172	4,786,006	0.97
	<u>2,606,000</u>	<u>23,833,535</u>	<u>22,411,095</u>	<u>4.52</u>
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	275,884	24,264,111	29,834,096	6.02
China Yuhua Education Corp Ltd	840,000	2,517,204	2,738,754	0.55
Chow Tai Fook Jewellery Group	1,295,800	5,102,468	4,729,314	0.95
Topsports International Hld	1,357,000	7,781,664	6,603,569	1.33
	<u>3,768,684</u>	<u>39,665,447</u>	<u>43,905,733</u>	<u>8.85</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 29 February 2020 is as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>HONG KONG</u> (continued)				
<u>Financials</u>				
AIA Group Ltd	508,800	21,554,395	21,128,307	4.26
A-Living Services Co Ltd	543,750	6,521,229	10,246,096	2.07
Aoyuan Healthy Life Grp Co Ltd	1,127,000	3,572,273	5,069,949	1.02
CIFI Holdings Group Co Ltd	3,564,000	11,521,192	11,446,705	2.31
Ping An Insurance Grp Co China	815,000	37,915,193	38,162,065	7.70
	<u>6,558,550</u>	<u>81,084,282</u>	<u>86,053,122</u>	<u>17.36</u>
<u>Technology</u>				
HKBN Ltd	2,898,000	15,696,433	21,874,602	4.41
Tencent Holdings Ltd	181,600	31,948,630	37,901,772	7.64
	<u>3,079,600</u>	<u>47,645,063</u>	<u>59,776,374</u>	<u>12.05</u>
<u>KOREA</u>				
<u>Preference Share</u>				
Samsung Electronics Co Ltd - Pref Shares	146,525	21,252,090	23,148,176	4.67
<u>Industrial</u>				
Wooshin Systems Co Ltd	97,886	3,016,482	1,408,917	0.28
<u>SINGAPORE</u>				
<u>Financials</u>				
Capitaland Limited	847,500	9,586,091	9,038,748	1.82
Capitaland Retail China Trust	2,777,200	12,181,968	11,747,056	2.37
	<u>3,624,700</u>	<u>21,768,059</u>	<u>20,785,804</u>	<u>4.19</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 29 February 2020 is as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>SINGAPORE</u> (continued)				
<u>Industrial</u>				
Venture Corp Ltd	200,600	10,090,615	9,951,715	2.01
<u>REIT</u>				
Ascendas Real Estate InvTrust	1,052,500	10,003,109	9,730,550	1.96
<u>TAIWAN</u>				
<u>Industrial</u>				
Delta Electronics Inc	236,000	4,636,570	4,589,256	0.93
<u>Technology</u>				
Taiwan Semiconductor Manufac	465,000	15,188,887	20,409,966	4.12
<u>UNITED STATES</u>				
<u>Consumer Services</u>				
Amazon.com Inc	1,215	10,246,158	9,664,224	1.95
<u>Technology</u>				
Facebook Inc	11,922	9,096,468	9,678,100	1.95
Microsoft Corporation	13,526	6,005,879	9,240,037	1.86
	25,448	15,102,347	18,918,137	3.82
Total quoted equities – foreign	25,635,603	312,842,533	338,644,907	68.31
Accumulated unrealised gain on quoted equities – foreign		25,802,374		
Total quoted equities – foreign		338,644,907		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign

(ii) Quoted equities – foreign as at 28 February 2019 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>AUSTRALIA</u>				
<u>Basic materials</u>				
Hastings Technology Metals Ltd	2,300,000	1,450,159	935,185	0.21
OZ Minerals Ltd	76,499	2,189,352	2,272,861	0.51
	<u>2,376,499</u>	<u>3,639,511</u>	<u>3,208,046</u>	<u>0.72</u>
<u>Industrials</u>				
Sydney Airport	134,297	2,652,311	2,769,275	0.62
<u>HONG KONG</u>				
<u>Consumer Goods</u>				
Guangzhou Automobile Gp Co Ltd	450,000	2,184,009	2,243,885	0.50
<u>Financials</u>				
AIA Group Ltd	436,400	14,985,648	17,727,180	3.98
China Construction Bank Corp	4,198,000	15,080,029	15,150,856	3.40
China Vanke Co Ltd	457,800	6,738,876	7,052,202	1.58
Hong Kong Exchange & Clearing	27,700	3,385,992	3,881,231	0.87
Indust & Comm Bank of China	1,859,000	5,590,951	5,804,418	1.30
Ping An Insurance Grp Co China	189,500	7,506,761	8,109,872	1.82
	<u>7,168,400</u>	<u>53,288,257</u>	<u>57,725,759</u>	<u>12.95</u>
<u>Industrials</u>				
China State Const Int Hold Ltd	854,000	4,025,097	3,661,425	0.82
Jiangsu Expressway Co Ltd	788,000	4,664,619	4,414,845	0.99
	<u>1,642,000</u>	<u>8,689,716</u>	<u>8,076,270</u>	<u>1.81</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 28 February 2019 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</u> (continued)				
<u>Oil & Gas</u>				
Cnooc Ltd	1,336,000	9,252,178	9,366,710	2.10
PetroChina Company Ltd	3,712,000	11,609,413	9,975,560	2.24
	<u>5,048,000</u>	<u>20,861,591</u>	<u>19,342,270</u>	<u>4.34</u>
<u>Technology</u>				
HKBN Ltd	2,417,000	12,133,198	15,268,572	3.43
Tencent Holdings Ltd	102,400	17,298,140	17,805,026	4.00
	<u>2,519,400</u>	<u>29,431,338</u>	<u>33,073,598</u>	<u>7.43</u>
<u>Utilities</u>				
CK Infrastructure Holdings Ltd	540,000	17,341,463	18,272,640	4.10
	<u>540,000</u>	<u>17,341,463</u>	<u>18,272,640</u>	<u>4.10</u>
<u>INDONESIA</u>				
<u>Financials</u>				
Bank Mandiri Persero Tbk PT	1,170,700	2,557,973	2,409,784	0.54
	<u>1,170,700</u>	<u>2,557,973</u>	<u>2,409,784</u>	<u>0.54</u>
<u>INDIA</u>				
<u>Financials</u>				
Housing Development Finance	25,922	2,681,984	2,742,995	0.62
ICICI Bank Ltd	120,564	2,567,111	2,431,550	0.55
	<u>146,486</u>	<u>5,249,095</u>	<u>5,174,545</u>	<u>1.17</u>
<u>PHILIPPINES</u>				
<u>Financials</u>				
BDO Unibank Inc	254,200	2,639,600	2,549,463	0.57
	<u>254,200</u>	<u>2,639,600</u>	<u>2,549,463</u>	<u>0.57</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(ii) Quoted equities – foreign as at 28 February 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>				
<u>Consumer Services</u>				
Sheng Siong Group Ltd	695,500	2,070,416	2,265,363	0.51
<u>Financials</u>				
DBS Group Holdings Ltd	75,300	5,584,635	5,641,096	1.27
United Overseas Bank Ltd	69,000	5,271,909	5,206,589	1.17
	<u>144,300</u>	<u>10,856,544</u>	<u>10,847,685</u>	<u>2.44</u>
<u>Industrials</u>				
NetLink NBN Trust	239,500	570,465	574,235	0.13
Singapore Airport Terminal	319,700	4,467,066	4,936,618	1.11
Singapore Tech Engineering Ltd	1,014,500	10,762,425	11,412,422	2.56
	<u>1,573,700</u>	<u>15,799,956</u>	<u>16,923,275</u>	<u>3.80</u>
<u>REIT's</u>				
Ascendas Real Estate InvTrust	1,594,500	12,466,838	13,464,787	3.02
CapitaLand Commercial Trust	1,625,900	9,064,039	9,463,855	2.13
CDL Hospitality Trusts	1,006,300	4,718,318	4,795,142	1.08
Frasers Centrepoint Trust	967,300	6,616,239	6,651,399	1.49
Frasers Logistic & Indus Trust	1,844,350	4,882,928	6,118,613	1.37
Keppel DC REIT	1,025,800	4,320,661	4,516,817	1.01
Mapletree Industrial Trust	1,597,200	9,312,697	9,633,991	2.16
Mapletree North Asia Com Trust	3,683,800	12,256,547	13,887,466	3.12
	<u>13,345,150</u>	<u>63,638,267</u>	<u>68,532,070</u>	<u>15.38</u>
<u>KOREA</u>				
<u>Basic materials</u>				
LG Chem Ltd	2,170	3,087,656	3,059,290	0.69

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 28 February 2019 is as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>KOREA</u> (continued)				
<u>Consumer goods</u>				
Samsung Electronics Co Ltd	43,013	6,499,737	7,012,495	1.57
Samsung Electronics Co Ltd - Preference Shares	19,417	2,624,158	2,526,858	0.57
	<u>62,430</u>	<u>9,123,895</u>	<u>9,539,353</u>	<u>2.14</u>
<u>Industrials</u>				
Meerecompany Inc	25,671	7,027,609	6,004,037	1.35
Wooshin Systems Co Ltd	97,886	3,016,482	2,292,936	0.52
	<u>123,557</u>	<u>10,044,091</u>	<u>8,296,973</u>	<u>1.87</u>
<u>THAILAND</u>				
<u>Industrials</u>				
Airports of Thailand PCL	759,400	6,408,642	6,595,765	1.48
<u>Consumer services</u>				
CP all PCL	1,079,900	10,572,574	10,803,755	2.43
<u>TAIWAN</u>				
<u>Financials</u>				
Mega Financial Holding Co Ltd	1,353,000	4,793,224	4,857,811	1.09
<u>Industrials</u>				
Compeq Manufacturing Co Ltd	787,000	3,214,087	2,358,167	0.53

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(b) Quoted equities – foreign (continued)

(i) Quoted equities – foreign as at 28 February 2019 is as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>TAIWAN</u> (continued)				
<u>Technology</u>				
Nanya Technology Corp	431,000	3,565,919	3,538,682	0.80
Taiwan Semiconductor Manufacturing Company Limited	503,000	14,713,587	15,835,446	3.56
	<u>934,000</u>	<u>18,279,506</u>	<u>19,374,128</u>	<u>4.36</u>
<u>UNITED STATES</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	27,856	19,050,446	20,724,204	4.65
Amazon.com Inc	1,377	9,155,620	9,178,733	2.06
	<u>29,233</u>	<u>28,206,066</u>	<u>29,902,937</u>	<u>6.71</u>
<u>Technology</u>				
Alphabet Inc - Class C	1,972	8,948,934	8,983,332	2.02
Facebook Inc	8,208	5,803,497	5,387,864	1.21
Microsoft Corporation	25,555	11,347,053	11,639,874	2.61
	<u>35,735</u>	<u>26,099,484</u>	<u>26,011,070</u>	<u>5.84</u>
Total quoted equities – foreign	<u>42,375,057</u>	360,729,272	<u>374,213,177</u>	<u>84.02</u>
Accumulated unrealised gain on quoted equities – foreign		<u>13,483,905</u>		
Total quoted equities – foreign		<u>374,213,177</u>		

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

(c) Exchange-traded funds – foreign

(i) There are no exchange-traded funds – foreign as at 29 February 2020:

(ii) Exchange-traded funds – foreign as at 28 February 2019.

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
ChinaAMC ETF Series – China AMC	405,200	8,054,236	9,147,827	2.05
IShares MSCI China Index ETF	338,200	4,236,553	4,500,582	1.01
Premia CSI Caixin CN BedR ETF	1,575,000	5,573,251	5,390,685	1.21
Total exchange-traded funds – foreign	<u>2,318,400</u>	<u>17,864,040</u>	<u>19,039,094</u>	<u>4.27</u>
Accumulated unrealised gain on exchange-traded funds – foreign		<u>1,175,054</u>		
Total exchange-traded funds – foreign		<u>19,039,094</u>		

(c) Collective investment schemes – foreign

(i) Collective investment scheme – foreign as at 29 February 2020 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	12,602,454	15,937,873	14,463,675	3.00
Total collective investment scheme – foreign	<u>12,602,454</u>	<u>15,937,873</u>	<u>14,463,675</u>	<u>3.00</u>
Accumulated unrealised loss on collective investment scheme – foreign		<u>(1,474,198)</u>		
Total collective investment scheme – foreign		<u>14,463,675</u>		

(ii) There is no collective investment scheme – foreign as at 28 February 2019.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	118,599,907	14,602,196
Deposit with a licensed financial institution	4,938,488	3,055,886
	<u>123,538,395</u>	<u>17,658,082</u>

Weighted average effective interest rates per annum of deposit with a licensed financial institution is as follows:

	<u>2020</u> %	<u>2019</u> %
Deposit with a licensed financial institution	<u>2.75</u>	<u>3.25</u>

Deposit with licensed financial institution have an average maturity of 2 day (2019: 1 day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there is nil (2019: 4) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RMnil (2019: RM94,899,617). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign securities denominated in United States Dollar and Australia Dollar. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

(a) RM class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	772,565,000	454,274,000
Creation of units arising from applications during the financial period	63,444,194	336,896,000
Creation of units arising from distribution during the financial period	11,990,806	11,530,953
Cancellation of units during the financial period	(61,299,000)	(47,414,953)
At the end of the financial period	<u>786,701,000</u>	<u>755,286,000</u>

(b) AUD class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	306,000	-
Creation of units arising from applications during the financial period	189,000	1,000
At the end of the financial period	<u>495,000</u>	<u>1,000</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 period	1,000	-
Creation of units arising from applications during the financial period	-	1,000
At the end of the financial period	<u>1,000</u>	<u>1,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(d) GBP class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	11,000	-
Creation of units arising from applications during the financial period	46,000	1,000
Cancellation of units during the financial period	(18,000)	-
At the end of the financial period	<u>39,000</u>	<u>1,000</u>

(e) RMB class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	641,000	-
Creation of units arising from applications during the financial period	-	1,000
At the end of the financial period	<u>641,000</u>	<u>1,000</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 period	92,000	-
Creation of units arising from applications during the financial period	-	1,000
Cancellation of units during the financial period	(90,000)	-
At the end of the financial period	<u>2,000</u>	<u>1,000</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(g) USD class units in circulation

	<u>2020</u>	<u>2019</u>
	No. of units	No. of units
At the beginning of the financial period	467,000	-
Creation of units arising from applications during the financial period	1,429,000	1,000
Cancellation of units during the financial period	(157,000)	-
At the end of the financial period	<u>1,739,000</u>	<u>1,000</u>

12 TRANSACTIONS WITH BROKERS

(i) Detail of transactions with the top 10 brokers for the 6 months financial period ended 29 February 2020 is as follows:

<u>Name of brokers</u>	<u>Percentage of value of trade RM</u>	<u>Brokerage total trade %</u>	<u>Percentage of total fees RM</u>	<u>brokerage %</u>
CLSA Ltd (Hong Kong)	165,240,438	14.51	246,838	11.02
Macquarie Bank Ltd (Hong Kong)	135,983,642	11.94	227,217	10.14
Robert W. Baird & Co.	126,144,873	11.08	34,339	1.53
JP Morgan Securities (Asia Pacific)	91,720,240	8.05	344,982	15.40
Credit Suisse (Hong Kong) Ltd	62,224,229	5.46	181,943	8.12
Deutsche Bank (Malaysia) Bhd	60,847,327	5.34	-	-
Masterlink Securities Co. Ltd	59,399,424	5.22	258,926	11.56
CLSA Singapore Pte Ltd	44,274,810	3.89	70,140	3.13
Sanford C. Bernstein And Co., Llc	44,039,179	3.87	62,961	2.81
CLSA Securities Korea Ltd	40,148,450	3.53	98,799	4.41
Others	308,754,996	27.11	714,292	31.88
	<u>1,138,777,608</u>	<u>100.00</u>	<u>2,240,437</u>	<u>100.00</u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

12 TRANSACTIONS WITH BROKERS (CONTINUED)

(ii) Detail of transactions with the top 10 brokers for the 6 months financial period ended 28 February 2019 is as follows:

<u>Name of brokers</u>	Percentage of <u>value of trade</u> RM	Brokerage <u>total trade</u> %	Percentage of total <u>fees</u> RM	<u>brokerage</u> %
China International Capital Corporation Hong Kong Securities Ltd	58,378,561	11.07	43,262	3.11
Macquarie Bank Ltd (Hong Kong)	56,815,737	10.78	122,560	8.80
CLSA Ltd (Hong Kong)	56,640,025	10.74	96,550	6.94
Citigroup Global Markets Ltd	51,681,469	9.80	153,277	11.01
CCB International Securities	33,902,690	6.43	121,273	8.71
DBS Vickers Securities (Singapore) Pte Ltd	30,334,352	5.76	107,536	7.72
Instinet Pacific Ltd Hong Kong Branch	27,597,322	5.23	80,900	5.81
Daiwa Securities Capital Markets Korea Co Ltd	27,522,961	5.22	88,406	6.35
Merrill Lynch International Ltd	22,967,109	4.36	68,005	4.89
Morgan Stanley And Co. International Plc, London Branch	17,971,901	3.41	53,014	3.81
Others	143,413,290	27.20	457,224	32.85
	<u>527,225,417</u>	<u>100.00</u>	<u>1,392,007</u>	<u>100.00</u>

Included in transactions with brokers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM10,240,360 (2019: RM6,720,713). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

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

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

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

	<u>2020</u>		<u>2019</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held for booking purpose)				
- RM class	1,136,633	708,463	369,492	217,779
- AUD class	2,524	4,348	1,000	2,815
- EUR class	1,000	2,777	1,000	1,577
- GBP class	2,440	7,502	1,000	2,220
- RMB class	1,735	607	1,000	320
- SGD class	2,000	3,537	1,000	1,622
- USD class	2,440	7,502	1,776	4,515
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Parties related to the Manager</u>				
Director of Affin Hwang Asset Management Berhad (The units are beneficially)				
- RM Class	1,596,942	995,374	2,602	1,534
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

14 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>29.2.2020</u> %	6 month financial period ended <u>28.2.2019</u> %
MER	<u>0.99</u>	<u>0.98</u>

MER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebates
B	=	Trustee fees
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 period calculated on a daily basis is RM481,670,394 (2019: RM324,912,076).

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>29.2.2020</u>	6 month financial period ended <u>28.2.2019</u>
PTR (times)	<u>1.16</u>	<u>0.82</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM531,166,923 (2019: RM377,685,274)
total disposal for the financial period = RM582,453,120 (2019: RM158,396,774)

AFFIN HWANG SELECT ASIA PACIFIC (EX JAPAN) DIVIDEND FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 48 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 29 February 2020 and of its financial performance, changes in equity and cash flows for the financial period ended 29 February 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

Kuala Lumpur
24 April 2020

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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

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

PENANG

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

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

PERAK

Affin Hwang Asset Management Berhad
13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh Perak

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

MELAKA

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

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

JOHOR

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

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

SABAH

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

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

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

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

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

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

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

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)