



SEMI-ANNUAL REPORT
31 December 2022

TradePlus
HSCEI Daily (-1x)
Inverse Tracker

MANAGER
AHAM Asset Management Berhad
(Formerly known as Affin Hwang
Asset Management Berhad)
199701014290 (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad
(313031-A)

Built On Trust

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TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

Semi-Annual Report and Unaudited Financial Statements For the Financial Period Ended 31 December 2022

Contents	Page
GENERAL INFORMATION.....	III
FUND INFORMATION.....	IV
FUND PERFORMANCE DATA.....	IIV
MANAGER'S REPORT.....	V
TRUSTEE'S REPORT.....	X
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

GENERAL INFORMATION

MANAGER

AHAM Asset Management Berhad
(Formerly known as Affin Hwang Asset Management Berhad)
199701014290 (429786-T)

Registered Office:

3rd 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@aham.com.my
Website: www.aham.com.my

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

AHAM Asset Management Berhad
(Formerly known as Affin Hwang Asset Management Berhad)
199701014290 (429786-T)
3rd 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.

FUND PERFORMANCE DATA

Category	As at 31 Dec 2022 (%)	As at 31 Dec 2021 (%)	As at 31 Dec 2020 (%)
Portfolio composition			
Quoted derivative - futures	1.20	1.91	2.18
Collective investment scheme – local	35.26	34.58	43.01
Cash & cash equivalent	63.54	63.51	54.81
Total	100.00	100.00	100.00
Total NAV (MYR 'million)	1.332	1.272	1.426
NAV per Unit (MYR)	2.2207	2.1195	1.7804
Unit in Circulation (million)	0.600	0.600	0.801
Highest NAV per unit	3.0895	2.1732	2.0505
Lowest NAV per unit	2.0660	1.6937	1.7684
Return of the Fund (%)	7.17	22.08	-12.85
- Capital Growth (%)	7.17	22.08	-12.85
- Income Distribution (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expense Ratio (%) ¹	0.66	0.69	1.02
Portfolio Turnover Ratio (times) ²	7.79	7.66	7.79
Tracking Error	1.08	4.55	5.62

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

¹ The TER of the Fund was lower than previous year due to higher average NAV of the Fund during the financial period.

² The PTR of the Fund was higher than previous year due to higher average NAV of the Fund during the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 31 December 2022.

Performance Review (1 July 2022 to 31 December 2022)

For the period 1 July 2022 to 31 December 2022, the Fund registered a 7.17% return compared to the benchmark return of 6.68%. The Fund thus outperformed the Benchmark by 0.49%. The Net Asset Value ("NAV") of the Fund as at 31 December 2022 was MYR1,332,394.17 (MYR2.2207 per unit) while the NAV as at 30 June 2022 was MYR1,243,278.26 (MYR2.0721 per unit).

Since commencement, the Fund has registered a return of 11.04% compared to the benchmark return of 14.66%, underperforming by 3.62%.

Table 1: Performance of the Fund

	6 Months (1/7/22 - 31/12/22)	1 Year (1/1/22 - 31/12/22)	3 Years (1/1/20 - 31/12/22)	Since Commencement (26/11/19 - 31/12/22)
Fund	7.17%	4.77%	16.51%	11.04%
Benchmark	6.68%	4.69%	20.35%	14.66%
Outperformance	0.49%	0.08%	(3.84%)	(3.62%)
HSCEI	(12.55%)	(18.59%)	(39.96%)	(36.92%)

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

Table 2: Average Total Return

	1 Year (1/1/22 - 31/12/22)	3 Years (1/1/20 - 31/12/22)	Since Commencement (26/11/19 - 31/12/22)
Fund	4.77%	5.22%	3.43%
Benchmark	4.69%	6.36%	4.51%
Outperformance	0.08%	(1.14%)	(1.08%)
HSCEI	(18.59%)	(15.63%)	(13.80%)

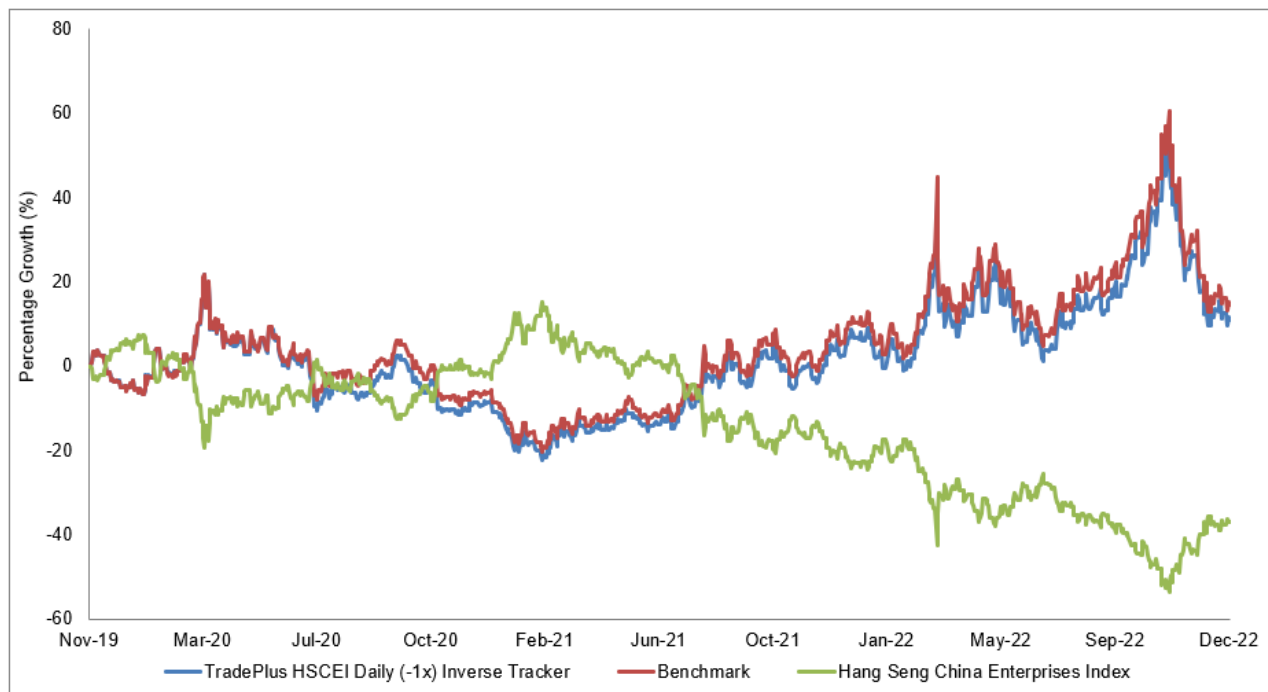
HSCEI : Hang Seng China Enterprises Index; Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/7/21 - 30/6/22)	FYE 2021 (1/7/20 - 30/6/21)	FYE 2020 (26/11/19 - 30/6/20)
Fund	19.35%	(15.02%)	2.15%
Benchmark	20.96%	(14.10%)	3.44%
Outperformance	(1.61%)	(0.92%)	(1.29%)
HSCEI	(28.10%)	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 AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) 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 31 December 2022, the ETF's asset allocation stood at 1.20% in quoted derivatives, 35.26% in collective investment scheme, while the remaining was held in cash and cash equivalent.

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 31 December 2022, the Fund's AUM stood at RM1.332 million, with quoted derivatives or futures amounting to 1.20% of the Fund's NAV.

Market Review

Major asset classes rose over the final quarter of 2022, although growing recession fears saw sentiment wane in December. During the month equity and bond market performance reflected some market disappointment at major central banks reiterating plans to tighten monetary policy, even as inflation showed signs of peaking. Developed market equities fell to 5.0%. European equity markets were down 3.1%, while US equities decreased 5.9% in December. Japanese equities were down 5.2%. Emerging markets decreased 1.4%. In currencies, the Euro appreciated by 3.7% relative to the USD, while the Sterling appreciated by 1.0% relative to the USD.

The Fed slowed the pace of rate hikes by increasing the Fed funds rate by only 50bps in December compared to 75bps in November. However, the Fed published a new set of interest rate projections. Annualised Q3 GDP for the US was confirmed at 3.2% in December. Total nonfarm payroll employment increased by 223,000 in December, and the unemployment rate edged down to 3.5 percent. The latest CPI

print for November showed inflation slowed to 0.1% month-on-month versus October. Inflation remains elevated however, at 7.1% year on year. The European Central Bank raised interest rates by 50 bps in December. Christine Lagarde signalled that future rate increases would be higher than expected and painted a bleak economic picture. The ECB also announced that quantitative tightening will begin in March 2023 to shrink the bond holdings on their balance sheet. Eurozone consumer prices rose by 10.1% in November. Data showed that the eurozone economy grew by 0.3% quarter-on-quarter in Q3. The composite PMI for December was 48.8, up from 47.8 in November. Falling gas prices, amid unusually mild weather for much of the period, helped to alleviate some cost pressures. The BoE raised interest rates by 50bps in December and signalled further monetary tightening ahead in 2023. The annual inflation rate in the UK eased to 10.7% in November from previous month.

In Asia, the broader MSCI Asia ex-Japan closed flat at -0.4% as a weakening US dollar saw foreign investors ploughing back into the region. The MSCI China index soared 5.2% as China shifts away from its strict zero-COVID policy and unwind its restrictions. China's path to reopening is expected to be riddled with volatility as infections surge and hospitalisations rise. However, it is unlikely that China would embark on any policy U-turn in its reopening plans with clear policy directions from the top. As China fully reopens, we expect the country to be a strong source of growth especially for Asia due to strong pent-up demand and resumption of outbound tourism.

On the domestic front, the benchmark KLCI edged 0.5% higher as the new unity government implemented several new policy measures. These include a decision by the government to reduce energy subsidies for high voltage users. Some of the affected industries include steel, cement and rubber. The move is expected to result in over RM5.0 billion in savings for the government as it rationalises its hefty subsidy bill. Other policy measures include a proposal by the Ministry of Communications and Digital to reduce the prices of services by telco companies. While the move is not yet confirmed, there is a risk that the government may embark on other more overzealous socialistic policies that comes at the expense of growth.

Global bond markets performed negatively compared to the previous month. Government bond yields were broadly higher. US 10-year yields rose from 3.7% to 3.83%, with the two-year increasing from 4.37% to 4.40%. Germany's 10-year yield rose from 1.95% to 2.56%. The UK 10-year yield increased from 3.16% to 3.67% and 2-year rose from 3.28% to 3.71%. Both US and European high yield and investment grade showed negative performance. Emerging market debt performed negatively in local currency terms but positively in USD terms. Commodities had mixed performance. Crude oil fell by 0.6%, while gold appreciated by 3.6%.

Asia credit market posted a positive return in December. The treasury curve shifted upwards over the month with Fed delivering a 50bp hike as expected and Fed Chair Powell left open the possibility of a smaller hike of 25bp in February. Overall, two-year yields were up 12 bps while 10-year yields were up 27bps. High yield bonds outperformed investment grade bonds over the month as the overall spreads narrowed to a larger extent in the former, amid Chinese authorities announced optimization of zero covid policies which lifted market sentiment. From a credit spread perspective, investment grade bonds tightened over the month with sovereign bonds overall tightened as rate sensitive parts of the market fared well. The best performers were Philippines sovereigns and Thailand quasi-sovereigns while Malaysia sovereigns and quasi-sovereigns underperformed. Meanwhile, spreads of IG corporate bonds generally tightened. The Singapore real estate sector was top contributor as a logistic company strongly rebounded. In addition, Taiwanese financials and the China property sector were also the better performers.

On local fixed income, the 10-year MGS yield fell 7 bps to settle at 4.04%. Malaysia's headline inflation print climbed 4% y-o-y in November with food inflation continuing to be the main driver. Demand for Malaysian bonds is expected to pick-up on the back of expectations of a less aggressive pace of Fed tightening that should also lead to the USD strength topping out.

Investment Outlook

Markets are set to remain challenging as the global economy waddles through several turbulent changes. A recession is widely anticipated in US and Europe. Over the past year, the US Federal Reserve (Fed) and the European Central Bank (EBC) have embarked on a series of rapid and synchronised tightening to tamp down on inflation. The effects of tighter monetary conditions will now be felt in 2023 as businesses cope with higher borrowing costs and shrinking liquidity. While the timing of the recession is not certain because monetary policy works with a lag effect, economic indicators have begun to show signs of deteriorating as new orders and manufacturing activity gauges fall. There is also anecdotal news of businesses now having to slash prices aggressively to clear out items which they stocked-up earlier on due to fear of supply shortages. As operating environments become tougher, we could see more downside to earnings in developed markets (DMs) that could put pressure on stock prices.

The 'good' news is that a deluge of economic data showing growth weakening as well as fractures in the labour market will bring the Fed closer to the end of its tightening cycle. Greater slack in the labour market and a fall in consumption which makes up to 70% of US GDP may put downward pressure on inflation, thereby allowing the Fed to ease up on tightening. This may set the scene for a recovery towards the year as the Fed pivots to a pause in tightening. There are already signs of inflation peaking with Consumer Price Index (CPI) gauges showing a broad-based moderation in price pressures that should continue moving forward. Expectations of a slower pace in tightening could lead to a peak in US Dollar strength which would be a boost for equities especially for emerging markets (EMs) which has historically moved inversely against the greenback.

Global recovery will also be supported by China's reopening as authorities shifts away from its strict zero-COVID policy. In an abrupt announcement last December, Beijing announced that it will be unwinding all its COVID restrictions as well as lift its border closures to allow for international travel. Given extensive pent-up demand, a consumption-led recovery will provide an uplift to growth coupled with the resumption of outbound tourism. Given Asia's proximity and extensive trade ties, the region is seen to be the biggest beneficiary as China fully reopens. However, its path of reopening is unlikely to be smooth sailing as infections surge. But, once investors are prepared to look past the volatility and the country reaches its peak of COVID, China is expected to be a strong source of growth and returns for Asia. Global recovery will also be supported by China's reopening as authorities shifts away from its strict zero-COVID policy. In an abrupt announcement last December, Beijing announced that it will be unwinding all its COVID restrictions as well as lift its border closures to allow for international travel.

Against a backdrop of benign inflation and the US dollar strength topping out, Asian equity markets is expected to perform better compared to the US on a relative basis. US earnings projections still appears too optimistic with EPS forecasts for 2023 only cut by 7%, while Asian markets were revised downwards by over 24%. Tailwinds from China's reopening could also provide a lift to the region as earnings cuts find an earlier bottom. However, it will be important to monitor how deep or shallow the global slowdown will be as the impact of higher interest rates begin to bite and chip away at growth. There is also a need for more catalysts in order for Asian markets to deliver stronger upside potential.

In contrast to the expected slowdown in the US economy, Malaysia's economic fundamentals remain strong with the gross domestic product (GDP) expected to be one of the strongest in ASEAN this year. Moreover, corporate earnings is forecasted to rebound sharply, after it was dampened by a one-off prosperity tax last year. From a fund flow perspective, domestic funds are sitting on high cash levels with foreign positioning at near all-time lows. With the return of political stability and a compelling growth story, foreign inflows that could drive markets higher. In every year between 2010 to 2021, whenever there is net foreign buying, our market has been driven positively higher.

Bond investors may also see some relief this year after enduring a painful 2022 which saw rates volatility reaching unprecedented highs. The US 10-Year Treasury Yield moved within a range of up to 260 bps last year compared to historical averages of 150-200 bps. In 2023, volatility in rates is expected to temper down as we see a slower pace of adjustment in rates. In addition, a slower growth outlook is beneficial for rates.

On the credit side, valuations are also turning attractive especially with higher yields which give long-term investors an attractive entry point to rebuild exposure. After massive outflows in the fixed income space, we also expect technical to be more favourable given limited downside risks. A weaker USD environment would also be beneficial for Asian credits as the Fed slows down its pace of rate hikes.

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

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 year under review, no soft commission was received by the Manager on behalf of the Fund.

Cross Trade

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

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

Changes Made to the Fund's Prospectus

There were no changes made to the Fund's Prospectus during the financial period under review.

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

We have acted as Trustee of the Fund for the 6-months financial period ended 31 December 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
15 February 2023

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

CONTENTS	PAGE(S)
UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION	2
UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 11
NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS	12 - 32
STATEMENT BY THE MANAGER	33

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	<u>Note</u>	6 months financial period ended <u>31.12.2022</u> RM	6 months financial period ended <u>31.12.2021</u> RM
INVESTMENT INCOME			
Dividend income		393	4,131
Interest income from financial assets at amortised cost		2,920	634
Net loss on foreign currency exchanges		(4,038)	(171)
Net gain on financial assets at fair value through profit or loss	9	6,450	1,592
Net gain on futures at fair value through profit or loss	10	100,357	234,924
		<u>106,082</u>	<u>241,110</u>
EXPENSES			
Management fee	4	(7,344)	(5,876)
Trustee fee	5	(294)	(375)
Tax agent's fee		(1,765)	(1,755)
Transaction cost		(3,317)	(2,537)
Other expenses		(314)	(190)
		<u>(13,034)</u>	<u>(10,733)</u>
NET PROFIT BEFORE TAXATION		93,048	230,377
Taxation	8	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>93,048</u>	<u>230,377</u>
Net profit after taxation is made up of the following:			
Realised amount		138,274	274,485
Unrealised amount		(45,226)	(44,108)
		<u>93,048</u>	<u>230,377</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	11	399,482	432,866
Margin account	12	488,335	433,370
Amount due from Manager			
- management fee rebate receivable		110	103
Dividend receivables		82	-
Financial assets at fair value through profit or loss	9	469,785	439,710
TOTAL ASSETS		<u>1,357,794</u>	<u>1,306,049</u>
LIABILITIES			
Quoted futures at fair value through profit or loss	10	15,938	24,234
Amount due to broker		-	753
Amount due to Manager			
- management fee		1,151	1,077
Amount due to Trustee		46	43
Tax agent's fee		5,265	5,255
Other payables and accruals		3,000	3,000
TOTAL LIABILITIES		<u>25,400</u>	<u>34,362</u>
NET ASSET VALUE OF THE FUND		<u>1,332,394</u>	<u>1,271,687</u>
EQUITY			
Unitholders' capital		1,272,326	1,276,258
Retained earnings/(accumulated losses)		60,068	(4,571)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,332,394</u>	<u>1,271,687</u>
NUMBER OF UNITS IN CIRCULATION	13	<u>600,000</u>	<u>600,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>2.2207</u>	<u>2.1195</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Unitholder's capital RM	Retained earnings/ (accumulated losses) RM	Total TM
Balance as at 1 July 2022	1,276,258	(32,980)	1,243,278
Total comprehensive income for the financial period	-	93,048	93,048
Movements in unitholders' capital:			
Creation of units arising from applications	13,588	-	13,588
Cancellation of units	(17,520)	-	(17,520)
Balance as at 31 December 2022	<u>1,272,326</u>	<u>60,068</u>	<u>1,332,394</u>
Balance as at 1 July 2021	1,279,210	(234,948)	1,044,262
Total comprehensive income for the financial period	-	230,377	230,377
Movements in unitholders' capital:			
Cancellation of units	(2,952)	-	(2,952)
Balance as at 31 December 2021	<u>1,276,258</u>	<u>(4,571)</u>	<u>1,271,687</u>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	6 months financial period ended <u>Note</u> <u>31.12.2022</u> RM	6 months financial period ended <u>31.12.2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	-	213,852
Purchase of investments	(236)	(93,378)
Payment to margin account	(129,342)	(116,431)
Dividend received	311	4,131
Interest received	2,920	634
Management fee rebate received	638	774
Management fee paid	(7,249)	(5,654)
Trustee fee paid	(290)	(366)
Payment for other fees and expenses	(3,631)	(2,727)
Net gain on realised foreign exchange	10,477	1
Realised gain on futures	136,870	279,593
	<hr/>	<hr/>
Net cash flows generated from operating activities	10,468	280,429
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	13,588	-
Payments for cancellation of units	(17,520)	(2,952)
	<hr/>	<hr/>
Net cash flows used in financing activities	(3,932)	(2,952)
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,536	277,477
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(14,515)	(172)
AT THE BEGINNING OF THE FINANCIAL PERIOD	407,461	155,561
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	11 399,482	432,866
	<hr/> <hr/>	<hr/> <hr/>

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- 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 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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, foreign exchange costs and other duties and charges whether in connection with the Fund's assets or the creation, issue, transfer, cancellation or redemption of units or the acquisition or disposal of Fund's 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 period.

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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 other comprehensive income as qualifying cash flow hedges.

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

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 cash and cash equivalents, margin account, amount due from Manager and dividend receivables 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 broker, amount due to Manager, amount due to Trustee, 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 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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 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.

(iii) Impairment

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

Significant increase in credit risk

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Definition of default and credit-impaired financial assets

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

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

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 change in value.

I AMOUNTS DUE FROM/(TO) BROKER

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

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

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

J 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 NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

K DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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.

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.

L 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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

M 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.

N 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 UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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 AHAM Asset Management Berhad (formerly known as 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 NAV 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.

A maximum of 15% of the Fund's net assets value is to be committed as margin for investments in the futures contracts, 10% of the Fund's NAV is to be invested in debentures with a remaining tenure above 365 days and the remaining balance of the Fund's NAV is to be invested in debentures with a remaining tenure of 365 days and below, money market instruments, money market collective investment schemes and/or deposits

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. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 15 February 2023.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	399,482	-	399,482
Margin account	12	488,335	-	488,335
Amount due from Manager				
- management fee rebate receivable		110	-	110
Dividend receivable		82	-	82
Collective investment schemes	9	-	469,785	469,785
		<u>888,009</u>	<u>469,785</u>	<u>1,357,794</u>
<u>Financial liabilities</u>				
Quoted futures at fair value through profit or loss	10	-	15,938	15,938
Amount due to Manager				
- management fee		1,151	-	1,151
Amount due to Trustee		46	-	46
Tax agent's fee		5,265	-	5,265
Other payables and accruals		3,000	-	3,000
Total		<u>9,462</u>	<u>15,938</u>	<u>25,400</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11	432,866	-	432,866
Margin account	12	433,370	-	433,370
Amount due from Manager				
- management fee rebate receivable		103	-	103
Collective investment schemes	9	-	439,710	439,710
		<u>866,339</u>	<u>439,710</u>	<u>1,306,049</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

Financial instruments are as follows: (continued)

		At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021 (continued)</u>				
<u>Financial liabilities</u>				
Quoted futures at fair value through profit or loss	10	-	24,234	24,234
Amount due to broker		753	-	753
Amount due to Manager - management fee		1,077	-	1,077
Amount due to Trustee		43	-	43
Tax agent's fee		5,255	-	5,255
Other payables and accruals		3,000	-	3,000
Total		<u>10,128</u>	<u>24,234</u>	<u>34,362</u>

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

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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The table below summarises the sensitivity of the Fund's profit after taxation and NAV to movements in prices of its Benchmark index. The analysis is based on the assumption that the Benchmark index fluctuates by 25.90% (2021: 22.60%), 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 index RM	Market value RM	Impact on profit after tax/NAV RM
<u>2022</u>			
-25.90%	15,632	(11,810)	4,128
0%	12,416	(15,938)	-
+25.90%	9,200	(20,066)	(4,128)
<u>2021</u>			
-22.60%	13,733	(29,711)	(5,477)
0%	11,201	(24,234)	-
+22.60%	8,670	(18,757)	5,477

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

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

	<u>2022</u> RM	<u>2021</u> RM
Quoted investment		
Collective investment scheme - local	469,785	439,710

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

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2022</u>		
-1%	465,087	(4,698)
0%	469,785	-
+1%	474,483	4,698
<u>2021</u>		
-5%	417,724	(21,986)
0%	439,710	-
+5%	461,696	21,986

(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.

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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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:

	Cash and cash equivalent RM	Quoted futures RM	Total RM
<u>2022</u>			
<u>Financial assets</u>			
Hong Kong Dollar	107,273	-	107,273
<u>Financial liabilities</u>			
Hong Kong Dollar	-	15,938	15,938
<u>2021</u>			
<u>Financial assets</u>			
Hong Kong Dollar	101,879	-	101,879
<u>Financial liabilities</u>			
Hong Kong Dollar	-	24,234	24,234

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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 taxation and NAV 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 increase/(decrease) 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 profit after tax/NAV RM
<u>2022</u>		
Hong Kong Dollar	+/- 10	<u>+/- 9,134</u>
<u>2021</u>		
Hong Kong Dollar	+/- 10	<u>+/- 7,765</u>

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of 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.

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

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

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

	Cash and cash equivalents RM	Margin account RM	Other assets* RM	Total RM
<u>2022</u>				
Financial Services				
- AAA	399,482	488,335	-	887,817
Other				
- NR	-	-	192	192
	<u>399,482</u>	<u>488,335</u>	<u>192</u>	<u>888,009</u>
<u>2021</u>				
Financial Services				
- AAA	432,866	433,370	-	866,236
Other				
- NR	-	-	103	103
	<u>432,866</u>	<u>433,370</u>	<u>103</u>	<u>866,339</u>

* Consist of amount due from Manager and dividend receivables.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. This includes scenarios such as the need to efficiently top-up its margin account to a level required by its broker, 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, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2022</u>			
Quoted futures at fair value through profit or loss	-	15,938	15,938
Amount due to Manager - management fee	1,151	-	1,151
Amount due to Trustee	46	-	46
Tax agent's fee	-	5,265	5,265
Other payables and accruals	-	3,000	3,000
	<u>1,197</u>	<u>24,203</u>	<u>25,400</u>
<u>2021</u>			
Quoted futures at fair value through profit or loss	-	24,234	24,234
Amount due to broker	753	-	753
Amount due to Manager - management fee	1,077	-	1,077
Amount due to Trustee	43	-	43
Tax agent's fee	-	5,255	5,255
Other payables and accruals	-	3,000	3,000
	<u>1,873</u>	<u>32,489</u>	<u>34,362</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings/(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 UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial year/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 UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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>2022</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	<u>469,785</u>	<u>-</u>	<u>-</u>	<u>469,785</u>
Financial liabilities at fair value through profit or loss				
- quoted futures	<u>15,938</u>	<u>-</u>	<u>-</u>	<u>15,938</u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	<u>439,710</u>	<u>-</u>	<u>-</u>	<u>439,710</u>
Financial liabilities at fair value through profit or loss				
- quoted futures	<u>24,234</u>	<u>-</u>	<u>-</u>	<u>24,234</u>

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

- (ii) The carrying value of the cash and cash equivalents, margin account, amount due from Manager, dividend receivables and all current liabilities except for quoted futures 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 6 months financial period ended 31 December 2022, the management fee is recognised at a rate of 1.00% (2021: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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 6 months financial period ended 31 December 2022, the Trustee fee is recognised at a rate of 0.04% (2021: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

6 AUDITORS' REMUNERATION

Auditors' remuneration of the Fund is recognised at RM20,000 (2021: RM20,000).

The auditors' remuneration was borne by the Manager for the 6 months financial period ended 31 December 2022 and 30 December 2021.

7 INDEX LICENCE FEE

Licence fee is payable to ICE Data Indices, the Benchmark Index provider. The licence fee is recognised at minimum of HKD100,000 (2021: HKD100,000) per annum.

The Index Licence Fee was borne by the Manager for the 6 months financial period ended 31 December 2022 and 31 December 2021.

8 TAXATION

	6 months financial period ended <u>31.12.2022</u> RM	6 months financial period ended <u>31.12.2021</u> RM
Current taxation	-	-

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

8 TAXATION (CONTINUED)

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

	6 months financial period ended <u>31.12.2022</u> RM	6 months financial period ended <u>31.12.2021</u> RM
Net profit before taxation	93,048	230,377
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	22,332	55,290
Tax effects of:		
Investment income not subject to tax	(25,460)	(57,686)
Expenses not deductible for tax purposes	1,366	1,166
Restriction on tax deductible expenses for Exchange-Traded Funds	1,762	1,230
	-	-

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial asset at fair value through profit or loss:		
- collective investment schemes - local	469,785	439,710
Net gain on financial asset at fair value through profit or loss:		
- realised gain on sale of investments	-	111
- unrealised gain on changes in fair value	5,803	732
- management fee rebate on collective investment schemes #	647	749

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 scheme 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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

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

(a) Collective investment schemes - local

(i) Collective investment schemes – local as at 31 December 2022 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	427,225	228,724	234,718	17.62
Affin Hwang Select Cash Fund	217,978	229,888	235,067	17.64
Total collective investment schemes - local	<u>645,203</u>	<u>458,612</u>	<u>469,785</u>	<u>35.26</u>
Accumulated unrealised gain on collective investment schemes - local		<u>11,173</u>		
Total collective investment schemes - local		<u>469,785</u>		

(ii) Collective investment schemes – local as at 31 December 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	408,265	218,437	219,647	17.27
Affin Hwang Select Cash Fund	208,334	219,616	220,063	17.31
Total collective investment schemes - local	<u>616,599</u>	<u>438,053</u>	<u>439,710</u>	<u>34.58</u>
Accumulated unrealised gain on collective investment schemes - local		<u>1,657</u>		
Total collective investment schemes - local		<u>439,710</u>		

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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 is set out below:

	<u>2022</u> RM	<u>2021</u> RM
Financial liabilities at fair value through profit or loss:		
- quoted derivative – futures	15,938	24,234
	<u>15,938</u>	<u>24,234</u>
Net gain on financial asset at fair value through profit or loss:		
- realised gain on settlement of futures contracts	136,870	279,592
- unrealised loss on changes in fair value	(36,513)	(44,668)
	<u>100,357</u>	<u>234,924</u>

As at the date of statement of financial position, there are 11 (2021: 16) futures contracts outstanding. The notional principal amount of the outstanding futures amounted to RM1,331,168 (2021: RM1,235,850). As the Fund has not adopted hedge accounting during the financial period, changes in fair value of futures are recognised immediately in the statement of comprehensive income.

(a) Quoted derivative - futures

(i) Quoted derivative – futures - local as at 31 December 2022 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Hang Seng China Enterprises Index (HSCEI) (HCF3)	(6)	-	(14,177)	(1.07)
Mini Hang Seng China Enterprises Index (HSCEI) (MHCF3)	(5)	-	(1,761)	(0.13)
	<u>(11)</u>	<u>-</u>	<u>(15,938)</u>	<u>(1.20)</u>
Total quoted derivative - futures				
Accumulated unrealised loss on quoted derivative – futures – local		(15,938)		
Total quoted derivative – futures		<u>(15,938)</u>		

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

10 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) Quoted derivative - futures (continued)

(ii) Quoted derivative – futures - local as at 31 December 2021 is as follows:

	<u>Quantity</u> RM	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Hang Seng China Enterprises Index (HSCEI) (HCF2)	(3)	-	(13,054)	(1.03)
Mini Hang Seng China Enterprises Index (HSCEI) (MHCF2)	(13)	-	(11,180)	(0.88)
Total quoted derivative - futures	<u>(16)</u>	-	<u>(24,234)</u>	<u>(1.91)</u>
Accumulated unrealised loss on quoted derivative – futures – local		<u>(24,234)</u>		
Total quoted derivative – futures		<u>(24,234)</u>		

11 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	164,036	232,232
Deposits with a licensed financial institution	235,446	200,634
	<u>399,482</u>	<u>432,866</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposits with a licensed financial institution	<u>2.80</u>	<u>1.85</u>

Deposit with a licensed financial institution have an average maturity of 4 days (2021: 3 days).

12 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 UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

13 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At the beginning of the financial period	600,000	601,500
Creation of units arising from applications	6,000	-
Cancellation of units	(6,000)	(1,500)
At the end of the financial period	<u>600,000</u>	<u>600,000</u>

14 TRANSACTIONS WITH TRADER/BROKER

(i) Details of transactions with trader/broker for the 6 months financial period ended 31 December 2022 are as follows:

<u>Name of trader/broker</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CGS-CIMB Securities Sdn Bhd	22,791,510	100.00	3,317	100.00
AHAM Asset Management Bhd (formerly known as Affin Hwang Asset Management Bhd) #	298	-	-	-
	<u>22,791,808</u>	<u>100.00</u>	<u>3,317</u>	<u>100.00</u>

(ii) Details of transactions with trader/broker for the 6 months financial period ended 31 December 2021 are as follows:

<u>Name of trader/broker</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CGS-CIMB Securities Sdn Bhd	17,919,805	98.33	2,537	100.00
AHAM Asset Management Bhd (formerly known as Affin Hwang Asset Management Bhd) #	303,852	1.67	-	-
	<u>18,223,657</u>	<u>100.00</u>	<u>2,537</u>	<u>100.00</u>

Included in the transactions with trader/broker are trades in the stockbroking industry with AHAM Asset Management Bhd (formerly known as Affin Hwang Asset Management Bhd), the Manager amounting to RM298 (2021: RM303,852). 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 UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (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>
CVC Capital Partners Asia V L.P., CVC Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as "CVC Asia V")	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited	General Partner of the ultimate holding companies
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding companies of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

15 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

	2022		2021	
	No. of units	RM	No. of units	RM
<u>The Manager of the Fund:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for seeding purpose)	600,000	1,332,420	600,000	1,271,700
	<u>600,000</u>	<u>1,332,420</u>	<u>600,000</u>	<u>1,271,700</u>

16 TOTAL EXPENSE RATIO ("TER")

	6 months financial period ended <u>31.12.2022</u>	6 months financial period ended <u>31.12.2021</u> %
TER	<u>0.66</u>	<u>0.69</u>

TER is derived from the following calculation:

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

A	=	Management fee, excluding management fee rebate
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Index licence fee
F	=	Other expenses, excluding sales and service tax on transaction costs and withholding tax
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM1,453,309 (2021: RM1,190,355)

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

17 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended 31.12.2022	6 months financial period ended 31.12.2021
PTR (times)	7.79	7.66

PTR is derived from the following calculation:

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

where: total acquisitions (aggregate cost) for the financial period = RM11,508,613 (2021: RM8,964,670)
and total disposals (aggregate cost) for the financial period = RM11,146,263 (2021: RM9,263,008)

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 31 December 2022, there was 1 (2021: 1) unitholder who held more than 10% of the Fund’s NAV. The unitholder’s holdings were 97.83% (2021: 98.33%)

There were no changes in the reportable segments during the financial 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.

TRADEPLUS HSCEI DAILY (-1X) INVERSE TRACKER

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONTINUED)

19 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Change in corporate shareholding of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

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, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion as the Manager, the financial statements set out on pages 1 to 32 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 December 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 December 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD
(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 February 2023

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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AHAM Asset Management Berhad

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