

Affin Hwang Aiiman Growth Fund

Interim Report
28 February 2022

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

AFFIN HWANG AIIMAN GROWTH FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 28 February 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 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 28 Feb 2022 (%)	As at 28 Feb 2021 (%)	As at 29 Feb 2020 (%)
Portfolio composition			
Shariah-compliant quoted equities – local			
- Construction	3.02	6.36	5.59
- Consumer products & services	5.75	1.80	4.94
- Financial services	4.38	7.20	6.12
- Energy	1.52	4.10	7.60
- Healthcare	3.68	-	12.87
- Industrial products & services	22.35	16.80	11.36
- Preference share	-	0.16	-
- Plantation	-	1.90	3.96
- Property	8.53	7.37	7.24
- REITs	5.41	4.72	8.11
- Technology	16.60	27.63	5.00
- Telecommunication & media	10.32	10.24	4.81
- Utilities	-	2.07	5.32
- Warrants	-	0.72	-
- Transport & logistics	4.12	1.79	2.10
- Total Shariah-compliant quoted equities – local	85.68	92.86	85.02
Shariah-compliant collective investment scheme – local			
- TradePlus Shariah Gold Tracker	2.77	2.50	2.62
- Total Shariah-compliant quoted collective investment scheme – local	2.77	2.50	2.62
Cash & cash equivalent	11.55	4.64	12.36
- Total	100.00	100.00	100.00
Total NAV (RM'million)	338.917	339.311	316.785
NAV per Unit (RM)	1.2729	1.4476	0.9961
Unit in Circulation (million)	266.250	234.403	318.034
Highest NAV	1.4561	1.4732	1.0498
Lowest NAV	1.2650	1.1588	0.9961
Return of the Fund (%) ⁱⁱⁱ	-8.50	12.89	-2.83
- Capital Growth (%) ⁱ	-8.50	12.89	-2.83
- Income Distribution (%) ⁱⁱ	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expense Ratio (%) ¹	0.78	0.80	0.82
Portfolio Turnover Ratio (times) ²	0.28	0.46	0.55

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

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

An illustration of the above would be as follow:-

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

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

²The decrease in the Fund's PTR was due to lesser trading activities for the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No unit splits were declared for the financial period ended 28 February 2022.

Performance Review

For the period 1 September 2021 to 28 February 2022, the Fund registered a -8.50% return compared to the benchmark return of -4.96%. The Fund thus underperformed the benchmark by 3.54%. The Net Asset Value per unit ("NAV") of the Fund as at 28 February 2022 was RM1.2729 while the NAV as at 31 August 2021 was RM1.3912.

Since commencement, the Fund has registered a return of 593.68% compared to the benchmark return of 154.04%, outperforming by 439.64%. The fund's investment objective has been met.

Table 1: Performance of the Fund

	6 Months (1/9/21 - 28/2/22)	1 Year (1/3/21 - 28/2/22)	3 Years (1/3/19 - 28/2/22)	5 Years (1/3/17 - 28/2/22)	Since Commencement (29/10/02 - 28/2/22)
Fund	(8.50%)	(9.25%)	30.61%	33.42%	593.68%
Benchmark	(4.96%)	(6.64%)	3.29%	(2.18%)	154.04%
Outperformance	(3.54%)	(2.61%)	27.32%	35.60%	439.64%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/3/21 - 28/2/22)	3 Years (1/3/19 - 28/2/22)	5 Years (1/3/17 - 28/2/22)	Since Commencement (29/10/02 - 28/2/22)
Fund	(9.25%)	9.30%	5.93%	10.53%
Benchmark	(6.64%)	1.08%	(0.44%)	4.94%
Outperformance	(2.61%)	8.22%	6.37%	5.59%

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	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)	FYE 2017 (1/9/16 - 31/8/17)
Fund	11.97%	27.06%	(4.10%)	(0.01%)	11.25%
Benchmark	(3.16%)	10.53%	(6.99%)	0.45%	2.56%
Outperformance	15.13%	16.53%	2.89%	(0.46%)	8.69%

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 period under review, please refer to Fund Performance Data.

As at 28 February 2022, the Fund was 88.45% invested with 85.68% in Shariah-compliant equities, 2.77% in Shariah-compliant collective investment scheme (CIS), and the remaining was held in cash and cash equivalent. During the period under review, the Manager had added exposures into consumer products & services, healthcare, industrial products & services, property and transport & logistics while decreased exposure mainly in the construction, energy, plantation, utilities and technology sector. Cash level of the Fund was increased to 11.55% over the same period.

Strategies Employed

The Fund raised cash levels at the start of the year amidst prevailing market volatility. As markets stabilize and with the announcement of Covid vaccines, we raised invested levels and remained relatively highly invested throughout the financial year. The Fund had notably added exposure to equities that would benefit from further economic reopening from the Covid movement restrictions. Closer to the end of the financial year, the Fund raised invested levels amidst a market sell off as central banks globally shifts towards a more hawkish stance.

Market Review

Global equities started 2021 on a strong note buoyed by policy easing and optimism surrounding global vaccination rollouts. However, the global recovery grew at an uneven pace as developed markets posted stronger gains compared to emerging markets.

Developed markets have managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility. The S&P 500 index pierced new highs in the year underpinned by a strong earnings rebound as businesses clambered to meet renewed demand.

However, the rally was tested by surging bond yields in the 1Q'2021 as well as the spectre of inflation that would spook investors for the rest of the year. Inflation vaulted strongly from a low-base effect as supply chain disruptions associated with the pandemic led to a sharp increase in input prices.

Markets were soothed initially by dovish comments from the US Federal Reserve which pledged to keep monetary policy accommodative. Fed Chair Jerome Powell held the view that inflation was transitional and that supply-demand imbalances would begin to ease which would cool down inflation.

However with inflation proving stickier than expected, the Fed relented towards the end of year and pivoted towards a hawkish stance. At its policy meeting, the Fed signaled that it would start accelerating its tapering of bond purchases that would pave the way for 3 rate hikes in 2022.

Meanwhile in Asia, the broader MSCI Asia ex-Japan index ended the year down as the region reeled from the Delta variant that led to fresh lockdowns being imposed and a surge in hospitalization rates.

The region was also pulled down by weaker performance in China as authorities cast a wide regulatory dragnet which impacted a range of sectors including technology, education and e-commerce. This was part of a wider 'common prosperity' drive by Beijing to narrow the income gap and increase the political legitimacy of the Communist Party which celebrated its 100th anniversary in 2021.

On the domestic front, the local market mirrored regional losses with the benchmark KLCI closing lower in the year. A litany of concerns sent the stock market on a volatile path with fresh lockdowns, political instability as well as new taxes proposed under Budget 2022.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The appointment provided some clarity by resolving the political impasse following the resignation of Tan Sri Muhyiddin Yassin who faced a turbulent tenure due to the mishandling of the pandemic as well as a rare royal rebuke.

Markets were also jolted when the government announced a one-off prosperity tax (Cukai Makmur) during the tabling of Budget 2022 for companies that earned super profits. This quelled the initial optimism from economic reopening as earnings forecasts are pared down.

However, the government made U-turns on other tax measures proposed under Budget 2022 including reinstating the exemption of all types of foreign incomes for individuals from tax as well as stamp duty cap. Markets were concerned that these initial measures would dampen sentiment and reduce market vibrancy as well as velocity of trading. However, the local market saw support on the back of easing policy headwinds as investors also price-in better growth prospects.

Coming into February 2022, the FBM 100 index fell 5.1%, buoyed by plantation and commodity-related names which got a boost from the spike in commodities prices over the month. Corporate earnings saw consumer and plantation names beating estimates. As a reopening play, consumer stocks are benefitting from pent-up demand while plantation stocks benefitted from high CPO prices.

Investment Outlook

2022 is set to be a year of transition for markets as investors contend with normalization of growth rates and monetary policy tightening. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

Market environment is challenging given rising rates, slowing growth and waning earnings expectations. The key indicators of policies, growth and earnings have not inflected. That said, the positives are that valuations have become less excessive and sentiments have turned bearish.

Russia-Ukraine tension is also weighing on sentiments. However, history suggest that the market impact from geopolitical events tend to be short. Moving forward, we expect markets to shift the focus back to tighter monetary conditions and slowing growth.

While a total lockdown caused by the Omicron variant is not a base-case for now, there will probably be need to make adjustments as we go along. However, developments of new medical treatments such as oral pills can help in the fight against COVID. This would lay the planks for a more sustainable reopening of the economy once we have a complete medical arsenal that is effective against all known variants. There could also be room for the Fed to adjust policy should Omicron turn out to be more destructive than what the market anticipates.

After a wide regulatory dragnet was casted in 2021 by the Chinese government specifically on targeted sectors including education, technology, and e-commerce, recent policy signals by Beijing suggested that the worst of tightening cycle is over. We see the focus of policymakers shifting from that of regulatory tightening to now supporting growth as its economy wanes.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

In terms of sector opportunities, we see banks as positive, benefit from a rising interest rate cycle as well as improvement in asset quality. Valuations of the sector is also attractive with banking stocks trading at a discount to its book value. Though seeing a lot of pressure now due to ESG headwinds especially pertaining to the welfare of foreign workers, technology and exporters are another key segment that could see potential upside underpinned by strong earnings visibility driven by secular growth trends such as 5G, electric vehicles (EV) and solar energy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation, a less hawkish Fed policy, and subside Russia-Ukraine tension as potential turnarounds for the market to improve.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GROWTH FUND

We have acted as Trustee of Affin Hwang Aiiman Growth Fund ("the Fund") for the financial period ended 28 February 2022. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:

- a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements;
and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 April 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Affin Hwang Aiman Growth Fund ("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
15 April 2022

AFFIN HWANG AIIAN GROWTH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

AFFIN HWANG AIIMAN GROWTH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

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AFFIN HWANG AIIAN GROWTH FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

	<u>Note</u>	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
INVESTMENT (LOSS)/INCOME			
Dividend income		3,830,724	2,788,897
Profit income from short-term Shariah-based deposits		152,759	258,404
Net gain/(loss) on financial assets at fair value through profit or loss	7	(32,811,745)	39,815,753
		<u>(28,828,262)</u>	<u>42,863,054</u>
EXPENSES			
Management fee	4	(2,832,512)	(2,382,629)
Trustee fee	5	(132,196)	(111,189)
Auditors' remuneration		(4,463)	(4,455)
Tax agent's fee		(1,884)	(1,884)
Transaction cost		(693,090)	(965,561)
Other expenses		(42,913)	(98,985)
		<u>(3,707,058)</u>	<u>(3,564,703)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(32,535,320)	39,298,351
Taxation	6	-	-
NET (LOSS)/PROFIT AFTER TAX AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u>(32,535,320)</u>	<u>39,298,351</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(5,552,242)	40,527,010
Unrealised amount		(26,983,078)	(1,228,659)
		<u>(32,535,320)</u>	<u>39,298,351</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

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	8	37,700,938	21,993,929
Amount due from brokers		1,511,265	-
Amount due from Manager			
- creation of units		211,119	328,738
- management fee rebate receivable		2,094	1,994
Dividends receivable		378,838	682,842
Financial assets at fair value through profit or loss	7	299,812,361	323,572,917
TOTAL ASSETS		<u>339,616,615</u>	<u>346,580,420</u>
LIABILITIES			
Amount due to brokers		-	6,169,678
Amount due to Manager			
- management fee		399,410	390,578
- cancellation of units		260,338	674,726
Amount due to Trustee		18,639	18,227
Auditors' remuneration		4,463	4,455
Tax agent's fee		5,815	5,815
Other payables and accruals		10,932	5,533
TOTAL LIABILITIES		<u>699,597</u>	<u>7,269,012</u>
NET ASSET VALUE OF THE FUND		<u>338,917,018</u>	<u>339,311,408</u>
EQUITY			
Unitholders' capital		262,043,410	218,806,379
Retained earnings		76,873,608	120,505,029
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>338,917,018</u>	<u>339,311,408</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>266,250,000</u>	<u>234,403,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.2729</u>	<u>1.4476</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

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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 period	-	(32,535,320)	(32,535,320)
Movement in unitholders' capital:			
Creation of units	11,548,185	-	11,548,185
Cancellation of units	(35,451,703)	-	(35,451,703)
Balance as at 28 February 2022	<u>262,043,410</u>	<u>76,873,608</u>	<u>338,917,018</u>
Balance as at 1 September 2021	240,974,144	81,206,678	322,180,822
Total comprehensive income for the financial period	-	39,298,351	39,298,351
Movement in unitholders' capital:			
Creation of units	12,628,774	-	12,628,774
Cancellation of units	(34,796,539)	-	(34,796,539)
Balance as at 28 February 2022	<u>218,806,379</u>	<u>120,505,029</u>	<u>339,311,408</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

UNAUDITED INTERIM STATEMENT CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

	<u>Note</u>	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		117,701,925	178,636,029
Purchase of Shariah-compliant investments		(95,408,629)	(152,219,386)
Dividends received		3,676,822	2,317,608
Profit income received from short-term Shariah-based deposits		152,759	258,404
Rebate of management fee received		13,880	14,032
Management fee paid		(2,923,392)	(2,397,418)
Trustee's fee paid		(136,437)	(111,879)
Payment for other fees and expenses		(743,338)	(1,073,757)
Net cash flows generated from operating activities		<u>22,333,590</u>	<u>25,423,633</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from creation of units		11,505,034	14,296,491
Payments for cancellation of units		(35,276,192)	(34,121,813)
Net cash flows used in from financing activities		<u>(23,771,158)</u>	<u>(19,825,322)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,437,568)	5,598,311
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>39,138,506</u>	<u>16,395,618</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	<u><u>37,700,938</u></u>	<u><u>21,993,929</u></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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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, 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 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 Funds 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 – 2021 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 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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 Shariah-compliant investments is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend rate, when the right to receive the dividend has been established.

Profit income

Profit income from short-term Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals 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 investment

For Shariah-compliant quoted investments and exchange-traded fund ("ETF"), realised gains and losses on sale of Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments, determined on a weighted average cost basis.

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.

AFFIN HWANG AII MAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

D TAXATION

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

Withholding taxes on investment income 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.

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F 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 contractual cash flows of the Fund’s debt securities are solely principal and interest (‘SPPI’)¹. 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 achieve 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, amount due from brokers, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

¹ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

AFFIN HWANG AIIAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

F 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.

Financial liabilities, within the scope of 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 and 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. 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.

Investment in exchange-traded funds is valued based on quoted market prices at the close of trading on the reporting date.

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

AFFIN HWANG AII MAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

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

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

G 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 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 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

H AMOUNT DUE FROM/(TO) BROKERS

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

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

I UNITHOLDERS' CAPITAL

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

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

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

J CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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 these are no accounting policies required significant judgement to be exercised.

In undertaking any of the Fund's Shariah-compliant 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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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 Deed, 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;
- (b) Unlisted Shariah-compliant securities;
- (c) Shariah-compliant warrants;
- (d) Government Investment Issues, Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate, Islamic negotiable instrument of deposit, 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, 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 Securities Commissions Malaysia 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 fund 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 15 April 2022

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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	8	37,700,938	-	37,700,938
Amount due from dealers		1,511,265	-	1,511,265
Amount due from Manager				
- creation of units		211,119	-	211,119
- management fee rebate receivable		2,094	-	2,094
Dividends receivable		378,838	-	378,838
Shariah-compliant quoted equities	7	-	290,414,361	290,414,361
Exchange traded funds	7	-	9,398,000	9,398,000
Total		<u>39,804,254</u>	<u>299,812,361</u>	<u>339,616,615</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		399,410	-	399,410
- cancellation of units		260,338	-	260,338
Amount due to Trustee		18,639	-	18,639
Auditors' remuneration		4,463	-	4,463
Tax agent's fee		5,815	-	5,815
Other payables and accruals		10,932	-	10,932
Total		<u>699,597</u>	<u>-</u>	<u>699,597</u>

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

Financial instruments are as follows (continued):

	<u>Note</u>	At amortised <u>cost</u> RM	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	8	21,993,929	-	21,993,929
Amount due from Manager				
- creation of units		328,738	-	328,738
- management fee rebate receivable		1,994	-	1,994
Dividends receivable		682,842	-	682,842
Shariah-compliant quoted equities	7	-	315,099,917	315,099,917
Exchange traded funds	7	-	8,473,000	8,473,000
Total		<u>23,007,503</u>	<u>323,572,917</u>	<u>346,580,420</u>
<u>Financial liabilities</u>				
Amount due to brokers		6,169,678	-	6,169,678
Amount due to Manager				
- management fee		390,578	-	390,578
- cancellation of units		674,726	-	674,726
Amount due to Trustee		18,227	-	18,227
Auditors' remuneration		4,455	-	4,455
Tax agent's fee		5,815	-	5,815
Other payables and accruals		5,533	-	5,533
Total		<u>7,269,012</u>	<u>-</u>	<u>7,269,012</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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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
Shariah-compliant quoted investments		
Shariah-compliant quoted equities	290,414,361	315,099,917
Exchange-traded fund	9,398,000	8,473,000
	<u>299,812,361</u>	<u>323,572,917</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 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, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2022</u>		
-4%	287,819,867	(11,992,494)
0%	299,812,361	-
+4%	311,804,855	11,992,494
	<u>299,812,361</u>	<u>11,992,494</u>
<u>2021</u>		
-10%	291,215,625	(32,357,292)
0%	323,572,917	-
+10%	355,930,209	32,357,292
	<u>323,572,917</u>	<u>32,357,292</u>

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 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.

Credit risk

Credit risk refers to the ability of any issuer or counterparty to make timely payments of profit, principals and proceeds from realisation of Shariah-compliant investments. The Manager manages the credit risk by undertaking credit evaluation to minimise 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 short-term Shariah-based deposits in licensed financial institutions is managed by ensuring that the Fund will only place Shariah-based 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 is governed by the SC's Guidelines on Unit Trust Funds.

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

Credit risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Amount due from brokers</u> RM	<u>Amount due from Manager</u> RM	<u>Dividend receivables</u> RM	<u>Total</u> RM
<u>2022</u>					
Construction					
- NR	-	-	-	185,772	185,772
Financial Services					
- AAA	37,700,938	-	-		37,700,938
Industrial Products & Services					
- NR	-	1,451,908	-	28,383	1,480,291
Plantations					
- NR	-	-	-	124,560	124,560
REITs					
- NR	-	-	-	40,123	40,123
Technology					
- NR	-	59,357	-	-	59,357
Others					
- NR	-	-	213,213	-	213,213
	<u>37,700,938</u>	<u>1,511,265</u>	<u>213,213</u>	<u>378,838</u>	<u>39,804,254</u>
<u>2021</u>					
Financial Services					
- AAA	21,993,929	-	-	386,954	22,380,883
Industrial Products & Services					
- NR	-	-	-	66,263	66,263
Plantations					
- NR	-	-	-	97,510	97,510
REITs					
- NR	-	-	-	132,115	132,115
Others					
- NR	-	-	330,732	-	330,732
	<u>21,993,929</u>	<u>-</u>	<u>330,732</u>	<u>682,842</u>	<u>23,007,503</u>

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. 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>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2022</u>			
Amount due to Manager			
- management fee	399,410	-	399,410
- cancellation of units	260,338	-	260,338
Amount due to Trustee	18,639	-	18,639
Auditors' remuneration	-	4,463	4,463
Tax agent's fee	-	5,815	5,815
Other payables and accruals	-	10,932	10,932
	<u>678,387</u>	<u>21,210</u>	<u>699,597</u>
<u>2021</u>			
Amount due to brokers	6,169,678	-	6,169,678
Amount due to Manager			
- management fee	390,578	-	390,578
- cancellation of units	674,726	-	674,726
Amount due to Trustee	18,227	-	18,227
Auditors' remuneration	-	4,455	4,455
Tax agent's fee	-	5,815	5,815
Other payables and accruals	-	5,533	5,533
	<u>7,253,209</u>	<u>15,803</u>	<u>7,269,012</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 Shariah-compliant investment activities of the Fund.

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

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 2021, all investments held are Shariah Compliant counters as approved by the Shariah Advisory Council.

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

3 FAIR VALUE ESTIMATION (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	290,414,361	-	-	290,414,361
- exchange traded fund	9,398,000	-	-	9,398,000
	<u>299,812,361</u>	<u>-</u>	<u>-</u>	<u>299,812,361</u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted equities	315,099,917	-	-	315,099,917
- exchange traded fund	8,473,000	-	-	8,473,000
	<u>323,572,917</u>	<u>-</u>	<u>-</u>	<u>323,572,917</u>

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

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

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deeds, 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 daily basis.

For the 6 months financial period ended 28 February 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 daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum on the NAV of the Fund, calculated on a daily basis.

For the 6 months financial period ended 28 February 2022, the Trustee fee is recognised at a rate of 0.07% (2021: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee, subject to a minimum fee of RM18,000 per annum as stated in the Fund's Prospectus.

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

6 TAXATION

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
Current taxation - local	-	-

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

6 TAXATION (CONTINUED)

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

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
Net (loss)/profit before taxation	(32,535,320)	39,298,351
Tax at Malaysian statutory rate of 24% (2021: 24%)	(7,808,477)	9,431,604
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	6,922,071	(10,284,466)
Expenses not deductible for tax purposes	205,460	280,968
Restriction on tax deductible for expenses for Unit Trust Funds	680,946	571,894
Tax expense	-	-

7 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	290,414,361	315,099,917
- exchange-traded fund – local	9,398,000	8,473,000
	<u>299,812,361</u>	<u>323,572,917</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(5,842,368)	41,033,299
- unrealised loss on changes of fair value	(26,983,078)	(1,228,659)
- management fee rebate on exchange-traded fund#	13,701	11,113
	<u>(32,811,745)</u>	<u>39,815,753</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 net asset value. 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 AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities - local as at 28 February 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
Gamuda Bhd	3,096,200	10,413,765	8,917,056	2.63
Widad Group Bhd	3,965,200	1,982,600	1,308,516	0.39
	<u>7,061,400</u>	<u>12,396,365</u>	<u>10,225,572</u>	<u>3.02</u>
<u>Consumer Products & Services</u>				
Guan Chong Bhd	1,387,700	3,972,270	3,774,544	1.11
Sime Darby Bhd	3,515,200	8,297,895	7,979,504	2.35
UMW Holdings Bhd	2,532,400	8,482,761	7,749,144	2.29
	<u>7,435,300</u>	<u>20,752,926</u>	<u>19,503,192</u>	<u>5.75</u>
<u>Energy</u>				
Wah Seong Corporation Bhd	6,896,357	6,368,491	5,137,786	1.52
<u>Financial Services</u>				
Bank Islam Malaysia Bhd	4,984,200	14,608,180	14,852,916	4.38
<u>Health Care</u>				
IHH Healthcare Bhd	1,912,500	11,129,949	12,469,500	3.68
<u>Industrial Products & Services</u>				
Kobay Technology Bhd	1,795,800	5,360,998	6,644,460	1.96
Petronas Chemicals Group Bhd	883,500	7,366,844	8,419,755	2.48
Press Metal Aluminium Holding Bhd	1,323,800	7,634,163	9,041,554	2.67
Scientex Bhd	2,921,900	8,296,035	12,739,484	3.76
SKP Resources Bhd	4,142,125	7,596,128	6,130,345	1.81
Scope Industries Bhd	28,026,500	9,281,584	6,726,360	1.98
Scope Industries Bhd - Warrant	7,624,740	-	609,979	0.18
Solarvest Holdings Bhd	9,537,200	12,738,919	9,012,654	2.66
Sunway Bhd	5,089,391	7,605,103	8,601,071	2.54
V.S. Industry Bhd	6,585,000	7,135,577	7,506,900	2.21
V.S. Industry Bhd - Warrant	1,145,260	-	349,304	0.10
	<u>69,075,216</u>	<u>73,015,351</u>	<u>75,781,866</u>	<u>22.35</u>

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

7 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 28 February 2022 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Property</u>				
Matrix Concepts Holdings Bhd	4,481,277	8,751,907	10,755,065	3.17
SP Setia Bhd Group	7,379,800	8,132,758	9,446,144	2.79
UOA Development Bhd	5,042,600	11,584,939	8,723,698	2.57
	<u>16,903,677</u>	<u>28,469,604</u>	<u>28,924,907</u>	<u>8.53</u>
<u>Technology</u>				
D&O Green Technologies Bhd	1,988,000	10,825,249	9,323,720	2.75
Dagang NeXchange Bhd	9,181,000	7,798,704	10,282,720	3.03
Frontken Corp Bhd	2,427,950	5,749,814	6,992,496	2.06
Genetec Technology Bhd	4,335,500	7,254,889	10,015,005	2.96
GHL Systems Bhd	6,396,400	9,199,119	9,850,456	2.91
Greatech Technology Bhd	816,300	3,280,261	3,395,808	1.00
Kronologi Asia Bhd	5,787,400	3,832,995	3,240,944	0.96
Pentamaster Corporation Bhd	971,800	5,476,910	3,148,632	0.93
	<u>31,904,350</u>	<u>53,417,941</u>	<u>56,249,781</u>	<u>16.60</u>
<u>Telecommunication & Media</u>				
Axiata Group Bhd	2,475,100	10,054,573	9,652,890	2.85
Telekom Malaysia Bhd	2,938,800	18,020,270	14,870,328	4.39
TIME dotCom Bhd	2,457,900	7,365,504	10,421,496	3.08
	<u>7,871,800</u>	<u>35,440,347</u>	<u>34,944,714</u>	<u>10.32</u>
<u>Transportation & Logistics</u>				
MISC Bhd	1,904,200	13,006,276	13,976,828	4.12

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

7 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 28 February 2022 are as follows: (continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>REITs</u>				
Axis Real Estate Investment Trust	9,971,358	16,564,583	18,347,299	5.41
Total Shariah-compliant quoted equities – local	<u>165,920,358</u>	285,170,013	<u>290,414,361</u>	<u>85.68</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		<u>5,244,348</u>		
Total Shariah-compliant quoted equities – local		<u>290,414,361</u>		

AFFIN HWANG AIFMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

7 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 28 February 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
Gamuda Bhd	1,579,500	5,682,729	5,259,735	1.55
Jaks Resources Bhd	16,037,580	6,844,226	11,707,433	3.45
Jaks Resources Bhd - Warrant	5,178,640	-	2,252,708	0.66
Widad Group Bhd	10,000,000	5,000,000	4,600,000	1.36
	<u>32,795,720</u>	<u>17,526,955</u>	<u>23,819,876</u>	<u>7.02</u>
<u>Consumer Products & Services</u>				
Guan Chong Bhd	2,310,500	6,575,443	6,122,825	1.80
<u>Energy</u>				
Wah Seong Corporation Bhd	7,938,357	7,449,562	5,675,925	1.67
Yinson Holdings Bhd	1,560,700	10,276,779	8,256,103	2.43
	<u>9,499,057</u>	<u>17,726,341</u>	<u>13,932,028</u>	<u>4.10</u>
<u>Financial Services</u>				
Bursa Malaysia Bhd	1,138,100	9,775,106	10,322,567	3.04
BIMB Holdings Bhd	1,908,600	7,927,445	7,729,830	2.28
Syarikat Takaful Malaysia Bhd	1,384,600	5,526,156	6,369,160	1.88
	<u>4,431,300</u>	<u>23,228,707</u>	<u>24,421,557</u>	<u>7.20</u>
<u>Industrial Products & Services</u>				
Cahaya Mata Sarawak Bhd	5,668,900	10,398,338	13,038,470	3.84
Press Metal Aluminium Holding Bhd	665,100	6,152,175	6,318,450	1.86
Scientex Bhd	3,225,100	8,348,076	12,932,651	3.81
Scientex Bhd - Warrant	167,900	-	204,838	0.06
SKP Resources Bhd	1,106,700	2,295,838	2,523,276	0.74
Sunway Bhd	3,934,191	5,810,281	5,783,261	1.70
V.S. Industry Bhd	5,521,900	7,234,757	16,455,262	4.85
	<u>20,289,791</u>	<u>40,239,465</u>	<u>57,256,208</u>	<u>16.86</u>

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

7 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 28 February 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Plantation</u>				
Kuala Lumpur Kepong Bhd	278,600	6,605,148	6,463,520	1.90
<u>Property</u>				
Mah Sing Group Bhd	7,715,200	6,678,907	6,056,432	1.78
Malaysian Resources Corp Bhd	7,823,700	4,011,278	3,207,717	0.94
Matrix Concepts Holdings Bhd	4,326,677	8,427,247	7,701,485	2.27
UOA Development Bhd	4,581,400	10,897,735	8,063,264	2.38
	<u>24,446,977</u>	<u>30,015,167</u>	<u>25,028,898</u>	<u>7.37</u>
<u>Preference Share</u>				
SP Setia Bhd - RCPS-i B	692,872	609,728	533,511	0.16
<u>REITs</u>				
Axis Real Estate Investment Trust	6,096,686	9,594,326	11,156,935	3.29
KLCCP Stapled Group Stapled Security	704,200	5,259,414	4,844,896	1.43
	<u>6,800,886</u>	<u>14,853,740</u>	<u>16,001,831</u>	<u>4.72</u>
<u>Technology</u>				
Frontken Corp Bhd	2,531,800	5,896,094	13,190,678	3.89
GHL Systems Bhd	6,396,400	9,199,119	11,193,700	3.30
Greatech Technology Bhd	2,349,000	4,589,679	14,305,410	4.22
Inari Amertron Bhd	2,918,000	6,333,270	10,504,800	3.10
My EG Services Bhd	4,365,431	6,714,874	9,254,714	2.73
Pentamaster Corporation Bhd	970,650	4,018,099	6,105,389	1.80
Unisem M Bhd	1,596,300	10,235,993	13,983,588	4.12
UWC Bhd	2,355,000	2,848,293	15,166,200	4.47
	<u>23,482,581</u>	<u>49,835,421</u>	<u>93,704,479</u>	<u>27.63</u>

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

7 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 28 February 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication & Media</u>				
Telekom Malaysia Bhd	3,396,200	20,874,816	20,750,782	6.12
TIME dotCom Bhd	819,300	7,365,504	11,371,884	3.35
Axiata Group Bhd	742,700	3,338,314	2,599,450	0.77
	<u>4,958,200</u>	<u>31,578,634</u>	<u>34,722,116</u>	<u>10.24</u>
<u>Transportation & Logistics</u>				
MISC Bhd	907,100	6,050,357	6,059,428	1.79
<u>Utilities</u>				
Tenaga Nasional Bhd	696,400	9,426,487	7,033,640	2.07
Total Shariah-compliant quoted equities – local	<u>131,589,984</u>	<u>254,271,593</u>	<u>315,099,917</u>	<u>92.86</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		<u>60,828,324</u>		
Total Shariah-compliant quoted equities – local		<u>315,099,917</u>		

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

(b) Exchange-traded fund – local

(i) Exchange-traded fund – local as at 28 February 2022 is as follows:

	<u>Quantity</u>	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Commodity</u>				
TradePlus Shariah Gold Tracker	3,700,000	6,392,549	9,398,000	2.77
Total exchange-traded fund – local	<u>3,700,000</u>	<u>6,392,549</u>	<u>9,398,000</u>	<u>2.77</u>
Accumulated unrealised gain on exchange traded funds - local		<u>3,005,451</u>		
Total exchange-traded fund – local		<u><u>9,398,000</u></u>		

(ii) Exchange-traded fund – local as at 28 February 2021 is as follows:

	<u>Quantity</u>	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Commodity</u>				
TradePlus Shariah Gold Tracker	3,700,000	6,392,549	8,473,000	2.50
Total exchange-traded fund – local	<u>3,700,000</u>	<u>6,392,549</u>	<u>8,473,000</u>	<u>2.50</u>
Accumulated unrealised gain on exchange traded funds - local		<u>2,080,451</u>		
Total exchange-traded fund – local		<u><u>8,473,000</u></u>		

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	85,357	140,331
Short term Shariah-based deposits with licensed financial institutions	37,615,581	21,853,598
	<u>37,700,938</u>	<u>21,993,929</u>

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	<u>1.65</u>	<u>1.65</u>

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

9 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	284,192,000	251,256,000
Creation of units arising from applications	8,358,000	9,733,000
Cancellation of units	<u>(26,300,000)</u>	<u>(26,586,000)</u>
At the end of the financial period	<u>266,250,000</u>	<u>234,403,000</u>

10 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments 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.

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

11 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 10 brokers for the 6 months financial period ended 28 February 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
Affin Hwang Investment Bank Bhd#	74,152,620	35.15	185,382	33.48
Maybank Investment Bank Bhd	20,972,283	9.94	75,151	13.57
UOB Kay Hian Secs (M) Sdn Bhd	16,363,009	7.76	40,908	7.39
HLG Securities Sdn Bhd	14,480,852	6.86	36,202	6.54
Seagroatt And Campbell Sdn Bhd	12,717,277	6.03	31,793	5.74
TA Securities Holdings Bhd	11,327,017	5.37	28,318	5.11
RHB Investment Bank Bhd	9,260,216	4.39	28,098	5.07
Public Investment Bank Bhd	8,084,738	3.83	20,212	3.65
Jupiter Securities Sdn. Bhd	7,878,992	3.73	19,697	3.56
CLSA Securities Malaysia Sdn Bhd	6,749,078	3.20	14,024	2.53
Others	28,996,061	13.74	74,005	13.36
	<u>210,982,143</u>	<u>100.00</u>	<u>553,790</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 brokers for the 6 months financial period ended 28 February 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
Affin Hwang Investment Bank Bhd#	107,296,175	32.28	268,241	31.62
HLG Securities Sdn Bhd	21,734,781	6.54	54,340	6.41
Credit Suisse Securities (M) Sdn Bhd	21,046,223	6.33	52,616	6.20
CIMB Investment Bank Bhd	20,017,387	6.02	46,913	5.53
CLSA Securities Malaysia Sdn Bhd	19,767,617	5.94	49,419	5.83
Public Investment Bank Bhd	19,076,689	5.74	47,692	5.62
Maybank Investment Bank Bhd	18,816,528	5.66	47,041	5.54
TA Securities Holdings Bhd	18,444,468	5.55	46,111	5.44
Macquarie Securities (Australia) Ltd	14,181,747	4.27	35,454	4.18
Macquarie Bank Ltd Hong Kong	11,596,097	3.49	28,990	3.42
Others	60,436,245	18.18	171,408	20.21
	<u>332,413,957</u>	<u>100.00</u>	<u>848,225</u>	<u>100.00</u>

*Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM74,152,620 (2021: RM107,296,175). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

12 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
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements

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

	<u>2022</u>		<u>2021</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager</u>				
Affin Hwang Asset Management Bhd (The units are held for booking purpose)	155,813	198,334	214,018	309,812

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>28.2.2022</u> %	6 months financial period ended <u>28.2.2021</u> %
MER	<u>0.78</u>	<u>0.80</u>

MER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebates
- B = Trustee 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 period calculated on a daily basis is RM381,240,595 (2021: RM319,956,574).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>28.2.2022</u>	6 months financial period ended <u>28.2.2021</u>
PTR (times)	<u>0.28</u>	<u>0.46</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 = RM91,868,901 (2021: RM158,389,064)

total disposal for the financial period = RM91,868,901 (2021: RM135,582,138)

15 SIGNIFICANT EVENTS 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.

AFFIN HWANG AIIMAN GROWTH FUND

STATEMENT BY THE MANAGER

I, 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 32 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 28 February 2022 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 28 February 2022 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 April 2022

DIRECTORY OF SALES OFFICE

HEAD OFFICE

Affin Hwang Asset Management Berhad
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