Affin Hwang Aiiman Growth Fund

Interim Report

28 February 2017

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

AFFIN HWANG CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

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

AFFIN HWANG AIIMAN GROWTH FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 28 February 2017

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MANAGER'S REPORT

(1) MANAGER'S VIEW ON PORTFOLIO AND MARKET

Fund Type, Category, Objective, Distribution Policy and Benchmark

Fund Type	Growth
Category	Equity
Objective	To achieve consistent capital appreciation over a medium to long-term by investing in equities and other approved investments, which harmonise with Islamic philosophy and laws
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.
Benchmark	FTSE Bursa Malaysia Emas Shariah Index (FBMSHA)

Performance of the Fund (1 September 2016 to 28 February 2017)

For the period 1 September 2016 to 28 February 2017, the Fund registered a return of 4.07%. The Net Asset Value (NAV) per unit of the Fund as at 28 February 2017 was RM1.0526 while the NAV at 31 August 2016 was RM1.0114. The Benchmark for the period registered a return of -0.34%. The Fund outperformed the Benchmark by 4.41 percentage points (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since its inception to 28 February 2017, the Fund has registered a return of 419.90%. Compared to the benchmark that rose 159.70% for the same period, the Fund outperformed the Benchmark by 260.20 percentage points. As such, the Fund will continue to be managed in a manner to fulfill its objective.

Table 1: Performance of the Fund

	6 Months (1/9/16 - 28/2/17)	1 Year (1/3/16 - 28/2/17)	3 Years (1/3/14 - 28/2/17)	5 Years (1/3/12 - 28/2/17)	Since Commencement (29/10/02 - 28/2/17)
Fund	**4.07%**	**6.62%**	**6.71%**	**46.76%**	**419.90%**
Benchmark	**(0.34%)**	**1.13%**	**(3.94%)**	**14.55%**	**159.70%**
Outperformance / (Underperformance)	**4.41%**	**5.49%**	**10.65%**	**32.21%**	**260.20%**

Source of Benchmark: Bursa Malaysia

Table 2: Average Total Return

	1 Year (1/3/16 - 28/2/17)	3 Years (1/3/14 - 28/2/17)	5 Years (1/3/12 - 28/2/17)	Since Commencement (29/10/02 - 28/2/17)
Fund	**6.62%**	**2.18%**	**7.97%**	**12.18%**
Benchmark	**1.13%**	**(1.33%)**	**2.75%**	**6.88%**
Outperformance / (Underperformance)	**5.49%**	**3.51%**	**5.22%**	**5.30%**

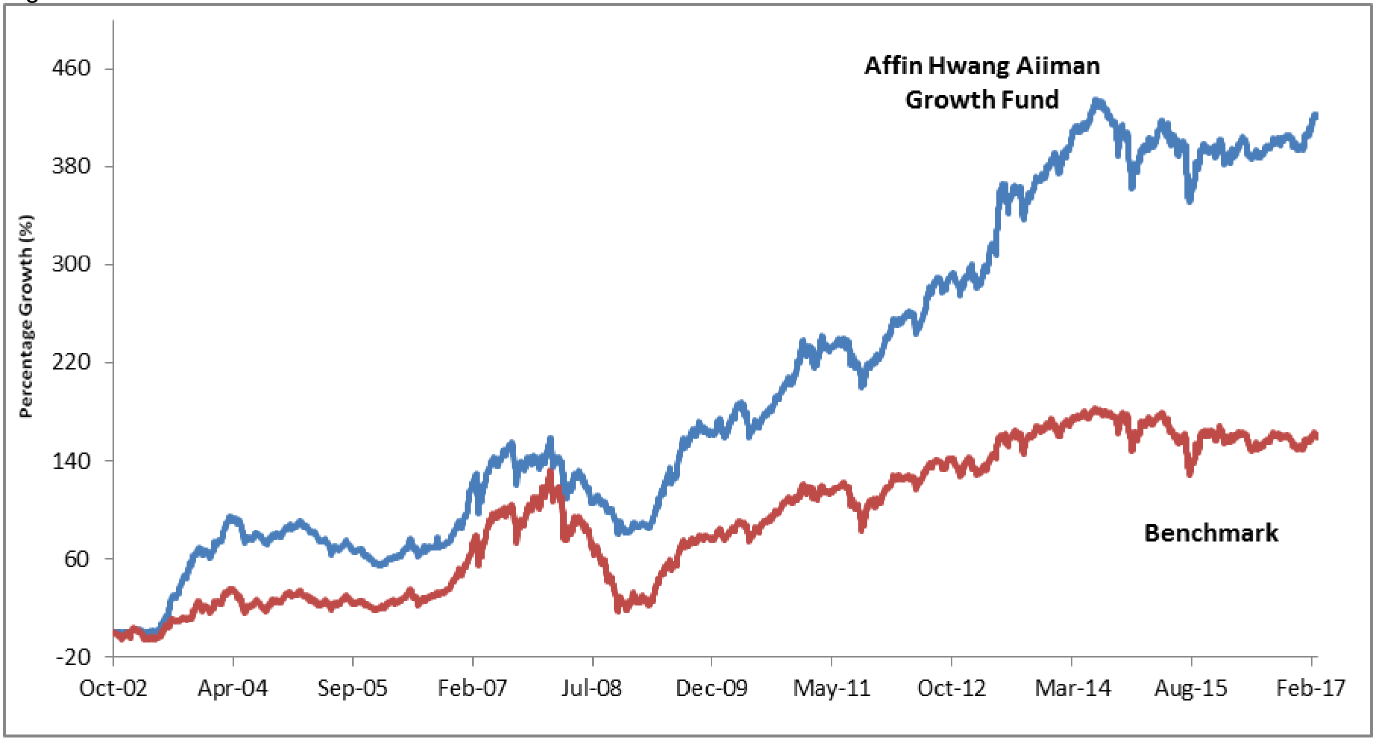
Source of Benchmark: Bursa Malaysia

Table 3: Annual Total Return

	FYE 2016 (01/9/15 - 31/8/16)	FYE 2015 (01/9/14 - 31/8/15)	FYE 2014 (01/9/13 - 31/8/14)	FYE 2013 (01/9/12 - 31/8/13)	FYE 2012 (01/9/11 - 31/8/12)
Fund	**8.19%**	**(11.27%)**	**17.26%**	**14.56%**	**22.14%**
Benchmark	**8.63%**	**(13.44%)**	**9.74%**	**5.88%**	**18.47%**
Outperformance / (Underperformance)	**(0.44%)**	**2.17%**	**7.52%**	**8.68%**	**3.67%**

Source of Benchmark: Bursa Malaysia

Figure 1: Movement of the Fund versus the Benchmark



"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

Strategies Employed (1 September 2016 to 28 February 2017)

On the back of improving outlook on global financial markets, the Manager had kept the Fund's exposure moderately higher at the end of the period under review. While the Manager took opportunities to rotate exposure within sectors, the Fund's focus had largely remained within the larger cap space.

Asset Allocation

As at 28 February 2017, the Shariah-compliant equities weighting in the portfolio stood at 91.37% of the Fund's NAV, with the balance in cash. For a snapshot of the Fund's asset mix during the period under review and sector allocation as at 28 February 2017, see Figure 2 below.

Figure 2: Summary of Shariah-compliant Equity Sector Allocation

Shariah-compliant Equity Sector Allocation	28 Feb 2017	29 Feb 2016	28 Feb 2015
Basic Materials	-	2.13%	-
Construction	16.71%	-	-
Consumer Goods	4.80%	13.92%	10.49%
Consumer Services	-	2.03%	3.98%
Industrial	12.05%	17.53%	15.21%
Infrastructure	4.03%	-	-
Properties	6.44%	-	-
Plantation	7.35%	-	-
Technology	5.53%	8.17%	5.06%
Trading & Services	22.42%	-	-
Warrant	-	0.05%	0.06%
Telecommunication	-	10.18%	10.40%
Utilities	-	6.97%	7.52%
Health Care	-	3.90%	0.29%
Financials	8.16%	11.93%	15.58%
Oil & Gas	-	8.61%	2.92%
REITs	3.88%	-	-
Shariah-compliant Equity	**91.37%**	**85.42%**	**71.51%**
Cash and Cash Equivalent	**8.63%**	**14.58%**	**28.49%**
Total	**100.00%**	**100.00%**	**100.00%**

During the period under review, there has been a significant increase in the Fund's equity exposure in Construction, Infrastructure, REITs and Properties sector as the Manager remained optimistic that the infrastructure theme will continue to be prevalent in the current market environment. Meanwhile, the Manager had trimmed its exposure in sectors like Consumer Goods and Financial while other sectors such as Telecommunication, Utilities, Health Care and Oil & Gas sector were striped off from the portfolio. Overall, as of 28 February 2017, the Fund's equity exposure in the Shariah space had increased by 5.95 percentage points to 91.37% from previous 85.42%.

Review of Market (1 September 2016 to 28 February 2017)

While market sentiment had improved at the start of the period under review, sentiment for global financial markets had largely relied on news flows on central bank policies, and politics. The improving economic conditions in the US had kept markets guessing as to the timeline of the US Federal Reserve's next rate hike – which finally took place in December. However, the move was largely overshadowed by the political environment in the US. While polls had remained divided, the surprise win by Donald Trump in the US Presidential race took markets by surprise. Expectations of higher inflation, and signs that the US economy was back on its growth track had boosted market sentiment. The S&P 500 rose 8.8% in local currency terms over the period under review.

The shift of focus back to the US over the better part of 2016 had led to US Dollar strength against most regional currencies. The Ringgit was not spared, and hit a rate of RM4.44 to the US Dollar, depreciating by close to 10% over the period under review.

Optimism that the OPEC and non-OPEC countries would follow through with its agreement to curb oil production had pushed oil prices back into the USD50 per barrel range, and provided support for the domestic oil and gas sector. The Bloomberg WTI Cushing Crude Oil spot Index spiked by an impressive 60% in local currency terms over the period under review, albeit starting off from a low base. The confirmation that Saudi Aramco would be co-investing in a USD27 billion RAPID project had also boosted market sentiment.

The domestic economy had seen support from strong fiscal spending with the roll-out of infrastructure projects as regional growth remained sluggish. A RM55 billion East Coast Rail Line is expected to kick-off this year. The project is said to be spread over 3-phases, and is expected to span over the course of 5-years. Domestic demand is expected to remain well supported, with the recent 2017 budget showing signs of support through the assistance for the lower income group. The government had increased its BR1M payout, and offered rebates for purchases of national automobiles.

A surprise overnight policy rate (OPR) cut by the central bank in July, while shocking to market, was taken in positive light by investors. However, Bank Negara Malaysia (BNM) is expected to maintain its rates for the rest of 2017 on the back of expectations for a firmer inflation, and the recent cyclical stabilisation. Economic growth had remained within targets, recording a 4.2% growth for the full 2016, after seeing 4.5% growth in the final quarter of the year. Private consumptions and investments had helped offset the slower public spending in the final quarter of 2016.

Despite concerns surrounding the 1MDB debacle which had continued to cloud over domestic market sentiment coupled with the weakness of the Ringgit against the US Dollar, support by domestic investors and the improved oil price had kept the KLCI afloat. The FTSE Bursa Malaysia KLCI managed a marginal 2.4% return in local currency terms over the period under review. Improvement in market sentiment had largely started towards the end of 2016 / beginning 2017. The stall of USD strength had provided an opportunity for emerging markets to claw back from the massive sell-off seen in 2016. The FBM Emas Shariah Index has since recorded a gain of 3.1% in local currency terms since the start of the year till end-February.

Investment Outlook

We expect politics and policies to remain a key focal point for global markets. The lack of clarity from the Trump administration on their trade and foreign policies, as well as the uncertainties surrounding the up-coming European elections will likely keep global markets challenging.

Economic growth will likely be propped up by fiscal spending into the infrastructure sector. We expect the infrastructure theme to remain prevalent across the region as growth remains moderate. The Manager will continue to participate in larger market cap companies, participating in income yielders, tactical themes, and secular growth opportunities.

We will maintain a nimble stance, keeping a close watch on the development from global markets as news unfolds, with the next key event being the highly anticipated rate hike in the US. On the back of the current economic backdrop, the Manager remains optimistic, and will be maintaining a higher exposure for the Fund in the interim. Exposure will continue to be within investments that are liquid, allowing the Manager to hold a nimble stance and shift out of the market with the aim of protecting investors’ capital should the need arise.

(2) SOFT COMMISSION

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.

(3) BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 28 FEBRUARY 2017

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1,551	4,203
5,001 to 10,000	1,058	7,862
10,001 to 50,000	1,692	36,559
50,001 to 500,000	419	48,426
500,001 and above	28	250,518
Total	**4,748**	**347,568**

**Note: Excluding Manager's Stock*

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

FUND PERFORMANCE DATA

Source: HSBC Trustee	As At 28 Feb 2017	As At 29 Feb 2016	As At 28 Feb 2015
Total NAV (RM' million)	366.728	320.710	494.614
NAV per unit (RM)	1.0526	0.9971	1.0435
Unit in Circulation (million)	348.409	321.634	473.980
Highest NAV	1.0579	1.0275	1.0835
Lowest NAV	0.9997	0.9417	0.9600
Return of the Fund (%)[iii]	4.07	5.60	-3.35
- Capital Return (%)[i]	4.07	5.60	-3.35
- Income Return (%)[ii]	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Management Expenses Ratio (%)[1]	0.84	0.79	0.78
Portfolio Turnover Ratio (times)[2]	0.25	0.14	0.37

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

Capital Return[i] = {NAV per Unit @ 28/02/17 ÷ NAV per Unit @ 31/08/16* - 1} x 100
= {1.0526 ÷ 1.0114 – 1} x 100
= 4.07%

Total Income Return[ii] **= Nil**

Return of the Fund[iii] = [{(1 + Capital Growth) x (1 + Total Income Return)} – 1] x 100
= [{(1+ 4.07%) x (1+0.00%)} – 1] x 100
= **4.07%**

** Source –HSBC Trustee*

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

[1] The MER was higher than previous year due to higher expenses incurred by the Fund.
[2] The PTR was higher than previous year as portfolio activities increased over the period under review.

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 2017. 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
Head, Trustee Operations

Kuala Lumpur
19 April 2017

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

We have acted as the Shariah Adviser of **Affin Hwang Aiiman Growth Fund**. Our responsibility is to ensure that the procedures and processes employed by **Affin Hwang Asset Management Berhad** and the provisions of the 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 and Sixth Supplemental Deed dated 27 June 2014 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad has managed and administered Affin Hwang Aiiman Growth Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 28 February 2017.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**

DATUK DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur
19 April 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

	Note	6 months financial period ended 28.2.2017 RM	6 months financial period ended 29.2.2016 RM
INVESTMENT INCOME			
Dividend income		5,276,213	3,802,502
Profit from short term Shariah-based deposits		957,867	1,273,128
Net gain on financial assets at fair value through profit or loss	7	11,934,391	17,543,876
		18,168,471	22,619,506
EXPENSES			
Management fee	4	(2,718,341)	(2,539,077)
Trustee fee	5	(128,365)	(118,490)
Auditors' remuneration		(3,273)	(3,291)
Tax agent's fee		(1,985)	(1,771)
Transaction cost		(421,801)	(283,434)
Other expenses		(295,073)	(176,937)
		(3,568,838)	(3,123,000)
NET PROFIT BEFORE TAXATION		14,599,633	19,496,506
TAXATION	6	(20,696)	-
NET PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		14,578,937	19,496,506
Net profit/(loss) after taxation is made up of the following:			
Realised amount		(11,765,147)	285,412
Unrealised amount		26,344,084	19,211,094
		14,578,937	19,496,506

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

STATEMENT OF FINANCIAL POSITION
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

	Note	2017 RM	2016 RM
ASSETS			
Financial assets at fair value through profit or loss	7	335,063,525	273,960,038
Cash and cash equivalents	8	31,861,315	46,734,538
Dividend receivables		916,025	127,515
Amount due from Manager - creation of units		820,793	190,001
Amount due from brokers		954,829	19,364
Tax recoverable		-	116,860
TOTAL ASSETS		369,616,487	321,148,316
LIABILITIES			
Amount due to Manager - management fee		423,653	383,107
Amount due to Trustee		19,770	17,878
Amount due to brokers		2,403,802	-
Auditors' remuneration		3,273	3,291
Tax agent's fee		5,385	5,320
Other payables and accruals		32,214	28,955
TOTAL LIABILITIES		2,888,097	438,551
NET ASSET VALUE OF THE FUND		366,728,390	320,709,765
EQUITY			
Unitholders' capital		335,307,208	308,290,031
Retained earnings		31,421,182	12,419,734
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		366,728,390	320,709,765
NUMBER OF UNITS IN CIRCULATION	9	348,409,000	321,634,000
NET ASSET VALUE PER UNIT (RM)		1.0526	0.9971

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

STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 1 September 2016	357,098,915	16,842,245	373,941,160
Total comprehensive income for the financial period	-	14,578,937	14,578,937
Movement in unitholders' capital:			
Creation of units	15,285,587	-	15,285,587
Cancellation of units	(37,077,294)	-	(37,077,294)
Balance as at 28 February 2017	335,307,208	31,421,182	366,728,390
Balance as at 1 September 2015	355,648,965	(7,076,772)	348,572,193
Total comprehensive loss for the financial period	-	19,496,506	19,496,506
Movement in unitholders' capital:			
Creation of units	4,842,723	-	4,842,723
Cancellation of units	(52,201,657)	-	(52,201,657)
Balance as at 29 February 2016	308,290,031	12,419,734	320,709,765

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

STATEMENT CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

	Note	6 months financial period ended 28.2.2017 RM	6 months financial period ended 29.2.2016 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		75,888,083	51,481,184
Purchase of Shariah-compliant investments		(92,949,240)	(50,437,236)
Dividends received		4,930,028	4,113,424
Profit from short term Shariah-based deposits		957,867	1,273,128
Management fee paid		(2,781,611)	(2,619,515)
Trustee's fee paid		(131,318)	(122,244)
Payment for other fees and expenses		(727,031)	(191,124)
Net cash (used in)/generated from operating activities		(14,813,222)	3,497,617
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from creation of units		14,464,794	4,652,722
Payments for cancellation of units		(37,100,552)	(53,484,252)
Net cash used in financing activities		(22,635,758)	(48,831,530)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(37,448,980)	(45,333,913)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		69,310,295	92,068,451
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	31,861,315	46,734,538

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS 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 L.

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 September 2016:

- Amendments to MFRS 101 ‘Presentation of financial statements’ - Disclosure initiative
- Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

(b) The new standards and amendments to the published standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial year beginning on/after 1 September 2017

- Amendments to MFRS 107 ‘Statement of Cash Flows – Disclosure Initiative’ (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

(ii) Financial year beginning on/after 1 September 2018

- MFRS 15 ‘Revenue from contracts with customers’ (effective 1 from 1 January 2018) replaces MFRS 118 ‘Revenue’ and MFRS 111 ‘Construction contracts’ and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(a) The new standards and amendments to published standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows: (continued)

(i) Financial year beginning on/after 1 September 2018 (continued)

- Revenue is recognised when a customer obtains control of goods or services, and thus has the ability to direct the use of and obtain the benefits from the goods or services. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- MFRS 9 ‘Financial Instruments’ (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

  MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

  A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

  MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply these standards when effective. These standards are not expected to have a significant impact on the Fund's financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017 (CONTINUED)

B INCOME RECOGNITION

Profit from short term Shariah-based deposits is recognised based on effective profit rate method on an accrual basis.

Dividend income from Shariah-compliant quoted securities are recognised on the ex-dividend date, when the right to receive the dividend has been established.

For Shariah-compliant quoted securities, 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 DIVIDEND DISTRIBUTION

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

D 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.

E 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.

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund designates its investment in Shariah-compliant quoted investments as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalents, dividend receivables, amount due from Manager and amount due from brokers.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

(ii) Recognition and measurement

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

Financial liabilities, within the scope of MFRS 139, 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 are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss ' in the period which they arise.

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 when the Fund's right to receive payments is established.

G 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.

Shariah-based deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the deposits.

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

(iii) Impairment

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective profit rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If ‘financing and receivables’ or a ‘held-to-maturity investment’ has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

H 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.

I 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or loans expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts.

J 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.

K SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

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 and Third Supplemental Deed dated 23 September 2008. 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 “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 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 may invest in Shariah-compliant securities traded on the FTSE Bursa Malaysia Emas Syariah Index and/or other markets considered as eligible markets, Shariah-based collective investment schemes, unlisted Shariah-compliant securities, Islamic futures contracts and any other investments not otherwise prohibited by the SC’s Shariah Advisory Council and/or the Shariah Adviser from time to time and provided they are designated as “Shariah-compliant”. As our Shariah Adviser, Amanie Advisors Sdn Bhd will also be advising on the selection of investment tools to ensure compliance with Shariah requirements. All investments will be subjected to the SC’s Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

The main objective of the Fund is to 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 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 19 April 2017.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	Financing and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
2017				
Shariah-compliant quoted equities	7	-	335,063,525	335,063,525
Cash and cash equivalents	8	31,861,315	-	31,861,315
Amount due from Manager		820,793	-	820,793
Dividend receivables		916,025	-	916,025
Amount due from brokers		954,829	-	954,829
Total		34,552,962	335,063,525	369,616,487
2016				
Shariah-compliant quoted equities	7	-	273,960,038	273,960,038
Cash and cash equivalents	8	46,734,538	-	46,734,538
Amount due from Manager		190,001	-	190,001
Dividend receivables		127,515	-	127,515
Amount due from brokers		19,364	-	19,364
Total		47,071,418	273,960,038	321,031,456

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk and interest 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.

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.

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

Market risk (continued)

(a) Price risk (continued)

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

	2017 RM	2016 RM
Shariah – compliant quoted investments		
Shariah – compliant quoted equities designated at fair value through profit or loss	335,063,525	273,960,038

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 5% and decreased by 5% 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.

% change in price	Market value RM	Impact on profit after tax/NAV RM
2017		
-5%	318,310,349	(16,753,176)
0%	335,063,525	-
+5%	351,816,701	16,753,176
2016		
-5%	260,262,036	(13,698,002)
0%	273,960,038	-
+5%	287,658,040	13,698,002

(b) Interest rate risk

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

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

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.

2017	Within one month RM	Between one month to one year RM	Total RM
Amount due to Manager			
- management fee	423,653	-	423,653
Amount due to Trustee	19,770	-	19,770
Amount due to brokers	2,403,802	-	2,403,802
Auditors' remuneration	-	3,273	3,273
Tax agent's fee	-	5,385	5,385
Other payables and accruals	26,605	5,609	32,214
	2,873,830	14,267	2,888,097

2016	Within one month RM	Between one month to one year RM	Total RM
Amount due to Manager			
- management fee	383,107	-	383,107
Amount due to Trustee	17,878	-	17,878
Auditors' remuneration	-	3,291	3,291
Tax agent's fee	-	5,320	5,320
Other payables and accruals	24,059	4,896	28,955
	425,044	13,507	438,551

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.

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

Credit risk (continued)

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

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

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

2017	Cash and cash equivalents RM	Dividend receivable RM	Amount due from Manager RM	Amount due from brokers RM	Total RM
Constructions					
- NA	-	754,325	-	-	754,325
Financials					
- AAA	4,888,399	-	-	-	4,888,399
- AA1	21,909,731	-	-	-	21,909,731
- AA3	5,063,185	-	-	-	5,063,185
- NA	-	-	820,793	-	820,793
Industrials					
- NA	-	-	-	954,829	954,829
Plantations					
- NA	-	161,700	-	-	161,700
	31,861,315	916,025	820,793	954,829	34,552,962

2016	Cash and cash equivalents RM	Dividend receivable RM	Amount due from Manager RM	Amount due from brokers RM	Total RM
Consumer Goods					
- NA	-	20,100	-	-	20,100
Financials					
- AAA	36,717,564	-	-	-	36,717,564
- AA2	10,016,974	-	-	-	10,016,974
- NA	-	-	190,001	-	190,001
Industrials					
- NA	-	45,538	-	-	45,538
Telecommunications					
- NA	-	61,877	-	-	61,877
Warrant					
- NA	-	-	-	19,364	19,364
	46,734,538	127,515	190,001	19,364	47,071,418

The financial assets of the Fund are neither past due nor impaired.

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

Capital risk

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

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)

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:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2017				
Financial assets at fair value through profit or loss - Shariah-compliant quoted equities	335,063,525	-	-	335,063,525
2016				
Financial assets at fair value through profit or loss - Shariah-compliant quoted equities	273,960,038	-	-	273,960,038

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

(ii) The carrying values of cash and cash equivalents, dividend receivables, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due 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 3.00% per annum on the NAV of the Fund calculated on daily basis.

For the financial period ended 28 February 2017, the management fee is recognised at a rate of 1.50% (2016: 1.50%) per annum on the NAV of the Fund calculated on daily basis.

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

5 TRUSTEE'S 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 financial period ended 28 February 2017, the Trustee's fee is recognised at a rate of 0.07% (2016: 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 28.2.2017 RM	6 months financial period ended 29.2.2016 RM
Current taxation - local	20,696	-

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

	28.2.2017 RM	29.2.2016 RM
Net profit before taxation	14,599,633	19,496,506
Tax at Malaysian statutory rate of 24% (2016: 26%)	3,503,912	4,679,161
Tax effects of:		
Investment income not subject to tax	(4,360,433)	(5,428,682)
Expenses not deductible for tax purposes	200,736	138,277
Restriction on tax deductible for expenses for Unit Trust Fund	655,785	611,244
Income subject to different tax rate	20,696	-
Tax expense	20,696	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 RM	2016 RM
Designated at fair value through profit or loss at inception		
- Shariah-compliant quoted equities – local	335,063,525	273,960,038
Net gain on assets at fair value through profit or loss		
- realised loss on sale of investments	(14,409,693)	(1,667,218)
- change in unrealised gain	26,344,084	19,211,094
	11,934,391	17,543,876

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities - local as at 28 February 2017 are as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
CONSTRUCTION				
Econpile Holdings Bhd	2,750,000	5,467,105	5,692,500	1.55
Ekovest Bhd	7,543,250	4,915,428	8,750,170	2.39
Gamuda Bhd	3,108,700	15,317,479	15,201,543	4.15
IJM Corporation Bhd	5,455,000	16,524,477	18,274,250	4.98
Kerjaya Prospek Group Bhd	1,531,800	2,999,726	3,768,228	1.03
Mitrajaya Holdings Bhd	1,725,000	2,185,440	2,156,250	0.59
WCT Holdings Bhd	3,970,000	7,130,934	7,423,900	2.02
	26,083,750	54,540,589	61,266,841	16.71
CONSUMER				
Fraser & Neave Holdings Bhd	234,000	4,858,644	5,405,400	1.47
QL Resources Berhad	1,884,100	6,419,936	8,195,835	2.23
UMW Holdings Bhd	730,000	3,686,573	4,044,200	1.10
	2,848,100	14,965,153	17,645,435	4.80
FINANCE				
BIMB Holdings Bhd	2,982,600	11,930,468	13,302,396	3.63
Syarikat Takaful Malaysia	4,223,900	10,770,298	16,599,927	4.53
	7,206,500	22,700,766	29,902,323	8.16

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

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

(i) Shariah-compliant quoted equities - local as at 28 February 2017 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
INDUSTRIAL PRODUCTS				
Evergreen Fibreboard Bhd	3,644,100	3,946,665	3,261,470	0.89
Petronas Chemicals Group Bhd	1,575,000	10,676,838	11,418,750	3.11
Petronas Gas Berhad	367,000	8,251,751	7,340,000	2.00
Press Metal Berhad	2,140,000	3,646,261	5,307,200	1.45
Scientex Bhd	1,537,000	9,298,364	11,220,100	3.06
SKP Resources Bhd	4,145,000	4,667,987	5,637,200	1.54
	13,408,100	40,487,866	44,184,720	12.05
INFRASTRUCTURE				
Digi.Com Berhad	1,262,800	6,687,763	6,351,884	1.73
Lingkaran Trans Kota Hldgs Bhd	1,449,200	8,205,050	8,419,852	2.30
	2,712,000	14,892,813	14,771,736	4.03
PLANTATION				
Felda Global Ventures Hlgs Bhd	2,000,000	3,780,400	3,760,000	1.03
Genting Plantations Bhd	1,047,000	10,731,047	12,019,560	3.28
Kuala Lumpur Kepong Bhd	462,000	10,904,739	11,152,680	3.04
	3,509,000	25,416,186	26,932,240	7.35
PROPERTIES				
Eastern & Oriental Bhd	1,950,000	3,689,214	3,646,500	0.99
Malton Berhad	5,400,000	4,101,508	4,806,000	1.31
Matrix Concepts Holdings Bhd	2,981,342	7,172,107	7,423,541	2.02
MKH Bhd	1,361,000	5,211,527	3,987,730	1.09
Sunway Berhad	1,200,000	3,700,041	3,780,000	1.03
	12,892,342	23,874,397	23,643,771	6.44
REITS				
KLCCP Stapled Group Stapled Security	1,825,000	13,344,465	14,235,000	3.88

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

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

(i) Shariah-compliant quoted equities - local as at 28 February 2017 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
TECHNOLOGY				
Globetronics Technology Berhad	851,000	4,023,837	3,625,260	0.99
Inari Amertron Bhd	6,566,550	7,791,557	12,476,445	3.40
Unisem M Berhad	1,548,000	3,366,549	4,179,600	1.14
	8,965,550	15,181,943	20,281,305	5.53
TRADING/SERVICES				
Axiata Group Bhd	1,461,969	8,117,507	6,447,283	1.76
Dialog Group Bhd	5,876,000	9,299,688	9,812,920	2.68
Gas Malaysia Bhd	2,176,100	5,190,361	6,223,646	1.70
KPJ Healthcare Berhad	1,302,000	5,453,574	5,299,140	1.44
Petronas Dagangan Berhad	156,000	3,644,668	3,809,520	1.04
Prestariang Berhad	2,247,400	3,276,560	4,764,488	1.30
Sime Darby Bhd	2,730,355	21,908,045	24,463,981	6.67
Tenaga Nasional Bhd	1,581,300	20,381,774	21,379,176	5.83
	17,531,124	77,272,177	82,200,154	22.42
Total Shariah-compliant quoted equities – local	96,981,466	302,676,355	335,063,525	91.37
Accumulated unrealized gain on Shariah-compliant quoted equities – local		32,387,170		
Total Shariah-compliant quoted equities – local		335,063,525		

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2016 are as follows:

	Quantity	Aggregate cost	Fair value	Percentage of NAV
		RM	RM	%
BASIC MATERIALS				
Petronas Chemicals Group Bhd	500,000	3,339,800	3,375,000	1.05
SKP Resources Bhd	2,615,000	2,198,038	3,451,800	1.08
	3,115,000	5,537,838	6,826,800	2.13
CONSUMER GOODS				
Kuala Lumpur Kepong Bhd	134,000	3,190,595	3,183,840	0.99
QL Resources Bhd	2,674,100	9,111,804	11,846,263	3.69
Fraser & Neave Holdings Bhd	135,000	2,452,020	2,664,900	0.83
IJM Plantations Bhd	1,057,000	3,791,818	3,847,480	1.20
Sarawak Oil Palms Bhd	2,502,700	14,819,271	10,736,583	3.35
Genting Plantations Bhd	1,143,000	11,714,983	12,390,120	3.86
	7,645,800	45,080,491	44,669,186	13.92
CONSUMER SERVICES				
Aeon Company (M) Bhd	2,517,200	9,234,171	6,494,376	2.03
FINANCIALS				
KSL Holdings Bhd	1,802,964	3,958,540	2,307,794	0.72
BIMB Holdings Bhd	2,882,700	11,555,843	10,348,893	3.23
Syarikat Takaful Malaysia	3,623,900	8,365,805	13,770,820	4.29
Sunway Bhd	610,000	1,894,434	1,817,800	0.57
Matrix Concepts Holdings Bhd	2,311,342	5,455,902	5,292,973	1.65
MKH Bhd	2,100,000	8,041,298	4,704,000	1.47
	13,330,906	39,271,822	38,242,280	11.93
HEALTH CARE				
KPJ Healthcare Bhd	1,800,000	7,494,530	7,830,000	2.44
Pharmaniaga Bhd	790,000	4,878,250	4,684,700	1.46
	2,590,000	12,372,780	12,514,700	3.90

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2016 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
INDUSTRIAL PRODUCTS				
Gamuda Bhd	2,328,700	11,489,345	10,339,428	3.22
Brahim's Holdings Bhd	1,750,000	1,823,672	1,715,000	0.53
MISC Bhd	364,300	2,640,342	3,187,625	0.99
IJM Corporation Bhd	4,878,000	14,139,138	16,487,640	5.14
Evergreen Fibreboard Bhd	1,522,500	2,151,240	1,766,100	0.55
Mitrajaya Holdings Bhd	1,855,000	2,202,346	2,133,250	0.67
WCT Holdings Bhd	6,900,625	13,863,649	10,833,981	3.38
Sime Darby Bhd	1,310,467	12,290,278	9,776,084	3.05
	20,909,592	60,600,010	56,239,108	17.53
UTILITIES				
Tenaga Nasional Bhd	1,704,000	21,797,523	22,356,480	6.97
TELECOMMUNICATION				
Telekom Malaysia Bhd	2,003,404	12,638,381	13,222,467	4.12
Digi.Com Bhd	1,262,800	6,687,763	6,212,976	1.94
Axiata Group Bhd	2,235,969	14,639,912	13,214,577	4.12
	5,502,173	33,966,056	32,650,020	10.18
OIL & GAS				
Bumi Armada Bhd	5,000,000	5,212,815	4,800,000	1.50
Dayang Enterprise Holdings Bhd	2,605,000	7,791,609	3,334,400	1.04
Dialog Group Bhd	3,096,000	5,037,782	4,829,760	1.51
Malaysia Marine & Heavy Engineering Bhd	3,518,700	3,681,483	3,518,700	1.10
Petronas Gas Bhd	420,000	9,549,859	9,256,800	2.89
Gas Malaysia Bhd	785,000	1,762,620	1,844,750	0.57
	15,424,700	33,036,168	27,584,410	8.61
TECHNOLOGY				
Unisem M Bhd	2,823,000	6,139,386	6,295,290	1.96
Inari Amertron Bhd	2,864,375	6,454,503	9,251,931	2.88
Prestariang Bhd	2,812,400	4,100,292	7,959,092	2.48
Globetronics Technology Bhd	500,000	2,589,290	2,725,000	0.85
	8,999,775	19,283,471	26,231,313	8.17

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

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

(ii) Shariah-compliant quoted equities - local as at 29 February 2016 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
WARRANT				
Gamuda Bhd – Warrants (11.03.2021)	388,116	97,029	151,365	0.05
Total Shariah-compliant quoted equities – local	82,127,262	280,277,359	273,960,038	85.42
Accumulated unrealized loss on Shariah-compliant quoted equities – local		(6,317,321)		
Total Shariah-compliant quoted equities – local		273,960,038		

8 CASH AND CASH EQUIVALENTS

	2017 RM	2016 RM
Cash and bank balances	189,336	20,292
Shariah-based deposits with licensed financial institutions	31,671,979	46,714,246
	31,861,315	46,734,538

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

	2017 %	2016 %
Shariah-based deposits with licensed financial institutions	3.14	3.44

Shariah-based deposits with licensed financial institutions have an average maturity of 10 days (2016: 4 days).

9 NUMBER OF UNITS IN CIRCULATION

	2017 No. of units	2016 No. of units
At the beginning of the financial period	369,730,000	369,189,000
Creation of units arising from applications during the financial period	14,975,000	4,837,000
Cancellation of units during the financial period	(36,296,000)	(52,392,000)
At the end of the financial period	348,409,000	321,634,000

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.

11 TRANSACTIONS WITH BROKERS AND DEALER

(i) Details of transactions with the top 10 brokers and dealer for the financial period ended 28 February 2017 are as follows:

Name of brokers/dealers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
Affin Investment Bank Bhd	60,412,944	35.44	151,032	35.90
Maybank Group*	20,098,769	11.79	50,247	11.94
Kenanga Investment Bank Bhd	15,007,567	8.81	37,519	8.92
CIMB Investment Bank Bhd	13,867,086	8.14	34,668	8.24
MIDF Amanah Investment Bank Bhd	12,910,397	7.57	29,048	6.91
RHB Investment Bank	9,027,953	5.30	22,570	5.37
UOB Kay Hian Secs (M) Sdn Bhd	8,198,589	4.81	18,245	4.34
HLG Securities Sdn Bhd	7,912,555	4.64	19,781	4.70
Seagroatt and Campbell Sdn Bhd	7,433,620	4.36	18,604	4.42
Nomura Securities Co Ltd	4,585,080	2.69	11,463	2.72
Others	10,990,757	6.45	27,477	6.54
	170,445,317	100.00	420,654	100.00

Details of transactions, primarily cash placements with financial institutions for the financial year ended 28 February 2017 are as follows:

Name of financial institutions	Value of placements RM	Percentage of total placements %
Hong Leong Islamic Bank Bhd	84,380,000	41.30
Bank Islam Malaysia Bhd	51,880,000	25.39
Public Islamic Bank Bhd	50,590,000	24.76
CIMB Islamic Bank Bhd	12,480,000	6.11
RHB Islamic Bank Bhd	5,000,000	2.44
	204,330,000	100.00

Note: *Group wide

11 TRANSACTIONS WITH BROKERS AND DEALER (CONTINUED)

(ii) Details of transactions with the top 10 brokers and dealer for the financial period ended 29 February 2016 are as follows:

Name of brokers/dealers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
Hong Leong Group*	2,569,733,515	55.63	3,426	1.47
Bank Islam Malaysia Bhd	983,060,175	21.28	-	-
CIMB Group*	726,019,204	15.72	41,125	17.68
Public Islamic Bank Bhd	240,140,654	5.20	-	-
Alliance Islamic Bank Bhd	25,039,228	0.54	-	-
Affin Investment Bank Bhd	21,912,600	0.47	54,782	23.55
JP Morgan Sec (M) Sdn Bhd	9,755,205	0.21	24,388	10.48
UOB Kay Hian Secs (M) Sdn Bhd	9,690,706	0.21	24,227	10.41
CLSA Sec (M) Sdn Bhd	8,784,011	0.19	21,960	9.44
Credit Suisse Secs (M) Sdn Bhd	8,453,965	0.18	21,135	9.08
Others	16,658,503	0.37	41,647	17.89
	4,619,247,766	100.00	232,690	100.00

Details of transactions, primarily cash placements with financial institutions for the financial year ended 29 February 2016 are as follows:

Name of financial institutions	Value of placements RM	Percentage of total placements %
Bank Islam Malaysia Bhd	139,280,000	25.56
RHB Islamic Bank Bhd	135,000,000	24.77
CIMB Islamic Bank Bhd	98,290,000	18.04
Hong Leong Islamic Bank Bhd	88,190,000	16.18
Public Islamic Bank Bhd	69,220,000	12.70
Amislamic Bank (M) Bhd	10,000,000	1.83
Maybank Islamic Bhd	5,000,000	0.92
	544,980,000	100.00

Note: *Group wide

Included in transactions with brokers and dealers are trades in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting to RM60,412,944 (2016: RM21,912,600). The Manager is of the opinion that all transactions with the related companies were carried out at arm's length.

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:

Related parties	Relationship
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holdings company of the Manager
Affin Holdings Berhad ("AHB")	Ultimate holding company of the Manager
Subsidiaries and associates of AHB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager
Director of Affin Hwang Asset Management Berhad	Director of the Manager
Non-Executive Chairman of Affin Holdings Berhad	Non-Executive Chairman of the holdings company of the Manager

	2017		2016	
	No. of units	RM	No. of units	RM
The Manager				
Affin Hwang Asset Management Berhad (The units are held for booking purpose)	840,636	884,853	529,235	527,700
Parties related to the Manager				
Director of Affin Hwang Asset Management Berhad (The units are held beneficially)	-	-	346,570	345,565

13 MANAGEMENT EXPENSE RATIO ("MER")

	2017	2016
	%	%
MER	0.84	0.79

MER is derived from the following calculation:

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

A = Management fee
B = Trustee's and custodian fees
C = Auditors' remuneration
D = Tax agent's fee
E = Other expenses
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 RM 369,839,739 (2016: RM339,534,384).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	2017	2016
PTR (times)	0.25	0.14

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 = RM94,534,885 (2016: RM50,437,236)
total disposal for the financial period = RM91,252,605 (2016: RM44,823,567)

15 SEGMENT INFORMATION

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividends, profit and gains on the appreciation in the value of investments derived from Shariah-compliant quoted equities in Malaysia.

There were no changes in the reportable segment during the financial period.

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

AFFIN HWANG AIIMAN GROWTH FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 40 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 2017 and of its financial performance, changes in equity and cash flows for the financial period ended 28 February 2017 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR

Kuala Lumpur
19 April 2017

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