



ANNUAL REPORT
31 October 2022

Affin Hwang **Aiiman** **Asia (ex Japan)** **Growth Fund**

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

TRUSTEE
Deutsche Trustees Malaysia Berhad
(763590-H)

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AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 October 2022

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FUND INFORMATION

Fund Name	Affin Hwang Aiiman Asia (ex Japan) Growth Fund
Fund Type	Growth
Fund Category	Equity
Investment Objective	The Fund seeks to provide investors with capital appreciation by investing in Shariah-compliant investments
Benchmark	Dow Jones Islamic Market Asia / Pacific ex Japan Index
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year end of the Fund

FUND PERFORMANCE DATA

Category	As at 31 Oct 2022 (%)	As at 31 Oct 2021 (%)	As at 31 Oct 2020 (%)
Portfolio composition			
Shariah-compliant quoted equities – local			
- Telecommunication & media	1.75	1.32	2.19
Total Shariah-compliant quoted equities – local	1.75	1.32	2.19
Shariah-compliant quoted equities – foreign			
- Basic materials	4.75	4.11	2.53
- Consumer discretionary	16.24	24.86	-
- Consumer staples	1.81	6.40	-
- Consumer goods	-	-	6.48
- Consumer services	-	-	18.57
- Financial services	0.60	-	5.05
- Health care	4.21	5.65	3.21
- Industrials	1.18	5.67	6.22
- Energy	5.15	4.71	-
- Preference shares	-	-	3.73
- Real estate	7.68	4.58	-
- Technology	30.90	38.65	36.32
- Telecommunications	8.56	1.14	-
- Utilities	0.51	-	-
Total Shariah-compliant quoted equities – foreign	81.59	95.77	82.11
Exchange-traded fund	-	-	2.78
Cash & cash equivalent	16.66	2.91	12.92
Total	100.00	100.00	100.00
Total NAV (RM'million)	223.027	389.636	223.950
NAV per Unit (RM)	0.5702	0.8019	0.7496
Unit in Circulation (million)	391.153	485.913	298.750
Highest NAV	0.8367	0.9216	0.7794
Lowest NAV	0.5658	0.7496	0.5641
Return of the Fund (%)	-26.88	9.51	26.39
- Capital Growth (%)	-28.89	6.98	21.81
- Income Distribution (%)	2.84	2.37	3.76
Gross Distribution per Unit (sen)	1.80	2.00	2.50
Net Distribution per Unit (sen)	1.80	2.00	2.50
Total Expense Ratio (%) ¹	1.96	1.92	1.94
Portfolio Turnover Ratio (times) ²	1.91	1.87	1.62

¹The Fund's TER was slightly higher than previous year due to a lower average NAV of the Fund for the financial year.

² The PTR of the Fund was higher than previous year due to a lower average NAV of the Fund for the financial year.

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

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

An illustration of the above would be as follow:-

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

MANAGER'S REPORT

Income Distribution / Unit Split

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

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
19-Jul-22	20-Jul-22	0.6462	0.018	0.6340

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

Fund Performance

For the period 1 November 2021 to 31 October 2022, the Fund registered a -26.88% return compared to the benchmark return of -28.05%. The Fund thus outperformed the Benchmark by 1.17%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2022 was RM0.5702 while the NAV as at 31 October 2021 was RM0.8019. During the period under review, the Fund has declared a gross income distribution of RM0.0180 per unit.

Since commencement, the Fund has registered a return of 28.52% compared to the benchmark return of 30.40%, underperforming by 1.88%.

Table 1: Performance of the Fund

	1 Year (1/11/21 - 31/10/22)	3 Years (1/11/19 - 31/10/22)	5 Years (1/11/17 - 31/10/22)	Since Commencement (30/12/15 - 31/10/22)
Fund	(26.88%)	1.21%	(5.15%)	28.52%
Benchmark	(28.05%)	0.52%	(3.29%)	30.40%
Outperformance	1.17%	0.69%	(1.86%)	(1.88%)

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/21 - 31/10/22)	3 Years (1/11/19 - 31/10/22)	5 Years (1/11/17 - 31/10/22)	Since Commencement (30/12/15 - 31/10/22)
Fund	(26.88%)	0.40%	(1.05%)	3.73%
Benchmark	(28.05%)	0.17%	(0.67%)	3.95%
Outperformance	1.17%	0.23%	(0.38%)	(0.22%)

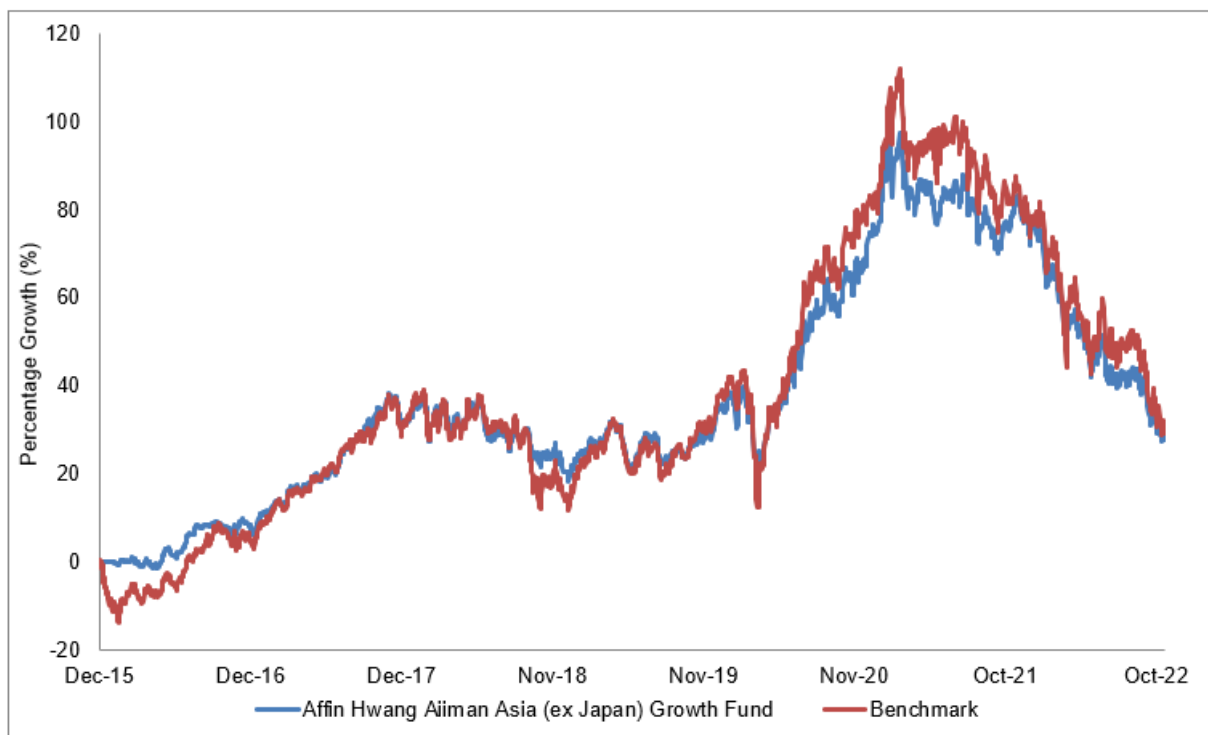
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/11/21 - 31/10/22)	FYE 2021 (1/11/20 - 31/10/21)	FYE 2020 (1/11/19 - 31/10/20)	FYE 2019 (1/11/18 - 31/10/19)	FYE 2018 (1/11/17 - 31/10/18)
Fund	(26.88%)	9.51%	26.39%	3.34%	(9.32%)
Benchmark	(28.05%)	5.70%	32.17%	12.50%	(14.48%)
Outperformance	1.17%	3.81%	(5.78%)	(9.16%)	5.16%

Source of Benchmark: Bloomberg

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



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

Benchmark: Dow Jones Islamic Market Asia / Pacific ex Japan 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 31 October 2022, the asset allocation of the Fund stood at 83.34% (2021:97.09%) in Shariah-compliant equities. Within the foreign allocation, the Manager had decreased allocation mainly through exposure in the consumer and technology names. On the flip side, the Manager added holdings in financial services as well as utilities during the financial year. Cash and cash equivalent was also increased to 16.66% from 2.91% the previous year.

Strategies Employed

With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. We continue to keep close monitor on market development amidst the global pandemic and geopolitical instability.

Market Review

Sustained inflationary pressures as well as central bank tightening continues to present a headwind to financial markets. Geopolitical instability also contributes to market concerns as friction between Russia and Ukraine persists, causing supply chain disruptions among investor concerns. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As we enter the last quarter of the year, numerous interest rates hikes have taken place over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points by October 2022 to address inflationary pressures. All eyes will be on the upcoming Fed's policy meeting on the 1-2 November where a 75 basis points (bps) rate hike is widely baked into market expectations. Investors will be keeping a lookout on the Fed's forward commentary to see if there are any signs of a pivot.

Following a slump in the previous month, US equities recovered some ground in October on optimism that the Fed is considering easing monetary policy. The Standard & Poor (S&P) 500 index climbed 8.0% higher as souring consumer confidence and falling home prices raised expectations that the Fed could start to hit the brakes on tightening. However, despite the recent gain, a comparison of the index with a year ago shows a decline of 15.92%. The Nasdaq index similarly closed 3.9% higher than last month as earnings season kicked into high gear. As of October 2022, 226 companies within the S&P 500 have reported results. Out of this figure, 60% of companies delivered an earnings beat. However, the surprise magnitude was only 0.9% which is well below average levels.

The euro area annual inflation rate was 10.7% year-on-year in October, the energy sector being the largest contributor to the increase. The month also saw the European Commission propose new regulation to cap energy prices and introduce measures such as joint gas purchasing. All sectors in the Eurozone gained in the month, with energy and industrials the largest contributor and the weaker sectors being consumer and consumer staples. The European Central Bank (ECB) raised interest rates by 75 bps and acknowledge that the eurozone may face recession, signalling a sign that the pace of rates rises could soon ease. This increased the appetite for shares.

In Asia the broader Morgan Stanley Capital International (MSCI) Asia ex-Japan index fell 6.1% in October, dragged by losses in China. The MSCI China index plunged by over 16.8% as COVID-19 flare-ups and policy uncertainty post-Congress weigh on risk sentiment. There were few surprises in China's 20th Party Congress which is held once every 5 years. As expected, the Chinese Communist Party elected Xi Jinping as its general secretary (the highest position in the party) for an unprecedented third term, further cementing his leadership. Markets are jittery as President Xi Jinping's further consolidation of power together with his close allies fuelled risk that disruptive past policies like Beijing's tech regulatory crackdown and its strict zero COVID strategy would continue. Share prices in Taiwan were also lower in October due to ongoing geopolitical tensions with China.

Back on the home front, the local market edged 4.7% higher as election fever heats up. After much speculation, the dissolution of Parliament was announced by Prime Minister Datuk Seri Ismail to pave the way for the 15th General Election (GE15). The nomination of candidates is set to be announced on the 5 November and voting taking place on the 19 November.

The current market base-case is that Barisan Nasional could muster a sufficient majority to form a new government. This outcome may be viewed positively as markets believe that it signifies policy continuity, where any new fiscal budget would also be similar to the one tabled before.

As of October 2022, US Treasury (UST) yield curve continue to rise and remain inverted on the back of US Fed aggressive rate hike policy to reduce the high level of inflation. UST yields moved higher on a month-on-month basis across the curve. The long end shifted the less, reflecting expectations on slower growth in the future. UST10Y ended higher at 4.05%, an increase of 22bps from the previous month, amidst elevated level

of inflation and tight job market. The UST 2Y/10Y inversion was flat at 44bps (Sep: 45bps), reflecting a higher possibility of a recession.

On the domestic front, after the sell-off in the previous month, Malaysian Government Securities (MGS) yields saw a bit of relief in October as yields ended and the longer-tenured yields, 10, 15, 20 and 30 years, fell by around 3 to 10 bps amidst possibility of central banks slowed down their pace of rates hiking.

Headline inflation tapered off to +4.5% in September (August: +4.7%), suggesting the headline inflation has likely peaked. However, the core Consumer Price Index (CPI) figures continued to tick higher at +4.0% in September (August: +3.8%) amidst elevated commodity prices, strong demand and tight labor markets. Expect headline consumer price index (CPI) to hover at current level before moderating in the fourth quarter of the year (assuming subsidies remain unchanged). Due to the elevated inflation level and strong economic growth, Bank Negara Malaysia (BNM) raised rates by 25 bps in the overnight policy rate (OPR) rate to bring it to 2.75% by year end.

The S&P Goldman Sachs Commodities Index (GSCI) recorded a positive performance in October as higher energy prices offsetting weaker prices for agriculture and precious metals. Energy once again, was the best-performing component of the index with higher prices for oil and unleaded gasoline offsetting a fall in natural gas prices. Gold, however, fell 2% in October from rising bond yields and dollar strength. The commodity fell for the seventh consecutive month in October despite a strong start in the month. The slump was mainly attributed to strong monthly gains in equities and flat bond prices.

Investment Outlook

Markets are set to remain challenging as the global economy waddles through several turbulent changes. The effects of Russia's invasion of Ukraine, the highest level of inflation seen in several decades and lingering COVID-19 pandemic effects all contribute heavily to the outlook. As policymakers aim to lower inflation back to a sustainable range, monetary and fiscal policy that provided support during the pandemic has started to normalise. However, without careful calibration of policies, more economies could potentially see a larger degree of slowing growth or outright contraction. The possibility of another pandemic induced supply chain reduction on top of the continuing Russia-Ukraine conflict could affect the global economy's health.

Economists are expecting a weaker growth in 2023 compared to 2022 with the proliferation of slow global growth induced by the effects of rapid rate hikes and inflation to name a few. A slowdown in the Asia Pacific region is mostly anticipated from sluggish global trade next year as the outlook for exports over the first half of the year is projected to be weak.

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

US economic data that was released in the month posted its first positive growth for 2022. The nation's gross domestic product (GDP) increased at a 2.6% annualized pace in the third quarter of 2022, above the Dow Jones forecast of 2.3%. The growth can be mostly attributed to a narrowing trade deficit, which economists consider to be a one-off occurrence.

We expect markets to remain volatile as markets continue to shift between competing narratives of elevated inflation and rising risk of a recession, which will take time to play out. In addition to global rate hikes, sudden fiscal policy intervention as seen in the UK could further increase volatility. Risks to the outlook continue to remain large and for the most part, to the downside. Central banks and policymakers could misjudge the right stance to contain inflation and reign it in for a soft landing. If policy paths in the largest economies continue to diverge, further US dollar appreciation and cross-border tension could be observed.

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 year under review.

Soft Commissions received from Brokers

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

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

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made To the Fund's Prospectus

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

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AFFIN HWANG AIIAMAN ASIA (EX JAPAN) GROWTH FUND ("FUND")

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

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

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

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur, Malaysia
15 December 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Affin Hwang Aiiman Asia (Ex Japan) Growth Fund (“Fund”)

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the period covered by these financial statements in accordance with the 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 December 2022

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

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AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
INVESTMENT (LOSS)/INCOME			
Dividend income		5,859,596	5,713,702
Profit income from financial assets at amortised cost		18,981	143,713
Net gain/(loss) on foreign currency exchange		1,794,874	(683,449)
Net loss on forward foreign currency contracts at fair value through profit or loss		-	(609,890)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(90,296,984)	23,990,378
		<u>(82,623,533)</u>	<u>28,554,454</u>
EXPENSES			
Management fee	4	(5,461,682)	(6,698,798)
Trustee fee	5	(182,116)	(223,529)
Auditors' remuneration		(9,000)	(9,000)
Tax agent's fee		(84,423)	(31,971)
Transaction costs		(2,945,046)	(3,610,571)
Other expenses		(806,245)	(961,748)
		<u>(9,488,512)</u>	<u>(11,535,617)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(92,112,045)	17,018,837
Taxation	6	379,584	(1,473,652)
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(91,732,461)</u>	<u>15,545,185</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(31,312,685)	22,745,028
Unrealised amount		(60,419,776)	(7,199,843)
		<u>(91,732,461)</u>	<u>15,545,185</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 ASIA (EX JAPAN) GROWTH FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	10	37,096,240	15,330,110
Amount due from Manager			
- creation of units		-	7,131,201
Dividends receivable		40,500	40,732
Financial assets at fair value through profit or loss	8	185,881,377	378,283,854
Tax recoverable		628,334	34,750
TOTAL ASSETS		<u>223,646,451</u>	<u>400,820,647</u>
LIABILITIES			
Amount due to brokers		-	9,619,072
Amount due to Manager			
- management fee		347,245	581,773
- cancellation of units		239,225	68,408
Amount due to Trustee		11,575	19,392
Auditors' remuneration		9,000	9,000
Tax agent's fee		3,500	5,000
Other payables and accruals		8,975	5,697
Deferred tax liabilities	9	-	876,712
TOTAL LIABILITIES		<u>619,520</u>	<u>11,185,054</u>
NET ASSET VALUE OF THE FUND		<u>223,026,931</u>	<u>389,635,593</u>
EQUITY			
Unitholders' capital		254,669,191	322,444,914
(Accumulated losses)/retained earnings		(31,642,260)	67,190,679
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>223,026,931</u>	<u>389,635,593</u>
NUMBER OF UNITS IN CIRCULATION	12	<u>391,153,000</u>	<u>485,913,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5702</u>	<u>0.8019</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 ASIA (EX JAPAN) GROWTH FUND

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

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 November 2021	322,444,914	67,190,679	389,635,593
Total comprehensive losses for the financial year	-	(91,732,461)	(91,732,461)
Distributions (Note 7)	-	(7,100,478)	(7,100,478)
Movement in unitholders' capital:			
Creation of units arising from applications	10,703,477	-	10,703,477
Creation of units arising from distributions	7,085,677	-	7,085,677
Cancellation of units	(85,564,877)	-	(85,564,877)
Balance as at 31 October 2022	<u>254,669,191</u>	<u>(31,642,260)</u>	<u>223,026,931</u>
Balance as at 1 November 2020	162,712,617	61,237,454	223,950,071
Total comprehensive income for the financial year	-	15,545,185	15,545,185
Distributions (Note 7)	-	(9,591,960)	(9,591,960)
Movement in unitholders' capital:			
Creation of units arising from applications	218,074,031	-	218,074,031
Creation of units arising from distributions	9,577,887	-	9,577,887
Cancellation of units	(67,919,621)	-	(67,919,621)
Balance as at 31 October 2021	<u>322,444,914</u>	<u>67,190,679</u>	<u>389,635,593</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 ASIA (EX JAPAN) GROWTH FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		614,686,769	631,607,089
Purchase of Shariah-compliant investments		(525,145,394)	(789,682,215)
Profit received from short-term Shariah-based deposits with licensed financial institutions		18,981	143,713
Dividend received		5,859,828	5,695,410
Management fee rebate received		-	2,996
Management fee paid		(5,696,210)	(6,464,812)
Trustee fee paid		(189,933)	(215,730)
Payment for other fees and expenses		(897,890)	(532,476)
Realised loss on forward foreign currency contracts		-	(609,890)
Realised net gain/(loss) on foreign exchange		1,808,475	(697,059)
Tax paid		(1,090,712)	(1,100,775)
Net cash flows generated from/(used in) operating activities		<u>89,353,914</u>	<u>(161,853,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		17,834,678	212,077,274
Payments for cancellation of units		(85,394,060)	(67,932,102)
Payments for distributions		(14,801)	(14,073)
Net cash flows (used in)/generated from financing activities		<u>(67,574,183)</u>	<u>144,131,099</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		21,779,731	(17,722,650)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(13,601)	13,610
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>15,330,110</u>	<u>33,039,150</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	<u><u>37,096,240</u></u>	<u><u>15,330,110</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 ASIA (EX JAPAN) GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

B INCOME RECOGNITION

Dividend Income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

Profit Income

Profit 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 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 Shariah-compliant quoted equities, 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 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 AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

D DISTRIBUTION

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

E TAXATION

Tax expense for the period comprises current and deferred income tax.

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

The contractual cash flows of the Fund’s debt securities are solely payments of principal and interest ⁽¹⁾ (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification (continued)

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.*

(ii) Recognition and measurement

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

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

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

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

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

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

I 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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J 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 H for accounting policy on recognition and measurement.

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

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

K UNITHOLDERS' CAPITAL

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

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

The outstanding units are carried at the redemption amount that is payable at each financial year if a unitholder 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 NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2022

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Aiiman Asia (Ex Japan) Growth Fund (the “Fund”) pursuant to the execution of a Deed dated 6 February 2015 and modified by Supplemental Deed dated 5 October 2018 (the “Deed”) entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 30 December 2015 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

The Fund may invest in any of the following investments in foreign and/or local market:

- (a) Shariah-compliant securities listed on Bursa Malaysia or any other approved exchanges;
- (b) Unlisted Shariah-compliant securities including without limitation, Shariah-compliant securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities;
- (c) Shariah-compliant warrants;
- (d) Sukuk;
- (e) Islamic deposits;
- (f) Islamic money market instruments;
- (g) Islamic structured products;
- (h) Unit of shares in Islamic collective investment schemes;
- (i) Islamic derivative for hedging purposes only; and
- (j) Any other Shariah-compliant investment as may be permitted by the SAC of the SC and/or Shariah Adviser from time to time which is in line with the objective of the fund.

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

The main objective of the Fund is to provide investors with capital appreciation by investing in Shariah-compliant investments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 19 December 2022.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised costs RM	At fair value through profit or loss RM	Total RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	37,096,240	-	37,096,240
Dividends receivable		40,500	-	40,500
Shariah-compliant quoted equities	8	-	185,881,377	185,881,377
Total		<u>37,136,740</u>	<u>185,881,377</u>	<u>223,018,117</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		347,245	-	347,245
- cancellation of units		239,225	-	239,225
Amount due to Trustee		11,575	-	11,575
Auditor's remuneration		9,000	-	9,000
Tax agent's fee		3,500	-	3,500
Other payables and accruals		8,975	-	8,975
Total		<u>619,520</u>	<u>-</u>	<u>619,520</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	15,330,110	-	15,330,110
Amount due from Manager				
- creation of units		7,131,201	-	7,131,201
Dividends receivable		40,732	-	40,732
Shariah-compliant quoted equities	8	-	378,283,854	378,283,854
Total		<u>22,502,043</u>	<u>378,283,854</u>	<u>400,785,897</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Financial instruments are as follows: (continued)

	At amortised <u>costs</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u> (continued)			
Amount due to broker	9,619,072	-	9,619,072
Amount due to Manager			
- management fee	581,773	-	581,773
- cancellation of units	68,408	-	68,408
Amount due to Trustee	19,392	-	19,392
Auditor's remuneration	9,000	-	9,000
Tax agent's fee	5,000	-	5,000
Other payables and accruals	5,697	-	5,697
Total	<u>10,308,342</u>	<u>-</u>	<u>10,308,342</u>

The Fund is exposed to a variety of risks which include market risk (including price risk and profit rate risk and currency 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 and the Deeds.

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	<u>185,881,377</u>	<u>378,283,854</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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 NAV 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</u> <u>(loss)/profit</u> <u>after taxation</u> <u>/NAV</u> RM
<u>2022</u>		
-4%	178,446,122	(7,435,255)
0%	185,881,377	-
+4%	193,316,632	7,435,255
	<u> </u>	<u> </u>
<u>2021</u>		
-10%	340,455,469	(37,828,385)
0%	378,283,854	-
+10%	416,112,239	37,828,385
	<u> </u>	<u> </u>

(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 Shariah-based deposits on short-term basis.

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Market risk (continued)

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

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

	Shariah-compliant quoted equities RM	Cash and cash equivalents RM	Dividends receivable RM	Total RM
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	15,109,008	9,980,849	-	25,089,857
Chinese Yuan	2,635,111	15,679,875	-	18,314,986
Hong Kong Dollar	47,212,569	212,994	-	47,425,563
Indian Rupee	33,367,865	-	40,500	33,408,365
Indonesia Rupiah	7,181,835	-	-	7,181,835
Korean Won	31,823,115	-	-	31,823,115
Singapore Dollar	17,707,271	3,504,687	-	21,211,958
Taiwan Dollar	18,265,449	-	-	18,265,449
Thailand Baht	4,855,730	-	-	4,855,730
United States Dollar	3,819,024	7,636,688	-	11,455,712
	<u>181,976,977</u>	<u>37,015,093</u>	<u>40,500</u>	<u>219,032,570</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	<u>Shariah compliant quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	19,107,027	250,995	-	19,358,022
Chinese Yuan	20,184,903	1,827,217	-	22,012,120
Hong Kong Dollar	97,794,131	9,906	-	97,804,037
Indian Rupee	53,209,557	-	40,732	53,250,289
Indonesia Rupiah	9,604,248	1,987,208	-	11,591,456
Korean Won	20,819,022	-	-	20,819,022
Singapore Dollar	4,431,456	21,660	-	4,453,116
Taiwan Dollar	52,330,878	1,670,727	-	54,001,605
Thailand Baht	1,928,823	-	-	1,928,823
United States Dollar	93,732,409	9,058,729	-	102,791,138
	<u>373,142,454</u>	<u>14,826,442</u>	<u>40,732</u>	<u>388,009,628</u>
			<u>Amount due to brokers</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Hong Kong Dollar			2,097,522	2,097,522
Indian Rupee			2,153,572	2,153,572
Korean Won			2,001,453	2,001,453
Taiwan Dollar			1,670,727	1,670,727
United States Dollar			1,695,798	1,695,798
			<u>9,619,072</u>	<u>9,619,072</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's (loss)/profit after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on (loss)/ profit after tax/NAV RM
<u>2022</u>		
Australian Dollar	+/- 10.71	+/- 2,686,726
Chinese Yuan	+/- 4.42	+/- 808,835
Hong Kong Dollar	+/- 3.29	+/- 1,562,513
Indian Rupee	+/- 4.55	+/- 1,519,368
Indonesian Rupiah	+/- 4.25	+/- 305,423
Korean Won	+/- 7.18	+/- 2,283,336
Singapore Dollar	+/- 3.64	+/- 773,009
Taiwan Dollar	+/- 3.97	+/- 724,750
Thailand Baht	+/- 7.03	+/- 341,237
United States Dollar	+/- 3.33	+/- 381,375
<u>2021</u>		
Australian Dollar	+/- 7.10	+/- 1,374,420
Chinese Yuan	+/- 3.40	+/- 748,412
Hong Kong Dollar	+/- 3.42	+/- 3,273,163
Indian Rupee	+/- 4.46	+/- 2,278,914
Indonesian Rupiah	+/- 4.81	+/- 557,549
Korean Won	+/- 5.54	+/- 1,042,493
Singapore Dollar	+/- 2.86	+/- 127,359
Taiwan Dollar	+/- 3.43	+/- 1,794,949
Thailand Baht	+/- 4.58	+/- 88,340
United States Dollar	+/- 3.50	+/- 3,538,337

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Credit risk

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

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

Credit risk arising from placements of 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 are governed by the SC's Guidelines on Unit Trust Funds.

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

	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>2022</u>			
Financial Services			
- AA1	37,096,240	-	37,096,240
Technology			
- NR	-	40,500	40,500
	<u>37,096,240</u>	<u>40,500</u>	<u>37,136,740</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

Credit risk (continued)

The following table sets out the credit risk concentrations and counterparties of the Fund:
(continued)

	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial Services				
- AAA	440,724	-	-	440,724
- AA1	14,889,386	-	-	14,889,386
Technology				
- NR	-	40,732	-	40,732
Others				
- NR	-	-	7,131,201	7,131,201
	<u>15,330,110</u>	<u>40,732</u>	<u>7,131,201</u>	<u>22,502,043</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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 liquid assets to meet anticipated payments and cancellations of units by unitholders, liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining year 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 RM</u>	<u>Between one month to one year RM</u>	<u>Total RM</u>
<u>2022</u>			
Amount due to Manager			
- management fee	347,245	-	347,245
- cancellation of units	239,225	-	239,225
Amount due to Trustee	11,575	-	11,575
Auditors' remuneration	-	9,000	9,000
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	8,975	8,975
	<u>598,045</u>	<u>21,475</u>	<u>619,520</u>
<u>2021</u>			
Amount due to brokers	9,619,072	-	9,619,072
Amount due to Manager			
- management fee	581,773	-	581,773
- cancellation of units	68,408	-	68,408
Amount due to Trustee	19,392	-	19,392
Auditors' remuneration	-	9,000	9,000
Tax agent's fee	-	5,000	5,000
Other payables and accruals	-	5,697	5,697
	<u>10,288,645</u>	<u>19,697</u>	<u>10,308,342</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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 net of accumulated losses/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.

Reclassification of Shariah status risk

The risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based 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.

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 period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

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

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

(i) Fair value hierarchy

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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	185,881,377	-	-	185,881,377
	<u>185,881,377</u>	<u>-</u>	<u>-</u>	<u>185,881,377</u>
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- Shariah-compliant quoted equities	378,283,854	-	-	378,283,854
	<u>378,283,854</u>	<u>-</u>	<u>-</u>	<u>378,283,854</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 Manager and dividends receivable, and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated and accrued daily and is calculated using Fund's base currency.

For the financial year ended 31 October 2022, the management fee is recognised at a rate of 1.80% (2021: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 October 2022, the Trustee fee is recognised at a rate of 0.06% (2021: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis, exclusive of foreign custodian fees as stated in the Prospectus.

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

6 TAXATION

	<u>2022</u> RM	<u>2021</u> RM
Current taxation - local	352,687	-
Current taxation - foreign	720,713	631,690
Deferred tax (Note 9)	(876,712)	876,712
Overprovision of taxation in prior year	(576,272)	(34,750)
	<u>(379,584)</u>	<u>1,473,652</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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:

	<u>2022</u> RM	<u>2021</u> RM
Net (loss)/profit before taxation	(92,112,045)	17,018,837
Tax at Malaysian statutory rate of 24% (2021: 24%)	(22,106,891)	4,084,521
Tax effects of:		
Investment loss not brought to tax/(Investment income not subject to tax)	19,494,149	(6,853,065)
Expenses not deductible for tax purposes	963,079	1,156,997
Restrictions on tax deductible expenses for Unit Trust Funds	1,054,221	1,611,547
Foreign income subject to foreign tax rate	792,130	1,508,402
Overprovision of taxation in current year	(576,272)	(34,750)
Tax expense	<u>(379,584)</u>	<u>1,473,652</u>

7 DISTRIBUTIONS

	<u>2022</u> RM	<u>2021</u> RM
Distributions to unitholders are from the following sources:		
Dividend income	-	1,021,875
Profit income from financial assets at amortised cost	-	103,067
Prior year's realised income	7,100,478	8,467,018
Gross realised income	<u>7,100,478</u>	<u>9,591,960</u>
Less: Expenses	-	-
Net distribution amount	<u>7,100,478</u>	<u>9,591,960</u>

During the financial year ended 31 October 2022, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
20.7.2022	<u>1.80</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

7 DISTRIBUTIONS (CONTINUED)

During the financial year ended 31 October 2021, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
21.7.2021	2.00

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

Included in distribution for the financial year is an amount of RM7,100,478 (2021: RM8,467,018) made from previous financial year's realised income.

The Fund has incurred an unrealised loss of RM60,419,776 (2021: RM7,199,843) for the financial year ended 31 October 2022.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted equities – local	3,904,400	5,141,400
- Shariah-compliant quoted equities – foreign	181,976,977	373,142,454
	<u>185,881,377</u>	<u>378,283,854</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investment	(29,890,809)	31,202,449
- unrealised loss on changes of fair value	(60,406,175)	(7,213,453)
- management fee rebate on collective investment schemes #	-	1,382
	<u>(90,296,984)</u>	<u>23,990,378</u>

In arriving at the fair value of collective investment schemes, the management fee paid to the Manager of collective investment schemes have been considered as part of its NAV. In order to prevent the double charging of management fee, which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the NAV of the collective investment schemes.

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(a) Shariah-compliant quoted equities – local

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Telecommunications & Media</u>				
TIME dotCom Bhd	860,000	2,643,353	3,904,400	1.75
	<hr/>	<hr/>	<hr/>	<hr/>
Total Shariah-compliant quoted equities – local	860,000	2,643,353	3,904,400	1.75
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		1,261,047		
		<hr/>		
Total Shariah-compliant quoted equities – local		3,904,400		
		<hr/> <hr/>		

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Telecommunications & Media</u>				
TIME dotCom Bhd	1,140,000	3,503,980	5,141,400	1.32
	<hr/>	<hr/>	<hr/>	<hr/>
Total Shariah-compliant quoted equities – local	1,140,000	3,503,980	5,141,400	1.32
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		1,637,420		
		<hr/>		
Total Shariah-compliant quoted equities – local		5,141,400		
		<hr/> <hr/>		

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	52,050	6,308,503	5,882,943	2.64
Champion Iron Ltd	71,000	1,766,982	1,001,216	0.45
	<u>123,050</u>	<u>8,075,485</u>	<u>6,884,159</u>	<u>3.09</u>
<u>Health Care</u>				
CSL Ltd	4,250	3,699,351	3,601,059	1.61
Sonic Healthcare Ltd	47,000	4,918,943	4,623,790	2.07
	<u>51,250</u>	<u>8,618,294</u>	<u>8,224,849</u>	<u>3.68</u>
<u>China</u>				
<u>Industrials</u>				
Nari Technology Co Ltd	167,000	3,292,311	2,635,111	1.18
<u>Hong Kong</u>				
<u>Basic Materials</u>				
Ganfeng Lithium Co Ltd	38,000	1,263,609	1,214,716	0.55
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	211,000	12,989,898	7,799,151	3.50
JD.com Inc	51,240	7,255,808	4,475,824	2.01
Li Ning Company Limited	97,000	3,521,941	2,370,796	1.06
Shenzhou Intl Group Holdings	41,000	1,951,776	1,341,467	0.60
Meituan – Class B	39,000	4,137,303	2,930,054	1.31
	<u>439,240</u>	<u>29,856,726</u>	<u>18,917,292</u>	<u>8.48</u>
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	267,000	6,194,747	4,042,460	1.81

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u> (continued)				
<u>Health Care</u>				
Wuxi Biologics Cayman Inc	55,500	2,071,275	1,186,091	0.53
<u>Real Estate</u>				
Link REIT	100,000	3,405,488	2,790,270	1.25
Swire Pacific Limited - Class A	302,000	8,464,721	9,444,718	4.24
	402,000	11,870,209	12,234,988	5.49
<u>Technology</u>				
Tencent Holdings Ltd	77,700	19,131,115	9,617,022	4.31
<u>India</u>				
<u>Consumer Discretionary</u>				
Dixon Technologies India Ltd	15,500	3,583,641	3,997,771	1.79
Jubilant Foodworks Ltd	186,000	6,070,319	6,510,428	2.92
	201,500	9,653,960	10,508,199	4.71
<u>Energy</u>				
Reliance Industries Ltd	69,500	9,426,735	10,103,475	4.53

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Technology</u>				
Infosys Ltd	44,000	4,114,180	3,867,212	1.73
Tata Consultancy Services Ltd	21,000	3,959,590	3,813,318	1.71
Tech Mahindra Ltd	65,000	3,931,446	3,945,510	1.77
	<u>130,000</u>	<u>12,005,216</u>	<u>11,626,040</u>	<u>5.21</u>
<u>Utilities</u>				
Gail India Ltd	217,500	1,263,398	1,130,152	0.51
<u>Indonesia</u>				
<u>Financial services</u>				
Bank Syariah Indonesia Tbk PT	3,150,000	1,549,587	1,331,018	0.60
<u>Telecommunications</u>				
Telkom Indonesia Persero Tbk PT	4,400,000	4,949,022	5,850,816	2.62
<u>South Korea</u>				
<u>Basic Materials</u>				
LG Chem Ltd	1,190	2,461,620	2,470,445	1.11
<u>Technology</u>				
Samsung Electronics Co Ltd	88,000	19,946,534	17,334,963	7.77
Samsung Electronics Co Ltd - Preference Shares	25,450	4,631,869	4,490,071	2.01
Samsung SDI Co Ltd	1,265	2,531,180	3,087,608	1.39
SK Hynix Inc	12,000	4,205,439	3,291,096	1.48
	<u>126,715</u>	<u>31,315,022</u>	<u>28,203,738</u>	<u>12.65</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication</u>				
Naver Corporation	2,050	1,859,814	1,148,932	0.52
<u>Singapore</u>				
<u>Consumer Discretionary</u>				
ComfortDelGro Corporation Ltd	790,000	3,662,574	3,351,925	1.50
<u>Real Estate</u>				
Frasers Centrepoint Trust	705,000	5,144,206	4,875,542	2.19
<u>Telecommunication</u>				
Singapore Telecom Ltd	1,135,000	9,661,908	9,479,804	4.25
<u>Taiwan</u>				
<u>Technology</u>				
MediaTek Inc	13,000	1,472,005	1,120,985	0.50
Taiwan Semiconductor Manufacturing	258,000	17,399,466	14,711,882	6.60
Unimicron Technology Corporation	134,000	3,311,149	2,432,582	1.09
	405,000	22,182,620	18,265,449	8.19
<u>Thailand</u>				
<u>Consumer Discretionary</u>				
Home Product Center PCL	1,925,000	3,606,746	3,463,327	1.55
<u>Energy</u>				
PTT Exploration & Production	62,000	1,300,821	1,392,403	0.62

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>United States</u>				
<u>Technology</u>				
Microsoft Corporation	1,100	1,265,444	1,206,699	0.54
<u>Telecommunication</u>				
Alphabet Inc - Class C	5,840	3,078,177	2,612,325	1.17
Total Shariah-compliant quoted equities – foreign	<u>14,948,135</u>	214,760,641	<u>181,976,977</u>	<u>81.59</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – foreign		<u>(32,783,664)</u>		
Total Shariah-compliant quoted equities – foreign		<u>181,976,977</u>		

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	57,000	7,095,580	6,503,192	1.67
Newcrest Mining Ltd	51,000	4,714,508	3,945,923	1.01
	<u>108,000</u>	<u>11,810,088</u>	<u>10,449,115</u>	<u>2.68</u>
<u>Consumer Discretionary</u>				
Bapcor Ltd	180,000	4,096,243	4,453,202	1.14
<u>Health Care</u>				
CSL Ltd	4,500	3,907,064	4,204,710	1.08
<u>China</u>				
<u>Consumer Discretionary</u>				
China Tourism Group Duty Free	58,902	11,607,390	10,216,289	2.62
<u>Industrials</u>				
Nari Technology Co Ltd	228,980	4,789,190	5,757,980	1.48
<u>Technology</u>				
Will Semiconductor Co Ltd	24,500	3,954,709	4,210,634	1.08
<u>Hong Kong</u>				
<u>Basic Materials</u>				
Ganfeng Lithium Co Ltd	72,000	4,634,823	5,589,604	1.43

AFFIN HWANG AII MAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong (continued)</u>				
<u>Consumer Discretionary</u>				
BYD Co Ltd	38,000	5,432,165	5,997,193	1.54
Haier Smart Home Co Ltd	260,000	4,038,800	4,018,951	1.03
JD.com Inc	45,000	7,573,668	7,432,373	1.91
Li Ning Company Limited	90,000	4,341,123	4,137,610	1.06
Shenzhou International Group Holdings	52,000	4,389,193	4,642,892	1.19
Techtronic Industries Co	50,000	3,609,952	4,256,800	1.09
Topsports International Hld	820,000	4,051,652	4,118,880	1.06
	<u>1,355,000</u>	<u>33,436,553</u>	<u>34,604,699</u>	<u>8.88</u>
<u>Consumer Staples</u>				
China Feihe Ltd	486,000	5,370,594	3,346,292	0.86
China Mengniu Dairy Co Ltd	337,000	8,100,876	8,876,226	2.28
	<u>823,000</u>	<u>13,471,470</u>	<u>12,222,518</u>	<u>3.14</u>
<u>Health Care</u>				
Hangzhou Tigermed Consulting	74,500	7,005,683	6,013,608	1.54
<u>Industrials</u>				
Swire Pacific Limited - Class A	294,000	9,174,388	7,657,611	1.97
<u>Real Estate</u>				
China Overseas Land & Invest	420,000	4,135,691	3,834,951	0.98
Link REIT	153,464	5,712,948	5,634,415	1.45
Longfor Group Holdings Ltd	196,000	4,105,768	3,937,008	1.01
	<u>769,464</u>	<u>13,954,407</u>	<u>13,406,374</u>	<u>3.44</u>
<u>Technology</u>				
Tencent Holdings Ltd	71,500	20,828,167	18,299,717	4.70

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>India</u>				
<u>Consumer Discretionary</u>				
Dixon Technologies India Ltd	35,600	7,316,830	9,786,308	2.51
<u>Consumer Staples</u>				
Varun Beverages Ltd	160,396	5,349,876	7,513,248	1.93
<u>Energy</u>				
Oil & Natural Gas Corporation Ltd	1,090,000	9,215,073	9,026,481	2.31
Reliance Industries Ltd	66,500	8,686,498	9,341,642	2.40
	1,156,500	17,901,571	18,368,123	4.71
<u>Health Care</u>				
Apollo Hospitals Ent Ltd	17,500	4,123,230	4,143,905	1.06
Dr Reddy's Laboratories Ltd	30,000	7,981,082	7,672,211	1.97
	47,500	12,104,312	11,816,116	3.03
<u>Technology</u>				
Infosys Ltd	62,000	6,024,687	5,725,762	1.47
<u>Indonesia</u>				
<u>Consumer Staples</u>				
Unilever Indonesia Tbk PT	4,000,000	5,819,170	5,164,328	1.33
<u>Telecommunications</u>				
Telkom Indonesia Persero Tbk PT	4,000,000	3,856,404	4,439,920	1.14

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities - foreign as at 31 October 2021 are as follows:
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>South Korea</u>				
<u>Technology</u>				
NAVER Corp	4,050	5,790,909	5,831,118	1.50
Samsung Electronics Co Ltd	16,000	4,032,344	3,955,594	1.01
Samsung SDI Co Ltd	2,700	6,857,556	7,019,337	1.80
SK Hynix Inc	11,000	3,973,039	4,012,973	1.03
	<u>33,750</u>	<u>20,653,848</u>	<u>20,819,022</u>	<u>5.34</u>
<u>Singapore</u>				
<u>Real Estate</u>				
Frasers Centrepoint Trust	600,000	4,351,946	4,431,456	1.14
<u>Taiwan</u>				
<u>Consumer Discretionary</u>				
Feng Tay Enterprise Co Ltd	122,000	3,953,757	3,921,178	1.01
<u>Technology</u>				
ASE Technology Holding Co Ltd	140,000	2,050,154	2,079,034	0.53
Asmedia Technology Inc	8,000	2,007,037	1,934,400	0.50
Global Unichip Corporation	69,000	4,432,230	6,139,786	1.58
Nan Ya Printed Circuit Board	84,000	5,631,711	6,124,608	1.57
Taiwan Semiconductor Manufacturing	366,000	24,099,111	32,131,872	8.25
	<u>667,000</u>	<u>38,220,243</u>	<u>48,409,700</u>	<u>12.43</u>
<u>Thailand</u>				
<u>Industrials</u>				
Airports of Thailand PCL	240,000	2,022,501	1,928,823	0.50

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities - foreign as at 31 October 2021 are as follows:
(continued)

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>United States</u>				
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	10,668	7,890,689	7,282,018	1.87
Amazon.com Inc	1,105	15,625,432	15,424,129	3.96
Estee Lauder Companies Inc	5,350	5,977,167	7,177,421	1.84
Walmart Inc	6,500	4,141,240	4,019,921	1.03
	<u>23,623</u>	<u>33,634,528</u>	<u>33,903,489</u>	<u>8.70</u>
<u>Industrials</u>				
Axon Enterprise Inc	9,000	5,028,861	6,693,260	1.72
<u>Technology</u>				
Alphabet Inc - Class C	490	5,788,130	6,013,671	1.54
Apple Inc.	19,300	10,112,572	11,962,434	3.07
Applied Materials Inc	7,500	4,462,330	4,241,958	1.09
Microsoft Corporation	12,350	9,317,709	16,951,303	4.35
Nvidia Corporation	13,200	7,306,866	13,966,294	3.58
	<u>52,840</u>	<u>36,987,607</u>	<u>53,135,660</u>	<u>13.63</u>
Total Shariah-compliant quoted equities – foreign	<u>15,274,555</u>	<u>345,896,316</u>	<u>373,142,454</u>	<u>95.77</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – foreign		<u>27,246,138</u>		
Total Shariah-compliant quoted equities – foreign		<u>373,142,454</u>		

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

9 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

	<u>2022</u> RM	<u>2021</u> RM
Deferred tax liabilities	-	(876,712)
	<u>-</u>	<u>(876,712)</u>

The movements in the deferred tax liabilities balances are as follows:

	<u>Unrealised gain on financial assets at fair value through profit or loss</u>	
	<u>2022</u> RM	<u>2021</u> RM
Balance at the beginning of the financial year	(876,712)	-
Transfer to income statement (Note 6)	876,712	(876,712)
Balance as at the end of the financial year	<u>-</u>	<u>(876,712)</u>

10 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	37,096,240	14,889,386
Short-term Shariah-based deposits with licensed financial institutions	-	440,724
	<u>37,096,240</u>	<u>15,330,110</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

10 CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

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

11 SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the SC;
- (b) Equities securities listed in foreign markets which have been approved by the local Shariah governing bodies of the respective countries or listed under the list of Shariah-compliant securities issued by the Shariah indices recognised internationally; and
- (c) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

12 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	485,913,000	298,750,000
Creation of units arising from applications	14,034,000	256,460,316
Creation of units arising from distributions	11,167,339	11,310,684
Cancellation of units	(119,961,339)	(80,608,000)
At the end of the financial year	<u>391,153,000</u>	<u>485,913,000</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

13 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top 10 brokers for the financial year ended 31 October 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Robert W Baird & Co	135,733,087	12.00	13,278	0.45
Macquarie Securities (Australia) Ltd	130,238,463	11.52	353,393	12.00
JP Morgan Securities (Asia Pacific)	73,254,635	6.48	299,631	10.17
CLSA Ltd (Hong Kong)	62,534,198	5.53	168,752	5.73
Instinet Pacific Limited Hong Kong Branch	61,348,149	5.43	213,089	7.24
CLSA Ltd India	56,734,544	5.02	162,656	5.52
Macquarie Capital Securities India	45,114,044	3.99	132,088	4.48
CLSA Securities Korea Ltd	44,611,028	3.94	112,329	3.81
Daiwa Securities Capital Markets Korea Co Ltd	42,455,690	3.75	120,015	4.08
Macquarie Bank Ltd (Australia)	36,932,847	3.27	53,775	1.83
Others #	441,802,306	39.07	1,316,040	44.69
	<u>1,130,758,991</u>	<u>100.00</u>	<u>2,945,046</u>	<u>100.00</u>

(ii) Details of transactions with the top 10 brokers for the financial year ended 31 October 2021 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Robert W Baird & Co	144,399,368	10.12	19,895	0.55
CLSA Ltd (Hong Kong)	125,637,717	8.81	275,216	7.62
Macquarie Securities Ltd (Korea)	92,430,468	6.48	199,044	5.51
Cathay Securities Corporation	90,539,930	6.35	405,550	11.24
CLSA Securities Korea Ltd	83,968,638	5.89	144,618	4.01
Macquarie Securities (Australia) Ltd	80,299,737	5.63	170,064	4.71
Macquarie Capital Securities India	67,481,508	4.73	237,413	6.58
Masterlink Securities Co Ltd	62,536,626	4.38	245,079	6.79
JP Morgan Securities (Asia Pacific)	57,980,423	4.06	208,734	5.78
Sanford C Bernstein And Co, Llc	52,053,313	3.65	126,457	3.50
Others #	569,136,757	39.90	1,577,625	43.71
	<u>1,426,464,485</u>	<u>100.00</u>	<u>3,609,695</u>	<u>100.00</u>

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

13 TRANSACTIONS WITH BROKERS (CONTINUED)

Included in transaction with brokers are trades with Affin Hwang Investment Bank Berhad, the former holding company of the Manager amounting to RM1,199,996 (2021: RM22,516,259). The Manager is of the opinion that all transactions with the related company have been entered into at agreed terms between the related parties.

14 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

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

The units held by the Manager as at the end of the financial year are as follows: (continued)

<u>Related parties</u>	<u>Relationships</u>
Subsidiaries and associated companies of CVC Asia V as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding companies of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

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

	<u>2022</u>		<u>2021</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) The units are held legally for booking purposes)	3,360	1,916	217,232	174,198
<u>Subsidiary of the Manager:</u>				
AIIMAN Asset Management Sdn Berhad (The units are held beneficially)	-	-	258,831	207,557
<u>Subsidiary and associated companies of the former penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	-	-	3,645,793	2,923,561

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

15 TOTAL EXPENSE RATIO (“TER”)

	<u>2022</u> %	<u>2021</u> %
TER	1.96	1.92

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM303,495,603 (2021: RM372,558,695).

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2022</u>	<u>2021</u>
PTR (times)	1.91	1.87

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM514,326,749 (2021: RM792,845,798)
total disposal for the financial year = RM646,323,051 (2021: RM602,355,087)

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

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

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

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

AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 1 to 45 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 October 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 31 October 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
19 December 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN ASIA (EX JAPAN) GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 45.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
19 December 2022

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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