

Affin Hwang Aiiman Growth Fund

Interim Report
28 February 2021

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



AFFIN HWANG
CAPITAL

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

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

AFFIN HWANG AIIMAN GROWTH FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 28 February 2021

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FUND INFORMATION

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

BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 28 FEBRUARY 2021

| Size of holdings (units) | No. of unitholders | No. of units held * ('000) |
|--------------------------|--------------------|----------------------------|
| 5,000 and below | 6,479 | 10,970 |
| 5,001 to 10,000 | 955 | 6,783 |
| 10,001 to 50,000 | 1,305 | 26,358 |
| 50,001 to 500,000 | 251 | 27,432 |
| 500,001 and above | 16 | 162,646 |
| Total | 9,006 | 234,189 |

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

| Category | As at 28 Feb 2021 (%) | As at 29 Feb 2020 (%) | As at 28 Feb 2019 (%) |
|--|-----------------------------|-----------------------------|-----------------------------|
| Portfolio composition | | | |
| Shariah-compliant quoted equities – local | | | |
| - Construction | 6.36 | 5.59 | 5.02 |
| - Consumer products & services | 1.80 | 4.94 | 14.43 |
| - Financial services | 7.20 | 6.12 | 4.09 |
| - Energy | 4.10 | 7.60 | 4.99 |
| - Healthcare | - | 12.87 | 4.14 |
| - Industrial products & services | 16.80 | 11.36 | 16.83 |
| - Preference share | 0.16 | - | - |
| - Plantation | 1.90 | 3.96 | 1.07 |
| - Property | 7.37 | 7.24 | 4.98 |
| - REITs | 4.72 | 8.11 | 5.40 |
| - Technology | 27.63 | 5.00 | 4.58 |
| - Telecommunication & media | 10.24 | 4.81 | 3.44 |
| - Utilities | 2.07 | 5.32 | 7.08 |
| - Warrants | 0.72 | - | - |
| - Transport & logistics | 1.79 | 2.10 | 3.44 |
| - Total Shariah-compliant quoted equities – local | 92.86 | 85.02 | 79.49 |
| Shariah-compliant collective investment scheme – local | | | |
| - TradePlus Shariah Gold Tracker | 2.50 | 2.62 | 1.44 |
| - Total Shariah-compliant quoted collective investment scheme – local | 2.50 | 2.62 | 1.44 |
| Cash & cash equivalent | 4.64 | 12.36 | 19.07 |
| - Total | 100.00 | 100.00 | 100.00 |
| Total NAV (RM'million) | 339.311 | 316.785 | 402.167 |
| NAV per Unit (RM) | 1.4476 | 0.9961 | 1.0366 |
| Unit in Circulation (million) | 234.403 | 318.034 | 387.965 |
| Highest NAV | 1.4732 | 1.0498 | 1.0882 |
| Lowest NAV | 1.1588 | 0.9961 | 0.9887 |
| Return of the Fund (%) ⁱⁱⁱ | 12.89 | -2.83 | -4.43 |
| - Capital Growth (%) ⁱ | 12.89 | -2.83 | -4.43 |
| - Income Distribution (%) ⁱⁱ | Nil | Nil | Nil |
| Gross Distribution per Unit (sen) | Nil | Nil | Nil |
| Net Distribution per Unit (sen) | Nil | Nil | Nil |
| Management Expense Ratio (%) ¹ | 0.80 | 0.82 | 0.78 |
| Portfolio Turnover Ratio (times) ² | 0.46 | 0.55 | 0.25 |

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

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

An illustration of the above would be as follow:-

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

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

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

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 28 February 2021.

Performance Review

For the period 1 September 2020 to 28 February 2021, the Fund registered a 12.89% return compared to the benchmark return of -1.42%. The Fund thus outperformed the Benchmark by 14.31%. The Net Asset Value per unit ("NAV") of the Fund as at 28 February 2021 was RM1.4476 while the NAV as at 31 August 2020 was RM1.2823.

Since commencement, the Fund has registered a return of 664.40% compared to the benchmark return of 172.10%, outperforming by 492.30%. The fund's investment objective has been met.

Table 1: Performance of the Fund

| | 6 Months (1/9/20 - 28/2/21) | 1 Year (1/3/20 - 28/2/21) | 3 Years (1/3/18 - 28/2/21) | 5 Years (1/3/16 - 28/2/21) | Since Commencement (29/10/02 - 28/2/21) |
|-----------------------|--|--|---|---|--|
| Fund | 12.89% | 47.62% | 33.92% | 56.76% | 664.40% |
| Benchmark | (1.42%) | 16.71% | (3.34%) | 5.96% | 172.10% |
| Outperformance | 14.31% | 30.91% | 37.26% | 50.80% | 492.30% |

Source of Benchmark: Bloomberg

Table 2: Average Total Return

| | 1 Year (1/3/20 - 28/2/21) | 3 Years (1/3/18 - 28/2/21) | 5 Years (1/3/16 - 28/2/21) | Since Commencement (29/10/02 - 28/2/21) |
|-----------------------|--|---|---|--|
| Fund | 47.62% | 10.22% | 9.40% | 11.72% |
| Benchmark | 16.71% | (1.12%) | 1.16% | 5.61% |
| Outperformance | 30.91% | 11.34% | 8.24% | 6.11% |

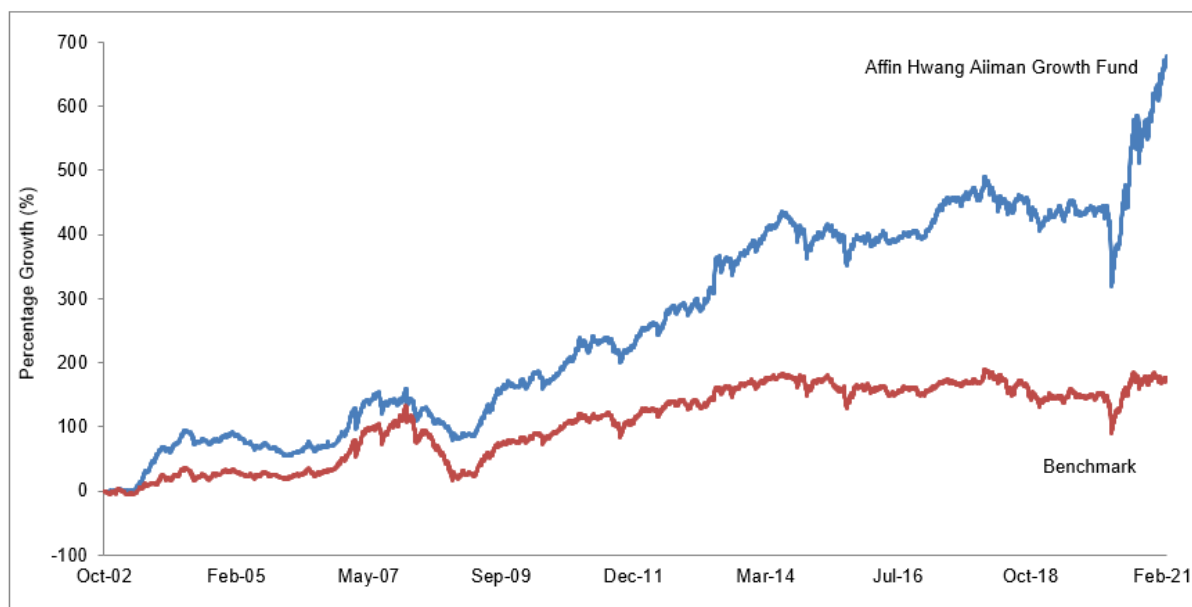
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

| | FYE 2020 (1/9/19 - 31/8/20) | FYE 2019 (1/9/18 - 31/8/19) | FYE 2018 (1/9/17 - 31/8/18) | FYE 2017 (1/9/16 - 31/8/17) | FYE 2016 (1/9/15 - 31/8/16) |
|-----------------------|--|--|--|--|--|
| Fund | 27.06% | (4.10%) | (0.01%) | 11.25% | 8.19% |
| Benchmark | 10.53% | (6.99%) | 0.45% | 2.56% | 8.63% |
| Outperformance | 16.53% | 2.89% | (0.46%) | 8.69% | (0.44%) |

Source of Benchmark: Bloomberg

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



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

Benchmark: FTSE Bursa Malaysia EMAS Shariah Index

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

Asset Allocation

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

As at 28 February 2021, the Fund was 87.64% invested with 92.86% in Shariah-compliant equities, 2.50% in Shariah-compliant collective investment scheme (CIS), and the remaining was held in cash and cash equivalent. During the period under review, the Manager had added exposures into technology, industrials and telecommunication and media sectors, while decreased exposure mainly in the healthcare sector. Cash level of the Fund was decreased to 4.63% over the same period.

Strategies Employed

With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare double whammy of global pandemic and oil price collapse.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. The market showed strong attention to the Biden administration's US\$ 1.9 trillion COVID-19 relief proposal in mid-January. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite

directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which are now facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the month. The Fed lightly addressed some of these concerns but mainly assured that current easy monetary policy will remain, with primary focus on the labor market.

The S&P500 closed 2.76% higher in the month, whilst Asian markets came in marginally lower, with the MSCI Asia ex Japan index gaining 1.25%. It was also a time for earnings announcements. 58.0% of companies in the MSCI Asia ex Japan index reporting their results in the month. Of these, 48.0% saw earnings beat and 12.0% missing estimates. In the US, 790% of the companies in the S&P500 saw earnings beat.

President Biden held his first official call with President Xi Jinping. While Biden may have brought up controversial topics such as economic competition and human rights issues, the call should merely be viewed as a formality rather than tangible progress between China and the US and both sides continue to thread on thin ice. The US House of Representatives also passed a US\$1.9 trillion coronavirus relief package

Commodities saw strong returns in the January, buoyed by vaccination programs and normalization of the economy. The commodity market saw four consecutive weeks of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 10.67% in the month.

Following from 2020's political overhang, Malaysia's Yang di-Pertuan Agong issued a Proclamation of Emergency, resulting in the implementation of MCO 2.0 as daily Covid-19 cases rose to four digits. Restrictions on movement were less stringent than the initial MCO from 2020, though inconsistent communication surrounding the restrictions resulted in some public confusion.

The PN government unveiled its fifth economic stimulus package, PERMAI, worth RM 15 billion. Market impact was neutral following the announcement, as the package was viewed largely as a safety net aimed at cushioning the downside impact of MCO 2.0's implementation, especially to more vulnerable sectors.

Malaysia's Consumer Price Index (CPI) came in at 122.5 in February 2021, a marginal increase of 0.1% from January 2021. Despite this, trade numbers have been gradually increasing as global trade picks up. December 2020 saw Malaysia's exports rise 10.8% y-o-y and imports rebounding for the first time in 9 months by 1.6% y-o-y. This positive momentum continued in January 2021, with exports expanding by 6.6% y-o-y to RM 89.6 billion. Imports saw the same trend, increasing by 1.3% y-o-y.

In February, the local equity market's performance was muted relative to regional peers, gaining by 0.82% in the month. It was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. AmBank announced a settlement cost of RM2.83 billion for its role and involvement in the 1MDB scandal that took place prior. This accounts for up to 30.0% of its market capitalisation. Petronas announced its first annual loss of RM 21 billion in 2020, its weak earnings dragged by weak product prices and margins, in line with last year's decline in crude oil prices.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient. Market is of the expectation that central bank will cut rates in BNM's next meeting in March, but our in-house view views that the likelihood of a cut is minimal.

Yields trended higher in tandem with US treasury movement in the month of February. The 10-year MGS closed at 3.08%. The corporate space also saw yields edge higher, particularly in the longer-dated names of the IG credit space. The primary market was greeted by the auction of a new 7-year GII of RM 3.5 billion. The trend here follows from January's auction of the 10-year MGS, with strong bidding interest as the 7-year GII posted a bid-to-cover ratio of 2.2x, supported by onshore interbank players. The yield closed at 2.8%.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death rates despite the rise in infections. With most markets recovering the year's losses by December coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Recovery plays will be the most obvious theme for the year improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. General market consensus suggests global GDP is down 5% in 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns. We have already started to see the rotation from growth to value take place in the start of 2021.

January 2021's US employment report was less than stellar as nonfarm payrolls increased only by half of the market's initial consensus, which is worse when compared to the fact that it had already been revised down by 159,000 two months prior. The US labor market has some ways to go for recovery as Covid-19 cases continue to rise. Valuations in the American market are coming across as stretched as the S&P 500 surpasses far beyond its historical P/E average of 15x -17x. There has been some correction in the recent few weeks and we may see this correction extend for a further couple more months.

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Following President Biden's call to China, we still expect little improvement between China and the US's already contentious relationship. We see at least a few months of reprieve for the global economy as the two leading nations focus on economic recovery. It will not be long before they step back into the boxing ring to tackle the long list of conflicting issues they face, ranging from trade issues, social rights and environmental impacts.

Economic recovery continues to be delayed by Covid-19 as cases surge throughout the country/ From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Political risk has been delayed with the declaration of state of emergency until August 2021

Fund flows continue to pour in, following 2020's trend which began in the month of March. In the US, long-term mutual funds and exchange-traded funds picked up US\$95 billion in new assets. ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to 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 management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

Cross Trade

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

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

We have acted as Trustee of Affin Hwang Aiiman Growth Fund ("the Fund") for the financial period ended 28 February 2021. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:

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

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Senior Manager, Investment Compliance Monitoring

Kuala Lumpur
15 April 2021

SHARIAH ADVISER'S REPORT

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

We hereby confirm the following:

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

For Amanie Advisors Sdn Bhd

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
15 April 2021

AFFIN HWANG AII MAN GROWTH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

AFFIN HWANG AIIMAN GROWTH FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

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AFFIN HWANG AII MAN GROWTH FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

| | <u>Note</u> | 6 months financial period ended <u>28.2.2021</u> RM | 6 months financial period ended <u>29.2.2020</u> RM |
|---|-------------|---|---|
| INVESTMENT INCOME/(LOSS) | | | |
| Dividend income | | 2,788,897 | 4,550,637 |
| Profit from short term Shariah-based deposits | | 258,404 | 715,747 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 7 | 39,815,753 | (9,720,635) |
| | | <u>42,863,054</u> | <u>(4,454,251)</u> |
| EXPENSES | | | |
| Management fee | 4 | (2,382,629) | (2,800,667) |
| Trustee fee | 5 | (111,189) | (132,865) |
| Auditors' remuneration | | (4,455) | (3,740) |
| Tax agent's fee | | (1,884) | (1,895) |
| Transaction cost | | (965,561) | (1,189,909) |
| Other expenses | | (98,985) | (129,820) |
| | | <u>(3,564,703)</u> | <u>(4,258,896)</u> |
| NET PROFIT/(LOSS) BEFORE TAXATION | | 39,298,351 | (8,713,147) |
| Taxation | 6 | - | - |
| NET PROFIT/(LOSS) AFTER TAX AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD | | <u>39,298,351</u> | <u>(8,713,147)</u> |
| Net profit/(loss) after taxation is made up of the following: | | | |
| Realised amount | | 40,527,010 | 8,578,577 |
| Unrealised amount | | (1,228,659) | (17,291,724) |
| | | <u>39,298,351</u> | <u>(8,713,147)</u> |

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

AFFIN HWANG AIIMAN GROWTH FUND

UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2021

| | <u>Note</u> | <u>2021</u> RM | <u>2020</u> RM |
|--|-------------|--------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 8 | 21,993,929 | 29,130,819 |
| Amount due from brokers | | - | 12,934,409 |
| Amount due from Manager | | | |
| - creation of units | | 328,738 | - |
| - management fee rebate receivable | | 1,994 | 3,827 |
| Dividend receivables | | 682,842 | 175,934 |
| Financial assets at fair value through profit or loss | 7 | 323,572,917 | 277,629,306 |
| TOTAL ASSETS | | <u>346,580,420</u> | <u>319,874,295</u> |
| LIABILITIES | | | |
| Amount due to brokers | | 6,169,678 | 2,612,777 |
| Amount due to Manager | | | |
| - management fee | | 390,578 | 411,282 |
| - cancellation of units | | 674,726 | 30,522 |
| Amount due to Trustee | | 18,227 | 19,193 |
| Auditors' remuneration | | 4,455 | 3,365 |
| Tax agent's fee | | 5,815 | 6,245 |
| Other payables and accruals | | 5,533 | 5,713 |
| TOTAL LIABILITIES | | <u>7,269,012</u> | <u>3,089,097</u> |
| NET ASSET VALUE OF THE FUND | | <u>339,311,408</u> | <u>316,785,198</u> |
| EQUITY | | | |
| Unitholders' capital | | 218,806,379 | 312,156,305 |
| Retained earnings | | 120,505,029 | 4,628,893 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>339,311,408</u> | <u>316,785,198</u> |
| NUMBER OF UNITS IN CIRCULATION | 9 | <u>234,403,000</u> | <u>318,034,000</u> |
| NET ASSET VALUE PER UNIT (RM) | | <u>1.4476</u> | <u>0.9961</u> |

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

AFFIN HWANG AIIMAN GROWTH FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

| | Unitholders' <u>capital</u> RM | Retained <u>earnings</u> RM | <u>Total</u> RM |
|--|--------------------------------------|-----------------------------------|--------------------|
| Balance as at 1 September 2020 | 240,974,144 | 81,206,678 | 322,180,822 |
| Total comprehensive income for the financial period | - | 39,298,351 | 39,298,351 |
| Movement in unitholders' capital: | | | |
| Creation of units | 12,628,774 | - | 12,628,774 |
| Cancellation of units | (34,796,539) | - | (34,796,539) |
| Balance as at 28 February 2021 | <u>218,806,379</u> | <u>120,505,029</u> | <u>339,311,408</u> |
| | | | |
| Balance as at 1 September 2019 | 384,711,157 | 13,342,040 | 398,053,197 |
| Total comprehensive loss for the financial period | - | (8,713,147) | (8,713,147) |
| Movement in unitholders' capital: | | | |
| Creation of units | 969,187 | - | 969,187 |
| Cancellation of units | (73,524,039) | - | (73,524,039) |
| Balance as at 29 February 2020 | <u>312,156,305</u> | <u>4,628,893</u> | <u>316,785,198</u> |

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

AFFIN HWANG AIIMAN GROWTH FUND

UNAUDITED INTERIM STATEMENT CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

| | <u>Note</u> | 6 months financial period ended <u>28.2.2021</u> RM | 6 months financial period ended <u>29.2.2020</u> RM |
|---|-------------|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of Shariah-compliant investments | | 178,636,029 | 221,330,513 |
| Purchase of Shariah-compliant investments | | (152,219,386) | (192,905,008) |
| Dividends received | | 2,317,608 | 4,568,393 |
| Profit from short term Shariah-based deposits | | 258,404 | 715,747 |
| Rebate of management fee received | | 14,032 | 11,299 |
| Management fee paid | | (2,397,418) | (2,899,020) |
| Trustee's fee paid | | (111,879) | (137,366) |
| Payment for other fees and expenses | | (1,073,757) | (1,329,571) |
| Net cash generated from operating activities | | <u>25,423,633</u> | <u>29,354,987</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from creation of units | | 14,296,491 | 1,130,792 |
| Payments for cancellation of units | | (34,121,813) | (73,551,589) |
| Net cash used in from financing activities | | <u>(19,825,322)</u> | <u>(72,420,797)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 5,598,311 | (43,065,810) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | | <u>16,395,618</u> | <u>72,196,629</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 8 | <u><u>21,993,929</u></u> | <u><u>29,130,819</u></u> |

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

AFFIN HWANG AIIMAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

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 AIIMAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (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.

Profit income

Profit from Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals basis.

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

Realised gains and losses on sale of investment

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

C TRANSACTION COSTS

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

D TAXATION

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG AIIAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (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 contractual cash flows of the Fund's debt securities are solely principal and interest ('SPPI')¹. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieve the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager and dividend receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

(ii) Recognition and measurement

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

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

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

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

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

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

AFFIN HWANG AIIAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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.

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

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

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

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

AFFIN HWANG AII MAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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 short-term Shariah-based deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) BROKERS

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

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

I UNITHOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's net assets value;
- the units are the most subordinated class and class features are identical;
- there 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 unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled 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 unit holders with the total number of outstanding units.

AFFIN HWANG AII MAN GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

J CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

However, the Manager is of the opinion that these are no accounting policies required significant judgement to be exercised.

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

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name HwangDBS Dana Izdihar (the “Fund”) pursuant to the execution of a Deed dated 3 October 2002, First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008, Fourth Supplemental Deed dated 20 November 2008, Fifth Supplemental Deed dated 18 January 2012, Sixth Supplemental Deed dated 27 June 2014 and Seventh Supplemental Deed dated 30 November 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”), HSBC (Malaysia) Trustee Berhad (the “Trustee”) and the registered unitholders of the Fund. The Fund has changed its name from HwangDBS Dana Izdihar to HwangDBS AIIMAN Growth Fund as amended by the Fourth Supplemental Deed dated 20 November 2008, from HwangDBS AIIMAN Growth Fund to Hwang AIIMAN Growth Fund as amended by the Fifth Supplemental Deed dated 18 January 2012 and from Hwang AIIMAN Growth Fund to Affin Hwang Aiiman Growth Fund as amended by the Sixth Supplemental Deed dated 27 June 2014.

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

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

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

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

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

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

The financial statements were authorised for issue by the Manager on 15 April 2021

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

| | <u>Note</u> | At amortised <u>cost</u> RM | At fair value through <u>profit or loss</u> RM | <u>Total</u> RM |
|------------------------------------|-------------|--------------------------------------|---|--------------------|
| <u>2021</u> | | | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 8 | 21,993,929 | - | 21,993,929 |
| Amount due from Manager | | | | |
| - creation of units | | 328,738 | - | 328,738 |
| - management fee rebate receivable | | 1,994 | - | 1,994 |
| Dividend receivables | | 682,842 | - | 682,842 |
| Shariah-compliant quoted equities | 7 | - | 315,099,917 | 315,099,917 |
| Exchange traded funds | 7 | - | 8,473,000 | 8,473,000 |
| Total | | <u>23,007,503</u> | <u>323,572,917</u> | <u>346,580,420</u> |
| <u>Financial liabilities</u> | | | | |
| Amount due to brokers | | 6,169,678 | - | 6,169,678 |
| Amount due to Manager | | | | |
| - management fee | | 390,578 | - | 390,578 |
| - cancellation of units | | 674,726 | - | 674,726 |
| Amount due to Trustee | | 18,227 | - | 18,227 |
| Auditors' remuneration | | 4,455 | - | 4,455 |
| Tax agent's fee | | 5,815 | - | 5,815 |
| Other payables and accruals | | 5,533 | - | 5,533 |
| Total | | <u>7,269,012</u> | <u>-</u> | <u>7,269,012</u> |

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Financial instruments are as follows (continued):

| | <u>Note</u> | At amortised <u>cost</u> RM | At fair value through <u>profit or loss</u> RM | <u>Total</u> RM |
|------------------------------------|-------------|--------------------------------------|---|--------------------|
| <u>2020</u> | | | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 8 | 29,130,819 | - | 29,130,819 |
| Amount due from Manager | | | | |
| - management fee rebate receivable | | 3,827 | - | 3,827 |
| Amount due from brokers | | 12,934,409 | - | 12,934,409 |
| Dividend receivables | | 175,934 | - | 175,934 |
| Shariah-compliant | | | | |
| exchange traded funds | 7 | - | 8,288,000 | 8,288,000 |
| Shariah-compliant quoted equities | 7 | - | 269,341,306 | 269,341,306 |
| Total | | <u>42,244,989</u> | <u>277,629,306</u> | <u>319,874,295</u> |
| <u>Financial liabilities</u> | | | | |
| Amount due from brokers | | 2,612,777 | - | 2,612,777 |
| Amount due to Manager | | | | |
| - management fee | | 411,282 | - | 411,282 |
| - cancellation of units | | 30,522 | - | 30,522 |
| Amount due to Trustee | | 19,193 | - | 19,193 |
| Auditors' remuneration | | 3,365 | - | 3,365 |
| Tax agent's fee | | 6,245 | - | 6,245 |
| Other payables and accruals | | 5,713 | - | 5,713 |
| Total | | <u>3,089,097</u> | <u>-</u> | <u>3,089,097</u> |

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

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

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Market risk

(a) Price risk

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

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

| | <u>2021</u> RM | <u>2020</u> RM |
|---|--------------------|--------------------|
| Shariah-compliant quoted investments | | |
| Shariah – compliant quoted equities | 315,099,917 | 269,341,306 |
| Shariah-compliant exchange traded funds | 8,473,000 | 8,288,000 |
| | <u>323,572,917</u> | <u>277,629,306</u> |

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2020: 10%) and decreased by 10% (2020: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

| <u>% Change in price</u> | <u>Market value</u> RM | <u>Impact on profit after tax/NAV</u> RM |
|--------------------------|---------------------------|---|
| <u>2021</u> | | |
| -10% | 291,215,625 | (32,357,292) |
| 0% | 323,572,917 | - |
| +10% | 355,930,209 | 32,357,292 |
| | <u>323,572,917</u> | <u>32,357,292</u> |
| <u>2020</u> | | |
| -10% | 249,866,375 | (27,762,931) |
| 0% | 277,629,306 | - |
| +10% | 305,392,237 | 27,762,931 |
| | <u>277,629,306</u> | <u>27,762,931</u> |

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Market risk (continued)

(b) Profit rate risk

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

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

Credit risk

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

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

The settlement terms of the proceeds from the creation of units receivable from the Manager is governed by the SC's Guidelines on Unit Trust Funds.

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.

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Credit risk (continued)

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

| | <u>Cash and cash equivalents</u> RM | <u>Amount due from Manager</u> RM | <u>Amount due from brokers</u> RM | <u>Dividend receivables</u> RM | <u>Total</u> RM |
|--------------------------------|--|--|--|---------------------------------------|--------------------|
| <u>2021</u> | | | | | |
| Financial Services | | | | | |
| - AAA | 21,993,929 | - | - | 386,954 | 22,380,883 |
| Industrial Products & Services | | | | | |
| - NR | - | - | - | 66,263 | 66,263 |
| Plantations | | | | | |
| - NR | - | - | - | 97,510 | 97,510 |
| REITs | | | | | |
| - NR | - | - | - | 132,115 | 132,115 |
| Others | | | | | |
| - NR | - | 330,732 | - | - | 330,732 |
| | <u>21,993,929</u> | <u>330,732</u> | <u>-</u> | <u>682,842</u> | <u>23,007,503</u> |
| <u>2020</u> | | | | | |
| Financial Services | | | | | |
| - AAA | 27,127,955 | - | - | - | 27,127,955 |
| - AA2 | 2,002,864 | - | - | - | 2,002,864 |
| Industrial Products & Services | | | | | |
| - NR | - | - | 2,226,094 | 43,297 | 2,269,391 |
| Plantations | | | | | |
| - NR | - | - | 3,287,054 | - | 3,287,054 |
| Property | | | | | |
| - NR | - | - | - | 95,668 | 95,668 |
| Technology | | | | | |
| - NR | - | - | 889,671 | - | 889,671 |
| Telecommunication & Media | | | | | |
| - NR | - | - | - | 36,969 | 36,969 |
| Others | | | | | |
| - NR | - | - | 6,531,590 | - | 6,531,590 |
| | <u>29,130,819</u> | <u>-</u> | <u>12,934,409</u> | <u>175,934</u> | <u>42,241,162</u> |

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of Shariah-based liquid assets to meet anticipated payments and cancellation of units by unitholders. Shariah-based liquid assets comprise cash, Shariah-based deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

| | <u>Within one month</u> RM | <u>Between one month to one year</u> RM | <u>Total</u> RM |
|-----------------------------|-----------------------------------|--|--------------------|
| <u>2021</u> | | | |
| Amount due to brokers | 6,169,678 | - | 6,169,678 |
| Amount due to Manager | | | |
| - management fee | 390,578 | - | 390,578 |
| - cancellation of units | 674,726 | - | 674,726 |
| Amount due to Trustee | 18,227 | - | 18,227 |
| Auditors' remuneration | - | 4,455 | 4,455 |
| Tax agent's fee | - | 5,815 | 5,815 |
| Other payables and accruals | - | 5,533 | 5,533 |
| | <u>7,253,209</u> | <u>15,803</u> | <u>7,269,012</u> |
| <u>2020</u> | | | |
| Amount due to brokers | 2,612,777 | - | 2,612,777 |
| Amount due to Manager | | | |
| - management fee | 411,282 | - | 411,282 |
| - cancellation of units | 30,522 | - | 30,522 |
| Amount due to Trustee | 19,193 | - | 19,193 |
| Auditors' remuneration | - | 3,365 | 3,365 |
| Tax agent's fee | - | 6,245 | 6,245 |
| Other payables and accruals | - | 5,713 | 5,713 |
| | <u>3,073,774</u> | <u>15,323</u> | <u>3,089,097</u> |

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

Reclassification of Shariah status risk

The risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's advice.

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is 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 by valuation method. The different levels have been defined as follows:

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

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (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>2021</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Shariah-compliant exchange traded fund | 8,473,000 | - | - | 8,473,000 |
| - Shariah-compliant quoted equities | 315,099,917 | - | - | 315,099,917 |
| | <u>323,572,917</u> | <u>-</u> | <u>-</u> | <u>323,572,917</u> |
| <u>2020</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Shariah-compliant exchange traded fund | 8,288,000 | - | - | 8,288,000 |
| - Shariah-compliant quoted equities | 269,341,306 | - | - | 269,341,306 |
| | <u>277,629,306</u> | <u>-</u> | <u>-</u> | <u>277,629,306</u> |

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

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

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

4 MANAGEMENT FEE

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

For the 6 months financial period ended 28 February 2021, the management fee is recognised at a rate of 1.50% (2020: 1.50%) per annum on the NAV of the Fund calculated on daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

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

For the 6 months financial period ended 28 February 2021, the Trustee fee is recognised at a rate of 0.07% (2020: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee, subject to a minimum fee of RM18,000 per annum as stated in the Fund's Prospectus.

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

6 TAXATION

| | 6 months financial period ended <u>28.2.2021</u> RM | 6 months financial period ended <u>29.2.2020</u> RM |
|--------------------------|---|---|
| Current taxation - local | - | - |

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

6 TAXATION (CONTINUED)

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

| | 6 months financial period ended <u>28.2.2021</u> RM | 6 months financial period ended <u>29.2.2020</u> RM |
|--|---|---|
| Net profit/(loss) before taxation | 39,298,351 | (8,713,147) |
| Tax at Malaysian statutory rate of 24% (2020: 24%) | 9,431,604 | (2,091,155) |
| Tax effects of: | | |
| (Investment income exempted from tax)/ investment loss not subject to tax | (10,284,466) | 1,069,020 |
| Expenses not deductible for tax purposes | 280,968 | 345,969 |
| Restriction on tax deductible for expenses for Unit Trust Funds | 571,894 | 676,166 |
| Tax expense | - | - |

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <u>2021</u> RM | <u>2020</u> RM |
|---|--------------------|--------------------|
| Financial assets at fair value through profit or loss: | | |
| - Shariah-compliant exchange traded funds - local | 8,473,000 | 8,288,000 |
| - Shariah-compliant quoted equities – local | 315,099,917 | 269,341,306 |
| | <u>323,572,917</u> | <u>277,629,306</u> |
| Net gain/(loss) on financial assets at fair value through profit or loss: | | |
| - realised gain on sale of investments | 41,033,299 | 7,559,790 |
| - unrealised loss on changes of fair value | (1,228,659) | (17,291,724) |
| - management fee rebate on collective investment scheme # | 11,113 | 11,299 |
| | <u>39,815,753</u> | <u>(9,720,635)</u> |

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

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

(a) Shariah-compliant exchange traded funds – local

(i) Shariah-compliant exchange traded funds – local as at 28 February 2021 is as follows:

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

(ii) Shariah-compliant exchange traded funds – local as at 29 February 2020 is as follows:

| | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|--|------------------|----------------------------------|------------------------------|------------------------------------|
| TradePlus Shariah Gold Tracker | 3,700,000 | 6,392,549 | 8,288,000 | 2.62 |
| Total Shariah-compliant exchange traded funds – local | <u>3,700,000</u> | <u>6,392,549</u> | <u>8,288,000</u> | <u>2.62</u> |
| Accumulated unrealised gain on Shariah-compliant exchange traded funds - local | | <u>1,895,451</u> | | |
| Total Shariah-compliant exchange traded funds – local | | <u>8,288,000</u> | | |

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities - local as at 28 February 2021 are as follows:

| | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|---|-------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Construction</u> | | | | |
| Widad Group Bhd | 10,000,000 | 5,000,000 | 4,600,000 | 1.36 |
| Jaks Resources Bhd | 16,037,580 | 6,844,226 | 11,707,433 | 3.45 |
| Gamuda Bhd | 1,579,500 | 5,682,729 | 5,259,735 | 1.55 |
| | <u>27,617,080</u> | <u>17,526,955</u> | <u>21,567,168</u> | <u>6.36</u> |
| <u>Consumer Products & Services</u> | | | | |
| Guan Chong Bhd | 2,310,500 | 6,575,443 | 6,122,825 | 1.80 |
| <u>Energy</u> | | | | |
| Wah Seong Corporation Bhd | 7,938,357 | 7,449,562 | 5,675,925 | 1.67 |
| Yinson Holdings Bhd | 1,560,700 | 10,276,779 | 8,256,103 | 2.43 |
| | <u>9,499,057</u> | <u>17,726,341</u> | <u>13,932,028</u> | <u>4.10</u> |
| <u>Financial Services</u> | | | | |
| Bursa Malaysia Bhd | 1,138,100 | 9,775,106 | 10,322,567 | 3.04 |
| BIMB Holdings Bhd | 1,908,600 | 7,927,445 | 7,729,830 | 2.28 |
| Syarikat Takaful Malaysia | 1,384,600 | 5,526,156 | 6,369,160 | 1.88 |
| | <u>4,431,300</u> | <u>23,228,707</u> | <u>24,421,557</u> | <u>7.20</u> |
| <u>Industrial Products & Services</u> | | | | |
| Scientex Bhd | 3,225,100 | 8,348,076 | 12,932,651 | 3.81 |
| Cahaya Mata Sarawak Bhd | 5,668,900 | 10,398,338 | 13,038,470 | 3.84 |
| Sunway Bhd | 3,934,191 | 5,810,281 | 5,783,261 | 1.70 |
| V.S. Industry Bhd | 5,521,900 | 7,234,757 | 16,455,262 | 4.85 |
| SKP Resources Bhd | 1,106,700 | 2,295,838 | 2,523,276 | 0.74 |
| Press Metal Aluminium Hldg Bhd | 665,100 | 6,152,175 | 6,318,450 | 1.86 |
| | <u>20,121,891</u> | <u>40,239,465</u> | <u>57,051,370</u> | <u>16.80</u> |

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities - local as at 28 February 2021 are as follows: (continued)

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

AFFIN HWANG AIFMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities - local as at 28 February 2021 are as follows: (continued)

| | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|--|--------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Telecommunication & Media</u> | | | | |
| Telekom Malaysia Bhd | 3,396,200 | 20,874,816 | 20,750,782 | 6.12 |
| TIME dotCom Bhd | 819,300 | 7,365,504 | 11,371,884 | 3.35 |
| Axiata Group Bhd | 742,700 | 3,338,314 | 2,599,450 | 0.77 |
| | <u>4,958,200</u> | <u>31,578,634</u> | <u>34,722,116</u> | <u>10.24</u> |
| <u>Transportation & Logistics</u> | | | | |
| MISC Bhd | 907,100 | 6,050,357 | 6,059,428 | 1.79 |
| <u>Utilities</u> | | | | |
| Tenaga Nasional Bhd | 696,400 | 9,426,487 | 7,033,640 | 2.07 |
| <u>Warrants</u> | | | | |
| Jaks Resources Bhd | 5,178,640 | - | 2,252,708 | 0.66 |
| Scientex Bhd | 167,900 | - | 204,838 | 0.06 |
| | <u>5,346,540</u> | <u>-</u> | <u>2,457,546</u> | <u>0.72</u> |
| Total Shariah-compliant quoted equities – local | <u>131,589,984</u> | <u>254,271,593</u> | <u>315,099,917</u> | <u>92.86</u> |
| Accumulated unrealised gain on Shariah-compliant quoted equities – local | | <u>60,828,324</u> | | |
| Total Shariah-compliant quoted equities – local | | <u>315,099,917</u> | | |

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2020 are as follows:

| | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|---|-------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Construction</u> | | | | |
| Gadang Holdings Bhd | 7,078,400 | 6,434,421 | 4,034,688 | 1.27 |
| IJM Corporation Bhd | 517,800 | 1,017,448 | 1,004,532 | 0.32 |
| Sunway Construction Group Bhd | 4,148,600 | 7,680,832 | 7,674,910 | 2.42 |
| Widad Group Bhd | 10,000,000 | 5,000,000 | 5,000,000 | 1.58 |
| | <u>21,744,800</u> | <u>20,132,701</u> | <u>17,714,130</u> | <u>5.59</u> |
| <u>Consumer Products & Services</u> | | | | |
| Aeon Company (M) Bhd | 3,900,000 | 9,142,442 | 5,148,000 | 1.63 |
| Guan Chong Bhd | 2,352,200 | 6,867,181 | 5,904,022 | 1.86 |
| Petronas Dagangan Bhd | 163,400 | 4,114,939 | 3,728,788 | 1.18 |
| Power Root Bhd | 395,600 | 889,908 | 846,584 | 0.27 |
| | <u>6,811,200</u> | <u>21,014,470</u> | <u>15,627,394</u> | <u>4.94</u> |
| <u>Energy</u> | | | | |
| Dayang Enterprise Holdings Bhd | 3,111,210 | 6,716,158 | 7,249,119 | 2.29 |
| Wah Seong Corporation Bhd | 3,071,500 | 3,938,599 | 3,562,940 | 1.12 |
| Yinson Holdings Bhd | 1,897,800 | 12,590,093 | 13,284,600 | 4.19 |
| | <u>8,080,510</u> | <u>23,244,850</u> | <u>24,096,659</u> | <u>7.60</u> |
| <u>Financial Services</u> | | | | |
| BIMB Holdings Bhd | 1,839,900 | 7,695,926 | 6,918,024 | 2.18 |
| Bursa Malaysia Bhd | 974,100 | 5,912,968 | 5,357,550 | 1.69 |
| Syarikat Takaful Malaysia | 1,521,400 | 5,942,247 | 7,120,152 | 2.25 |
| | <u>4,335,400</u> | <u>19,551,141</u> | <u>19,395,726</u> | <u>6.12</u> |
| <u>Health Care</u> | | | | |
| Hartalega Holdings Bhd | 1,465,700 | 7,809,895 | 9,043,369 | 2.85 |
| IHH Healthcare Bhd | 2,006,000 | 11,129,429 | 11,394,080 | 3.60 |
| Kossan Rubber Industries Bhd | 1,885,000 | 7,680,296 | 8,972,600 | 2.83 |
| Supermax Corp Bhd | 635,800 | 1,064,652 | 1,004,564 | 0.32 |
| Top Glove Corp Bhd | 1,840,300 | 9,272,402 | 10,360,889 | 3.27 |
| | <u>7,832,800</u> | <u>36,956,674</u> | <u>40,775,502</u> | <u>12.87</u> |

AFFIN HWANG AIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2020 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 & Services</u> | | | | |
| ATA IMS Bhd | 3,187,300 | 5,215,470 | 4,812,823 | 1.52 |
| DWL Resources Bhd | 9,700,000 | 6,247,248 | 2,910,000 | 0.92 |
| Petronas Chemicals Group Bhd | 1,044,100 | 7,715,293 | 5,638,140 | 1.78 |
| Scientex Bhd | 1,148,200 | 7,316,871 | 10,161,570 | 3.21 |
| Sunway Bhd | 5,261,691 | 8,334,619 | 9,260,576 | 2.92 |
| V.S. Industry Bhd | 2,560,100 | 3,114,778 | 3,200,125 | 1.01 |
| | <u>22,901,391</u> | <u>37,944,279</u> | <u>35,983,234</u> | <u>11.36</u> |
| <u>Plantation</u> | | | | |
| Genting Plantations Bhd | 953,000 | 9,643,163 | 9,530,000 | 3.01 |
| Kuala Lumpur Kepong Bhd | 137,681 | 3,185,749 | 3,004,200 | 0.95 |
| | <u>1,090,681</u> | <u>12,828,912</u> | <u>12,534,200</u> | <u>3.96</u> |
| <u>Property</u> | | | | |
| Matrix Concepts Holdings Bhd | 4,326,677 | 8,427,247 | 8,220,686 | 2.60 |
| Naim Holdings Bhd | 5,684,600 | 7,016,134 | 5,968,830 | 1.88 |
| SP Setia Bhd Group - RCPS-i B | 692,872 | 609,727 | 568,155 | 0.18 |
| UOA Development Bhd | 4,185,500 | 10,311,840 | 8,161,725 | 2.58 |
| | <u>14,889,649</u> | <u>26,364,948</u> | <u>22,919,396</u> | <u>7.24</u> |
| <u>REITs</u> | | | | |
| Axis Real Estate Investment Trust | 7,776,900 | 12,232,954 | 14,931,648 | 4.71 |
| KLCCP Stapled Group Stapled Security | 1,339,200 | 10,001,998 | 10,780,560 | 3.40 |
| | <u>9,116,100</u> | <u>22,234,952</u> | <u>25,712,208</u> | <u>8.11</u> |
| <u>Technology</u> | | | | |
| GHL Systems Bhd | 4,586,000 | 6,568,416 | 7,337,600 | 2.32 |
| Inari Amertron Bhd | 2,004,950 | 3,911,902 | 2,826,980 | 0.89 |
| My EG Services Bhd | 5,109,200 | 5,930,718 | 5,671,212 | 1.79 |
| | <u>11,700,150</u> | <u>16,411,036</u> | <u>15,835,792</u> | <u>5.00</u> |

AFFIN HWANG AII MAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2020 are as follows: (continued)

| | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|--|--------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Telecommunication & Media</u> | | | | |
| Axiata Group Bhd | 800,100 | 3,839,545 | 3,336,417 | 1.05 |
| Digi.Com Bhd | 840,200 | 3,900,514 | 3,486,830 | 1.10 |
| TIME dotCom Bhd | 915,000 | 8,221,607 | 8,418,000 | 2.66 |
| | <u>2,555,300</u> | <u>15,961,666</u> | <u>15,241,247</u> | <u>4.81</u> |
| <u>Transport & Logistics</u> | | | | |
| MISC Bhd | 876,100 | 7,190,858 | 6,640,838 | 2.10 |
| <u>Utilities</u> | | | | |
| Tenaga Nasional Bhd | 1,393,800 | 19,410,482 | 16,864,980 | 5.32 |
| Total Shariah-compliant quoted equities – local | <u>113,327,881</u> | <u>279,246,969</u> | <u>269,341,306</u> | <u>85.02</u> |
| Accumulated unrealised loss on Shariah-compliant quoted equities – local | | <u>(9,905,663)</u> | | |
| Total Shariah-compliant quoted equities – local | | <u>269,341,306</u> | | |

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

| | <u>2021</u> RM | <u>2020</u> RM |
|--|-------------------|-------------------|
| Cash and bank balances | 140,331 | 338,946 |
| Short term Shariah-based deposits with licensed financial institutions | 21,853,598 | 28,791,873 |
| | <u>21,993,929</u> | <u>29,130,819</u> |

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

| | <u>2021</u> % | <u>2020</u> % |
|---|------------------|------------------|
| Shariah-based deposits with licensed financial institutions | <u>1.65</u> | <u>2.82</u> |

Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2020: 22 days).

9 NUMBER OF UNITS IN CIRCULATION

| | <u>2021</u> No. of units | <u>2020</u> No. of units |
|---|-----------------------------|-----------------------------|
| At the beginning of the financial period | 251,256,000 | 388,301,000 |
| Creation of units arising from applications | 9,733,000 | 937,000 |
| Cancellation of units | (26,586,000) | (71,204,000) |
| At the end of the financial period | <u>234,403,000</u> | <u>318,034,000</u> |

10 SHARIAH INFORMATION OF THE FUND

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

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

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

11 TRANSACTIONS WITH BROKERS

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

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

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

11 TRANSACTIONS WITH BROKERS (CONTINUED)

- (ii) Details of transactions with the top 10 brokers for the 6 months financial period ended 29 February 2020 are as follows:

| <u>Name of brokers</u> | <u>Value of trade RM</u> | <u>Percentage of total trade %</u> | <u>Brokerage fees RM</u> | <u>Percentage of total brokerage %</u> |
|--------------------------------------|----------------------------------|--|----------------------------------|--|
| Affin Hwang Investment Bank Bhd* | 149,383,690 | 34.81 | 373,519 | 36.31 |
| UOB Kay Hian Securities (M) Sdn Bhd | 43,439,875 | 10.12 | 103,600 | 10.07 |
| Macquarie Bank Ltd | 29,228,394 | 6.81 | 73,071 | 7.10 |
| CIMB Investment Bank Bhd | 27,287,040 | 6.36 | 49,284 | 4.79 |
| Public Investment Bank Bhd | 27,138,545 | 6.32 | 67,846 | 6.59 |
| RHB Investment Bank Bhd | 25,282,112 | 5.89 | 63,205 | 6.14 |
| Maybank Investment Bank Bhd | 23,594,397 | 5.50 | 58,986 | 5.73 |
| CLSA Securities Malaysia Sdn Bhd | 19,260,130 | 4.49 | 27,914 | 2.71 |
| HLG Securities Sdn Bhd | 17,529,125 | 4.08 | 43,823 | 4.26 |
| Credit Suisse Securities (M) Sdn Bhd | 15,321,548 | 3.57 | 38,304 | 3.72 |
| Others | 51,691,490 | 12.05 | 129,229 | 12.58 |
| | <u>429,156,346</u> | <u>100.00</u> | <u>1,028,781</u> | <u>100.00</u> |

*Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM107,296,175 (2020: RM149,383,690). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG AIIAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

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

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

| <u>Related parties</u> | <u>Relationship</u> |
|---|--|
| Lembaga Tabung Angkatan Tentera (“LTAT”) | Ultimate holding corporate body of the Manager |
| Affin Bank Berhad (“ABB”) | Penultimate holding company of the Manager |
| Affin Hwang Investment Bank Berhad | Holding company of the Manager |
| Affin Hwang Asset Management Berhad | The Manager |
| Subsidiaries and associated companies of ABB as disclosed in its financial statements | Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements |

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

| | <u>2021</u> | | <u>2020</u> | |
|--|---------------------|----------------|---------------------|--------------|
| | <u>No. of units</u> | <u>RM</u> | <u>No. of units</u> | <u>RM</u> |
| <u>The Manager</u> | | | | |
| Affin Hwang Asset Management Bhd (The units are held for booking purpose) | <u>214,018</u> | <u>309,812</u> | <u>8,314</u> | <u>8,282</u> |

AFFIN HWANG AIIMAN GROWTH FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2021 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO (“MER”)

| | 6 months financial period ended <u>28.2.2021</u> % | 6 months financial period ended <u>29.2.2020</u> % |
|-----|--|--|
| MER | <u>0.80</u> | <u>0.82</u> |

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM319,956,574 (2020: RM380,880,476).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

| | 6 months financial period ended <u>28.2.2021</u> | 6 months financial period ended <u>29.2.2020</u> |
|-------------|---|---|
| PTR (times) | <u>0.46</u> | <u>0.55</u> |

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM158,389,064 (2020: RM195,517,785)

total disposal for the financial period = RM 135,582,138 (2020: RM226,705,132)

15 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

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

AFFIN HWANG AIIMAN GROWTH FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 33 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 28 February 2021 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 28 February 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 April 2021

DIRECTORY OF SALES OFFICE

HEAD OFFICE

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

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

PENANG

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

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

PERAK

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

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

MELAKA

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

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

JOHOR

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

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

SABAH

Affin Hwang Asset Management Berhad
Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah

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

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

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

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

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

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

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)