

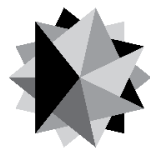
# TradePlus

## MSCI Asia ex Japan REITs

### Tracker

Annual Report  
31 March 2021

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
TMF Trustees Malaysia Berhad  
200301008392 (313031-A)

# TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

Annual Report and Audited Financial Statements For the  
Financial Period From 9 July 2020 (Date of Launch) To 31 March 2021

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## GENERAL INFORMATION

### MANAGER

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

*Registered Office:*

27<sup>th</sup> 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](mailto:customercare@affinhwangam.com)  
Website: [www.affinhwangam.com](http://www.affinhwangam.com)

### MANAGER'S DELEGATE

(fund valuation & accounting function)

TMF Trustees Malaysia Berhad  
(Registration No.: 200301008392 (610812-W))

*Registered & Business Address:*

10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee,  
50250 Kuala Lumpur  
Tel. No.: 03 – 2382 4288  
Fax No.: 03 – 2026 1451

### TRUSTEE

TMF Trustees Malaysia Berhad  
(Registration No.: 200301008392 (610812-W))

*Registered & Business Address:*

10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee,  
50250 Kuala Lumpur  
Tel. No.: 03 – 2382 4288  
Fax No.: 03 – 2026 1451

### TRUSTEE'S DELEGATE

(Custodian)

Standard Chartered Bank Malaysia Berhad  
(Registration No.: 198401003274 (115793-P))

*Registered & Business Address:*

Level 26, Equatorial Plaza  
Jalan Sultan Ismail, 50250 Kuala Lumpur

### COMPANY SECRETARY

Azizah Shukor (LS0008845)  
27<sup>th</sup> Floor Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

### REGISTRAR

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)  
27<sup>th</sup> 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 MSCI Asia ex Japan REITs Tracker
Fund Type	Index tracking fund
Fund Category	Equity exchange-traded fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the performance of the Benchmark
Benchmark	MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index
Distribution Policy	The Fund will distribute income on a quarterly basis (subject to income availability), after the end of its first financial year.

## BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 31 MARCH 2021

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	103	61,300	2.50
1,001 - 10,000	132	548,800	22.40
10,001 - 100,000	28	717,600	29.29
100,001 - < 5% *	2	297,000	12.12
>= 5% *	2	825,300	33.69
<b>Total</b>	<b>267</b>	<b>2,450,000</b>	<b>100.00</b>

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

## FUND PERFORMANCE DATA

Category	As at 31 Mar 2021 (%)
Portfolio composition	
<b>Total quoted equities – local</b>	<b>3.90</b>
<b>Quoted equities – foreign</b>	
- Hong Kong	9.87
- Korea	2.93
- Singapore	80.63
<b>Total quoted equities – local</b>	<b>93.43</b>
<b>Cash and cash equivalent</b>	<b>2.67</b>
<b>Total</b>	<b>100.00</b>
Total NAV (MYR 'million)	2.483
NAV per Unit (MYR)	1.0135
Unit in Circulation (million)	2.450
Highest NAV per unit	1.0315
Lowest NAV per unit	0.9263
Return of the Fund (%) <sup>iii</sup>	1.85
- Capital Growth (%) <sup>i</sup>	1.35
- Income Distribution (%) <sup>ii</sup>	0.49
Gross Distribution per Unit (sen)	0.50
Net Distribution per Unit (sen)	0.50
Management Expense Ratio (%)	2.10
Portfolio Turnover Ratio (times)	1.86
Tracking Error	2.80

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

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

An illustration of the above would be as follow:-

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

## MANAGER'S REPORT

### Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
30-Mar-21	31-Mar-21	1.0244	0.0050	1.0135

No unit splits were declared for the financial year ended 31 March 2021.

### Performance Review

For the period 13 July 2020 to 31 March 2021, the Fund registered a 1.85% return compared to the benchmark return of 1.45%. The Fund thus outperformed the Benchmark by 0.40%. The Net Asset Value ("NAV") of the Fund as at 31 March 2021 was MYR2,483,089.36 (MYR1.0135 per unit) while the initial NAV was MYR400,000.00 (MYR1.0000 per unit). During the period under review, the Fund has declared a gross income distribution of MYR0.0050 per unit. The fund has met its investment objective.

Table 1: Performance of the Fund

	Since Commencement (13/7/20 - 31/3/21)
<b>Fund</b>	<b>1.85%</b>
<b>Benchmark</b>	<b>1.45%</b>
<b>Outperformance</b>	<b>0.40%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	Since Commencement (13/7/20 - 31/3/21)
<b>Fund</b>	<b>2.59%</b>
<b>Benchmark</b>	<b>2.02%</b>
<b>Outperformance</b>	<b>0.57%</b>

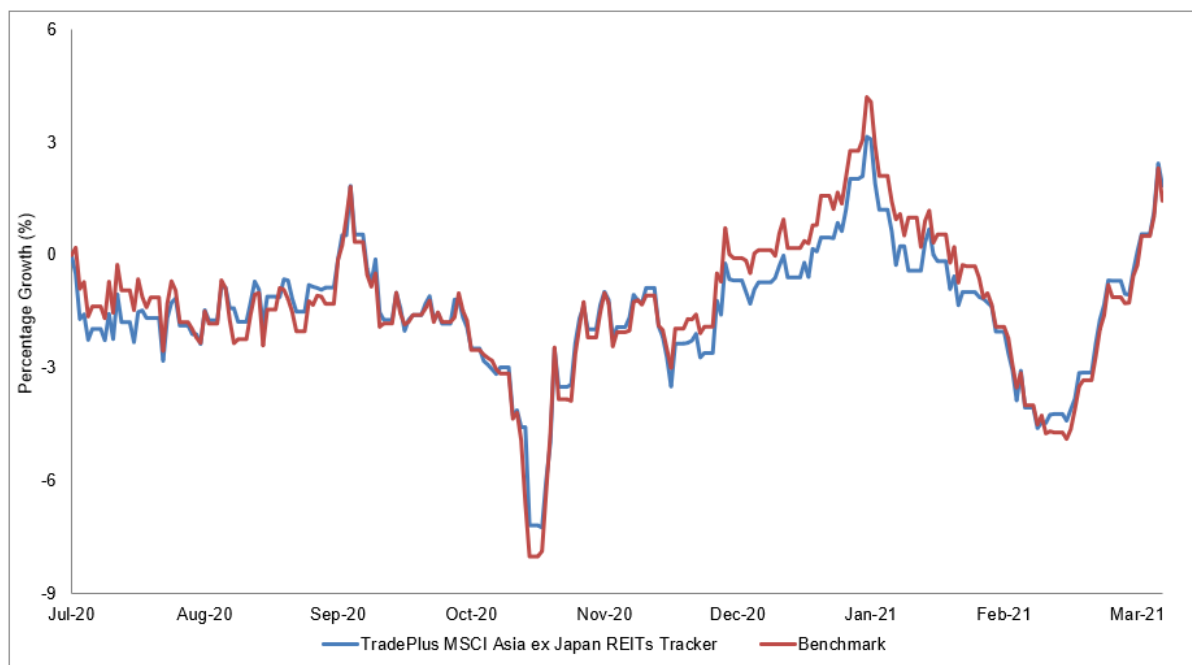
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (13/7/20 - 31/3/21)
<b>Fund</b>	<b>1.85%</b>
<b>Benchmark</b>	<b>1.45%</b>
<b>Outperformance</b>	<b>0.40%</b>

Source of Benchmark: Bloomberg

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



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

*Benchmark: MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped 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 March 2021, the ETF's asset allocation stood at 97.33% in listed securities, while the remaining was held in cash and cash equivalent. This provided the ETF the exposure it required to track the performance of the MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index.

### **Strategies Employed**

The Manager continues to adopt the full replication strategy. The Manager invested into listed securities provide investment results that closely correspond to the performance of the Benchmark. As at 31 March 2021, the Fund's AUM stood at RM2.483 million, with listed securities amounting to 97.33% of the Fund's NAV.

While the Fund's AUM remain relatively small, the Manager has decided to absorb fees such as the Management Fees, and Licensing Fees incurred by the Fund to minimise the Fund's tracking error.

### **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. The market showed strong attention to the Biden administration's US\$ 1.9 trillion COVID-19 relief proposal in mid-January. 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 are now 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 month.

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.

Commodities saw strong returns in January, buoyed by vaccination programs and normalization of the economy. The commodity market saw multiple consecutive weeks of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets. 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.

Following from 2020’s political overhang, Malaysia’s Yang di-Pertuan Agong issued a Proclamation of Emergency, resulting in the implementation of MCO 2.0 as daily Covid-19 cases rose to four digits. Restrictions on movement were less stringent than the initial MCO from 2020, though inconsistent communication surrounding the restrictions resulted in some public confusion.

Malaysia’s Consumer Price Index (CPI) came in at 122.5 in February 2021, a marginal increase of 0.1% from January 2021. Despite this, trade numbers have been gradually increasing as global trade picks up. December 2020 saw Malaysia’s exports rise 10.8% y-o-y and imports rebounding for the first time in 9 months by 1.6% y-o-y. This positive momentum continued in January 2021, with exports expanding by 6.6% y-o-y to RM 89.6 billion. Imports saw the same trend, increasing by 1.3% y-o-y.

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.

## **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. Political risk has been delayed with the declaration of state of emergency until August 2021.

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"> <li>Bachelor of Science, National University of Singapore</li> <li>Post-Graduate Diploma in Actuarial Studies, City University in London.</li> </ul>
Working Experience and Occupation	<p><b><u>Current</u></b></p> <p>Founder &amp; Managing Director of AHAM</p> <p><b><u>Past</u></b></p> <ul style="list-style-type: none"> <li>Assistant General Manager (Investment), Overseas Assurance Corporation</li> <li>Investment Manager, NTUC Income, Singapore</li> </ul>
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"> <li>Director of Affin Hwang Trustee Berhad</li> <li>Chairman of Bintang Capital Partners Berhad</li> </ul>
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

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 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"> <li>• Chairman of Ahmad Zaki Resources Berhad</li> <li>• Director of Tomei Consolidated Berhad</li> </ul>
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

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"> <li>• Emile Woolf College - CIMA (stage 3)</li> <li>• University College of Wales Aberystwyth-BSc (Economic) in Accounting (Hons)</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Group Managing Director of Affin Hwang Investment Bank Berhad</p> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Managing Director, Head of Equities, Nomura Securities Malaysia Sdn Bhd (“NSM”)</li> <li>• Vice-President, Institutional Sales, JP Morgan Securities Malaysia</li> <li>• Senior Manager, Institutional Sales, Arab-Malaysian Securities Malaysia</li> <li>• Head of Research, MGI Securities Sdn Bhd</li> <li>• Senior Investment Analyst, Crosby Securities, KL</li> <li>• Senior Investment Analyst, Standard Chartered Securities</li> <li>• Investment Analyst, Arab-Malaysian Securities Sdn Bhd</li> </ul>
Date appointed to the Board	12 Oct 2020
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
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	8/8

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><b>Present:</b></p> <ul style="list-style-type: none"> <li>• Representative director</li> <li>• President and Director of Nikko Asset Management Asia Limited</li> <li>• Head of Asia ex-Japan of Nikko Asset Management (Nikko AM)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Director of South East Asia, AllianceBernstein</li> </ul> <p><b>Other Appointments:</b></p> <ul style="list-style-type: none"> <li>• Serves as Vice-Chairman on the Executive Committee of the Investment Management Association of Singapore (IMAS)</li> </ul>
Date appointed to the Board	30 March 2018
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
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	10/10

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"> <li>• Graduated from the Royal Military Academy at Sandhurst</li> <li>• Bachelor of Law (Hons) from Institute Technology of Mara</li> <li>• Master Degree in National Security Strategy from National Defense University, Fort McNair, Washington DC</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> 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><b>Past:</b> 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"> <li>• Chairman of Board Compliance and Risk Management Committee</li> <li>• Member of Board Audit Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Director of Great Eastern Takaful Berhad</li> </ul>
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

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 AmInvestment 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 AmInvestment 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 its 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 &amp; Procurement at MARA Corporation Sdn Bhd, an investment holding company of Majlis Amanah Rakyat (MARA).</p>
Date appointed to the Board	5 July 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Chairman of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> <li>•</li> </ul>
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	10/10

Name	Yip Kit Weng
Designation	Non-Independent Non-Executive Director
Age	49
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Australian Society of Certified Practising Accountants (CPAs) - Fellow of Certified Practising Accountant, Australia (FCPA)</li> <li>• Financial Planning Association of Malaysia (FPAM) - Certified Financial Planner (CFP)</li> <li>• Chartered Tax Institute of Malaysia (CTIM) - Associate of the Institute (ATII)</li> <li>• Malaysian Institute of Accountants (MIA) - Registered Accountant</li> <li>• University of Western Australia - Bachelor of Commerce (Accounting &amp; Finance)</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Deputy Group Managing Director of Affin Hwang Investment Bank Berhad</p> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Executive Director, Head of Investment Banking, Nomura Securities Malaysia Berhad</li> <li>• Director/Team Head /Corporate and Investment Banking Services, RHB Investment Bank Berhad</li> <li>• Director, Equity Capital Markets, Investment Banking, CIMB Investment Bank Berhad</li> <li>• Chief Executive Officer – Asia, Kajo Investments Pty Ltd</li> <li>• Executive Director, AFG Advisory Sdn Bhd</li> <li>• Senior Manager, Corporate Finance, Utama Merchant Bank Berhad</li> <li>• Associate Consultant, Financial Services Group, Price Waterhouse Taxation Services Sdn Bhd</li> </ul>
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



## 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	Analysis and Valuation of Real Estate Investment Trust and Private Equity Estate Investment
AHAM	AML/CFT & TFS : Compliance A Need to Protect Business

### RAJA TAN SRI 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

### PUAN MONA SURAYA BT KAMARUDDIN

Organiser	Name of Programme
The Iclif Leadership & Governance Centre	Mandatory Accreditation Programme
Securities Industries Development Corporation	CMDP – Fund Management

### SEET OON HUI ELEANOR (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
PricewaterhouseCoopers (“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

#### MAJOR GENERAL DATO' ZULKIFLEE BIN MAZLAN (R)

Organiser	Name of Programme
Financial Institutions Directors' Education (“FIDE”)	3 <sup>rd</sup> 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	Mind-Shift Series: Staying Relevant in the Age of Disruption and Innovation
FIDE	Climate Action: The Board s Leadership in Greening the Financial Sector

**FAIZAL SHAM BIN ABU MANSOR**

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

**YIP KIT WENG**

<b>Organiser</b>	<b>Name of Programme</b>
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

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)**

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Financial Services Act 2013.

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.

## **TRUSTEE’S REPORT TO THE UNITHOLDERS OF TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

We have acted as Trustee of TradePlus MSCI Asia ex Japan REITs Tracker (“the ETF”) for the financial period from 9 July 2020 (Date of Launch) to 31 March 2021. To the best of our knowledge, **Affin Hwang Asset Management Berhad**, the Manager, has operated and managed the ETF in accordance with the limitations imposed on the investment powers of the management company and the trustee under the Deeds, other provisions of the Deeds, the Capital Markets and Services Act 2007, the Securities Commission’s Guidelines on Exchange-Traded Funds, the Capital markets and Services Act 2007 and other applicable laws during the financial period then ended.

We have also ensured the following:

- (a) the procedures and processes employed by **Affin Hwang Asset Management Berhad** to value and/or price the units of the Fund are adequate and that such valuation and pricing is carried out in accordance with the Deed of the Fund and other regulatory requirements; and
- (b) the creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

During this financial period, a distribution of 0.5000 sen per unit (net) has been distributed to unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

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

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur  
17 May 2021

# **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 9 JULY 2020  
(DATE OF LAUNCH) TO 31 MARCH 2021**

# **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 9 JULY 2020  
(DATE OF LAUNCH) TO 31 MARCH 2021**

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## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

	<u>Note</u>	Financial period from 9.7.2020 (date of launch) to <u>31.3.2021</u> RM
<b>INVESTMENT INCOME</b>		
Dividend income		118,318
Net loss on foreign currency exchange		(3,733)
Net gain on financial asset at fair value through profit or loss	10	5,210
		<hr/> 119,795 <hr/>
<b>EXPENSES</b>		
Management fee	4	(8,415)
Trustee fee	5	(673)
Transaction cost		(11,353)
Custodian fee		(35,874)
Other expenses		(9,186)
		<hr/> (65,501) <hr/>
<b>PROFIT BEFORE TAXATION</b>		
		54,294
Taxation	8	-
		<hr/> - <hr/>
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		
		54,294
		<hr/> <hr/>
Net profit after taxation is made up of the following:		
Realised amount		(11,757)
Unrealised amount		66,051
		<hr/> 54,294 <hr/> <hr/>

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> RM
<b>ASSETS</b>		
Cash and cash equivalents		60,133
Dividends receivable		19,571
Financial assets at fair value through profit or loss	10	2,416,849
<b>TOTAL ASSETS</b>		<u>2,496,553</u>
<b>LIABILITIES</b>		
Amount due to Manager - management fee		1,124
Amount due to Trustee		90
Distribution payable		12,250
<b>TOTAL LIABILITIES</b>		<u>13,464</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,483,089</u>
<b>EQUITY</b>		
Unitholders' capital		2,441,045
Retained earnings		42,044
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>2,483,089</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	<u>2,450,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0135</u>

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



## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 9 July 2020 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	54,294	54,294
Distribution (Note 9)	-	(12,250)	(12,250)
Movement in unitholders' capital:			
Creation of units arising from applications	4,185,885	-	4,185,885
Cancellation of units	(1,744,840)	-	(1,744,840)
Balance as at 31 March 2021	<u>2,441,045</u>	<u>42,044</u>	<u>2,483,089</u>

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

	Financial period from 9.7.2020 (date of launch) to <u>31.3.2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds from sale of investments	3,065,902
Purchase of investments	(5,477,541)
Dividends received	93,540
Management fee paid	(7,291)
Trustee fee paid	(583)
Custodian fee paid	(35,784)
Payment for other fees and expenses	(15,332)
Net realised gain on foreign currency exchange	989
	<hr/>
Net cash used in operating activities	(2,376,190)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from creation of units	4,185,885
Payments for cancellation of units	(1,744,840)
	<hr/>
Net cash generated from financing activities	2,441,045
	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	64,855
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(4,722)
<b>CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH</b>	<hr/> -
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<hr/> <u>60,133</u> <hr/>

Cash and cash equivalents as at 31 March 2021 comprise of bank balances.

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

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

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 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 MSCI ASIA EX JAPAN REITS TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 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.

##### Realised gains and losses on sale of investments

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

#### **C DISTRIBUTION**

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

#### **D TRANSACTION COSTS**

Transaction costs are costs incurred in relation to any particular transaction or dealing, 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.

#### **E TAXATION**

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

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

## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **F FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **G FOREIGN CURRENCY TRANSLATION**

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

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

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

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

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest (“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 and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and dividends receivable 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 and distribution payable as financial liabilities measured at amortised cost.

## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

(ii) Recognition and measurement

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

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

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

Financial liabilities are 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 foreign 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.

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

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

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### H 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 considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

##### Qualitative criteria:

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

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

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

##### Write-off

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

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

## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **I CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which is subject to an insignificant risk of changes in value.

#### **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 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 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.

#### **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.



## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **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 impact 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 MSCI ASIA EX JAPAN REITS TRACKER

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021

### 1 INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name TradePlus MSCI Asia ex Japan REITs Tracker (the “Fund”) pursuant to the execution of a Deed dated 14 February 2020 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 13 July 2020 and will continue its operations until terminated by the Trustee as provided under Section 26 of the Deed.

The Fund will invest a minimum of 90% of the Fund’s NAV in authorised securities.

The Fund may invest in the following permitted investments:

- (i) Authorised Securities;
- (ii) Units or shares in collective investment schemes;
- (iii) Money market instruments;
- (iv) Deposits; and
- (v) Any other investments permitted by the SC from time to time

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

The Fund is listed on the main market of Bursa Malaysia and its objective is to provide investment results that closely correspond to the performance of its Benchmark, MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index (the “Benchmark Index”) which is designed to measure the performance of Real Estate Investment Trusts (“REITs”) that are listed in Asia ex Japan.

The Fund is a passively managed fund. To achieve the investment objective of the Fund, the Manager intends to primarily use a full replication strategy to track the performance of the 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 17 May 2021.

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	Note	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		60,133	-	60,133
Dividends receivable		19,571	-	19,571
Quoted equities	10	-	2,416,849	2,416,849
Total		<u>79,704</u>	<u>2,416,849</u>	<u>2,496,553</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		1,124	-	1,124
Amount due to Trustee		90	-	90
Distribution payable		12,250	-	12,250
Total		<u>13,464</u>	<u>-</u>	<u>13,464</u>

The Fund is exposed to a variety of risks which include market risk (including price 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 Fund is structured as an index tracking fund that tracks its benchmark index, the MSCI AC Asia ex Japan IMI/Equity REITs Custom High Dividend Tilted Capped Index, which comprises of a diversified list of equity securities in its constituents. As such, the Manager believes that the Fund is able to minimise its price risk through the diversification that it has in its portfolio of underlying securities that replicates its benchmark index.

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	<u>2021</u> RM
<b>Quoted investments</b>	
Quoted equities	2,416,849

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 9.45%, which is the annualised standard deviation as at 31 March 2021. 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 Benchmark Index, this would represent the Management's best estimates of a reasonable possible shift in the quoted securities.

The Fund's overall exposure to price risk was as follows:

<u>% Change in benchmark index</u>	<u>Market value</u> RM	Impact on profit after <u>tax/NAV</u> RM
<u>2021</u>		
-9.45%	2,188,457	(228,392)
0%	2,416,849	-
+9.45%	2,645,241	228,392

##### (b) 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 a 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.

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

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

##### Market risk (continued)

##### (b) Currency risk (continued)

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

	<u>Quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2021</u>				
Euro	161,654	4,484	11,119	177,257
Hong Kong Dollar	245,149	397	-	245,546
Korean Won	72,796	-	-	72,796
Singapore Dollar	1,386,026	22,203	-	1,408,229
United States Dollar	454,388	30,880	8,452	493,720
	<u>2,320,013</u>	<u>57,964</u>	<u>19,571</u>	<u>2,397,548</u>

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 remain 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.

	<u>Change in rate</u> %	<u>Impact on profit after tax/NAV</u> RM
<u>2021</u>		
Euro	+/- 5.25	+/- 9,306
Hong Kong Dollar	+/- 3.47	+/- 8,529
Korean Won	+/- 4.96	+/- 3,612
Singapore Dollar	+/- 2.86	+/- 40,330
United States Dollar	+/- 3.54	+/- 17,465

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

##### Market risk (continued)

##### Credit risk

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

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

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

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

	Cash and cash equivalents RM	Dividends receivable RM	Total RM
<u>2021</u>			
Financial Services			
- AAA	60,133	-	60,133
REITs			
- NR	-	19,571	19,571
	<u>60,133</u>	<u>19,571</u>	<u>79,704</u>

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of cash to meet anticipated payments for operating expenses and cancellation of units by unitholders.

The Fund's units can be redeemed either in-kind or in cash. For in-kind redemptions, an in-kind redemption basket comprising the authorised securities of the Fund, determined by the Manager on each dealing day will be delivered to the investor. For cash redemptions, a redemption basket of securities is liquidated and a cash sum equivalent to the redemption price multiplied by the number of units redeemed will be delivered to the investors. The Fund maintains a sufficient amount of cash and liquid securities to meet the ongoing operating expenses and liquidity requirements of the Fund.

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

##### Liquidity risk

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>2021</u>			
Amount due to Manager			
- management fee	1,124	-	1,124
Amount due to Trustee	90	-	90
Distribution payable	12,250	-	12,250
	<u>13,464</u>	<u>-</u>	<u>13,464</u>

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

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

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

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

(i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial asset at fair value through profit or loss				
- quoted equities	2,416,849	-	-	2,416,849

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

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



## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **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 on a daily basis.

For the financial period from 9 July 2020 (date of launch) to 31 March 2021, management fee is recognised at a rate of 0.50% per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

#### **5 TRUSTEE FEE**

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

For the financial period from 9 July 2020 (date of launch) to 31 March 2021, the Trustee fee is recognised at a rate of 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 INDEX LICENSE FEE**

Index license fee is payable to MSCI Index, the Benchmark Index provider.

The index license fee is recognised at minimum of USD11,400 per annum or 0.015% of the average daily asset under management, whichever is higher.

For the financial period from 9 July 2020 (date of launch) to 31 March 2021, the index license fee of RM49,520 is borne by the Manager.

#### **7 AUDITORS' REMUNERATION AND TAX AGENT'S FEE**

Auditors' remuneration and tax agent's fee of RM20,000 and RM3,500 respectively were borne by the Manager for the financial period from 9 July 2020 (date of launch) to 31 March 2021.

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 8 TAXATION

	Financial period from 9.7.2020 (date of launch) to <u>31.3.2021</u> RM
Current taxation	-

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

	Financial period from 9.7.2020 (date of launch) to <u>31.3.2021</u> RM
Net profit before taxation	54,294
Tax at Malaysian statutory rate of 24%	13,031
Tax effects of:	
Investment income not subject to tax	(28,751)
Expenses not deductible for tax purposes	13,700
Restriction on tax deductible expenses for Exchange-Traded Funds	2,020
Tax expense	-

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 9 DISTRIBUTION

	<u>2021</u> RM
Distribution to unitholders is from the following sources:	
Gross dividend income	12,250
Net distribution amount	<u>12,250</u>
Gross/net distribution per unit (sen)	<u>0.50</u>
Cum-Distribution – 31 March 2021	
- NAV	<u>2,495,339</u>
- NAV per unit	<u>1.0185</u>
Ex-Distribution – 31 March 2021	
- NAV	<u>2,483,089</u>
- NAV per unit	<u>1.0135</u>

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

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM
Financial assets at fair value through profit or loss:	
- quoted equities – local	96,836
- quoted equities – foreign	2,320,013
	<u>2,416,849</u>
Net gain on financial assets at fair value through profit or loss:	
- realised loss on sale of investments	(65,563)
- unrealised gain on changes in fair value	70,773
	<u>5,210</u>

(a) Quoted equities – local

(i) Quoted equities – local as at 31 March 2021 is as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>REITs</u>				
Axis Real Estate Inv Trust	20,600	41,699	40,170	1.62
Pavilion Real Estate Inv Trust	11,600	17,522	16,124	0.65
IGB REIT	23,300	40,285	40,542	1.63
Total quoted equities – local	<u>55,500</u>	<u>99,506</u>	<u>96,836</u>	<u>3.90</u>
Accumulated unrealised loss on quoted equities – local		<u>(2,670)</u>		
Total quoted equities – local		<u>96,836</u>		

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

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

(b) Quoted equities – foreign

(i) Quoted equities – foreign as at 31 March 2021 is as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
<u>REITs</u>				
Link REIT	6,500	242,280	245,149	9.87
<u>Korea</u>				
<u>REITs</u>				
LOTTE REIT Co Ltd	1,829	33,457	34,791	1.40
Mirae Asia Pac Real Est- 1	2,340	34,070	38,005	1.53
	4,169	67,527	72,796	2.93
<u>Singapore</u>				
<u>REITs</u>				
Cromwell European REIT	73,000	166,911	161,654	6.51
Frasers Logistics & Comm Trust	51,000	208,863	227,958	9.18
Keppel DC REIT	15,000	127,160	124,845	5.03
Keppel Pacific Oak US REIT	57,600	166,398	170,625	6.87
Manulife US REIT	84,400	252,959	255,259	10.28
Mapletree Commercial Trust	26,700	164,712	174,487	7.03
Mapletree Industrial Trust	27,100	237,587	228,895	9.22
Mapletree Logistics Trust	39,138	234,484	232,848	9.38
Mapletree North Asia Com Trust	79,100	225,615	258,464	10.41
Parkway Life REIT	4,700	54,763	58,967	2.37
Prime US REIT	8,000	25,965	28,504	1.15
Sasseur REIT	29,000	71,346	79,562	3.20
	494,738	1,936,763	2,002,068	80.63
Total quoted equities – foreign	505,407	2,246,570	2,320,013	93.43
Accumulated unrealised gain on quoted equities – foreign		73,443		
Total quoted equities – foreign		2,320,013		

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 11 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u> No. of units
At the date of launch	-
Creation of units arising from applications	4,250,000
Cancellation of units during the financial period	<u>(1,800,000)</u>
At the end of the financial period	<u><u>2,450,000</u></u>

#### 12 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top brokers for the financial period from 9 July 2020 (date of launch) to 31 March 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage</u> of total trade %	<u>Brokerage</u> fees RM	<u>Percentage</u> of total brokerage %
Credit Suisse (Hong Kong) Ltd	2,134,622	24.99	1,067	15.93
JP Morgan Securities PLC	1,629,063	19.07	977	14.59
Credit Suisse Securities (EUR) Ltd	1,058,081	12.38	529	7.90
Alliance Bernstein (Singapore) Ltd	884,513	10.35	473	7.06
Macquarie Bank Ltd Hong Kong Branch	836,089	9.79	477	7.12
CLSA Singapore Pte Ltd	744,471	8.71	372	5.55
CLSA Securities (Malaysia) Sdn Bhd	277,778	3.25	1,561	23.31
JP Morgan Securities (Asia Pacific) Ltd	270,490	3.17	162	2.42
CLSA Ltd	216,992	2.54	109	1.63
Macquarie Capital Securities Ltd	168,186	1.97	84	1.25
Others	323,157	3.78	887	13.24
	<u>8,543,442</u>	<u>100.00</u>	<u>6,698</u>	<u>100.00</u>

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager 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 and the parties related to the Manager as at the end of the financial period are as follows:

	<u>2021</u>
	No. of units      RM
<u>The Manager and the Parent of the Fund:</u>	
Affin Hwang Asset Management Berhad (The units are held beneficially for seeding purposes)	400,000      405,400
<u>Holding company of the Manager:</u>	
Affin Hwang Investment Bank Berhad (The units are held beneficially)	225,300      228,342

## TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)

#### 14 MANAGEMENT EXPENSE RATIO (“MER”)

	Financial period from 9.7.2020 (date of launch) to 31.3.2021 %
MER	<u>2.10</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Other expenses, excluding sales and service tax on transaction costs and withholding tax
- D = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period from 9 July 2020 to 31 March 2021 calculated on a daily basis was RM2,318,340.

#### 15 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 9.7.2020 (date of launch) to 31.3.2021
PTR (times)	<u>1.86</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM5,477,541  
total disposal (aggregate cost) for the financial period = RM3,131,465



## **TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 9 JULY 2020 (DATE OF LAUNCH) TO 31 MARCH 2021 (CONTINUED)**

#### **16 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 segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of dividends and gains on the appreciation in the value of investments and are derived from quoted equities in Malaysia, Hong Kong, Korea and Singapore.

The Fund has a diversified unitholder population. However, as at 31 March 2021, there were 2 unitholders who held more than 10% of the Fund's NAV. The unitholders' holdings were 16.33% and 13.35% respectively.

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.

#### **17 COMPARATIVES**

There are no comparative figures as this is the first set of financial statements prepared since the launch of the Fund.

#### **18 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD**

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

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

## **TRADEPLUS MSCI ASIA EX JAPAN REITS 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 as the Manager, the financial statements set out on pages 1 to 27 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 March 2021 and of its financial performance, changes in equity and cash flows for the financial period from 9 July 2020 (date of launch) to 31 March 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
17 May 2021

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of TradePlus MSCI Asia Ex Japan REITs Tracker (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2021, and of its financial performance and its cash flows for the financial period from 9 July 2020 (date of launch) to 31 March 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 9 July 2020 (date of launch) to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 27.

#### 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 MSCI ASIA EX JAPAN REITS 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 matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to Note H, Note 3 and Note 10 to the financial statements.</p> <p>The investment portfolio at the period-end comprised quoted equities valued at RM 2,416,849.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net assets recognised in the financial statements.</p>	<p>We have tested the valuation of the quoted equities as at year-end by independently agreeing the prices used in the valuation to the quoted prices published by the relevant stock exchanges.</p> <p>We have tested the existence of the investment portfolio by obtaining independent confirmation from the custodian of the investment portfolio held as at 31 March 2021.</p>

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS MSCI ASIA EX JAPAN REITS 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 the 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 controls as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS MSCI ASIA EX JAPAN REITS TRACKER (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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  
17 May 2021

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