



**SEMI-ANNUAL REPORT**  
31 October 2022

# Affin Hwang **Equity Fund**

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

**TRUSTEE**  
Maybank Trustees Berhad (5004-P)

**Built On Trust**

[aham.com.my](http://aham.com.my)

# AFFIN HWANG EQUITY FUND

## Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 October 2022

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## FUND INFORMATION

Fund Name	Affin Hwang Equity Fund
Fund Type	Income & Growth
Fund Category	Equity
Investment Objective	To reward the Unit Holders with a reasonable rate of return on income and to realise capital growth
Benchmark	FTSE Bursa Malaysia KLCI
Distribution Policy	Distribution (if any) will be subject to the availability of income

## FUND PERFORMANCE DATA

Category	As at 31 Oct 2022 (%)	As at 31 Oct 2021 (%)	As at 31 Oct 2020 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	-	-	2.58
- Consumer products & services	9.49	10.89	5.79
- Energy	9.26	4.77	2.11
- Financial services	18.74	16.03	10.64
- Industrial products & services	17.74	29.68	18.24
- Plantation	11.48	-	0.87
- Property	1.86	2.92	0.76
- REITs	2.08	-	4.22
- Technology	8.75	17.38	19.14
- Telecommunication & media	4.00	3.40	2.88
- Transportation & logistics	3.39	3.68	-
- Healthcare	2.97	2.29	12.75
- Utilities	-	1.49	2.63
- Warrant	-	1.51	-
<b>Total quoted equities – local</b>	<b>89.76</b>	<b>94.04</b>	<b>82.61</b>
<b>Cash &amp; cash equivalent</b>	<b>10.24</b>	<b>5.96</b>	<b>17.39</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	41.187	58.673	45.967
NAV per Unit (RM)	0.6146	0.7936	0.6017
Unit in Circulation (million)	67.010	73.929	76.394
Highest NAV	0.7077	0.7937	0.6242
Lowest NAV	0.5939	0.6572	0.4696
Return of the Fund (%)	-13.16	11.55	27.18
- Capital Growth (%)	-13.16	11.55	27.18
- Income Distribution (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expense Ratio (%) <sup>1</sup>	0.99	0.85	0.87
Portfolio Turnover Ratio (times) <sup>2</sup>	0.34	0.41	0.72

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

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

An illustration of the above would be as follow:-

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

<sup>1</sup>The increase in the Fund's TER over the period under review was due to lower average NAV for the financial period.

<sup>2</sup>The decrease in the Fund's PTR over the period under review was due to lower trading activities for the financial period.

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial period ended 31 October 2022.

### Performance Review (1 May 2022 to 31 October 2022)

For the period 1 May 2022 to 31 October 2022, the Fund has registered a return of -13.16% as compared to the benchmark return of -8.75%. The Fund thus underperformed the benchmark by 4.41%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2022 was RM0.6146 while the NAV per unit on 30 April 2022 was RM0.7077.

Since commencement, the Fund has underperformed the benchmark by 30.53% with returns of 76.62% compared to the benchmark return of 107.15%.

Table 1: Performance of the Fund

	<b>6 Months (1/5/22 - 31/10/22)</b>	<b>1 Year (1/11/21 - 31/10/22)</b>	<b>3 Years (1/11/19 - 31/10/22)</b>	<b>5 Years (1/11/17 - 31/10/22)</b>	<b>Since Commencement (30/4/93 - 31/10/22)</b>
<b>Fund</b>	<b>(13.16%)</b>	<b>(22.56%)</b>	<b>14.79%</b>	<b>10.28%</b>	<b>76.62%</b>
<b>Benchmark</b>	<b>(8.75%)</b>	<b>(6.52%)</b>	<b>(8.61%)</b>	<b>(16.45%)</b>	<b>107.15%</b>
<b>Outperformance</b>	<b>(4.41%)</b>	<b>(16.04%)</b>	<b>23.40%</b>	<b>26.73%</b>	<b>(30.53%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/11/21 - 31/10/22)</b>	<b>3 Years (1/11/19 - 31/10/22)</b>	<b>5 Years (1/11/17 - 31/10/22)</b>	<b>Since Commencement (30/4/93 - 31/10/22)</b>
<b>Fund</b>	<b>(22.56%)</b>	<b>4.70%</b>	<b>1.98%</b>	<b>1.95%</b>
<b>Benchmark</b>	<b>(6.52%)</b>	<b>(2.95%)</b>	<b>(3.53%)</b>	<b>2.50%</b>
<b>Outperformance</b>	<b>(16.04%)</b>	<b>7.65%</b>	<b>5.51%</b>	<b>(0.55%)</b>

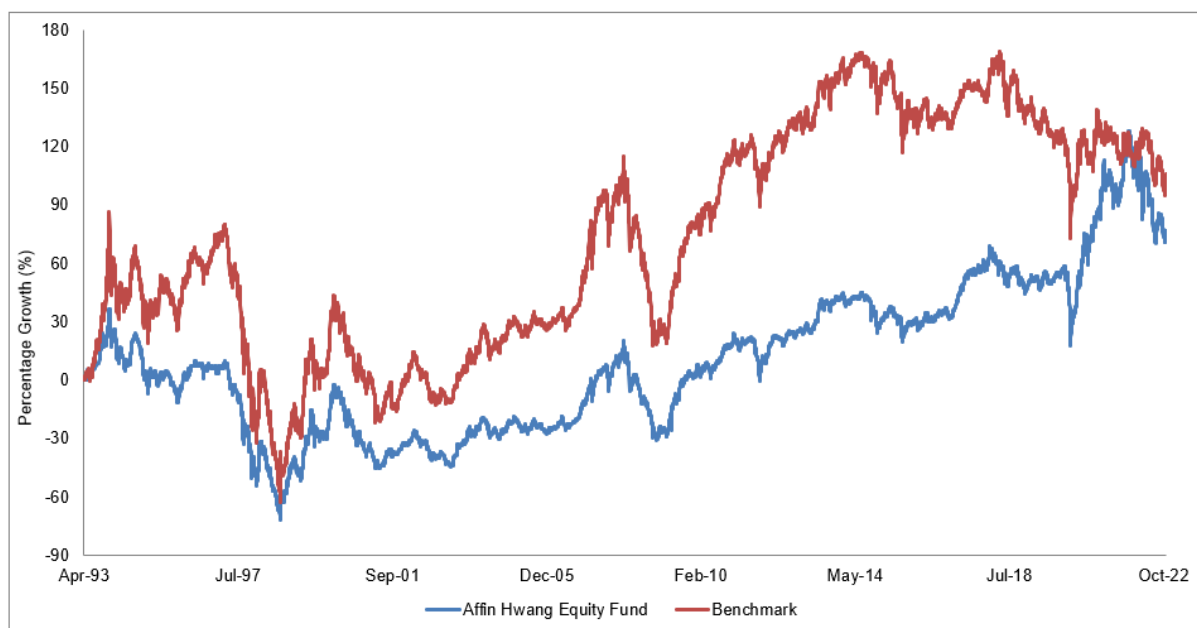
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2022 (1/5/21 - 30/4/22)</b>	<b>FYE 2021 (1/5/20 - 30/4/21)</b>	<b>FYE 2020 (1/5/19 - 30/4/20)</b>	<b>FYE 2019 (1/5/18 - 30/4/19)</b>	<b>FYE 2018 (1/5/17 - 30/4/18)</b>
<b>Fund</b>	<b>(0.52%)</b>	<b>50.37%</b>	<b>(10.82%)</b>	<b>(4.47%)</b>	<b>4.79%</b>
<b>Benchmark</b>	<b>(0.08%)</b>	<b>13.77%</b>	<b>(14.28%)</b>	<b>(12.19%)</b>	<b>5.79%</b>
<b>Outperformance</b>	<b>(0.44%)</b>	<b>36.60%</b>	<b>3.46%</b>	<b>7.72%</b>	<b>1.00%</b>

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: FTSE Bursa Malaysia KLCI

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

### **Asset Allocation**

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

As at 31 October 2022, the asset allocation of the Fund stood at 89.76% (2021:94.04%) in equities while the balance was held in cash and cash equivalent.

During the period under review, the Manager increased the cash level for a more defensive stance amidst current market volatility. The reduction in holdings was mainly done through the industrial products & services as well as the technology sector. The Fund Manager however added holdings in the plantation sector during the financial period under review.

### **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 rare double whammy of 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' 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 MSCI (Morgan Stanley Composite Index) 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 period under review.

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

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

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



During the financial period under review, the 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 UNIT HOLDERS OF AFFIN HWANG EQUITY FUND ("FUND")**

We have acted as Trustee of the Fund for the financial period 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 period 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.

For **Maybank Trustees Berhad**  
(Company No.: 5004-P)

**BERNICE K M LAU**  
Head, Operations

Kuala Lumpur, Malaysia  
15 December 2022

**AFFIN HWANG EQUITY FUND**

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS**

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

# **AFFIN HWANG EQUITY FUND**

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

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

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## AFFIN HWANG EQUITY FUND

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

	Note	6 months financial period ended 31.10.2022 RM	6 months financial period ended 31.10.2021 RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		641,163	564,147
Interest income from financial assets at amortised cost		71,974	21,465
Net (loss)/gain on financial assets at fair value through profit or loss	7	(6,864,711)	5,996,082
		<u>(6,151,574)</u>	<u>6,581,694</u>
<b>EXPENSES</b>			
Management fee	4	(333,716)	(400,518)
Trustee fee	5	(17,804)	(21,364)
Auditors' remuneration		(3,781)	(3,781)
Transaction costs		(127,616)	(135,770)
Other expenses		(14,173)	(29,870)
		<u>(497,090)</u>	<u>(591,303)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(6,648,664)	5,990,391
Taxation	6	-	-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(6,648,664)</u>	<u>5,990,391</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		1,054,436	929,835
Unrealised amount		(7,703,100)	5,060,556
		<u>(6,648,664)</u>	<u>5,990,391</u>

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

## AFFIN HWANG EQUITY FUND

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

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	8	4,430,514	3,452,984
Amount due from brokers		-	97,117
Amount due from Manager			
- creation of units		-	3,937
Dividend receivables		43,310	42,178
Financial assets at fair value through profit or loss	7	36,970,839	55,177,431
<b>TOTAL ASSETS</b>		<u>41,444,663</u>	<u>58,773,647</u>
<b>LIABILITIES</b>			
Amount due to broker		185,138	-
Amount due to Manager			
- management fee		51,928	72,954
Amount due to Trustee		2,770	3,891
Auditors' remuneration		3,781	3,781
Tax agent's fee		9,320	13,700
Other payables and accruals		4,252	6,563
<b>TOTAL LIABILITIES</b>		<u>257,189</u>	<u>100,889</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>41,187,474</u>	<u>58,672,758</u>
<b>EQUITY</b>			
Unitholders' capital		70,891,247	75,263,086
Accumulated losses		(29,703,773)	(16,590,328)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>41,187,474</u>	<u>58,672,758</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<u>67,010,000</u>	<u>73,929,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.6146</u>	<u>0.7936</u>

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

## AFFIN HWANG EQUITY FUND

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

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 May 2022	74,307,145	(23,055,109)	51,252,036
Total comprehensive loss for the financial period	-	(6,648,664)	(6,648,664)
Movement in unitholders' capital:			
Creation of units	204,198	-	204,198
Cancellation of units	(3,620,096)	-	(3,620,096)
Balance as at 31 October 2022	<u>70,891,247</u>	<u>(29,703,773)</u>	<u>41,187,474</u>
Balance as at 1 May 2021	76,341,801	(22,580,719)	53,761,082
Total comprehensive income for the financial period	-	5,990,391	5,990,391
Movement in unitholders' capital:			
Creation of units	1,198,256	-	1,198,256
Cancellation of units	(2,276,971)	-	(2,276,971)
Balance as at 31 October 2021	<u>75,263,086</u>	<u>(16,590,328)</u>	<u>58,672,758</u>

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

## AFFIN HWANG EQUITY FUND

### UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2022

	<u>Note</u>	6 months financial period ended <u>31.10.2022</u> RM	6 months financial period ended <u>31.10.2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		17,928,018	24,765,194
Purchase of investments		(12,535,706)	(22,313,587)
Interest received		71,974	21,465
Dividend received		668,107	529,343
Management fee paid		(345,276)	(394,318)
Trustee fee paid		(18,420)	(21,033)
Payment for other fees and expenses		(156,045)	(168,512)
		<hr/>	<hr/>
Net cash flows generated from operating activities		5,612,652	2,418,552
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		204,198	1,198,594
Payments for cancellation of units		(3,687,939)	(2,276,971)
		<hr/>	<hr/>
Net cash flows used in financing activities		(3,483,741)	(1,078,377)
		<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,128,911	1,340,175
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		2,301,603	2,112,809
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	8	4,430,514	3,452,984
		<hr/> <hr/>	<hr/> <hr/>

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



## AFFIN HWANG EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 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 (“MRFS”) 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 period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing 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.
- 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.

## **AFFIN HWANG EQUITY FUND**

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

#### **B INCOME RECOGNITION**

##### Dividend income

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

##### Interest income

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

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

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

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

#### **C TRANSACTION COSTS**

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

#### **D TAXATION**

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

Withholding taxes on investment income from investment are not “income tax” in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

#### **E FUNCTIONAL AND PRESENTATION CURRENCY**

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

## AFFIN HWANG EQUITY FUND

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

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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

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

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

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

##### (ii) Recognition and measurement

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

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

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

Financial liabilities are de-recognised 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 currency transactions is presented in the statement of comprehensive income within "net gain/(loss) on financial assets at fair value through profit or loss" in the financial period which they arise.

## AFFIN HWANG EQUITY FUND

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

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

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

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

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

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

##### (iii) Impairment

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

## AFFIN HWANG EQUITY FUND

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

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(iii) Impairment (continued)

##### Write-off

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

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

#### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments 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.

#### H AMOUNTS DUE FROM/(TO) BROKERS

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

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

Significant financial difficulties of the 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.

#### I UNITHOLDERS' CAPITAL

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

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

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

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

## **AFFIN HWANG EQUITY FUND**

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

#### **J CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

## AFFIN HWANG EQUITY FUND

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

#### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name of Amanah Saham PHB (the "Fund") pursuant to the execution of a Principal Deed dated 15 April 1993, a First Supplemental Deed dated 4 May 1994, a Second Supplemental Deed dated 1 October 1996, a Third Supplemental deed dated 1 October 1996, a Supplemental Deed dated 18 November 1998, Second Supplemental Deed dated 31 May 2002, Third Supplemental Deed dated 23 August 2007, Fourth Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 22 July 2014, Sixth Supplemental Deed dated 27 July 2015 and Seventh Supplemental Deed dated 5 October 2018 (the "Deeds") entered into between AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (the "Manager") and Maybank Trustees Berhad (the "Trustee"). The Fund, under a Second Supplemental Deed dated 31 May 2002, was later renamed to Affin Equity Fund, changed its pricing policy to forward pricing and replaced units certificates with statements and from Affin Equity Fund to Affin Hwang Equity Fund as amended by the Fifth Supplemental Deed dated 22 July 2014.

The Fund commenced operations on 29 April 1993 and will continue its operations until terminated by the Trustee as provided under Clause 23 of the Supplemental Deed.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the Securities Commission ("SC") and/or the relevant authorities and/or the Deed:

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

The objective of the Fund is to reward the unitholders with a reasonable rate of return on income and to realise capital growth.

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 15 December 2022.

## AFFIN HWANG EQUITY FUND

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

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

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial asset</u>				
Cash and cash equivalents	8	4,430,514	-	4,430,514
Dividend receivables		43,310	-	43,310
Quoted equities	7	-	36,970,839	36,970,839
		<u>4,473,824</u>	<u>36,970,839</u>	<u>41,444,663</u>
Total		<u>4,473,824</u>	<u>36,970,839</u>	<u>41,444,663</u>
<u>Financial liabilities</u>				
Amount due to broker		185,138	-	185,138
Amount due to Manager				
- management fee		51,928	-	51,928
Amount due to Trustee		2,770	-	2,770
Auditor's remuneration		3,781	-	3,781
Tax agent's fee		9,320	-	9,320
Other payables and accruals		4,252	-	4,252
		<u>257,189</u>	<u>-</u>	<u>257,189</u>
<u>2021</u>				
<u>Financial asset</u>				
Cash and cash equivalents	8	3,452,984	-	3,452,984
Amount due from brokers		97,117	-	97,117
Amount due from Manager				
- creation of units		3,937	-	3,937
Dividend receivables		42,178	-	42,178
Quoted equities	7	-	55,177,431	55,177,431
		<u>3,596,216</u>	<u>55,177,431</u>	<u>58,773,647</u>
Total		<u>3,596,216</u>	<u>55,177,431</u>	<u>58,773,647</u>



## AFFIN HWANG EQUITY FUND

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

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

Financial instruments of the Fund are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021 (continued)</u>				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		72,954	-	72,954
Amount due to Trustee		3,891	-	3,891
Auditor's remuneration		3,781	-	3,781
Tax agent's fee		13,700	-	13,700
Other payables and accruals		6,563	-	6,563
		<u>100,889</u>	<u>-</u>	<u>100,889</u>

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

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

#### Market risk

##### (a) Price risk

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

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

	<u>2022</u> RM	<u>2021</u> RM
<b>Quoted investments</b>		
Quoted equities	<u>36,970,839</u>	<u>55,177,431</u>

## AFFIN HWANG EQUITY FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 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 net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/ <u>NAV</u> RM
<u>2022</u>		
-4%	35,492,005	(1,478,834)
0%	36,970,839	-
+4%	38,449,673	1,478,834
<u>2021</u>		
-10%	49,659,688	(5,517,743)
0%	55,177,431	-
+10%	60,695,174	5,517,743

##### (b) Interest rate risk

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

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

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

##### Credit risk

Credit risk refers to the ability of any issuer or counterparty to make timely payments of 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.

## AFFIN HWANG EQUITY FUND

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

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

##### Credit risk (continued)

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

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

The settlement terms of the proceeds from the creation of unit 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>Amount due from brokers</u> RM	<u>Amount due from Manager</u> RM	<u>Dividend receivables</u> RM	<u>Total</u> RM
<u>2022</u>					
Financial Services					
- AAA	4,430,514	-	-	-	4,430,514
Others					
- NR	-	-	-	43,310	43,310
	<u>4,430,514</u>	<u>-</u>	<u>-</u>	<u>43,310</u>	<u>4,473,824</u>
<u>2021</u>					
Financial Services					
- AAA	227,472	-	-	-	227,472
- AA2	-	-	-	42,178	42,178
- AA3	3,225,512	-	-	-	3,225,512
Industrial Products & Services					
- NR	-	97,117	-	-	97,117
Others					
- NR	-	-	3,937	-	3,937
	<u>3,452,984</u>	<u>97,117</u>	<u>3,937</u>	<u>42,178</u>	<u>3,596,216</u>

## AFFIN HWANG EQUITY FUND

### NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 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 payment and cancellations of unit by unitholders. Liquid assets comprise bank balances, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2022</u>			
Amount due to broker	185,138	-	185,138
Amount due to Manager			
- management fee	51,928	-	51,928
Amount due to Trustee	2,770	-	2,770
Auditors' remuneration	-	3,781	3,781
Tax agent's fee	-	9,320	9,320
Other payables and accruals	-	4,252	4,252
	<u>239,836</u>	<u>17,353</u>	<u>257,189</u>
<u>2021</u>			
Amount due to Manager			
- management fee	72,954	-	72,954
- cancellation of units		-	
Amount due to Trustee	3,891	-	3,891
Auditors' remuneration	-	3,781	3,781
Tax agent's fee	-	13,700	13,700
Other payables and accruals	-	6,563	6,563
	<u>76,845</u>	<u>24,044</u>	<u>100,889</u>

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. 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.

## AFFIN HWANG EQUITY FUND

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

#### 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 and financial liabilities that are not traded in an active market is determined by using valuation techniques.

##### (i) Fair value hierarchy

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

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

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				
- quoted equities	36,970,839	-	-	36,970,839

## AFFIN HWANG EQUITY FUND

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

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss - quoted equities	55,177,431	-	-	55,177,431

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

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

#### 4 MANAGEMENT FEE

In accordance with the Deeds, the Manager is entitled to a management fee at a rate not exceeding 1.50% per annum of the NAV of the Fund, calculated on a daily basis.

For 6 months financial period ended 31 October 2022, the management fee is recognised at a rate of 1.50% (2021: 1.50%) per annum based on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 5 TRUSTEE FEE

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.08% per annum on the NAV of the Fund.

For the 6 months financial period ended 31 October 2022, the Trustee fee is recognised at a rate of 0.08% (2021: 0.08%) per annum based on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

## AFFIN HWANG EQUITY FUND

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

#### 6 TAXATION

	6 months financial period ended <u>31.10.2022</u> RM	6 months financial period ended <u>31.10.2021</u> RM
Current taxation - local	-	-

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

	6 months financial period ended <u>31.10.2022</u>	6 months financial period ended <u>31.10.2021</u>
Net (loss)/profit before taxation	(6,648,664)	5,990,391
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(1,595,679)	1,437,693
Tax effect of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	1,476,378	(1,579,606)
Expenses not deductible for tax purposes	38,302	44,881
Restrictions on tax deductible expenses for Unit Trust Funds	80,999	97,032
Tax expense	-	-

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- quoted equities – local	36,970,839	55,177,431
Net gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	838,389	935,526
- unrealised gain on changes in fair value	(7,703,100)	5,060,556
	(6,864,711)	5,996,082

## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local

(i) Quoted equities – local as at 31 October 2022 are as follows:

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Formosa Prosonic Industries Bhd	416,000	872,130	1,302,080	3.16
Fraser & Neave Holdings Bhd	31,600	715,330	644,640	1.57
Hong Leong Industries Bhd	108,100	769,212	1,001,006	2.43
Power Root Bhd	451,500	894,112	961,695	2.33
	<u>1,007,200</u>	<u>3,250,784</u>	<u>3,909,421</u>	<u>9.49</u>
<u>Energy</u>				
Dayang Enterprise Hldgs Bhd	719,300	891,245	884,739	2.15
Dialog Group Bhd	231,800	455,228	475,190	1.16
Reservoir Link Energy Bhd	1,972,800	1,041,618	680,616	1.65
Veleso Energy Bhd	5,078,400	450,687	609,408	1.48
Wah Seong Corporation Bhd	2,022,500	1,276,885	1,162,938	2.82
	<u>10,024,800</u>	<u>4,115,663</u>	<u>3,812,891</u>	<u>9.26</u>
<u>Financial Services</u>				
Aeon Credit Service M Bhd	69,800	1,085,346	907,400	2.20
Alliance Bank Malaysia Bhd	252,200	890,912	928,096	2.25
AMMB Holdings Bhd	213,200	650,414	871,988	2.12
CIMB Group Holdings Bhd	187,552	807,561	1,033,412	2.51
Hong Leong Bank Bhd	63,400	1,233,883	1,340,276	3.25
Malayan Banking Bhd	187,649	1,580,626	1,610,028	3.91
RHB Bank Bhd	179,700	1,015,502	1,027,884	2.50
	<u>1,153,501</u>	<u>7,264,244</u>	<u>7,719,084</u>	<u>18.74</u>
<u>Healthcare</u>				
IHH Healthcare Bhd	205,700	1,125,800	1,223,915	2.97



## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 October 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Products &amp; Services</u>				
OM Holdings Ltd	344,500	965,376	657,995	1.60
Petronas Chemicals Group Bhd	97,300	872,378	847,483	2.06
PIE Industrial Bhd	265,800	902,497	675,132	1.64
Press Metal Aluminium Hldg Bhd	331,400	1,786,849	1,434,962	3.48
Scientex Bhd	262,200	380,809	854,772	2.07
Scope Industries Bhd	5,525,400	1,414,965	745,929	1.81
SKP Resources Bhd	750,050	959,287	1,192,579	2.90
V.S. Industry Bhd	1,068,000	998,213	897,120	2.18
	<u>8,644,650</u>	<u>8,280,374</u>	<u>7,305,972</u>	<u>17.74</u>
<u>Plantation</u>				
Hap Seng Plantations Hldgs Bhd	376,000	1,127,915	759,520	1.85
Kuala Lumpur Kepong Bhd	80,900	2,044,710	1,753,912	4.26
Sime Darby Plantation Bhd	291,500	1,503,604	1,282,600	3.11
Ta Ann Holdings Bhd	238,800	1,254,098	931,320	2.26
	<u>987,200</u>	<u>5,930,327</u>	<u>4,727,352</u>	<u>11.48</u>
<u>Property</u>				
Eco World Development Grp Bhd	1,276,700	723,386	766,020	1.86
<u>Real Estate Investment Trust</u>				
Atrium Real Estate InvestTrust	626,300	876,820	858,031	2.08
<u>Technology</u>				
D&O Green Technologies Bhd	162,600	710,932	627,636	1.53
Genetec Technology Bhd	420,200	1,088,009	874,016	2.12
My EG Services Bhd	1,056,900	855,092	930,072	2.26
NCT Alliance Bhd	2,115,900	1,116,246	740,565	1.80
Pentamaster Corporation Bhd	111,200	452,109	429,232	1.04
	<u>3,866,800</u>	<u>4,222,388</u>	<u>3,601,521</u>	<u>8.75</u>

## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 October 2022 are as follows: (continued)

<u>Name of counters</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication &amp; Media</u>				
TIME dotCom Berhad	363,300	1,235,269	1,649,382	4.00
<u>Transport &amp; Logistics</u>				
MISC Bhd	137,500	917,125	991,375	2.41
TASCO Bhd	477,500	387,821	405,875	0.98
	615,000	1,304,946	1,397,250	3.39
Total quoted equities – local	28,771,151	38,330,001	36,970,839	89.76
Accumulated unrealised loss on quoted equities – local		(1,359,162)		
Total quoted equities – local		36,970,839		

## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 31 October 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer Products &amp; Services</u>				
Hong Leong Industries Bhd	166,100	1,181,926	1,513,171	2.58
Malayan Flour Mills Bhd	2,768,800	2,203,555	2,090,444	3.56
Berjaya Food Bhd	491,000	898,530	996,730	1.70
Formosa Prosonic Industries Bhd	416,000	872,130	1,788,800	3.05
	<u>3,841,900</u>	<u>5,156,141</u>	<u>6,389,145</u>	<u>10.89</u>
<u>Energy</u>				
Reservoir Link Energy Bhd	1,972,800	1,041,618	1,075,176	1.83
Dayang Enterprise Hldgs Bhd	747,400	1,042,993	736,189	1.25
Wah Seong Corporation Bhd	1,354,900	741,130	989,077	1.69
	<u>4,075,100</u>	<u>2,825,741</u>	<u>2,800,442</u>	<u>4.77</u>
<u>Financial Services</u>				
AMMB Holdings Bhd	523,400	1,596,747	1,758,624	3.00
CIMB Group Holdings Bhd	229,342	985,218	1,197,165	2.04
RHB Bank Bhd	281,190	1,425,697	1,569,040	2.67
Malayan Banking Bhd	263,629	2,214,844	2,122,213	3.62
Public Bank Bhd	396,200	1,607,538	1,652,154	2.82
Hong Leong Bank Bhd	58,700	982,185	1,104,734	1.88
	<u>1,752,461</u>	<u>8,812,229</u>	<u>9,403,930</u>	<u>16.03</u>
<u>Healthcare</u>				
IHH Healthcare Bhd	205,700	1,125,800	1,345,278	2.29
<u>Industrial Products &amp; Services</u>				
Supercomnet Technologies Bhd	619,600	1,208,220	1,121,476	1.91
Scope Industries Bhd	4,700,800	1,185,468	1,668,784	2.84
Asia Poly Holdings Bhd	5,323,900	1,762,243	1,064,780	1.81
Scientex Bhd	536,900	779,772	2,496,585	4.26
V.S. Industry Bhd	1,436,500	1,342,633	2,269,670	3.87
Kobay Technology Berhad	227,800	640,007	1,195,950	2.04
PIE Industrial Bhd	308,700	1,073,116	1,185,408	2.02
Ta Win Holdings Bhd	16,026,000	1,531,873	2,403,900	4.10
SKP Resources Bhd	837,150	1,070,685	1,523,613	2.60

## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 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>Industrial Products &amp; Services</u>				
(continued)				
ATA IMS Bhd	409,100	865,204	1,026,841	1.75
Press Metal Aluminium Hldg Bhd	261,800	1,373,521	1,452,990	2.48
	<u>30,688,250</u>	<u>12,832,742</u>	<u>17,409,997</u>	<u>29.68</u>
<u>Property</u>				
Eco World Development Grp Bhd	1,677,300	835,809	1,710,846	2.92
<u>Technology</u>				
GHL Systems Bhd	302,050	277,427	595,039	1.01
NCT Alliance Bhd	2,115,900	1,116,246	1,216,643	2.07
Genetec Technology Bhd	80,000	944,000	3,720,000	6.34
Inari Amertron Bhd	404,400	1,073,867	1,560,984	2.66
Greatech Technology Bhd	146,300	600,793	1,048,971	1.79
Malaysian Pac Industries Bhd	30,700	306,863	1,436,760	2.45
Unisem M Berhad	145,200	440,021	621,456	1.06
	<u>3,224,550</u>	<u>4,759,217</u>	<u>10,199,853</u>	<u>17.38</u>
<u>Telecommunications &amp; Media</u>				
Opcom Holdings Berhad	503,500	286,675	604,200	1.03
TIME dotCom Berhad	308,700	976,488	1,392,237	2.37
	<u>812,200</u>	<u>1,263,163</u>	<u>1,996,437</u>	<u>3.40</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	137,500	917,125	970,750	1.65
TASCO Bhd	930,800	685,854	1,191,424	2.03
	<u>1,068,300</u>	<u>1,602,979</u>	<u>2,162,174</u>	<u>3.68</u>
<u>Utilities</u>				
YTL Corp Bhd	1,383,300	1,025,342	871,479	1.49

## AFFIN HWANG EQUITY FUND

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

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 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>Warrants</u>				
Malayan Flour Mills Bhd - Warrant	1,284,200	567,696	359,576	0.61
V.S. Industry Bhd - Warrant	287,300	-	143,650	0.24
Ta Win Holdings Bhd - Warrant	6,410,400	-	384,624	0.66
	<u>7,981,900</u>	<u>567,696</u>	<u>887,850</u>	<u>1.51</u>
Total quoted equities – local	<u>56,710,961</u>	40,806,859	<u>55,177,431</u>	<u>94.04</u>
Accumulated unrealised gain on quoted equities – local		<u>14,370,572</u>		
Total quoted equities – local		<u>55,177,431</u>		

## AFFIN HWANG EQUITY FUND

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

#### 8 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	79,361	227,472
Deposits with licensed financial institutions	4,351,153	3,225,512
	<u>4,430,514</u>	<u>3,452,984</u>

Weighted average interest rates per annum and weighted average maturity of deposits with licensed financial institutions are as follows:

	<u>2022</u> %	<u>2021</u> %
Deposits with licensed financial institutions	<u>2.50</u>	<u>1.75</u>

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

#### 9 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of unit	<u>2021</u> No. of unit
At beginning of the financial period	72,421,000	75,576,000
Creation of units arising from applications	329,000	1,596,000
Cancellation of units	(5,740,000)	(3,243,000)
At end of the financial period	<u>67,010,000</u>	<u>73,929,000</u>

## AFFIN HWANG EQUITY FUND

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

#### 10 TRANSACTIONS WITH BROKERS

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

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd #	5,450,553	17.82	13,645	18.16
Public Investment Bank Bhd	4,142,110	13.54	10,355	13.78
UOB Kay Hian Securities (M) Sdn Bhd	3,513,127	11.50	8,786	11.69
RHB Investment Bank Bhd	2,929,886	9.58	7,325	9.76
CGS – CIMB Securities Sdn Bhd	2,860,201	9.35	7,156	9.53
Hong Leong Investment Bank Bhd	2,475,208	8.09	6,188	8.24
CLSA Securities Malaysia Sdn Bhd	1,759,045	5.75	3,841	5.11
Kenanga Investment Bank Bhd	1,657,369	5.42	4,152	5.53
Malayan Banking Bhd	1,400,111	4.58	3,507	4.67
Macquarie Capital Securities (Malaysia) Sdn Bhd	1,160,716	3.80	2,902	3.86
Others	3,232,944	10.57	7,266	9.67
	<u>30,581,270</u>	<u>100.00</u>	<u>75,123</u>	<u>100.00</u>

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

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd #	15,115,781	36.59	50,090	36.89
Public Investment Bank Bhd	3,947,119	9.57	12,877	9.48
TA Securities Bhd	2,558,439	6.19	8,158	6.01
Hong Leong Investment Bank Bhd	1,979,174	4.79	6,894	5.08
CGS – CIMB Securities Sdn. Bhd	1,953,028	4.73	6,714	4.95
Malayan Banking Bhd	1,908,640	4.62	6,700	4.93
RHB Investment Bank Bhd	1,860,691	4.50	5,940	4.38
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	1,740,908	4.21	6,121	4.51
KAF Seagroatt & Campbell Securities Sdn Bhd	1,550,388	3.75	5,286	3.89
Kenanga Investment Bank Bhd	1,525,811	3.70	5,007	3.69
Others	7,166,480	17.35	21,983	16.19
	<u>41,306,459</u>	<u>100.00</u>	<u>135,770</u>	<u>100.00</u>

## AFFIN HWANG EQUITY FUND

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

#### 10 TRANSACTIONS WITH BROKERS (CONTINUED)

# Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, former holding company of the Manager amounting to RM5,450,553 (2021: RM15,115,781). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

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

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

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



## AFFIN HWANG EQUITY FUND

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

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

	2022		2021	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for booking purposes)	2,221	1,365	15,177	12,044
<u>Parties related to the Manager:</u>				
Affin Bank Berhad (The units are held beneficially)	-	-	51,104	40,556
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	-	-	217,891	172,918

#### 12 TOTAL EXPENSE RATIO (“TER”)

	6 months financial period ended <u>31.10.2022</u> %	6 months financial period ended <u>31.10.2021</u> %
TER	0.99	0.85

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 Fund calculated on daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM44,142,640 (2021: RM52,968,668).

## AFFIN HWANG EQUITY FUND

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

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

	6 months financial period ended 31.10.2022	6 months financial period ended 31.10.2021
PTR (times)	0.34	0.41

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM12,720,844 (2021: RM21,234,207)  
total disposal for the financial period = RM17,089,629 (2021: RM22,103,942)

#### 16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

##### 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 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 EQUITY 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 the opinion of the Manager, the financial statements set out on pages 1 to 29 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 October 2022 in accordance with the Malaysian Financial Reporting Standards, 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  
15 December 2022

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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

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

### **PERAK**

AHAM Asset Management Berhad  
(FKA Affin Hwang Asset Management Berhad)  
1, Persiaran Greentown 6  
Greentown Business Centre  
30450 Ipoh Perak

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

### **PETALING JAYA**

AHAM Asset Management Berhad  
(FKA Affin Hwang Asset Management Berhad)  
C-31-1, Jaya One  
72A Jalan Prof Diraja Ungku Aziz Section 13  
46200 Petaling Jaya  
Selangor

Tel : 03 – 7760 3062

### **MELAKA**

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

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

### **JOHOR**

AHAM Asset Management Berhad  
(FKA Affin Hwang Asset Management Berhad)  
Unit 22-05, Level 22  
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