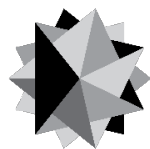


# Affin Hwang

## Principled Growth Fund

Interim Report  
31 March 2022

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
AmanahRaya Trustee Berhad (766894-T)

# AFFIN HWANG PRINCIPLED GROWTH FUND

## Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 March 2022

---

<b>Contents</b>	<b>Page</b>
FUND INFORMATION .....	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT .....	V
TRUSTEE'S REPORT .....	IX
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## FUND INFORMATION

Fund Name	Affin Hwang Principled Growth Fund
Fund Type	Income & Growth
Fund Category	Equity
Investment Objective	To seek a stable return and generate capital growth over the medium to long term period in diversified portfolio of equities with stocks in gaming, liquor and tobacco to be avoided.
Benchmark	FTSE Bursa Malaysia KLCI
Distribution Policy	Distribution (if any) is incidental and will be subject to the availability of income

## FUND PERFORMANCE DATA

Category	As at 31 Mar 2022 (%)	As at 31 Mar 2021 (%)	As at 31 Mar 2020 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	-	-	0.49
- Consumer products & services	3.96	9.11	6.26
- Energy	1.11	-	2.08
- Financial services	14.96	16.28	9.43
- Health care	3.15	3.20	7.29
- Industrial products & services	24.69	27.52	6.28
- Plantations	11.88	2.90	-
- Properties	2.25	1.97	-
- REITs	-	4.30	7.55
- Technology	11.54	14.64	7.84
- Telecommunication & media	6.08	9.17	7.26
- Transportation & logistics	4.84	5.00	-
- Utilities	-	1.87	3.50
- Warrant	2.10	-	-
<b>Total quoted equities – local</b>	<b>86.56</b>	<b>95.96</b>	<b>57.98</b>
<b>Cash &amp; cash equivalent</b>	<b>13.44</b>	<b>4.04</b>	<b>42.02</b>
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	78.254	100.514	104.149
NAV per Unit (RM)	0.3514	0.3813	0.2483
Unit in Circulation (million)	222.709	263.586	419.496
Highest NAV	0.4100	0.3968	0.3098
Lowest NAV	0.3254	0.3340	0.2305
Return of the Fund (%) <sup>iii</sup>	-9.85	14.54	-15.34
- Capital Growth (%) <sup>i</sup>	-9.85	14.54	-15.34
- Income Distribution (%) <sup>ii</sup>	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expense Ratio (%) <sup>1</sup>	0.81	0.80	0.81
Portfolio Turnover Ratio (times) <sup>2</sup>	0.30	0.61	0.64

### **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

<sup>1</sup>The MER of the Fund was higher than previous year due a lower average NAV of the Fund during the financial period.

<sup>2</sup>The Fund recorded a lower PTR as the Manager had decreased its trading activities during the financial period.

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit split was declared for the financial period ended 31 March 2022.

### Performance Review

For the period 1 October 2021 to 31 March 2022, the Fund registered a -9.85% return compared to the benchmark return of 3.22%. The Fund thus underperformed the Benchmark by 13.07%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2022 was RM0.3514 while the NAV as at 30 September 2021 was RM0.3898.

Since commencement, the Fund has registered a return of 103.47% compared to the benchmark return of 39.56%, outperforming by 63.91%.

Table 1: Performance of the Fund

	<b>6 Months</b> (1/10/21 - 31/3/22)	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/09 - 31/3/22)
<b>Fund</b>	<b>(9.85%)</b>	<b>(3.99%)</b>	<b>25.04%</b>	<b>26.90%</b>	<b>103.47%</b>
<b>Benchmark</b>	<b>3.22%</b>	<b>0.88%</b>	<b>(3.42%)</b>	<b>(8.78%)</b>	<b>39.56%</b>
<b>Outperformance</b>	<b>(13.07%)</b>	<b>(4.87%)</b>	<b>28.46%</b>	<b>35.68%</b>	<b>63.91%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (1/4/21 - 31/3/22)	<b>3 Years</b> (1/4/19 - 31/3/22)	<b>5 Years</b> (1/4/17 - 31/3/22)	<b>Since Commencement</b> (23/7/09 - 31/3/22)
<b>Fund</b>	<b>(3.99%)</b>	<b>7.73%</b>	<b>4.88%</b>	<b>5.75%</b>
<b>Benchmark</b>	<b>0.88%</b>	<b>(1.15%)</b>	<b>(1.82%)</b>	<b>2.66%</b>
<b>Outperformance</b>	<b>(4.87%)</b>	<b>8.88%</b>	<b>6.70%</b>	<b>3.09%</b>

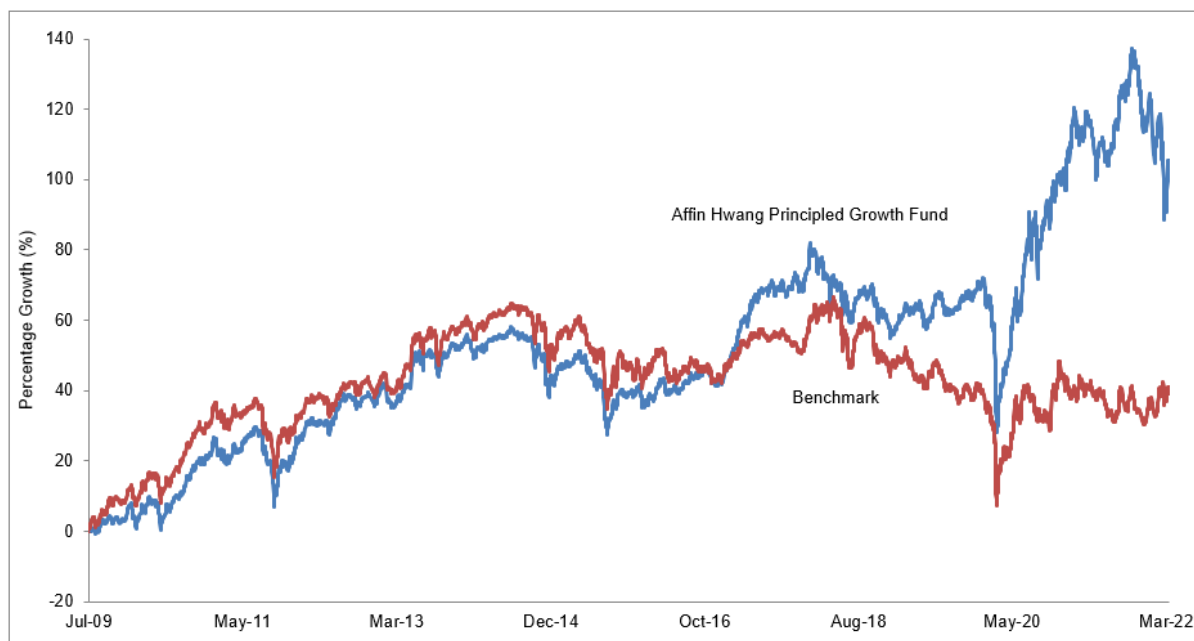
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2021</b> (1/10/20 - 30/9/21)	<b>FYE 2020</b> (1/10/19 - 30/9/20)	<b>FYE 2019</b> (1/10/18 - 30/9/19)	<b>FYE 2018</b> (1/10/17 - 30/9/18)	<b>FYE 2017</b> (1/10/16 - 30/9/17)
<b>Fund</b>	<b>21.99%</b>	<b>13.50%</b>	<b>(3.77%)</b>	<b>1.45%</b>	<b>15.80%</b>
<b>Benchmark</b>	<b>2.19%</b>	<b>(4.99%)</b>	<b>(11.67%)</b>	<b>2.14%</b>	<b>6.23%</b>
<b>Outperformance</b>	<b>19.80%</b>	<b>18.49%</b>	<b>7.90%</b>	<b>(0.69%)</b>	<b>9.57%</b>

Source of Benchmark: Bloomberg

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



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

*Benchmark: FTSE Bursa Malaysia KLCI*

***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.

During the period under review, the Fund had decreased its equity exposure slightly, which stood at 86.56% while the remaining was held in cash and cash equivalent. The most significant changes made by the manager was decreasing equities held in the consumer products and services sector while increasing equities held in plantation.

### **Strategies Employed**

After the extreme volatility in markets, the Manager rebalanced the portfolio by increasing cash holdings cautiously and reassessed investments. We continue to keep close monitor on market development amidst the rare event of global pandemic.

### **Market Review**

At the start of 2021, global equities started on a strong note due to policy easing and optimism surrounding vaccination rollout. However, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook.

The S&P 500 index pierced new highs in the year underpinned by strong earnings rebound as businesses clambered to meet renewed demand. However, although markets were initially soothed by dovish comments from the US Federal Reserve, a change in tone by the Fed to a more hawkish stance spooked markets as the S&P 500 closed 1.3% lower at the end of the year.

With inflation proving to be stickier than expected, the Fed signaled that it would start accelerating its tapering programme of bond purchases to tame inflation, paving 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 same trend can be seen continuing through the first quarter of 2022 as weak earnings and renewed delisting fears halted gains. US-listed Chinese companies are locked in a dispute with US regulators for not complying with US accounting and transparency guidelines.

On the domestic front, the local market mirrored regional losses with the benchmark KLCI closing lower in the year. A myriad of concerns sent the stock market on a volatile path. Although the KLCI rose 0.8% in the first quarter of 2022 buoyed by the slared international border reopening, tightening monetary conditions can cause further volatility.

Following the announcement of Prime Minister Datuk Seri Ismail Sabri Yaakob that the minimum wage could be increased to RM1,500 starting in May, sectors that are reliant on low-skilled labor could be vulnerable to higher labour costs.

Other notable news in March 2022 includes an announcement by the government to allow a special Employees Provident Fund ("EPF") withdrawal of up to RM10,000. This is the fourth round of withdrawal of EPF contribution since the pandemic first hit the country back in 2020. In addition to the EPF withdrawals, a hawkish FOMC meeting saw the local bond market traded cautiously for the most part with yields trending slightly higher.

The local bond market endured a relatively softer session at the end of 1Q2022 amid evident selling pressures from foreign investors as well as tighter liquidity conditions in general. On a week-on-week basis, MGS yields rose by some 7-8 bps across the curve.

## **Investment Outlook**

2022 is set to be a year of transition for markets as investors continue to 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 uncertain earnings.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs.

Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this seems much less likely this time as battling inflation is seen as a more pressing matter.

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 and an easing of 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**

For the Six Months Financial Period Ended 31 March 2022

### **TO THE UNIT HOLDERS OF AFFIN HWANG PRINCIPLED GROWTH FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG PRINCIPLED GROWTH for the six months financial period ended 31 March 2022. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG PRINCIPLED GROWTH FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds for the six months financial period ended 31 March 2022.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDDIN BIN SUHAIMI**

Chief Executive Officer

Kuala Lumpur, Malaysia  
17 May 2022

**AFFIN HWANG PRINCIPLED GROWTH FUND**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

# **AFFIN HWANG PRINCIPLED GROWTH FUND**

## **UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022**

<b>CONTENTS</b>	<b>PAGE(S)</b>
UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION	2
UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 10
NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS	11 - 28
STATEMENT BY THE MANAGER	29

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

	<u>Note</u>	6 months financial period ended <u>31.3.2022</u> RM	6 months financial period ended <u>31.3.2021</u> RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		998,948	1,082,917
Interest income from financial assets at amortised cost		44,874	77,995
Net (loss)/gain on financial assets at fair value through profit or loss	7	(8,859,820)	13,497,567
		<u>(7,815,998)</u>	<u>14,658,479</u>
<b>EXPENSES</b>			
Management fee	4	(654,777)	(749,942)
Trustee fee	5	(34,926)	(39,997)
Auditors' remuneration		(3,740)	(3,740)
Tax agent's fee		(2,184)	-
Transaction costs		(200,705)	(396,175)
Other expenses		(10,991)	(35,716)
		<u>(907,323)</u>	<u>(1,225,570)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(8,723,321)	13,432,909
Taxation	6	-	-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(8,723,321)</u>	<u>13,432,909</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		2,333,329	6,424,319
Unrealised amount		(11,056,650)	7,008,590
		<u>(8,723,321)</u>	<u>13,432,909</u>

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

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	8	10,224,016	4,147,906
Amount due from brokers		851,288	294,308
Amount due from Manager			
- creation of units		19,973	-
Dividends receivable		231,977	48,429
Financial assets at fair value through profit or loss	7	67,735,030	96,455,672
<b>TOTAL ASSETS</b>		<u>79,062,284</u>	<u>100,946,315</u>
<b>LIABILITIES</b>			
Amount due to brokers		684,429	-
Amount due to Manager			
- management fee		97,474	130,190
- cancellation of units		-	277,392
Amount due to Trustee		5,199	6,944
Auditors' remuneration		3,740	3,740
Tax agent's fee		6,564	8,760
Other payables and accruals		10,115	5,396
<b>TOTAL LIABILITIES</b>		<u>807,521</u>	<u>432,422</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>78,254,763</u>	<u>100,513,893</u>
<b>EQUITY</b>			
Unitholders' capital		52,719,419	68,570,696
Retained earnings		25,535,344	31,943,197
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>78,254,763</u>	<u>100,513,893</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<u>222,709,000</u>	<u>263,586,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.3514</u>	<u>0.3813</u>

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

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 October 2021	62,077,003	34,258,665	96,335,668
Total comprehensive loss for the financial period	-	(8,723,321)	(8,723,321)
Movement in unitholders' capital:			
Creation of units arising from applications	163,993	-	163,993
Cancellation of units	(9,521,577)	-	(9,521,577)
Balance as at 31 March 2022	<u>52,719,419</u>	<u>25,535,344</u>	<u>78,254,763</u>
Balance as at 1 October 2020	77,780,871	18,510,288	96,291,159
Total comprehensive income for the financial period	-	13,432,909	13,432,909
Movement in unitholders' capital:			
Creation of units arising from applications	81,577	-	81,577
Cancellation of units	(9,291,752)	-	(9,291,752)
Balance as at 31 March 2021	<u>68,570,696</u>	<u>31,943,197</u>	<u>100,513,893</u>

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

## AFFIN HWANG PRINCIPLED GROWTH FUND

### UNAUDITED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022

	<u>Note</u>	6 months financial period ended <u>31.3.2022</u> RM	6 months financial period ended <u>31.3.2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		34,344,648	64,559,059
Purchase of investments		(18,017,752)	(63,319,176)
Dividend received		1,008,266	1,134,329
Interest received		44,874	77,995
Management fee paid		(677,669)	(737,875)
Trustee's fee paid		(36,147)	(39,353)
Payment for other fees and expenses		(214,916)	(434,801)
		<hr/>	<hr/>
Net cash flows generated from operating activities		16,451,304	1,240,178
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		144,020	81,577
Payments for cancellation of units		(9,631,952)	(9,026,729)
		<hr/>	<hr/>
Net cash flows used in from financing activities		(9,487,932)	(8,945,152)
		<hr/>	<hr/>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		6,963,372	(7,704,974)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		3,260,644	11,852,880
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	8	10,224,016	4,147,906
		<hr/> <hr/>	<hr/> <hr/>

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

## **AFFIN HWANG PRINCIPLED GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 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 – 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 PRINCIPLED GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 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 for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

##### Interest income

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

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

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

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

#### C 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 TAXATION

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

Withholding taxes on investment income from quoted 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.

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### E FUNCTIONAL AND PRESENTATION CURRENCY

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

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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

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

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager, dividend receivables and 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.

##### (ii) Recognition and measurement

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

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

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

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

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

##### (ii) Recognition and measurement (continued)

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

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

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

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

##### (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.

##### 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

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(iii) Impairment (continued)

##### Definition of default and credit-impaired financial assets (continued)

Qualitative criteria:

The debtor meets unlikeliness 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 period.

#### G CASH AND CASH EQUIVALENTS

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

#### H AMOUNTS 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.

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

## **AFFIN HWANG PRINCIPLED GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 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;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

Units are created and cancelled 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 JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents 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 PRINCIPLED GROWTH FUND

## NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022

### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Select Growth Fund (the “Fund”) pursuant to the execution of a Deed dated 30 April 2009, First Supplemental Deed dated 22 July 2014, Second Supplemental Deed dated 6 August 2015 and Third Supplemental Deed dated 5 October 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Fund has changed its name from Affin Select Growth Fund to Affin Hwang Principled Growth Fund as amended by the First Supplemental Deed dated 22 July 2014.

The Fund commenced operations on 22 July 2009 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the SC and/or the relevant authorities and/or the Deeds:

- (i) Listed securities;
- (ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
- (iii) Fixed deposits with financial institutions;
- (iv) Money market instruments;
- (v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
- (vi) Debentures including private debt securities and bonds;
- (vii) Units/ shares in collective investment schemes, both local and foreign which are in line with the objective of the Fund;
- (viii) Equity linked instruments such as warrants and rights; and
- (ix) Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objective.

The objective of the Fund is to seek a stable return and generate capital growth over the medium to long term period in diversified portfolio of equities with stocks in gaming, liquor and tobacco to be avoided.

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

The financial statements were authorised for issue by the Manager on 17 May 2022.

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>costs</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	10,224,016	-	10,224,016
Amount due from brokers		851,288	-	851,288
Amount due from Manager				
- creation of units		19,973	-	19,973
Dividends receivable		231,977	-	231,977
Quoted equities	7	-	67,735,030	67,735,030
Total		<u>11,327,254</u>	<u>67,735,030</u>	<u>79,062,284</u>
<u>Financial liabilities</u>				
Amount due to brokers		684,429	-	684,429
Amount due to Manager				
- management fee		97,474	-	97,474
Amount due to Trustee		5,199	-	5,199
Auditors' remuneration		3,740	-	3,740
Tax agent's fee		6,564	-	6,564
Other payables and accruals		10,115	-	10,115
Total		<u>807,521</u>	<u>-</u>	<u>807,521</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	8	4,147,906	-	4,147,906
Amount due from brokers		294,308	-	294,308
Dividends receivable		48,429	-	48,429
Quoted equities	7	-	96,455,672	96,455,672
Total		<u>4,490,643</u>	<u>96,455,672</u>	<u>100,946,315</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>costs</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		130,190	-	130,190
- cancellation of units		277,392	-	277,392
Amount due to Trustee		6,944	-	6,944
Auditors' remuneration		3,740	-	3,740
Tax agent's fee		8,760	-	8,760
Other payables and accruals		5,396	-	5,396
		<u>432,422</u>	<u>-</u>	<u>432,422</u>

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

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

#### Market risk

##### (a) Price risk

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

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

	<u>2022</u> RM	<u>2021</u> RM
<b>Quoted investments</b>		
Quoted equities	<u>67,735,030</u>	<u>96,455,672</u>



## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

##### Market risk (continued)

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

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value 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/NAV RM
<u>2022</u>		
-4%	65,025,629	(2,709,401)
0%	67,735,030	-
+4%	70,444,431	2,709,401
<u>2021</u>		
-10%	86,810,105	(9,645,567)
0%	96,455,672	-
+10%	106,101,239	9,645,567

##### (b) Interest rate risk

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

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

The Fund's exposure to interest rate risk associated with deposit with a licensed financial institution is not material as the carrying value of the deposit is 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 liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

##### Liquidity risk (continued)

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 brokers	684,429	-	684,429
Amount due to Manager			
- management fee	97,474	-	97,474
Amount due to Trustee	5,199	-	5,199
Auditors' remuneration	-	3,740	3,740
Tax agent's fee	-	6,564	6,564
Other payables and accruals	-	10,115	10,115
	<u>787,102</u>	<u>20,419</u>	<u>807,521</u>
<u>2021</u>			
Amount due to Manager			
- management fee	130,190	-	130,190
- cancellation of units	277,392	-	277,392
Amount due to Trustee	6,944	-	6,944
Auditors' remuneration	-	3,740	3,740
Tax agent's fee	-	8,760	8,760
Other payables and accruals	-	5,396	5,396
	<u>414,526</u>	<u>17,896</u>	<u>432,422</u>

##### Credit risk

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

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

Credit risk arising from placements on 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.

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

##### Credit risk (continued)

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

The following table sets out the credit risk concentration 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>Dividends receivable</u> RM	<u>Total</u> RM
<u>2022</u>					
Consumer Products & Services					
- NR	-	205,686	-	-	205,686
Financial Services					
- AAA	10,111,408	-	-	-	10,111,408
- AA3	112,608	-	-	-	112,608
- NR	-	-	-	178,693	178,693
Health Care					
- NR	-	-	-	23,934	23,934
Industrial Product & Services					
- NR	-	645,602	-	14,980	660,582
Plantation					
- NR	-	-	-	14,370	14,370
Others					
- NR	-	-	19,973	-	19,973
	<u>10,224,016</u>	<u>851,288</u>	<u>19,973</u>	<u>231,977</u>	<u>11,327,254</u>
	<u>Cash and cash equivalents</u> RM	<u>Amount due from brokers</u> RM	<u>Amount due from Manager</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2021</u>					
Financial Services					
- AAA		3,950,803	-	-	3,950,803
- AA3		197,103	-	-	197,103
- NR		-	-	23,468	23,468
Health Care					
- NR		-	-	15,956	15,956
Technology					
- NR		-	294,308	9,005	303,313
		<u>4,147,906</u>	<u>294,308</u>	<u>48,429</u>	<u>4,490,643</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 MARCH 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 investment activities of the Fund.

#### 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 market (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 or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

##### (i) Fair value hierarchy

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

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

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

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

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### 2 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial assets at fair value through profit or loss - quoted equities	67,735,030	-	-	67,735,030
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2021</u>				
Financial assets at fair value through profit or loss - quoted equities	96,455,672	-	-	96,455,672
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

- (ii) The carrying values of cash and cash equivalents, amount due from brokers, amount due from Manager, dividends receivable 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 Deeds, the Manager is entitled to a management fee at a rate not exceeding 1.50% per annum on the NAV of the Fund, calculated on a daily basis.

For the 6 months financial period ended 31 March 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 Fund's Prospectus.

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

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to a fee of 0.08% per annum, calculated daily based on the gross net asset value of the Fund.

For the 6 months financial period ended 31 March 2022, the trustees' fee is recognised at a rate of 0.08% (2021: 0.08%) 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 amounts recognised above.

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### 6 TAXATION

	6 months financial period ended <u>31.3.2022</u> RM	6 months financial period ended <u>31.3.2021</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:

	6 months financial period ended <u>31.3.2022</u> RM	6 months financial period ended <u>31.3.2021</u> RM
--	---	---

Net (loss)/profit before taxation

	(8,723,321)	13,432,909
--	-------------	------------

Tax at Malaysian statutory tax rate of 24% (2021: 24%)

	(2,093,597)	3,223,898
--	-------------	-----------

Tax effect of:

Investment loss not brought to tax/  
(Investment income not subject to tax)

	1,875,840	(3,518,035)
--	-----------	-------------

Expenses not deductible for tax purposes

	58,157	112,056
--	--------	---------

Restriction on tax deductible expenses for Unit Trust Funds

	159,600	182,081
--	---------	---------

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:

- quoted equities - local

	67,735,030	96,455,672
--	------------	------------

Net (loss)/gain on financial assets at fair value through profit or loss:

- realised gain on sale of investments

	2,196,830	6,488,977
--	-----------	-----------

- unrealised (loss)/gain on changes in fair value

	(11,056,650)	7,008,590
--	--------------	-----------

	(8,859,820)	13,497,567
--	-------------	------------

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(a) Quoted equities – local

(i) Quoted equities - local as at 31 March 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Aeon Company (M) Bhd	238,400	346,326	374,288	0.48
Guan Chong Bhd	322,900	588,944	855,685	1.09
Hong Leong Industries Bhd	205,800	1,564,729	1,870,722	2.39
	<u>767,100</u>	<u>2,499,999</u>	<u>3,100,695</u>	<u>3.96</u>
<u>Energy</u>				
Dayang Enterprise Holdings Bhd	977,200	1,270,604	864,822	1.11
<u>Financial Services</u>				
AMMB Holdings Bhd	499,000	1,522,878	1,851,290	2.36
CIMB Group Holdings Bhd	427,288	1,838,104	2,277,445	2.91
Hong Leong Bank Bhd	74,700	1,250,014	1,508,940	1.93
Malayan Banking Bhd	416,894	3,542,154	3,718,694	4.75
RHB Bank Bhd	394,967	1,992,066	2,354,003	3.01
	<u>1,812,849</u>	<u>10,145,216</u>	<u>11,710,372</u>	<u>14.96</u>
<u>Health Care</u>				
IHH Healthcare Bhd	398,900	2,189,719	2,465,202	3.15
<u>Industrial Products &amp; Services</u>				
Kobay Technology Bhd	483,400	1,366,167	2,112,458	2.70
PIE Industrial Bhd	281,700	983,283	800,028	1.02
Press Metal Aluminium Holding Bhd	333,200	1,878,912	2,059,176	2.63
Supercomnet Technologies Bhd	1,080,300	2,106,585	1,436,799	1.84
Scope Industries Bhd	10,156,100	3,277,263	2,386,684	3.05
Scope Industries Bhd - Warrant	2,580,870	-	206,470	0.26
Scientex Bhd	564,700	1,124,221	2,292,682	2.93
Sunway Bhd	998,658	1,597,118	1,747,651	2.23
SKP Resources Bhd	1,168,800	1,430,349	1,648,008	2.11
Ta Win Holdings Bhd	15,208,600	1,399,445	2,205,247	2.82
Ta Win Holdings Bhd - Warrant	11,788,440	-	589,422	0.75
V.S. Industry Bhd	1,639,200	1,479,084	1,688,376	2.16
V.S. Industry Bhd - Warrant	545,100	-	149,902	0.19
	<u>46,829,068</u>	<u>16,642,427</u>	<u>19,322,903</u>	<u>24.69</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities - local as at 31 March 2022 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>				
Hap Seng Plantations Holdings Bhd	572,100	1,594,289	1,447,413	1.85
Kuala Lumpur Kepong Bhd	155,700	3,986,369	3,898,728	4.98
Sime Darby Plantation Bhd	472,500	2,444,072	2,334,150	2.98
Ta Ann Holdings Bhd	314,300	1,666,437	1,618,645	2.07
	<u>1,514,600</u>	<u>9,691,167</u>	<u>9,298,936</u>	<u>11.88</u>
<u>Property</u>				
Eco World Development Grp Bhd	1,787,100	945,518	1,760,294	2.25
<u>Technology</u>				
Dagang NeXchange Bhd	1,497,000	1,275,160	1,511,970	1.93
D&O Green Technologies Bhd	188,000	848,952	846,000	1.08
GHL Systems Bhd	910,800	836,555	1,384,416	1.77
Genetec Technology Bhd	1,114,100	1,011,260	2,807,532	3.59
Greatech Technology Bhd	336,700	1,454,367	1,595,958	2.04
Malaysian Pac Industries Bhd	24,200	243,186	880,880	1.13
	<u>4,070,800</u>	<u>5,669,480</u>	<u>9,026,756</u>	<u>11.54</u>
<u>Telecommunication &amp; Media</u>				
Telekom Malaysia Bhd	467,100	2,831,731	2,256,093	2.88
TIME dotCom Bhd	587,200	1,851,322	2,501,472	3.20
	<u>1,054,300</u>	<u>4,683,053</u>	<u>4,757,565</u>	<u>6.08</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	276,900	1,846,923	2,026,908	2.59
TASCO Bhd	1,597,500	1,425,161	1,757,250	2.25
	<u>1,874,400</u>	<u>3,272,084</u>	<u>3,784,158</u>	<u>4.84</u>
<u>Utilities</u>				
YTL Corp Bhd	2,785,300	2,064,546	1,643,327	2.10



## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities - local as at 31 March 2022 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Total quoted equities - local	63,871,617	59,073,813	67,735,030	86.56
Accumulated unrealised gain on quoted equities - local		8,661,217		
Total quoted equities - local		67,735,030		

(ii) Quoted equities - local as at 31 March 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Guan Chong Bhd	370,400	675,580	1,163,056	1.16
Hong Leong Industries Bhd	359,800	2,735,615	3,378,522	3.36
Kumpulan Powernet Bhd	416,100	293,220	773,946	0.77
Malayan Flour Mills Bhd	4,292,100	3,648,857	3,841,429	3.82
	<u>5,438,400</u>	<u>7,353,272</u>	<u>9,156,953</u>	<u>9.11</u>
<u>Financial Services</u>				
Allianz Malaysia Bhd	142,600	2,055,746	1,922,248	1.91
Bursa Malaysia Bhd	335,400	3,012,379	2,998,476	2.99
CIMB Group Holdings Bhd	487,900	2,117,310	2,112,607	2.10
Hong Leong Bank Bhd	177,000	2,961,881	3,309,900	3.29
Malayan Banking Bhd	377,784	3,327,036	3,116,718	3.10
RHB Bank Bhd	545,300	2,758,393	2,906,449	2.89
	<u>2,065,984</u>	<u>16,232,745</u>	<u>16,366,398</u>	<u>16.28</u>
<u>Health Care</u>				
Duopharma Biotech Bhd	397,300	1,373,886	1,092,575	1.09
IHH Healthcare Bhd	398,900	2,189,719	2,122,148	2.11
	<u>796,200</u>	<u>3,563,605</u>	<u>3,214,723</u>	<u>3.20</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(a) Quoted equities – local (continued)

(ii) Quoted equities - local as at 31 March 2021 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Products &amp; Services</u>				
ATA IMS Bhd	762,000	1,527,856	2,225,040	2.21
Cahaya Mata Sarawak Bhd	906,100	2,080,467	1,975,298	1.97
Hiap Teck Venture Bhd	4,145,000	2,051,235	1,823,800	1.81
Petronas Chemicals Group Bhd	140,700	818,382	1,118,565	1.11
Press Metal Aluminium Holding Bhd	254,600	1,907,896	2,520,540	2.51
Sarawak Consolidated Industries Bhd	605,600	429,118	1,023,464	1.02
Scientex Bhd	1,245,000	2,478,581	4,980,000	4.95
SKP Resources Bhd	1,318,000	2,016,170	2,899,600	2.89
Sunway Bhd	1,129,358	1,806,142	1,908,615	1.90
Supercomnet Technologies Bhd	1,967,300	3,836,235	3,147,680	3.13
V.S. Industry Bhd	1,416,500	2,556,274	4,037,025	4.02
	<u>13,890,158</u>	<u>21,508,356</u>	<u>27,659,627</u>	<u>27.52</u>
<u>Plantation</u>				
Kuala Lumpur Kepong Bhd	127,200	2,947,892	2,917,968	2.90
<u>Property</u>				
Eco World Development Group Bhd	3,208,600	1,598,840	1,973,289	1.97
<u>REITs</u>				
IGB REIT	1,359,100	2,227,018	2,364,834	2.35
Sunway REIT	1,323,200	2,232,828	1,958,336	1.95
	<u>2,682,300</u>	<u>4,459,846</u>	<u>4,323,170</u>	<u>4.30</u>
<u>Technology</u>				
Frontken Corp Bhd	321,600	1,100,479	1,608,000	1.60
GHL Systems Bhd	910,800	836,555	1,575,684	1.57
Greatech Technology Bhd	717,500	1,912,784	3,802,750	3.78
JHM Consolidation Bhd	312,600	496,633	590,814	0.59
Malaysian Pac Industries Bhd	79,100	794,877	3,005,800	2.99
My EG Services Bhd	981,900	1,751,559	1,934,343	1.93
Pentamaster Corporation Bhd	189,000	579,711	1,048,950	1.04
Unisem M Bhd	149,600	906,603	1,148,928	1.14
	<u>3,662,100</u>	<u>8,379,201</u>	<u>14,715,269</u>	<u>14.64</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

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

(b) Quoted equities – local (continued)

(ii) Quoted equities - local as at 31 March 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 &amp; Media</u>				
Telekom Malaysia Bhd	993,800	6,044,644	6,091,994	6.06
TIME dotCom Bhd	219,000	2,071,387	3,127,320	3.11
	<u>1,212,800</u>	<u>8,116,031</u>	<u>9,219,314</u>	<u>9.17</u>
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Bhd	178,900	966,960	1,118,125	1.11
MISC Bhd	276,900	1,846,923	1,888,458	1.88
TASCO Bhd	1,926,000	1,718,223	2,022,300	2.01
	<u>2,381,800</u>	<u>4,532,106</u>	<u>5,028,883</u>	<u>5.00</u>
<u>Utilities</u>				
YTL Corp Bhd	2,785,300	2,064,546	1,880,078	1.87
	<u>38,250,842</u>	<u>80,756,440</u>	<u>96,455,672</u>	<u>95.96</u>
Accumulated unrealised gain on quoted equities - local		<u>15,699,232</u>		
Total quoted equities - local		<u>96,455,672</u>		

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### 8 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	112,608	197,103
Deposits with licensed financial institutions	10,111,408	3,950,803
	<u>10,224,016</u>	<u>4,147,906</u>

Weighted average effective interest rate per annum of deposits with licensed financial institutions are as follows:

	<u>2022</u> %	<u>2021</u> %
Deposits with licensed financial institutions	<u>1.75</u>	<u>1.75</u>

Deposits with licensed financial institutions have an average maturity of 1 day (2021: 1 days).

#### 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	247,115,000	289,242,000
Creation of units arising from application	447,000	222,000
Cancellation of units	(24,853,000)	(25,878,000)
At the end of the financial period	<u>222,709,000</u>	<u>263,586,000</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### 10 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 10 brokers for the 6 months financial period ended 31 March 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd	16,579,258	30.87	62,146	31.30
CGS - CIMB Securities Sdn Bhd	5,259,970	9.79	19,345	9.74
Malayan Banking Bhd	4,746,702	8.84	18,435	9.29
Credit Suisse Securities (Malaysia) Sdn Bhd	4,064,725	7.57	15,447	7.78
Hong Leong Investment Bank Bhd	3,966,331	7.39	14,144	7.12
CLSA Securities Malaysia Sdn Bhd	3,183,955	5.93	12,160	6.12
UOB Kay Hian Securities (M) Sdn Bhd	3,124,677	5.82	12,326	6.21
Public Investment Bank Bhd	2,587,774	4.82	10,629	5.35
Kenanga Investment Bank Bhd	2,291,157	4.27	8,279	4.17
Kaf Seagroatt & Campbell Securities Sdn Bhd	1,481,427	2.76	5,925	2.98
Others	6,414,917	11.94	19,733	9.94
	<u>53,700,894</u>	<u>100.00</u>	<u>198,569</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 brokers for the 6 months financial period ended 31 March 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd#	56,017,273	43.81	173,819	43.90
UOB Kay Hian Securities (M) Sdn Bhd	10,479,345	8.19	31,476	7.95
Malayan Banking Bhd	10,025,973	7.84	30,631	7.74
CGS - CIMB Securities Sdn Bhd	9,909,303	7.75	30,984	7.83
Hong Leong Investment Bank Bhd	7,271,352	5.69	22,610	5.71
Public Investment Bank Bhd	5,362,057	4.19	17,299	4.37
RHB Investment Bank Bhd	4,497,575	3.52	13,608	3.44
Alliance Investment Bank Bhd	4,490,882	3.51	14,587	3.68
CLSA Securities Sdn Bhd	2,969,209	2.32	10,245	2.59
Credit Suisse Securities (Malaysia) Sdn Bhd	2,525,372	1.98	7,663	1.93
Others	14,316,779	11.20	42,996	10.86
	<u>127,865,120</u>	<u>100.00</u>	<u>395,918</u>	<u>100.00</u>

# Included in transaction with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting to RM16,579,258 (2021: RM56,017,273). 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 PRINCIPLED GROWTH FUND

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

#### 11 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
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

The units held by the manager and parties related to 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 Berhad (The units are held for booking purposes)	<u>87,666</u>	<u>30,806</u>	<u>5,220</u>	<u>1,990</u>
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	<u>624,606</u>	<u>219,487</u>	<u>-</u>	<u>-</u>

## AFFIN HWANG PRINCIPLED GROWTH FUND

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

#### 12 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>31.3.2022</u> %	6 months financial period ended <u>31.3.2021</u> %
MER	<u>0.81</u>	<u>0.80</u>

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial period calculated on daily basis was RM87,547,293 (2021: RM100,258,654).

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

	6 months financial period ended <u>31.3.2022</u>	6 months financial period ended <u>31.3.2021</u>
PTR (times)	<u>0.30</u>	<u>0.61</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM18,702,181 (2021: RM63,061,872)  
total disposal for the financial period = RM32,999,106 (2021: RM58,364,390)

#### 14 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The worsening macro-economic environment as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in the fair value of the Fund's investments at fair value through profit or loss.

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

## **AFFIN HWANG PRINCIPLED 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 28 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 March 2022 and of its financial performance, changes in equity and cash flows for the 6 month financial period ended 31 March 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  
17 May 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  
Lot No. B-2-09, 2<sup>nd</sup> Floor  
Block B, Warisan Square  
Jalan Tun Fuad Stephens  
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)