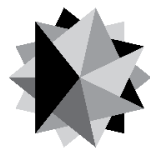


TradePlus

HSCEI Daily (-1x) Inverse Tracker

Annual Report
30 June 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
CIMB Commerce Trustee Berhad (313031-A)

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

Annual Report and Audited Financial Statements For The Financial Year Ended 30 June 2021

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GENERAL INFORMATION

MANAGER

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
Registered Office:
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

Business Office:

Ground Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2116 6000
Fax No.: 03 – 2116 6100
Toll Free No.: 1-800-88-7080
E-mail: customercare@affinhwangam.com
Website: www.affinhwangam.com

MANAGER'S DELEGATE

(fund valuation & accounting function)
CIMB Commerce Trustee Berhad (313031-A)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9886

TRUSTEE

CIMB Commerce Trustee Berhad (313031-A)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9886

TRUSTEE'S DELEGATE

(Custodian Services)
CIMB Bank Berhad (13491-P)
Registered Office:
Level 13, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 0099

Business Office:

Level 21, Menara CIMB, Jalan Stesen Sentral 2
Kuala Lumpur Sentral, 50470 Kuala Lumpur
Tel. No.: 03 – 2261 8888
Fax No.: 03 – 2261 9892

COMPANY SECRETARY

Raja Shahrul Nizam Raja Yahya (LS0009904)
27th Floor Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur

REGISTRAR

Affin Hwang Asset Management Berhad
199701014290 (429786-T)
27th Floor, Menara Boustead,
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel. No.: 03 – 2142 3700
Fax No.: 03 – 2142 3799

FUND INFORMATION

Fund Name	TradePlus HSCEI Daily (-1x) Inverse Tracker
Fund Type	Inverse exchange-traded fund
Fund Category	Futures-based exchange-traded fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the daily performance of the Benchmark
Benchmark	Hang Seng China Enterprises Futures Short Index
Distribution Policy	The Fund may distribute income on an incidental basis

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 JUNE 2021

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	0	0	0
1,001 - 10,000	1	10,000	1.66
10,001 - 100,000	0	0	0
100,001 - < 5% *	0	0	0
>= 5% *	1	591,500	98.34
Total	2	601,500	100.00

5% * - 5% Issued Shares or Paidup Capital of the stock

FUND PERFORMANCE DATA

Category	As at 30 Jun 2021 (%)	As at 30 Jun 2020 (%)
Portfolio composition		
Quoted derivative - futures	1.96	0.83
Collective investment schemes - local	53.49	-
Cash & cash equivalent	44.55	99.17
Total	100.00	100.00
Total NAV (MYR 'million)	1.044	1.596
NAV per Unit (MYR)	1.7361	2.0430
Unit in Circulation (million)	0.602	0.781
Highest NAV per unit	2.0505	2.4340
Lowest NAV per unit	1.5521	1.8650
Return of the Fund (%) ⁱⁱⁱ	-15.02	2.15
- Capital Growth (%) ⁱ	-15.02	2.15
- Income Distribution (%) ⁱⁱ	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil
Management Expense Ratio (%) ¹	2.06	4.01
Portfolio Turnover Ratio (times) ²	15.71	9.92
Tracking Error	3.85	0.73

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

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

An illustration of the above would be as follow:-

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

¹The MER of the Fund was lower than the previous year due to lower expenses incurred during the financial year.

¹The PTR of the Fund was lower than the previous year due to higher trading activities during the financial year.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 30 June 2021.

Performance Review

For the period 1 July 2020 to 30 June 2021, the Fund registered a -15.02% return compared to the benchmark return of -14.10%. The Fund thus underperformed the Benchmark by 0.92%. The Net Asset Value ("NAV") of the Fund as at 30 June 2021 was MYR1,044,261.87 (MYR1.7361 per unit) while the NAV as at 30 June 2020 was MYR 1,595,605.60 (MYR2.0430 per unit).

Since commencement, the Fund has registered a return of -13.19% compared to the benchmark return of -11.14%, underperforming by 2.05%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/7/20 - 30/6/21)	Since Commencement (26/11/19 - 30/6/21)
Fund	(15.02%)	(13.19%)
Benchmark	(14.10%)	(11.14%)
Outperformance	(0.92%)	(2.05%)
HSCEI	9.27%	0.32%

HSCEI : Hang Seng China Enterprises Index; Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/7/20 - 30/6/21)	Since Commencement (26/11/19 - 30/6/21)
Fund	(15.02%)	(8.48%)
Benchmark	(14.10%)	(7.13%)
Outperformance	(0.92%)	(1.35%)
HSCEI	9.27%	0.20%

HSCEI : Hang Seng China Enterprises Index; Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/7/20 - 30/6/21)	FYE 2020 (26/11/19 - 30/6/20)
Fund	(15.02%)	2.15%
Benchmark	(14.10%)	3.44%
Outperformance	(0.92%)	(1.29%)
HSCEI	9.27%	(8.19%)

HSCEI : Hang Seng China Enterprises Index; 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: Hang Seng China Enterprises Futures Short 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

As at 30 June 2021, the ETF's asset allocation stood at 1.96% in quoted derivatives while the remaining was held in cash and cash equivalent. This provided the ETF with an exposure of -97.35% into the Hang Seng China Enterprises Index.

Strategies Employed

The Manager continues to adopt the full replication strategy. The Manager invested into quoted derivatives or futures to provide investment results that closely correspond to the performance of the Benchmark. As at 30 June 2021, the Fund's AUM stood at RM1.044 million, with quoted derivatives or futures amounting to 1.96% of the Fund's NAV.

Market Review

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

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

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. The S&P 500 index rose 4.4% higher as the latest US labour data showed signs of a rebound. In Asia, the

MSCI Asia ex-Japan index fell 2.5% as increased regulatory scrutiny prompted a selloff in Chinese technology stocks. The Hong Kong Hang Seng index dropped 1.8% in March. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Earnings season continues with technology and banking stocks leading way in terms of results. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven ("G7") nations and North Atlantic Treaty Organisation ("NATO") held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

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

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 14.15% in the quarter. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

In February and March, the local equity market's performance was muted relative to regional peers, gaining by 0.8% and 1.0% in the respective months. February was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. Meanwhile, Finance Minister Tengku Zafrul clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government is mulling new taxes to widen its revenue base once the economy is on a more stable footing.

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

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

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan ("NRP"), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed's meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia's GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

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

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate ("OPR") to cushion the economic impact of COVID-19. Malaysia's inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand.

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

State of Affairs of the Fund

There is neither any significant change to the state of 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 Exchange-Traded Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

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

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

Cross Trade

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

THE MANAGER

Board of Directors

Name	Dato' Teng Chee Wai
Designation	Managing Director
Age	55
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> Bachelor of Science, National University of Singapore Post-Graduate Diploma in Actuarial Studies, City University in London.
Working Experience and Occupation	<p>Current</p> <p>Founder & Managing Director of AHAM</p> <p>Past</p> <ul style="list-style-type: none"> Assistant General Manager (Investment), Overseas Assurance Corporation Investment Manager, NTUC Income, Singapore
Date appointed to the Board	23 December 2004
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> Director of Affin Hwang Trustee Berhad Chairman of Bintang Capital Partners Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Mr. Yip Kit Weng
Designation	Non-Independent Non-Executive Director
Age	49
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> Australian Society of Certified Practising Accountants (CPAs) - Fellow of Certified Practising Accountant, Australia (FCPA) Financial Planning Association of Malaysia (FPAM) - Certified Financial Planner (CFP) Chartered Tax Institute of Malaysia (CTIM) - Associate of the Institute (ATII) Malaysian Institute of Accountants (MIA) - Registered Accountant University of Western Australia - Bachelor of Commerce (Accounting & Finance)

Working Experience and Occupation	<p>Present: Deputy Group Managing Director of Affin Hwang Investment Bank Berhad</p> <p>Past:</p> <ul style="list-style-type: none"> • Executive Director, Head of Investment Banking, Nomura Securities Malaysia Berhad • Director/Team Head /Corporate and Investment Banking Services, RHB Investment Bank Berhad • Director, Equity Capital Markets, Investment Banking, CIMB Investment Bank Berhad • Chief Executive Officer – Asia, Kajo Investments Pty Ltd • Executive Director, AFG Advisory Sdn Bhd • Senior Manager, Corporate Finance, Utama Merchant Bank Berhad • Associate Consultant, Financial Services Group, Price Waterhouse Taxation Services Sdn Bhd
Date appointed to the Board	2 November 2019 (Resigned wef 12 Oct 2020)
Details of membership of any Board Committee in AHAM	Member of Board Compliance, Risk and Management Committee (Resigned wef 12 Oct 2020)
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	2/2

Name	Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad
Designation	Chairman, Non - Independent Non - Executive Director
Age	76
Gender	Male
Nationality	Malaysian
Qualification	Raja Tan Sri Dato' Seri Aman graduated from Universiti Malaya. He is a Fellow of the Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants as well as a Fellow of the Institute of Bankers Malaysia.
Working Experience and Occupation	<p>Raja Tan Sri Dato' Seri Aman held various positions in the Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad as an Executive Director. In 1992, he joined Perbadanan Usahawan Nasional Berhad as its CEO before he was re-appointed as the CEO of Affin Bank Berhad in 1995.</p> <p>Raja Tan Sri Dato' Seri Aman had served as a member of the National Pension Fund's ("KWAP") Investment Panel and he is currently the Chairman of Lembaga Tabung Angkatan Tentera's (LTAT) Investment Committee. He had also served as a member of the Malaysian Government's Working</p>

	<p>Group Policy of the Special Task Force to Facilitate Business (PEMUDAH) for a period of ten (10) years from 2007 to 2017.</p> <p>He was previously served as Director of Affin Hwang Investment Bank Berhad.</p>
Date appointed to the Board	19 February 2019
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> • Chairman of Ahmad Zaki Resources Berhad • Director of Tomei Consolidated Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)
Designation	Non-Independent Non-Executive Director
Age	46
Gender	Female
Nationality	Singaporean
Qualification	Bachelor of Economics, University of New South Wales, Sydney
Working Experience and Occupation	<p>Present:</p> <ul style="list-style-type: none"> • Representative director • President and Director of Nikko Asset Management Asia Limited • Head of Asia ex-Japan of Nikko Asset Management (Nikko AM) <p>Past:</p> <ul style="list-style-type: none"> • Director of South East Asia, AllianceBernstein <p>Other Appointments:</p> <ul style="list-style-type: none"> • Serves as Vice-Chairman on the Executive Committee of the Investment Management Association of Singapore (IMAS)
Date appointed to the Board	30 March 2018
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Member of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Faizal Sham Bin Abu Mansor
Designation	Independent Non-Executive Director
Age	51
Gender	Male
Nationality	Malaysian
Qualification	Encik Faizal graduated with a Bachelor of Science in Accounting from Rutgers University, New Jersey, USA. He later went on to obtain his Master in Business Administration from Ohio University, Athens, USA. Faizal also has a Diploma in Aviation Studies from the International Air Transport Association. He is a Fellow of the Chartered Accountants Australia & New Zealand and a former Member of the Malaysian Institute of Accountants.
Working Experience and Occupation	<p>Encik Faizal Sham started his career with the Securities Commission before gaining experience within the financial services industry through his tenure at Bank of Tokyo-Mitsubishi (M) Berhad, and Arab-Malaysian Merchant Bank Berhad which is now known as AmlInvestment Bank Berhad.</p> <p>He left Malaysia in 1998 to work in Australia for Polyaire Holdings Pty Ltd, a manufacturer and distributor of air-conditioning components before returning to rejoin AmlInvestment Bank Berhad in 2003 where he provided financial advisory services to some of the largest corporates in the country.</p> <p>He then moved on to become the Chief Financial Officer of WWE Holdings Berhad and later established his career at Malaysia Airports Holdings Berhad where he had helped restructure the company, drive it's financial performance and raise its profile with the investor community and international business expansion.</p> <p>Prior to his appointment as Director of the Company, Encik Faizal Sham was the Chief Executive Officer of Astro Productions, and Head of Astro Awani within Astro Malaysia Holdings Berhad.</p> <p>Encik Faizal was also served as a Senior Director, Finance & Procurement at MARA Corporation Sdn Bhd, an investment holding company of Majlis Amanah Rakyat (MARA).</p> <p>He is presently an Independent Non Executive Director of Solution Group Berhad</p>
Date appointed to the Board	5 July 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Chairman of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Major General Dato' Zulkiflee bin Mazlan (R)
Designation	Independent Non-Executive Director
Age	67

Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Graduated from the Royal Military Academy at Sandhurst • Bachelor of Law (Hons) from Institute Technology of Mara • Master Degree in National Security Strategy from National Defense University, Fort McNair, Washington DC
Working Experience and Occupation	<p>Present: Major. Gen Dato' Zulkiflee is the Chairman of Koperasi Angkatan Tentera Malaysia and he also sits on the Board of Great Eastern Takaful Berhad.</p> <p>Past: Major General Dato' Zulkiflee had a distinguished career in the Malaysian Armed Forces. He also held numerous commands and staff appointments at the Ministry of Defence. He had served as Director General of Jabatan Hal Ehwal Veteran. He was the Chief Executive Officer of Yayasan Veteran Angkatan Tentera Malaysia and also served on the Board of Perbadanan Hal Ehwal Bekas Tentera. He was previously served as the Chairman of Affin Hwang Investment Berhad and Affin Hwang Trustee Berhad.</p>
Date appointed to the Board	1 September 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Chairman of Board Compliance and Risk Management Committee • Member of Board Audit Committee
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> • Director of Great Eastern Takaful Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Puan Mona Suraya bt Kamaruddin
Designation	Non-Independent Non-Executive Director
Age	55
Gender	Female
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> • Emile Woolf College - CIMA (stage 3) • University College of Wales Aberystwyth-BSc (Economic) in Accounting (Hons)
Working Experience and Occupation	<p>Present: Chief Executive Officer of Affin Hwang Investment Bank Berhad</p> <p>Past:</p> <ul style="list-style-type: none"> • Managing Director, Head of Equities, Nomura Securities Malaysia Sdn Bhd ("NSM") • Vice-President, Institutional Sales, JP Morgan Securities Malaysia

	<ul style="list-style-type: none"> • Senior Manager, Institutional Sales, Arab-Malaysian Securities Malaysia • Head of Research, MGI Securities Sdn Bhd • Senior Investment Analyst, Crosby Securities, KL • Senior Investment Analyst, Standard Chartered Securities • Investment Analyst, Arab-Malaysian Securities Sdn Bhd
Date appointed to the Board	12 Oct 2020
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> • Member of Board Audit Committee • Member of Board Compliance and Risk Management Committee
Details of other Directorship in public companies and listed issuers	Director of Affin Hwang Trustee Berhad
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	10/10

Director's Training

The Board acknowledges the importance of continuing education for its Directors. During the Financial Year Ended 2021, the Board members had attended various training programmes, workshops, seminars, briefings and/or conferences on various subjects in accordance to the respective Director's own training needs. These trainings include:

TENG CHEE WAI

Organiser	Name of Programme
FMTCS Sdn Bhd	Environment, Social and Governance (ESG): Values- Based Investing on 3 rd June 2021.
FMTCS Sdn Bhd	Alternative Investments: A 21 st Century Perspective on 4 th June 2021.
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business 10 th Sept 2020.
FMTCS Sdn Bhd	Analysis and Valuation of Real Estate Investment Trust and Private Equity Estate Investment on 14 July 2020.
AHAM	Corporate Liability on Corruption under the MACC Act 2009 : Reinforcing Personnel Understanding of Adequate Procedures and how they apply in various corruption scenarios on 29 June 2021.

YIP KIT WENG

Organiser	Name of Programme
Affin Hwang Asset Management Berhad	AML/CFT & TFS : Compliance A Need to Protect Business
Affin Bank Berhad	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation

RAJA TAN SIR DATO' SERI AMAN BIN RAJA HAJI AHMAD

Organiser	Name of Programme
Asian School of Business (ASB)	Cybersecurity & Work-From-Home Security Challenges Amidst Covid-19 Pandemic
Ahmad Zaki Resources Berhad	Adequate Procedure & the Implementation of MS ISO 37001 Anti-Bribery Management System (ABMS)
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business
AHAM	Corporate Liability on Corruption under the MACC Act 2009

ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)

Organiser	Name of Programme
Fundspermart	'Nikko AM: We know Asia – Asian Equity'

Fundspermart	Nikko Asset Management – We Know Asia: Asian Fixed Income
DBS	First digital edition of the DBS Asian Insights Conference 2020: Navigating A Post-Pandemic World
Investment Management Association of Singapore (“IMAS”)	Liquidity Risk Management - Understanding Best Practices Across All Portfolio Types
PriwaterhouseseeCoopers (“PwC”)	Cybersecurity: Recent trends in a changing cyber risk landscape
IMAS	ESG Considerations in a COVID World, and Latest Trends in ESG Fund
HSBC	Asset Management Thought Leadership for institutional investors by HSBC
Affin Hwang Asset Management Berhad (“AHAM”)	AMLA Program (Refresher) on 10 Sept 2020 (session 1: Morning session)
BNP Paribas	BNP Paribas Global Markets APAC Conference 2020 - Live Series
IMAS	IMAS: Active vs Passive Investing: What's Your Take?
Nikko AM	Cybersecurity: Recent trends in a changing cyber risk landscape
The Institute of Banking & Finance Singapore (“IBF”)	Emerging stronger from COVID-19: Co-creating Opportunities for Our Workforce
Money Authority of Singapore (MAS”)	Industry Engagement Session for Asset Managers
Bloomberg Women's Buy-Side Network (“BWBN”)	Sustainable infrastructure: The next big thing?
Bloomberg	Attitudes towards sustainable and responsible investment in Asia
ERNST & YOUNG (“EY”)	2020 Global Alternative Fund Symposium - Singapore
HSBC	Digital Thought Leadership C-Suite Roundtable for Institutional Investors
The Asset	Digitalization: The Future of Investing
Stewardship Asia	Stewardship & Sustainability: Moving from Intent to Impact
IMAS	IMAS Fintech Jam 2020
Milken Institute	2020 Milken Institute Asia Summit
MAS	Leading Together - A SkillsFuture LDI Event
MAS	The 13th Financial Sector Tripartite Committee (FSTC)
IMAS Bloomberg	IMAS-Bloomberg Investment Conference 2021: “The Future of Capital” March 9, 2021
IMAS Bloomberg	IMAS Digital Summit 2021 March 10, 2021
IMAS Bloomberg	IMAS-Bloomberg C-suite Power Tea with PRI CEO, Fiona Reynolds
Trans-tasman Business Circle	Act +Invitation Dialogue Session with Nimish Shah: Chief Digital Officer, Bank of Singapore

NUS Business School	The Stewardship Edge Programme
Bloomberg	Bloomberg In-conversation: Biden Administration on US-China Relations
Milken	Milken S&P virtual roundtable - The Art & Science of Workplace Well-Being: What is a Leader's Role?
MAS IBF	MAS-IBF Growing Timber webinar series: A Tech-Enabled Financial Sector – Is Our Workforce Ready?
MAS BIS	Invitation to the AMPF 2021 Special Edition and MAS-BIS Conference on “Macro-financial stability policy in a globalised world”, 26-28 May 2021 (Day 1 and 2)
MAS BIS	MAS-BIS Conference: Panel Small Open Economies & Concluding Remarks (Day 3)
Affin Bank Berhad	AFFIN Semi-Annual Board Training Demystifying Digital Transformation
AHAM	Directors' Training Program: Corporate Liability Under Section 17A of the MACC Act 2009

FAIZAL SHAM BIN ABU MANSOR

Organiser	Name of Programme
Affin Hwang Asset Management Berhad (AHAM)	AML/CFT & TFS : Compliance A Need to Protect Business
Affin Bank Berhad (ABB)	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation
AHAM	Corporate Liability on Corruption under the MACC Act 2009
ABB	AFFIN Semi Annual Board Training – Demystifying Digital Transformation

MAJOR GENERAL DATO' ZULKIFLEE BIN MAZLAN (R)

Organiser	Name of Programme
Financial Institutions Directors' Education (“FIDE”)	3rd Distinguished Board Leadership Series – “Challenging Times: What Role Must The Board Play”
FIDE	4th Distinguished Board Leadership Series
FIDE	Digital Financial Institutions Series: Managing Virtual Banking and Insurance Businesses
Asia School of Business	Managing Political Risks
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business
Affin Bank Berhad (“ABB”)	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation
FIDE	Climate Action: The Board s Leadership in Greening the Financial Sector
Affin Hwang Investment Bank Berhad	Talk on Directors and Officers (D&O) and Comprehensive Crime and Professional Indemnity (CCPI) Insurance.
AHAM	Corporate Liability on Corruption under the MACC Act 2009

ABB	AFFIN Semi Annual Board Training – Demystifying Digital Transformation
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PUAN MONA SURAYA BT KAMARUDDIN

Organiser	Name of Programme
The Iclif Leadership & Governance Centre	Mandatory Accreditation Programme
Securities Industries Development Corporation	CMDP – Fund Management
Malaysian Investment Banking Association	Updates on Foreign Exchange (FE) Policies: FE Notices & Its Application
CNBC Asia Pacific	Media & Communication Skills Coaching
Affin Bank Berhad	Affin Directors' Training – Recovery and Resolution Planning by Messrs. PwC
Robert Walters	Infinite Mindset in Today's Business
Affin Bank Berhad	AFFIN Semi Annual Board Training – Demystifying Digital Transformation
The Iclif Leadership & Governance Centre	Implementing Amendments in the Malaysian Code of Corporate Governance
The Iclif Leadership & Governance Centre	Corporate Governance Regulatory Updates for the Capital Markets
Affin Hwang Asset Management Berhad	Corporate Liability on Corruption under the MACC Act 2009

During the Financial Year Ended 2021, there were no public sanction or penalty that was imposed on the management company by the relevant regulatory bodies.

The Custodian (Trustee's Delegate)

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad (CIMB Bank). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instruction from the Trustee.

TRUSTEE'S REPORT TO THE UNITHOLDERS OF TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

We, **CIMB Commerce Trustee Berhad** being the trustee for **TradePlus HSCEI Daily (-1x) Inverse Tracker** ("the Fund"), are of the opinion that **Affin Hwang Asset Management Berhad** ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 30 June 2021.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission Malaysia's Guidelines on Exchange-traded Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation and pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For and on behalf of
CIMB Commerce Trustee Berhad

Lee Kooi Yoke
Chief Executive Officer

Kuala Lumpur, Malaysia
16 August 2021

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Financial year ended 30.6.2021 RM	Financial period from 26.11.2019 (date of launch) to 30.6.2020 RM
INVESTMENT (LOSS)/INCOME			
Dividend income		7,581	-
Interest income from financial assets at amortised cost		643	16,463
Net gain on foreign currency exchange		5,824	-
Net gain on financial assets at fair value through profit or loss	9	2,347	-
Net (loss)/gain on futures at fair value through profit or loss	10	(192,270)	16,610
		<u>(175,875)</u>	<u>33,073</u>
EXPENSES			
Management fee	4	(12,063)	(8,503)
Trustee fee	5	(483)	(340)
Auditors' remuneration	6	-	(20,000)
Tax agent's fee		(3,500)	(3,500)
Index license fee	7	(67)	(18,400)
Transaction cost		(5,273)	(4,985)
Other expenses		(8,802)	(6,230)
		<u>(30,188)</u>	<u>(61,958)</u>
NET LOSS BEFORE TAXATION		(206,063)	(28,885)
Taxation	8	-	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR/PERIOD		<u>(206,063)</u>	<u>(28,885)</u>
Net loss after taxation is made up of the following:			
Realised amount		(215,446)	(42,179)
Unrealised amount		9,383	13,294
		<u>(206,063)</u>	<u>(28,885)</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Margin account	11	155,561	238,357
Cash and cash equivalents	12	316,939	1,384,450
Amount due from Manager			
- management fee rebate receivable		128	-
Financial assets at fair value			
through profit or loss	9	558,588	-
Quoted futures at fair value			
through profit or loss	10	20,435	13,294
TOTAL ASSETS		<u>1,051,651</u>	<u>1,636,101</u>
LIABILITIES			
Amount due to Manager			
- management fee		855	1,245
Amount due to Trustee		34	50
Auditors' remuneration		-	20,000
Tax agent's fee		3,500	3,500
Other payables and accruals		3,000	15,700
TOTAL LIABILITIES		<u>7,389</u>	<u>40,495</u>
NET ASSET VALUE OF THE FUND		<u>1,044,262</u>	<u>1,595,606</u>
EQUITY			
Unitholders' capital		1,279,210	1,624,491
Accumulated losses		(234,948)	(28,885)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,044,262</u>	<u>1,595,606</u>
NUMBER OF UNITS IN CIRCULATION	13	<u>601,500</u>	<u>781,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.7361</u>	<u>2.0430</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Unitholder's <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 July 2020	1,624,491	(28,885)	1,595,606
Total comprehensive loss for the financial year	-	(206,063)	(206,063)
Movements in unitholders' capital:			
Creation of units arising from applications	1,405,396	-	1,405,396
Cancellation of units	(1,750,677)	-	(1,750,677)
Balance as at 30 June 2021	<u>1,279,210</u>	<u>(234,948)</u>	<u>1,044,262</u>
Balance as at 26 November 2019 (date of launch)	-	-	-
Total comprehensive loss for the financial period	-	(28,885)	(28,885)
Movements in unitholders' capital:			
Creation of units arising from applications	3,017,672	-	3,017,672
Cancellation of units	(1,393,181)	-	(1,393,181)
Balance as at 30 June 2020	<u>1,624,491</u>	<u>(28,885)</u>	<u>1,595,606</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Financial year ended 30.06.2021 RM	Financial period from 26.11.2019 (date of launch) to 30.6.2020 RM
<u>Note</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	60,000	-
Purchase of investments	(617,581)	-
Proceed from/(payments to) margin account	82,796	(238,357)
Dividend received	7,581	-
Interest income received	643	16,463
Management fee rebate received	1,212	-
Management fee paid	(12,453)	(7,258)
Trustee fee paid	(499)	(290)
Realised (loss)/gain on futures	(199,411)	3,316
Payment for other fees and expenses	(50,342)	(13,915)
Realised gain on foreign exchange	4,507	-
	<u>(723,547)</u>	<u>(240,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,405,396	3,017,672
Payment for cancellation of units	(1,750,677)	(1,393,181)
	<u>(345,281)</u>	<u>1,624,491</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,068,828)	1,384,450
EFFECTS OF FOREIGN CURRENCY EXCHANGE	1,317	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR/DATE OF LAUNCH	1,384,450	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	12 <u>316,939</u>	<u>1,384,450</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

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

Realised gains and losses on sale of futures

Realised gain or loss on futures are measured by the net settlement amount as per the future contracts.

C TRANSACTION COSTS

Transaction costs are costs incurred in relation to any particular transaction or dealing relating to the Fund, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, and other duties and charges whether in connection with the Fund Assets or the creation, issue, transfer, cancellation or redemption of units or the acquisition or disposal of fund assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

D 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/period.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

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

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

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

Valuation of derivatives - futures will be “marked to market” at the close of each valuation day to the extent possible as quoted in respective stock exchanges. 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 instruments.

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

H CASH AND CASH EQUIVALENTS

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

I UNITHOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year/period if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

J DERIVATIVE FINANCIAL INSTRUMENTS

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. 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.

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

K SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

M 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 Exchange-Traded Funds.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1 INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name TradePlus HSCEI Daily (-1x) Inverse Tracker (the “Fund”) pursuant to the execution of a Deed dated 4 September 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”).

The Fund commenced operations on 26 November 2019 and will continue its operations until terminated by the Trustee as provided under Section 26.2 of the Deed.

The Fund is listed on the main market of Bursa Malaysia and its aims to provide investment results that closely correspond to the daily performance of the Hang Seng China Enterprises Futures Short Index (the “Benchmark Index”).

The Fund is a passively managed fund. To achieve the investment objective of the Fund, the Manager will use a futures-based replication strategy. Under the futures-based replication strategy, the Manager will directly invest in the nearest spot month futures contracts of the Hang Seng China Enterprises Index (the “Underlying Index”) subject to the futures roll on a quarterly basis in order to obtain the required exposure of up to -100% of its Net Asset Value to the Underlying Index.

The Fund seeks to rebalance its position daily at or around the close of trading of the Underlying Index, by decreasing exposure in response to the Underlying Index’s daily gains or increasing exposure in response to the Underlying Index’s daily losses, so that its daily inverse exposure ratio to the Underlying Index is consistent with the Inverse Fund’s investment objective and Benchmark.

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

The financial statements were authorised for issue by the Manager on 16 August 2021.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

<u>2021</u>	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>Financial assets</u>				
Margin account	11	155,561	-	155,561
Cash and cash equivalents	12	316,939	-	316,939
Amount due from Manager - management fee rebate receivable		128	-	128
Collective investment schemes	9	-	558,588	558,588
Quoted futures at fair value through profit or loss	10	-	20,435	20,435
		<u>472,628</u>	<u>579,023</u>	<u>1,051,651</u>
<u>Financial liabilities</u>				
Amount due to Manager - management fee		855	-	855
Amount due to Trustee		34	-	34
Tax agent's fee		3,500	-	3,500
Other payables and accruals		3,000	-	3,000
		<u>7,389</u>	<u>-</u>	<u>7,389</u>
<u>2020</u>				
<u>Financial assets</u>				
Margin account	11	238,357	-	238,357
Cash and cash equivalents	12	1,384,450	-	1,384,450
Quoted futures at fair value through profit or loss	10	-	13,294	13,294
		<u>1,622,807</u>	<u>13,294</u>	<u>1,636,101</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

<u>2020</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>			
Amount due to Manager			
- management fee	1,245	-	1,245
Amount due to Trustee	50	-	50
Auditors' remuneration	20,000	-	20,000
Tax agent's fee	3,500	-	3,500
Other payables and accruals	15,700	-	15,700
	<u>40,495</u>	<u>-</u>	<u>40,495</u>

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

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

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 is exposed to price risk arising from its exposure into futures contracts linked to the movement of its referenced Underlying index. The price of the Underlying index may fluctuate and movement is uncertain. The Fund is structured as an index tracking fund with the Benchmark Index that is linked to the Underlying Index. The Underlying Index comprises of a diversified list of equity securities in its constituents. As such the Fund is able to mitigate the price risk through the diversification that it has through the diversification of the Underlying Index, which the future contracts the Fund enters into replicates.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The Fund is also exposed to price risk arising 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 table below summarises the sensitivity of the Fund's profit or loss, and NAV to movements in prices of its Benchmark index. The analysis is based on the assumption that the Benchmark index fluctuates by 19.15% (2020: 22.39%), which is the 12-month standard deviation of the Underlying index. If all other variables are held constant, and that the fair value of the investments move in the same quantum with the fluctuation of the Underlying index, this would represent the Management's best estimates of a reasonable possible shift in the futures contracts. However, it must be noted that there may be instances where the price of the futures contracts/Benchmark Index may deviate from the movement of the Underlying Index.

<u>% Change in Benchmark Index</u>	Benchmark <u>Index</u> RM	<u>Market value</u> RM	Impact on profit/(loss) after <u>tax/NAV</u> RM
<u>2021</u>			
-19.15%	10,852	24,348	3,913
0%	9,108	20,435	-
+19.15%	7,364	16,522	(3,913)
<u>2020</u>			
-22.39%	13,423	16,271	2,977
0%	10,967	13,294	-
+22.39%	8,511	10,317	(2,977)

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The Fund's collective investment schemes exposure to price risk was as follows:

	<u>2021</u> RM	<u>2020</u> RM
Quoted investment		
Collective investment schemes	558,588	-

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 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	Impact on loss after <u>tax/NAV</u> RM
<u>2021</u>		
-5%	530,659	(27,929)
0%	558,588	-
+5%	586,517	27,929

(b) Interest rate risk

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

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

As at the end of the financial year ended 30 June 2020, the Fund's exposure to interest rate risk associated with deposit with licensed financial institutions is not material as the deposits are held for a period of less than 12 months.

As at the end of the financial year ended 30 June 2021, the Fund is not exposed to any interest rate risk.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of 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.

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

	Quoted futures RM	Cash and cash equivalents RM	Total RM
<u>2021</u>			
<u>Financial assets</u>			
Hong Kong Dollar	20,435	102,091	122,526
	<hr/>	<hr/>	<hr/>
		Quoted futures RM	Total RM
<u>2020</u>			
<u>Financial assets</u>			
Hong Kong Dollar		13,294	13,294
		<hr/>	<hr/>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in rate %	Impact on loss after tax/NAV RM
<u>2021</u>		
Hong Kong Dollar	+/- 3.23	<u>+/- 3,958</u>
<u>2020</u>		
Hong Kong Dollar	+/- 5.82	<u>+/- 773</u>

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.

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Credit risk (continued)

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

	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Quoted futures</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2021</u>					
Financial services					
- AAA	155,561	316,939	20,435	-	492,935
Others					
- NR	-	-	-	128	128
	<u>155,561</u>	<u>316,939</u>	<u>20,435</u>	<u>128</u>	<u>493,063</u>
	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Quoted futures</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2020</u>					
Financial services					
- AAA		-	1,083,454	-	1,083,454
- AA3		238,357	300,996	13,294	552,647
		<u>238,357</u>	<u>1,384,450</u>	<u>13,294</u>	<u>1,636,101</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. This includes scenarios such as the need to efficiently top-up its margin account to a level required by its brokers, or meeting redemption applications made by unitholders of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of units by unitholders. Liquid assets comprise cash.

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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

Liquidity risk (continued)

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	855	-	855
Amount due to Trustee	34	-	34
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	3,000	3,000
	<u>889</u>	<u>6,500</u>	<u>7,389</u>
<u>2020</u>			
Amount due to Manager			
- management fee	1,245	-	1,245
Amount due to Trustee	50	-	50
Auditors' remuneration	-	20,000	20,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	15,700	15,700
	<u>1,295</u>	<u>39,200</u>	<u>40,495</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion 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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (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>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	558,588	-	-	558,588
- quoted futures	20,435	-	-	20,435
	<u>579,023</u>	<u>-</u>	<u>-</u>	<u>579,023</u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted futures	13,294	-	-	13,294
	<u>13,294</u>	<u>-</u>	<u>-</u>	<u>13,294</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, includes CIS and quoted futures contracts. The Fund does not adjust the quoted prices for these instruments.

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

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 3.00% per annum of the NAV of the Fund calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 June 2021, the management fee is recognised at a rate of 1.00% (2020: 1.00%) per annum on the NAV of the Fund calculated on a daily basis.

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum (excluding foreign sub-custodian fees and charges) of the NAV of the Fund calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 June 2021, the Trustee fee is recognised at a rate of 0.04% (2020: 0.04%) per annum on the NAV of the Fund calculated on a daily basis.

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

6 AUDITORS' REMUNERATION

Auditors' remuneration of the Fund is recognised at RM20,000 (2020: RM20,000).

The auditors' remuneration was borne by the Manager for the financial year ended 30 June 2021.

7 INDEX LICENSE FEE

License fee is payable to ICE Data Indices, the Benchmark Index provider. The license fee is recognised at minimum of HKD100,000 (2020: HKD100,000) per annum.

The Index License Fee was borne by the Manager for the financial year ended 30 June 2021 and for the financial period from 26 November 2019 (date of launch) to 29 February 2020.

8 TAXATION

	Financial year ended <u>30.6.2021</u> RM	Financial period from 26.11.2019 (date of launch) to <u>30.6.2020</u> RM
Current taxation	-	-

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

8 TAXATION (CONTINUED)

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

	Financial year ended <u>30.6.2021</u> RM	Financial period from 26.11.2019 (date of launch) to <u>30.6.2020</u> RM
Net loss before taxation	<u>(206,063)</u>	<u>(28,885)</u>
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(49,455)	(6,932)
Tax effects of:		
Investment loss not brought to tax / (Investment income not subject to tax)	42,210	(7,938)
Expenses not deductible for tax purposes	4,110	7,549
Restriction on tax deductible expenses for Exchange-Traded Fund	<u>3,135</u>	<u>7,321</u>
	<u>-</u>	<u>-</u>

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial asset at fair value through profit or loss:		
- collective investment schemes - local	<u>558,588</u>	<u>-</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

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

	Financial year ended 30.6.2021 RM	Financial period from 26.11.2019 (date of launch) to 30.6.2020 RM
Net gain on financial asset at fair value through profit or loss:		
- realised gain on sale of investments	82	-
- unrealised gain on changes in fair value	925	-
- management fee rebate on collective investment schemes #	1,340	-
	<u>2,347</u>	<u>-</u>

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in a collective investment schemes has 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) Collective investment schemes

(i) Collective investment schemes as at 30 June 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Money Market Fund	340,541	182,050	182,734	17.50
Affin Hwang Enhanced Deposit Fund	164,623	192,881	192,839	18.47
Affin Hwang Select Cash Fund	173,407	182,732	183,015	17.52
	<u>678,571</u>	<u>557,663</u>	<u>558,588</u>	<u>53.49</u>
Total collective investment schemes - local				
	<u>678,571</u>	557,663	<u>558,588</u>	<u>53.49</u>
Accumulated unrealised gain on collective investment schemes		925		
Total collective investment schemes		<u>558,588</u>		

(ii) There is no investment in collective investment schemes as at 30 June 2020.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

10 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Fund invests in quoted derivative – futures. Futures are contractual obligations to buy or sell financial instruments on a future date at specified price established in an organised market. The futures contracts are collateralised by cash. The Fund's investment in quoted derivative – futures are set out below:

	<u>2021</u> RM	<u>2020</u> RM
Financial asset at fair value through profit or loss:		
- quoted derivative – futures	20,435	13,294
	<u>20,435</u>	<u>13,294</u>
	Financial year ended <u>30.6.2021</u> RM	Financial period from 26.11.2019 (date of launch) to <u>30.6.2020</u> RM
Net (loss)/gain on financial asset at fair value through profit or loss:		
- realised (loss)/gain on settlement of futures contracts	(199,411)	3,316
- unrealised gain on changes in fair value	7,141	13,294
	<u>(192,270)</u>	<u>16,610</u>

As at the date of statement of financial position, there are 14 (2020: 17) futures contracts outstanding. The notional principal amount of the outstanding futures amounted to RM1,035,841 (2020: RM1,558,675). As the Fund has not adopted hedge accounting during the financial year/period, changes in fair value of futures are recognised immediately in the statement of comprehensive income.

11 MARGIN ACCOUNT

Margin account represent margin deposits held in respect of open exchange-traded futures contracts.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

12 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	316,939	177,986
Deposits with licensed financial institutions	-	1,206,464
	<u>316,939</u>	<u>1,384,450</u>

Weighted average effective interest rates per annum and weighted average maturity of deposits with licensed financial institutions are as follows:

	<u>2021</u> %	<u>2020</u> %
Deposits with licensed financial institutions	-	1.99

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

13 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units	<u>2020</u> No. of units
At the beginning of the financial year/date of launch	781,000	-
Creation of units arising from applications	747,000	1,472,000
Cancellation of units	(926,500)	(691,000)
At the end of the financial year/period	<u>601,500</u>	<u>781,000</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

14 TRANSACTIONS WITH TRADERS/BROKERS

(i) Details of transactions with traders/brokers for the financial year ended 30 June 2021 are as follows:

<u>Name of traders/brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd#	27,330,141	71.84	-	-
CGS-CIMB Securities Sdn Bhd	10,044,996	26.40	5,273	100.00
Affin Hwang Asset Management Bhd#	670,000	1.76	-	-
	<u>38,045,137</u>	<u>100.00</u>	<u>5,273</u>	<u>100.00</u>

(ii) Details of transactions with traders for the financial period from 26 November 2019 (date of launch) to 30 June 2020 are as follows:

<u>Name of traders</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd#	<u>28,200,765</u>	<u>100.00</u>	<u>4,985</u>	<u>100.00</u>

Included in transactions with traders/brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd and Affin Hwang Asset Management Bhd, a company related to the Manager and Manager amounting to RM27,330,141 and RM670,000 (2020: RM28,200,765 and RM nil). The Manager is of the opinion that all transactions with the related company has been entered into in the normal course of business at agreed terms between the related parties.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

15 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>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager and the Parent of the Fund
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

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

	<u>2021</u>		<u>2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager and the Parent of the Fund:</u>				
Affin Hwang Asset Management Berhad (The units are held beneficially for seeding purposes)	<u>600,000</u>	<u>1,041,660</u>	<u>600,000</u>	<u>1,225,800</u>
<u>Holding company of the Manager:</u>				
Affin Hwang Investment Bank Berhad (The units are held beneficially)	<u>1,500</u>	<u>2,604</u>	<u>-</u>	<u>-</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

16 MANAGEMENT EXPENSE RATIO (“MER”)

	Financial year ended <u>30.6.2021</u> %	Financial period from 26.11.2019 (date of launch) to <u>30.6.2020</u> %
MER	<u>2.06</u>	<u>4.01</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Index license fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year/period calculated on a daily basis is RM1,210,752 (2020: RM1,421,817).

17 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year ended <u>30.6.2021</u>	Financial period from 26.11.2019 (date of launch) to <u>30.6.2020</u>
PTR (times)	<u>15.71</u>	<u>9.92</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = RM19,540,122 (2020: RM13,342,877)
total disposal (aggregate cost) for the financial year/period = RM18,512,514 (2020:
RM14,857,888)

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

18 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by investing into quoted derivatives to meet its investment objective, as stipulated within its investment strategy. The Fund's returns are achieved through the movement in the value of its investments, which comprised from its exposure into futures contracts, collective investment schemes and deposits with licensed financial institutions.

The Fund has a diversified unitholder population. However, as at 30 June 2021, there was 1 (2020: 2) unitholder who held more than 10% of the Fund's NAV. The unitholder's holdings was 99.75% (2020: 76.82% and 19.21%).

There were no changes in the reportable segments during the financial year/period.

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

19 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report.

This is mainly due to the decrease in fair value of the Fund's futures at fair value through profit or loss.

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 31 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance, changes in equity and cash flows for the financial year ended 30 June 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
16 August 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of TradePlus HSCEI Daily (-1x) Inverse Tracker give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 31.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Fund. In particular, we considered where the Manager has made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Valuation and existence of financial assets and derivatives at fair value through profit or loss</p> <p>Refer to Note G, Note J, Note 3, Note 9 and Note 10 to the financial statements.</p> <p>The investment portfolio at the year-end comprised collective investment schemes valued at RM558,588 and quoted derivatives - futures valued at RM20,435.</p> <p>We focused on the valuation and existence of investments and futures because they represent the most significant elements of the net asset recognised in the financial statements.</p>	<p>We have tested the valuation of the collective investment schemes and quoted futures as at year-end by independently agreeing the price used in the valuation to the quoted price published by the relevant stock and derivatives exchanges.</p> <p>We have tested the existence of the investment portfolio by agreeing the investment holdings to independent custodian confirmations.</p>

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

LEE TZE WOON KELVIN
03482/01/2022 J
Chartered Accountant

Kuala Lumpur
16 August 2021

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