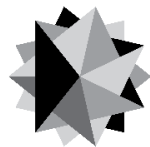


# Affin Hwang Aiiman Growth Fund

Annual Report  
31 August 2022

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
HSBC (Malaysia) Trustee Berhad  
193701000084 (001281T)

# AFFIN HWANG AIIMAN GROWTH FUND

## Annual Reports and Audited Financial Statements For the Financial Year Ended 31 August 2022

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## FUND INFORMATION

Fund Name	Affin Hwang Aiman Growth Fund
Fund Type	Growth
Fund Category	Equity (Shariah)
Investment Objective	To achieve consistent capital appreciation over a medium to long term by investing in equities and other approved investments which harmonise with Islamic philosophy and laws
Benchmark	FTSE Bursa Malaysia Emas Shariah Index (FBMSHA), which is obtainable from Bursa Malaysia
Distribution Policy	The Fund endeavours to distribute income, if any, on an annual basis. However, the amount of income available for distribution may fluctuate from year to year.

## FUND PERFORMANCE DATA

Category	As at 31 Aug 2022 (%)	As at 31 Aug 2021 (%)	As at 31 Aug 2020 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	2.24	4.09	3.34
- Consumer product and services	6.02	5.76	3.47
- Financial services	3.25	4.78	4.13
- Healthcare	3.77	2.25	18.45
- Industrial product and services	14.21	24.48	10.38
- Energy	1.40	2.60	8.75
- Plantation	11.28	-	0.51
- Properties	6.82	6.95	6.16
- REITs	5.38	3.04	6.01
- Transportation & logistics	3.81	2.59	-
- Technology	3.15	17.86	21.69
- Telecommunication and media	11.85	12.44	3.62
- Utilities	-	1.84	4.22
- Warrant	-	0.13	-
<b>Total quoted equities – local</b>	<b>73.18</b>	<b>88.81</b>	<b>90.73</b>
<b>Exchange-traded fund – local</b>	<b>2.56</b>	<b>2.25</b>	<b>3.01</b>
<b>Cash &amp; cash equivalent</b>	<b>24.26</b>	<b>8.94</b>	<b>6.26</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	355.541	395.356	322.181
NAV per Unit (RM)	1.1338	1.3912	1.2823
Unit in Circulation (million)	313.593	284.192	251.256
Highest NAV	1.4561	1.4732	1.3072
Lowest NAV	1.0747	1.1588	0.8084
Return of the Fund (%)	-15.61	11.97	27.06
- Capital Growth (%)	-18.50	8.49	25.09
- Income Distribution (%)	3.55	3.20	1.58
Gross Distribution per Unit (sen)	4.00	4.30	2.00
Net Distribution per Unit (sen)	4.00	4.30	2.00
Total Expense Ratio (%) <sup>1</sup>	1.58	1.58	1.59
Portfolio Turnover Ratio (times) <sup>2</sup>	0.53	1.02	1.32

### **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 year taking into account all the distribution payable (if any) during the stipulated year.

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

<sup>1</sup>The Fund's TER was unchanged for the financial year.

<sup>2</sup>The lower PTR of the Fund was lower due to lesser trading activities over the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
14-Jun-22	15-Jun-22	1.1797	0.0400	1.1276

No unit split were declared for the financial year ended 31 August 2022.

### Performance Review

For the period 1 September 2021 to 31 August 2022, the Fund registered a -15.61% return compared to the benchmark return of -15.19%. The Fund thus underperformed the Benchmark by 0.42%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2022 was RM1.1338 while the NAV as at 31 August 2021 was RM1.3912. During the period under review, the Fund has declared a gross income distribution of RM0.0400 per unit.

Since commencement, the Fund has registered a return of 539.79% compared to the benchmark return of 126.70%, outperforming by 413.09%.

Table 1: Performance of the Fund

	1 Year (1/9/21 - 31/8/22)	3 Years (1/9/19 - 31/8/22)	5 Years (1/9/17 - 31/8/22)	Since Commencement (29/10/02 - 31/8/22)
<b>Fund</b>	(15.61%)	20.06%	15.12%	539.79%
<b>Benchmark</b>	(15.19%)	(9.22%)	(15.18%)	126.70%
<b>Outperformance</b>	(0.42%)	29.28%	30.30%	413.09%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/9/21 - 31/8/22)	3 Years (1/9/19 - 31/8/22)	5 Years (1/9/17 - 31/8/22)	Since Commencement (29/10/02 - 31/8/22)
<b>Fund</b>	(15.61%)	6.28%	2.86%	9.80%
<b>Benchmark</b>	(15.19%)	(3.17%)	(3.24%)	4.21%
<b>Outperformance</b>	(0.42%)	9.45%	6.10%	5.59%

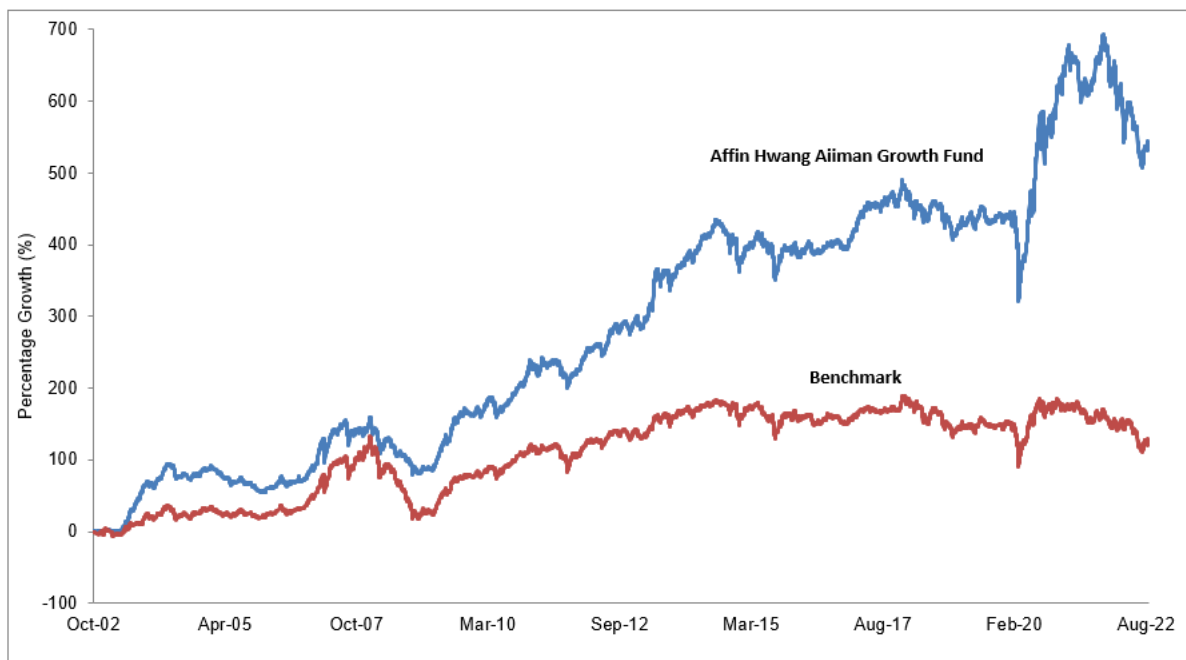
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/9/21 - 31/8/22)	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (1/9/18 - 31/8/19)	FYE 2018 (1/9/17 - 31/8/18)
<b>Fund</b>	(15.61%)	11.97%	27.06%	(4.10%)	(0.01%)
<b>Benchmark</b>	(15.19%)	(3.16%)	10.53%	(6.99%)	0.45%
<b>Outperformance</b>	(0.42%)	15.13%	16.53%	2.89%	(0.46%)

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: FTSE Bursa Malaysia EMAS Shariah Index*

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

### **Asset Allocation**

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

As at 31 August 2022, the Fund's asset allocation stood at 73.18% (2021:88.81%) in Shariah-compliant equities, 2.56% (2021:2.25%) in exchange-traded fund (ETF), and the balance in cash and cash equivalent. During the year under review, the Fund's equity exposure was lower compared to the previous year as the Manager reduced exposure in several sectors, most notably industrial product and services and technology.

### **Strategies Employed**

Over the year under review, the Manager continued to focus on domestic-driven sectors that are less directly impacted by the pandemic. With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. We continue to keep close monitor on market development amidst the rare event of global pandemic alongside geo-political instability.

### **Market Review**

Uncertainty has been an ongoing theme in economies over the past year. Fiscal and monetary adjustments as governments and central banks strive to rein in inflation for a soft landing continue to affect markets, increasing volatility. Geopolitical instability also remains a major concern due to the protracted Russia-Ukraine conflict. The double whammy of a global pandemic coupled with geopolitical tensions has been troubling markets as economic activities were limited and the friction between the two nations further exacerbated market volatility by inciting supply chain disruptions.

At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As the last quarter of 2022 draws closer, we have seen numerous interest rates hikes over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points within the span of 6 months to address inflationary pressures.

Global markets slumped lower in August as the Fed signalled that there will be no let-up in its quest to quell inflation by tightening monetary policy. As a result, the Standard & Poor (S&P) 500 index fell 4.3% as hopes that the Fed would pivot anytime soon to loosen monetary policy is dampened. At the annual Jackson Hole economic symposium in August this year, Fed Chair Jerome Powell reiterated that the Fed is committed to raising interest rates until it is confident that inflation is sufficiently brought under control. Powell acknowledged that a tighter monetary policy may adversely affect US consumers and businesses due to higher borrowing costs but added that a premature loosening policy could lead to a much worse outcome if inflation continued unchecked.

Similar to US markets, Eurozone shares fell in August due to ongoing inflationary worries. The euro area annual inflation rate was 9.1% in August, a considerable increase compared to 3.0% a year ago. The highest contributor to the annual inflation rate is the energy sector, followed by food, alcohol and tobacco. The energy crisis across Europe was exacerbated as Russia said it would halt the Nord Stream 1 pipeline. Russia has already cut its gas supplies to European Union (EU) states by 88% over the year.

In Asia the broader Morgan Stanley Capital International (MSCI) Asia ex-Japan index plunged 12.9% in August, Taiwan and Korea being among the worst performers in the region as the two export-driven countries saw waning demand for tech goods on the back of a global slowdown. Indonesia on the other hand was the best-performing major Asia-Pacific index for the year, with the Jakarta composite index up 6.51% since the start of the year.

According to state media, China plans to launch a real estate fund of up to 300.0 billion yuan (US\$44.0 billion) to help developers complete stalled projects. The People's Bank of China (PBoC) is also said to be issuing 1.0 trillion yuan (US\$148.2 billion) to ease a liquidity crunch in the sector. China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, despite having relaxed Covid-19 restrictions as the number of new cases decline, and the government's effort in stimulating the economy from both monetary and fiscal perspective, the path to economic recovery seems rocky and non-linear. The Shanghai Shenzhen CSI300 Index was down 2.2% for the month of August as the region continue to reel from a property slump.

Bond yields continue to rise in August 2022 as central banks maintained hawkishness, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. The US 10-year Treasury rose from 2.64% in July to 3.13% in August, with the two-year rising from 2.90% to 3.45%. The UK gilt market performed relatively worse than most government bond markets as inflation in UK hit 10% in July, surprising markets and raised expectations of a faster pace of rate hikes.

In the domestic market, the Kuala Lumpur Composite Index (KLCI) edged 1.3% higher in August 2022 as earnings season roll-out. Most companies' results were in line with expectations with exporters coming out on top as beneficiaries of a weaker Ringgit. All eyes will be on the upcoming tabling of Budget 2023 slated in October.

On local fixed income, the 10-year MGS yield rose 9 basis points (bps) to end the month at 3.99%. Malaysia's Gross Domestic Product (GDP) expanded by 8.9% in the second quarter of 2022 year on year, buoyed by an improvement seen in consumption for both manufacturing and services segment as well as exports since Malaysia's border reopening in April this year.

## **Investment Outlook**

Markets are set to remain challenging for the rest of 2022. In developed markets, rising inflation and tight monetary policy may continue to hamper the recovery of risk assets. Recent hawkish comments by Jerome Powell, the Chair of the Fed, during the Jackson Hole Economic Symposium in August 2022 have curbed expectations of a transition to looser monetary policy anytime soon.

Following an order by the U.S. government in early September 2022 preventing chipmakers including Nvidia and Advanced Micro Devices (AMD) from exporting specific advanced chips to China, bilateral relationships between the U.S. and China may worsen further. On a positive note, delisting fears for U.S. listed Chinese stocks have alleviated to some extent on the news of an agreement between both governments over the auditing dispute being reached.

Asian markets may continue to see weakness. Korea and Taiwan have underperformed thus far as manufacturing gauges for both countries slumped in August 2022. Chinese markets were not spared following renewed lockdowns in major cities. Nevertheless, easing COVID-19 restrictions and policymakers signalling an end to the regulatory crackdown have given hope of a recovery in the Chinese markets.

Locally, election rumours have begun circulating. The United Malays National Organisation (UMNO) Supreme Council nominated Datuk Seri Ismail Sabri Yaakob as the Prime Minister for the 15<sup>th</sup> General Election (GE15) following a meeting between council members. According to political analysts, the timing of GE15 would be highly dependent on whether UMNO would be allowed by the Registrar of Societies (RoS) to amend its party constitution to delay its party polls. Assuming a full-term, Parliament would need to be dissolved by 16 July 2023. By the latest, election would need then to be held by 14 September 2023.

In other news, Malaysia's Consumer Price Index (CPI) for July 2022 accelerated by 4.4% year-on-year, its highest in 14 months as food and beverage prices remained as the main contributor to inflation. The latest reading marks a full percentage jump from June 2022's figures, though largely in line with consensus estimates. Bank Negara Malaysia (BNM) is still expected to remain gradual and accommodative in its current rate hiking cycle.

### **State of Affairs of the Fund**

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

### **Soft Commissions received from Brokers**

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

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

During the financial period under review, the Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by Affin Hwang Asset Management. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

### **Cross Trade**

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

### **Securities Financing Transactions**

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

### **Changes Made To the Fund's Prospectus**

There were no changes made to the Fund's prospectus during the financial year under review.



## **TRUSTEE'S REPORT**

### **TO THE UNITHOLDERS OF AFFIN HWANG AIIAN GROWTH FUND**

We have acted as Trustee of the Fund for the financial year ended 31 August 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset management Berhad has operated and managed the fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
19 October 2022

## **SHARIAH ADVISER'S REPORT**

### **TO THE UNITHOLDERS OF AFFIN HWANG AII MAN GROWTH FUND**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar  
Executive Chairman

Kuala Lumpur, Malaysia  
Date: 19 October 2022

**AFFIN HWANG AIIMAN GROWTH FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022**

# **AFFIN HWANG AIIMAN GROWTH FUND**

## **FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022**

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## AFFIN HWANG AIIMAN GROWTH FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		7,985,592	6,662,404
Profit income from short-term Shariah-based deposits		821,304	657,628
Net (loss)/gain on financial assets at fair value through profit or loss	8	(63,724,160)	38,974,044
		<u>(54,917,264)</u>	<u>46,294,076</u>
<b>EXPENSES</b>			
Management fee	4	(5,490,241)	(5,006,612)
Trustee fee	5	(256,282)	(233,712)
Auditors' remuneration		(9,000)	(9,000)
Tax agent's fee		(3,800)	(3,800)
Transaction costs		(1,257,597)	(2,116,001)
Other expenses		(92,201)	(194,495)
		<u>(7,109,121)</u>	<u>(7,563,620)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(62,026,385)	38,730,456
Taxation	6	-	-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(62,026,385)</u>	<u>38,730,456</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(4,689,555)	67,635,013
Unrealised amount		(57,336,830)	(28,904,557)
		<u>(62,026,385)</u>	<u>38,730,456</u>

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

## AFFIN HWANG AIIMAN GROWTH FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	86,810,625	39,138,506
Amount due from Manager			
- creation of units		40,928	167,968
- management fee rebate receivable		2,342	2,273
Dividends receivable		146,596	224,936
Financial assets at fair value through profit or loss	8	269,276,833	359,982,096
<b>TOTAL ASSETS</b>		<u>356,277,324</u>	<u>399,515,779</u>
<b>LIABILITIES</b>			
Amount due to brokers		-	3,539,728
Amount due to Manager			
- management fee		453,932	490,290
- cancellation of units		234,936	84,827
Amount due to Trustee		21,184	22,880
Auditors' remuneration		9,000	9,000
Tax agent's fee		3,931	3,931
Other payables and accruals		13,503	9,267
<b>TOTAL LIABILITIES</b>		<u>736,486</u>	<u>4,159,923</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>355,540,838</u>	<u>395,355,856</u>
<b>EQUITY</b>			
Unitholders' capital		320,343,455	285,946,928
Retained earnings		35,197,383	109,408,928
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>355,540,838</u>	<u>395,355,856</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	<u>313,593,000</u>	<u>284,192,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.1338</u>	<u>1.3912</u>

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

## AFFIN HWANG AIIMAN GROWTH FUND

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 September 2021	285,946,928	109,408,928	395,355,856
Total comprehensive loss for the financial year	-	(62,026,385)	(62,026,385)
Distribution (Note 7)	-	(12,185,160)	(12,185,160)
Movement in unitholders' capital:			
Creation of units arising from applications	70,430,557	-	70,430,557
Creation of units arising from distribution	11,868,458	-	11,868,458
Cancellation of units	(47,902,488)	-	(47,902,488)
Balance as at 31 August 2022	<u>320,343,455</u>	<u>35,197,383</u>	<u>355,540,838</u>
Balance as at 1 September 2020	240,974,144	81,206,678	322,180,822
Total comprehensive income for the financial year	-	38,730,456	38,730,456
Distribution (Note 7)	-	(10,528,206)	(10,528,206)
Movement in unitholders' capital:			
Creation of units arising from applications	81,312,300	-	81,312,300
Creation of units arising from distribution	10,500,579	-	10,500,579
Cancellation of units	(46,840,095)	-	(46,840,095)
Balance as at 31 August 2021	<u>285,946,928</u>	<u>109,408,928</u>	<u>395,355,856</u>

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

## AFFIN HWANG AIIMAN GROWTH FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		205,910,492	366,871,820
Purchase of Shariah-compliant investments		(182,496,541)	(380,349,341)
Dividend income received		8,063,932	6,649,021
Profit income received from short-term Shariah-based deposits		821,304	657,628
Management fee rebate received		27,356	27,079
Management fee paid		(5,526,599)	(4,921,689)
Trustee fee paid		(257,978)	(229,749)
Payment for other fees and expenses		(1,358,363)	(2,319,773)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		25,183,603	(13,615,004)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		70,557,597	83,140,787
Payments for cancellation of units		(47,752,379)	(46,755,268)
Payment for distributions		(316,702)	(27,627)
		<hr/>	<hr/>
Net cash flows generated from financing activities		22,488,516	36,357,892
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		47,672,119	22,742,888
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		39,138,506	16,395,618
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
	9	<hr/> <hr/>	<hr/> <hr/>
		86,810,625	39,138,506

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



## **AFFIN HWANG AIIMAN GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Fund to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.
- The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

## AFFIN HWANG AIIMAN GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

#### 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.

##### Profit income

Profit income from short-term deposits with licensed financial institutions are recognised based on effective profit rate method on an accrual basis.

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

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

For quoted equities and exchange-traded funds ("ETF"), 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.

## **AFFIN HWANG AIIMAN GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **C TRANSACTION COSTS**

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

#### **D 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.

#### **E TAXATION**

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

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

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

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

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

## AFFIN HWANG AIIMAN GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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

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

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

\* For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

##### (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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

## **AFFIN HWANG AIIMAN GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **G FINANCIAL ASSETS AND FINANCIAL LIABILITES (CONTINUED)**

(ii) Recognition and measurement (continued)

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

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

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

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

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread.

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

(iii) Impairment

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

## AFFIN HWANG AIIMAN GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### 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.

#### H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term Shariah-based deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **AFFIN HWANG AIIMAN GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **I UNITHOLDERS' CAPITAL**

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

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

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

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

#### **J 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 content of 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 Unit Trust Funds.

#### **K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

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

## **AFFIN HWANG AIIMAN GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022**

#### **1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name HwangDBS Dana Izdihar (the “Fund”) pursuant to the execution of a Deed dated 3 October 2002, First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008, Fourth Supplemental Deed dated 20 November 2008, Fifth Supplemental Deed dated 18 January 2012, Sixth Supplemental Deed dated 27 June 2014 and Seventh Supplemental Deed dated 30 November 2017 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”), HSBC (Malaysia) Trustee Berhad (the “Trustee”) and the registered unitholders of the Fund. The Fund has changed its name from HwangDBS Dana Izdihar to HwangDBS AIIMAN Growth Fund as amended by the Fourth Supplemental Deed dated 20 November 2008, from HwangDBS AIIMAN Growth Fund to Hwang AIIMAN Growth Fund as amended by the Fifth Supplemental Deed dated 18 January 2012 and from Hwang AIIMAN Growth Fund to Affin Hwang Aiiman Growth Fund as amended by the Sixth Supplemental Deed dated 27 June 2014.

The Fund commenced operations on 8 October 2002 and will continue its operations until terminated by the Trustee as provided under Clause 4.2 of the Deed.

The Fund will invest in the following assets, subject to the Deeds, the objective of the Fund, the Guidelines and all relevant laws:

- (a) Shariah-compliant securities of companies listed on the recognised Malaysian stock exchange or any other exchanges where the regulatory authority is a member of the International Organisation of Securities Commissions (IOSCO);
- (b) Unlisted Shariah-compliant securities;
- (c) Shariah-compliant warrants;
- (d) Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposit (INID), Cagamas mudharabah bonds and any other government Islamic papers;
- (e) Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- (f) Sukuk;
- (g) Shariah-based deposits with financial institutions, Bank Islam Malaysia Berhad and placements of money with investment banks;
- (h) Islamic money market instruments;
- (i) Shariah-compliant collective investment schemes; and
- (j) Any other form of Shariah-compliant investments as may be permitted by SC and/or Shariah Adviser from time to time that is in line with the Fund’s objectives.

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

The main objective of the Fund is to achieve consistent capital appreciation over the medium to long term by investing mainly in listed equities and other approved investments which harmonise with Islamic philosophy and laws.

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 19 October 2022.



## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	86,810,625	-	86,810,625
Amount due from Manager				
- creation of units		40,928	-	40,928
- management fee rebate receivable		2,342	-	2,342
Dividends receivable		146,596	-	146,596
Shariah-compliant quoted equities	8	-	260,174,833	260,174,833
Exchange-traded fund	8	-	9,102,000	9,102,000
Total		<u>87,000,491</u>	<u>269,276,833</u>	<u>356,277,324</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		453,932	-	453,932
- cancellation of units		234,936	-	234,936
Amount due to Trustee		21,184	-	21,184
Auditors' remuneration		9,000	-	9,000
Tax agent's fee		3,931	-	3,931
Other payables and accruals		13,503	-	13,503
Total		<u>736,486</u>	<u>-</u>	<u>736,486</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

Financial instruments are as follows (continued):

	<u>Note</u>	As at <u>amortised cost</u> RM	As at fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	39,138,506	-	39,138,506
Amount due from Manager				
- creation of units		167,968	-	167,968
- management fee rebate receivable		2,273	-	2,273
Dividends receivable		224,936	-	224,936
Shariah-compliant quoted equities	8	-	351,102,096	351,102,096
Exchange-traded fund	8	-	8,880,000	8,880,000
Total		<u>39,533,683</u>	<u>359,982,096</u>	<u>399,515,779</u>
<u>Financial liabilities</u>				
Amount due to brokers		3,539,728	-	3,539,728
Amount due to Manager				
- management fee		490,290	-	490,290
- cancellation of units		84,827	-	84,827
Amount due to Trustee		22,880	-	22,880
Auditors' remuneration		9,000	-	9,000
Tax agent's fee		3,931	-	3,931
Other payables and accruals		9,267	-	9,267
Total		<u>4,159,923</u>	<u>-</u>	<u>4,159,923</u>

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

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

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

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

	<u>2022</u> RM	<u>2021</u> RM
<b>Shariah-compliant quoted investments</b>		
Shariah-compliant quoted equities	260,174,833	351,102,096
Exchange-traded fund	9,102,000	8,880,000
	<u>269,276,833</u>	<u>359,982,096</u>

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and NAV to price risk movement. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax <u>/NAV</u> RM
<u>2022</u>		
-4%	258,505,760	(10,771,073)
0%	269,276,833	-
+4%	280,047,906	10,771,073
	<u>269,276,833</u>	<u>10,771,073</u>
<u>2021</u>		
-10%	323,983,886	(35,998,210)
0%	359,982,096	-
+10%	395,980,306	35,998,210
	<u>359,982,096</u>	<u>35,998,210</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

##### Market risk (continued)

##### (b) Profit rate risk

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

The Fund's exposure to the profit rate risk is mainly confined to short-term Shariah-based deposit placements with licensed financial institutions. The Manager overcomes this exposure by way of maintaining short-term Shariah-based deposits.

The Fund's exposure to profit rate risk associated with Shariah-based deposits with licensed financial institutions is not material as the carrying value of the deposits are held on a short-term basis.

##### 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 Shariah-based liquid assets to meet anticipated payments and cancellation of units by unitholders. Shariah-based liquid assets comprise cash, Shariah-based deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

<u>2022</u>	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
Amount due to Manager			
- management fee	453,932	-	453,932
- cancellation of units	234,936	-	234,936
Amount due to Trustee	21,184	-	21,184
Auditors' remuneration	-	9,000	9,000
Tax agent's fee	-	3,931	3,931
Other payables and accruals	-	13,503	13,503
	<u>710,052</u>	<u>26,434</u>	<u>736,486</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

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

<u>2021</u>	<u>Within one month RM</u>	<u>Between one month to one year RM</u>	<u>Total RM</u>
Amount due to brokers	3,539,728	-	3,539,728
Amount due to Manager			
- management fee	490,290	-	490,290
- cancellation of units	84,827	-	84,827
Amount due to Trustee	22,880	-	22,880
Auditors' remuneration	-	9,000	9,000
Tax agent's fee	-	3,931	3,931
Other payables and accruals	-	9,267	9,267
	<u>4,137,725</u>	<u>22,198</u>	<u>4,159,923</u>

#### Credit risk

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

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

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

The settlement terms of 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 Unit Trust Funds.

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

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

	Cash and cash equivalents RM	Amount due from Manager RM	Dividends receivable RM	Total RM
<u>2022</u>				
Construction				
- NR	-	-	125,538	125,538
Financial Services				
- AAA	86,810,625	-	-	86,810,625
Technology				
- NR	-	-	5,719	5,719
Telecommunications & Media				
- NR	-	-	15,339	15,339
Others				
- NR		43,270	-	43,270
	<u>86,810,625</u>	<u>43,270</u>	<u>146,596</u>	<u>87,000,491</u>
<u>2021</u>				
Energy				
- NR	-	-	318	318
Financial Services				
- AAA	39,138,506	-	-	39,138,506
Industrial Products & Services				
- NR	-	-	30,702	30,702
Technology				
- NR	-	-	37,428	37,428
Telecommunications & Media				
- NR	-	-	56,927	56,927
Transportation & Logistics				
- NR		-	99,561	99,561
Others				
- NR	-	170,241	-	170,241
	<u>39,138,506</u>	<u>170,241</u>	<u>224,936</u>	<u>39,533,683</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

##### 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 Shariah-compliant investment activities of the Fund.

##### Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's advice. As at 31 August 2022 and 31 August 2021, all investments held are Shariah Compliant counters as approved by the Shariah Advisory Council.

#### 3 FAIR VALUE ESTIMATIONS

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

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

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

The fair value of financial assets and financial liabilities 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)

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 3 FAIR VALUE ESTIMATIONS (CONTINUED)

##### (i) Fair value hierarchy (continued)

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>2022</u>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted equities	260,174,833	-	-	260,174,833
- exchange-traded fund	9,102,000	-	-	9,102,000
	<u>269,276,833</u>	<u>-</u>	<u>-</u>	<u>269,276,833</u>
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted equities	351,102,096	-	-	351,102,096
- exchange-traded fund	8,880,000	-	-	8,880,000
	<u>359,982,096</u>	<u>-</u>	<u>-</u>	<u>359,982,096</u>

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



## **AFFIN HWANG AIIMAN GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **3 FAIR VALUE ESTIMATIONS (CONTINUED)**

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

#### **4 MANAGEMENT FEE**

In accordance with the Prospectus, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 August 2022, the management fee is recognised at a rate of 1.50% (2021: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the 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 Prospectus, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 August 2022, the Trustee fee is recognised at a rate of 0.07% (2021: 0.07%) per annum on the NAV of the Fund, calculated on a daily basis, inclusive of local custodian fee as stated in the Prospectus.

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

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 6 TAXATION

	<u>2022</u> RM	<u>2021</u> RM
Current taxation – local	-	-

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

	<u>2022</u> RM	<u>2021</u> RM
Net (loss)/profit before taxation	(62,026,385)	38,730,456
Tax at Malaysian statutory rate of 24% (2021: 24%)	(14,886,332)	9,295,309
Tax effects of:		
Investment loss not brought for tax/ (investment income not subject to tax)	13,186,725	(11,104,713)
Expenses not deductible for tax purposes	384,211	608,162
Restrictions on tax deductible expenses for Unit Trust Funds	1,315,396	1,201,242
Tax expense	-	-

#### 7 DISTRIBUTION

	<u>2022</u> RM	<u>2021</u> RM
Distributions to unitholders are from the following sources:		
Prior years' realised income	12,185,160	10,528,206
Gross realised income	12,185,160	10,528,206
Less: Expenses	-	-
Net distribution amount	12,185,160	10,528,206
Gross/Net distribution per unit (sen)	4.00	4.30
Ex-date	15.06.2022	16.6.2022

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 7 DISTRIBUTION (CONTINUED)

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

Included in distribution for the financial year is an amount of RM12,185,160 (2021: RM10,528,206) from previous financial years' realised income.

There are unrealised losses of RM57,336,830 (2021: RM28,904,557) during the financial year.

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted equities – local	260,174,833	351,102,096
- exchange-traded fund – local	9,102,000	8,880,000
	<u>269,276,833</u>	<u>359,982,096</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(6,414,755)	67,854,162
- unrealised loss on changes in fair value	(57,336,830)	(28,904,557)
- management fee rebate on exchange-traded fund#	27,425	24,439
	<u>(63,724,160)</u>	<u>38,974,044</u>

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

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities – local as at 31 August 2022 are as follows:

	<u>Quantity</u>	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Construction</u>				
Gamuda Bhd	2,092,300	7,037,245	7,950,740	2.24
<u>Consumer Products &amp; Services</u>				
Guan Chong Bhd	1,387,700	3,972,270	3,330,480	0.94
QL Resources Bhd	697,400	3,573,965	3,556,740	1.00
Sime Darby Bhd	2,948,000	6,950,052	6,721,440	1.89
UMW Holdings Bhd	2,532,400	8,482,761	7,774,468	2.19
	<u>7,565,500</u>	<u>22,979,048</u>	<u>21,383,128</u>	<u>6.02</u>
<u>Energy</u>				
Wah Seong Corporation Bhd	7,429,757	6,794,106	4,977,937	1.40
<u>Financial Services</u>				
Bank Islam Malaysia Bhd	4,444,900	13,008,719	11,556,740	3.25
<u>Health Care</u>				
IHH Healthcare Bhd	2,164,200	12,756,483	13,418,040	3.77
<u>Industrial Products &amp; Services</u>				
Press Metal Aluminium Holdings Bhd	2,097,500	12,822,535	9,963,125	2.80
Scientex Bhd	1,953,400	5,546,211	6,895,502	1.94
Scope Industries Bhd	21,361,500	7,074,324	3,631,455	1.02
SKP Resources Bhd	4,311,825	7,821,655	7,286,984	2.05
Solarvest Holdings Bhd	9,537,200	12,738,919	7,009,842	1.97
Sunway Bhd	5,297,991	7,959,661	8,688,705	2.44
V.S. Industry Bhd	7,059,500	7,646,693	7,059,500	1.99
	<u>51,618,916</u>	<u>61,609,998</u>	<u>50,535,113</u>	<u>14.21</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(i) Shariah-compliant quoted equities – local as at 31 August 2022 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Plantation</u>				
Genting Plantations Bhd	694,400	6,545,694	4,659,424	1.31
Hap Seng Plantations Holdings Bhd	2,201,800	6,275,678	4,976,068	1.40
Kuala Lumpur Kepong Bhd	569,600	15,455,380	13,123,584	3.69
Sime Darby Plantation Bhd	2,903,800	15,087,487	12,921,910	3.63
Ta Ann Holdings Bhd	1,120,000	5,767,098	4,457,600	1.25
	<u>7,489,600</u>	<u>49,131,337</u>	<u>40,138,586</u>	<u>11.28</u>
<u>Property</u>				
Matrix Concepts Holdings Bhd	4,481,277	8,751,906	10,172,499	2.86
SP Setia Bhd	7,379,800	8,132,758	5,497,951	1.55
UOA Development Bhd	5,042,600	11,584,939	8,572,420	2.41
	<u>16,903,677</u>	<u>28,469,603</u>	<u>24,242,870</u>	<u>6.82</u>
<u>REITs</u>				
Axis Real Estate Investment Trust	10,232,358	17,093,827	19,134,510	5.38
<u>Technology</u>				
D&O Green Technologies Bhd	246,700	1,343,355	964,597	0.27
Frontken Corporation Bhd	357,450	846,505	993,711	0.28
Genetec Technology Bhd	889,300	1,488,127	2,241,036	0.63
GHL Systems Bhd	4,931,600	7,092,486	5,424,760	1.53
Kronologi Asia Bhd	3,069,400	2,032,864	1,580,741	0.44
	<u>9,494,450</u>	<u>12,803,337</u>	<u>11,204,845</u>	<u>3.15</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(i) Shariah-compliant quoted equities – local as at 31 August 2022 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Telecommunication &amp; Media</u>				
Axiata Group Bhd	2,475,100	10,054,573	7,499,553	2.11
Digi.Com Bhd	547,800	1,769,723	2,015,904	0.57
Telekom Malaysia Bhd	3,493,900	20,833,642	20,858,583	5.87
TIME dotCom Bhd	2,457,900	7,365,504	11,724,183	3.30
	<u>8,974,700</u>	<u>40,023,442</u>	<u>42,098,223</u>	<u>11.85</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	1,914,300	13,281,092	13,534,101	3.81
Total Shariah-compliant quoted equities – local	<u>130,324,658</u>	<u>284,988,237</u>	<u>260,174,833</u>	<u>73.18</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – local		<u>(24,813,404)</u>		
Total Shariah-compliant quoted equities – local		<u>260,174,833</u>		

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local

(ii) Shariah-compliant quoted equities – local as at 31 August 2021 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Construction</u>				
Gamuda Bhd	3,096,200	10,413,764	9,319,562	2.36
Jaks Resources Bhd	6,231,880	2,659,528	3,147,100	0.80
Widad Group Bhd	10,000,000	5,000,000	3,700,000	0.93
	<u>19,328,080</u>	<u>18,073,292</u>	<u>16,166,662</u>	<u>4.09</u>
<u>Consumer Products &amp; Services</u>				
Guan Chong Bhd	2,655,200	7,600,469	7,832,840	1.98
Sime Darby Bhd	3,515,200	8,297,895	8,295,872	2.10
UMW Holdings Bhd	2,117,600	7,117,696	6,649,264	1.68
	<u>8,288,000</u>	<u>23,016,060</u>	<u>22,777,976</u>	<u>5.76</u>
<u>Energy</u>				
Wah Seong Corporation Bhd	9,192,057	8,488,472	6,112,718	1.55
Yinson Holdings Bhd	844,400	5,560,141	4,137,560	1.05
	<u>10,036,457</u>	<u>14,048,613</u>	<u>10,250,278</u>	<u>2.60</u>
<u>Financial Services</u>				
BIMB Holdings Bhd	4,776,300	18,818,988	18,914,148	4.78
<u>Health Care</u>				
IHH Healthcare Bhd	1,399,300	7,501,641	8,913,541	2.25
<u>Industrial Products &amp; Services</u>				
ATA IMS Bhd	3,427,700	8,681,132	9,254,790	2.34
Dufu Technology Corp. Bhd	1,535,100	6,666,095	6,493,473	1.64
Kobay Technology Bhd	2,957,600	7,704,822	16,562,560	4.19
Petronas Chemicals Group Bhd	872,100	7,156,382	7,220,988	1.83
Scientex Bhd	2,921,900	8,296,035	13,090,112	3.31
Scope Industries Bhd	25,415,800	8,531,635	7,497,661	1.90
SKP Resources Bhd	4,571,125	8,382,859	8,365,159	2.11

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(ii) Shariah-compliant quoted equities – local as at 31 August 2021 are as follows:  
(continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Industrial Products &amp; Services</u> (continued)				
Solarvest Holdings Bhd	5,916,700	8,006,065	8,105,879	2.05
Sunway Bhd	5,089,391	7,605,103	8,906,434	2.25
V.S. Industry Bhd	7,851,400	8,206,375	11,306,016	2.86
	<u>60,558,816</u>	<u>79,236,503</u>	<u>96,803,072</u>	<u>24.48</u>
<u>Property</u>				
Matrix Concepts Holdings Bhd	4,326,677	8,427,247	8,956,221	2.27
SP Setia Bhd Group	8,953,000	9,866,471	10,295,950	2.60
UOA Development Bhd	5,042,600	11,584,939	8,219,438	2.08
	<u>18,322,277</u>	<u>29,878,657</u>	<u>27,471,609</u>	<u>6.95</u>
<u>Technology</u>				
CTOS Digital Bhd	4,928,400	7,716,606	8,575,416	2.17
Frontken Corporation Bhd	1,205,950	1,872,290	4,051,992	1.02
Genetec Technology Bhd	311,400	6,339,689	9,653,400	2.44
GHL Systems Bhd	6,396,400	9,199,119	12,472,980	3.15
Greatech Technology Bhd	1,758,400	6,689,121	12,132,960	3.07
Inari Amertron Bhd	2,956,300	7,593,717	10,169,672	2.57
Kronologi Asia Bhd	10,542,400	6,982,232	6,430,864	1.63
Pentamaster Corporation Bhd	1,350,000	7,648,010	7,141,500	1.81
	<u>29,449,250</u>	<u>54,040,784</u>	<u>70,628,784</u>	<u>17.86</u>
<u>Telecommunications &amp; Media</u>				
Axiata Group Bhd	2,266,900	9,223,895	9,362,297	2.37
Digi.Com Bhd	1,581,300	6,831,611	6,941,907	1.76
Telekom Malaysia Bhd	3,529,700	21,643,578	21,531,170	5.45
TIME dotCom Bhd	2,457,900	7,365,504	11,306,340	2.86
	<u>9,835,800</u>	<u>45,064,588</u>	<u>49,141,714</u>	<u>12.44</u>



## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local (continued)

(ii) Shariah-compliant quoted equities – local as at 31 August 2021 are as follows:  
(continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Transportation &amp; Logistics</u>				
MISC Bhd	1,422,300	9,589,668	10,240,560	2.59
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Utilities</u>				
Tenaga Nasional Bhd	696,400	9,426,487	7,270,416	1.84
	<hr/>	<hr/>	<hr/>	<hr/>
<u>REITs</u>				
Axis Real Estate Investment Trust	6,132,358	9,661,389	12,019,422	3.04
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Warrant</u>				
V.S. Industry Bhd	1,145,260	-	503,914	0.13
	<hr/>	<hr/>	<hr/>	<hr/>
Total Shariah-compliant quoted equities – local	<u>171,390,598</u>	318,356,670	<u>351,102,096</u>	<u>88.81</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		<u>32,745,426</u>		
Total Shariah-compliant quoted equities – local		<u>351,102,096</u>		

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

(b) Exchange-traded fund – local

(i) Exchange-traded fund – local as at 31 August 2022 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Commodity</u>				
TradePlus Shariah Gold Tracker	3,700,000	6,392,549	9,102,000	2.56
	<hr/>	<hr/>	<hr/>	<hr/>
Total exchange-traded fund – local	3,700,000	6,392,549	9,102,000	2.56
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised gain on exchange-traded fund – local		2,709,451		
		<hr/>		
Total exchange-traded fund – local		9,102,000		
		<hr/>		

(ii) Exchange-traded fund – local as at 31 August 2021 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Commodity</u>				
TradePlus Shariah Gold Tracker	3,700,000	6,392,549	8,880,000	2.25
	<hr/>	<hr/>	<hr/>	<hr/>
Total exchange-traded fund – local	3,700,000	6,392,549	8,880,000	2.25
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated unrealised gain on exchange-traded fund – local		2,487,451		
		<hr/>		
Total exchange-traded fund – local		8,880,000		
		<hr/>		

#### 9 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	346,499	255,684
Short-term Shariah-based deposits with licensed financial institutions	86,464,126	38,882,822
	<hr/>	<hr/>
	86,810,625	39,138,506
	<hr/>	<hr/>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS (CONTINUED)

Weighted average effective profit rates per annum of Shariah-based deposits with licensed financial institutions are as follows:

	<u>2022</u> %	<u>2021</u> %
Shariah-based deposits with licensed financial institutions	2.15	1.65

Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2021: 1 day).

#### 10 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission.
- (b) Exchange-traded fund which has been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and
- (c) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

#### 11 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	284,192,000	251,256,000
Creation of units arising from applications during the financial year	55,864,383	60,501,556
Creation of units arising from distributions during the financial year	10,551,617	7,809,444
Cancellation of units during the financial year	(37,015,000)	(35,375,000)
At the end of the financial year	<u>313,593,000</u>	<u>284,192,000</u>

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 12 TRANSACTIONS WITH BROKERS

- a) Details of transactions with the top 10 brokers for the financial year ended 31 August 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd#	117,638,526	31.38	294,100	30.83
UOB Kay Hian Securities (M) Sdn Bhd	37,845,181	10.10	94,613	9.92
HLG Securities Sdn Bhd	27,380,325	7.30	68,451	7.18
CIMB Investment Bank Bhd	26,230,114	7.00	63,470	6.65
RHB Investment Bank Bhd	24,437,760	6.52	66,041	6.92
Maybank Investment Bank Bhd	23,131,182	6.17	80,548	8.44
Public Investment Bank Bhd	16,316,228	4.35	40,791	4.28
TA Securities Holdings Bhd	15,469,813	4.13	38,674	4.05
CLSA Securities Malaysia Sdn Bhd	14,486,350	3.86	25,510	2.67
Seagroatt And Campbell Sdn Bhd	14,332,397	3.82	35,831	3.76
Others	57,612,326	15.37	145,820	15.30
	<u>374,880,202</u>	<u>100.00</u>	<u>953,849</u>	<u>100.00</u>

- b) Details of transactions with the top 10 brokers for the financial year ended 31 August 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Hwang Investment Bank Bhd#	248,098,500	33.28	614,893	33.57
CIMB Investment Bank Bhd	49,907,340	6.70	108,674	5.93
CLSA Securities Malaysia Sdn Bhd	46,407,042	6.23	102,818	5.61
Credit Suisse Securities (M) Sdn Bhd	43,961,299	5.90	109,903	6.00
Maybank Investment Bank Bhd	39,163,517	5.25	97,909	5.35
HLG Securities Sdn Bhd	38,336,001	5.14	95,843	5.23
TA Securities Holdings Bhd	37,645,706	5.05	76,659	4.19
UOB Kay Hian Securities (M) Sdn Bhd	33,742,639	4.53	84,357	4.61
Public Investment Bank Bhd	30,628,497	4.11	76,571	4.18
JP Morgan Securities (M) Sdn Bhd	26,578,004	3.57	66,445	3.63
Others	150,926,941	20.24	397,634	21.70
	<u>745,395,486</u>	<u>100.00</u>	<u>1,831,706</u>	<u>100.00</u>

- # Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, former holding company of the Manager amounting to RM117,638,526 (2021: RM248,098,500). The Manager is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P., CVC Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as "CVC Asia V")	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited	General Partner of the ultimate holding companies
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAM")	Substantial shareholder of the Manager
Affin Hwang Asset Management Berhad ("AHAM")	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding companies of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

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

The units held by the Manager and parties related to the Manager as at the end of the financial year are as follows:

	<u>2022</u>
	No. of units      RM
<u>The Manager:</u>	
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)	147,668      167,426
	<u>                    </u> <u>                    </u>
	<u>2021</u>
	No. of units      RM
<u>The Manager:</u>	
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)	23,790      33,097
	<u>                    </u> <u>                    </u>
<u>Subsidiary of the former penultimate holding company of the Manager:</u>	
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	417,357      580,627
	<u>                    </u> <u>                    </u>

Other than the above, there were no units held by the Directors or parties related to the Manager.

## AFFIN HWANG AIIMAN GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 14 TOATL EXPENSE RATIO (“TER”)

	<u>2022</u> %	<u>2021</u> %
TER	<u>1.58</u>	<u>1.58</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM366,308,814 (2021: RM333,893,251).

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

	<u>2022</u>	<u>2021</u>
PTR (times)	<u>0.53</u>	<u>1.02</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM178,956,813 (2021: RM383,889,069)  
total disposal for the financial year = RM212,325,247 (2021: RM296,997,066)

## **AFFIN HWANG AIIMAN GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

#### **16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

##### Change in corporate shareholding of Affin Hwang Asset Management Berhad

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

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



## **AFFIN HWANG AIIMAN GROWTH FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 36 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 31 August 2022 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  
19 October 2022

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GROWTH FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman Growth Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 August 2022, and of its financial performance and its cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 36.

### Basis for opinion

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

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

### *Independence and other ethical responsibilities*

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

## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GROWTH FUND (CONTINUED)

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

#### Information other than the financial statements and auditors' report thereon

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

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

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

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

#### Responsibilities of the Manager for the financial statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds'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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN GROWTH FUND (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
19 October 2022

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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

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

### **PENANG**

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

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

### **PERAK**

Affin Hwang Asset Management Berhad  
1, Persiaran Greentown 6  
Greentown Business Centre  
30450 Ipoh Perak

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

### **MELAKA**

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

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

### **JOHOR**

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

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

### **SABAH**

Affin Hwang Asset Management Berhad  
Unit 1.09(a), Level 1  
Plaza Shell  
29, Jalan Tunku Abdul Rahman  
88000 Kota Kinabalu  
Sabah

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

## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SARAWAK**

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

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

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

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

[www.affinhwangam.com](http://www.affinhwangam.com)

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)