

Affin Hwang Aiiman Growth Fund

Interim Report
28 February 2018

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 2018

Content	Page
FUND INFORMATION	2
FUND PERFORMANCE DATA.....	3
MANAGER'S REPORT	5
TRUSTEE'S REPORT	8
SHARIAH ADVISER'S REPORT	9
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS.....	13
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	14
NOTES TO THE FINANCIAL STATEMENTS	21
STATEMENT BY THE MANAGER	42
DIRECTORY OF SALES OFFICE	43

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 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	108,179	139,433
5,001 to 10,000	1,339	9,393
10,001 to 50,000	1,622	34,326
50,001 to 500,000	422	51,123
500,001 and above	27	193,140
Total	111,589	427,415

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 28 Feb 2018 (%)	As at 28 Feb 2017 (%)	As at 29 Feb 2016 (%)
Portfolio composition			
Shariah-compliant quoted equities – local			
- Basic materials	-	-	2.13
- Construction	9.01	16.71	-
- Consumer products	5.03	4.80	13.92
- Consumer services	-	-	2.03
- Finance	5.31	8.16	11.93
- Healthcare	-	-	3.90
- Industrials	15.44	12.05	17.53
- Infrastructure	1.42	4.03	-
- Oil & gas	-	-	8.61
- Plantation	4.72	7.35	-
- Properties	9.67	6.44	-
- REITs	3.84	3.88	-
- Technology	6.70	5.53	8.17
- Telecommunications	-	-	10.18
- Trading / services	16.34	22.42	-
- Utilities	-	-	6.97
- Warrant	-	-	0.05
Total Shariah-compliant quoted equities – local	77.48	91.37	85.42
Shariah-compliant collective investment scheme – local			
- TradePlus Shariah Gold Tracker	1.16	-	-
Total Shariah-compliant quoted collective investment scheme – local	1.16	-	-
Cash & cash equivalent	21.36	8.63	14.58
Total	100.00	100.00	100.00
Total NAV (RM'million)	485.571	366.728	320.710
NAV per Unit (RM)	1.1350	1.0526	0.9971
Unit in Circulation (million)	427.806	348.409	321.634
Highest NAV	1.1741	1.0579	1.0275
Lowest NAV	1.1016	0.9997	0.9417
Return of the Fund (%) ⁱⁱⁱ	2.71	4.07	5.60
- Capital Growth (%) ⁱ	2.71	4.07	5.60
- 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	0.84	0.79
Portfolio Turnover Ratio (times) ²	0.38	0.25	0.14

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 year due to higher average net asset value of the Fund for the financial period.

²The increase in the Fund's PTR was due to higher average sum of acquisition and disposal during the period under review.

Capital Returnⁱ = (NAV per Unit @ 28/02/18 ÷ NAV per Unit @ 31/8/17* - 1) x 100
= (1.1350 ÷ 1.1051 - 1) x 100
= 2.71%

Total Income Returnⁱⁱ = Nil

Return of the Fundⁱⁱⁱ = [(1 + Capital Return) x (1 + Income Return)] - 1 x 100
= [(1 + 2.71%) x (1 + 0.00%)] - 1 x 100
= 2.71%

* Source –HSBC Trustee

Table 1: Performance of the Fund

	6 Months (1/9/17 - 28/2/18)	1 Year (1/3/17 - 28/2/18)	3 Years (1/3/15 - 28/2/18)	5 Years (1/3/13 - 28/2/18)	Since Commencement (29/10/02 - 28/2/18)
Fund	2.71%	9.78%	13.49%	46.56%	470.77%
Benchmark	5.32%	8.39%	2.34%	20.91%	181.50%
Outperformance / (Underperformance)	(2.61%)	1.39%	11.15%	25.65%	289.27%

Source of Benchmark: Bursa Malaysia

Table 2: Average Total Return

	1 Year (1/3/17 - 28/2/18)	3 Years (1/3/15 - 28/2/18)	5 Years (1/3/13 - 28/2/18)	Since Commencement (29/10/02 - 28/2/18)
Fund	9.78%	4.30%	7.94%	12.02%
Benchmark	8.39%	0.77%	3.87%	6.98%
Outperformance / (Underperformance)	1.39%	3.53%	4.07%	5.04%

Source of Benchmark: Bursa Malaysia

Table 3: Annual Total Return

	FYE 2017 (01/9/16 - 31/8/17)	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)
Fund	11.25%	8.19%	(11.27%)	17.26%	14.56%
Benchmark	2.56%	8.63%	(13.44%)	9.74%	5.88%
Outperformance / (Underperformance)	8.69%	(0.44%)	2.17%	7.52%	8.68%

Source of Benchmark: Bursa Malaysia

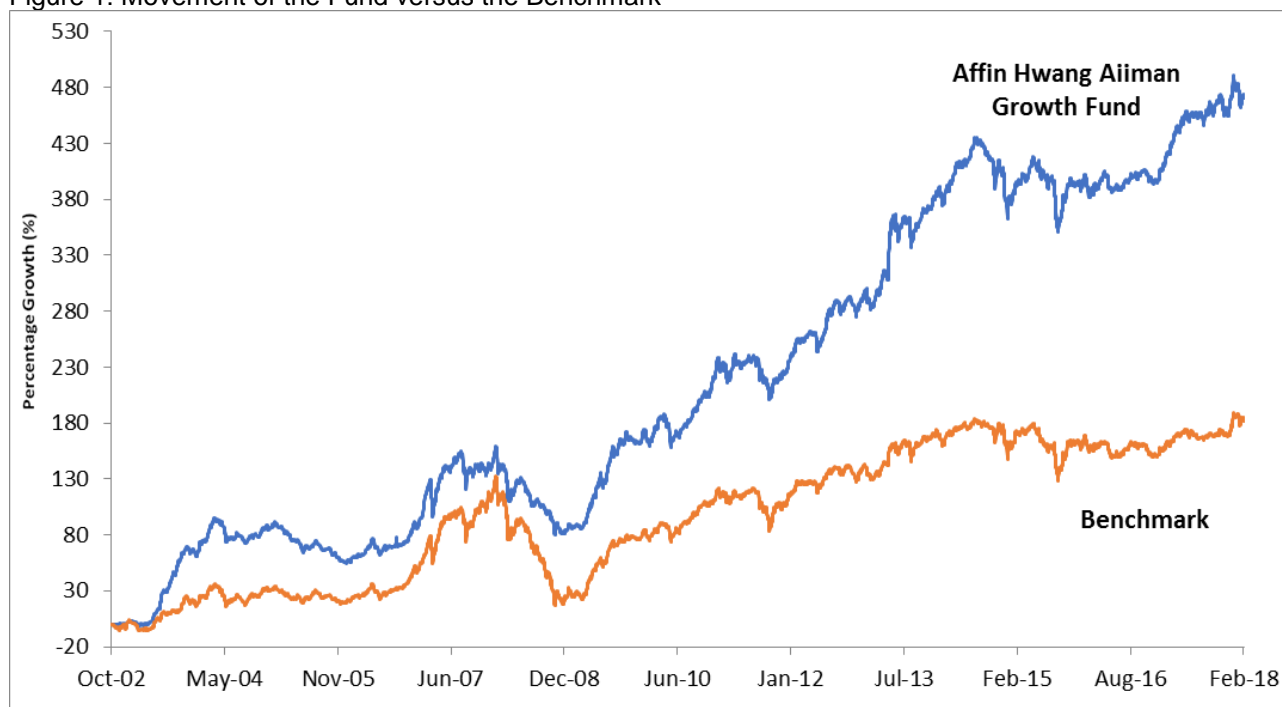
Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

MANAGER'S REPORT

Performance Review

For the period 1 September 2017 to 28 February 2018, the Fund registered a return of 2.71%. The Net Asset Value (NAV) per unit of the Fund as at 28 February 2018 was RM1.1350 while the NAV at 31 August 2017 was RM1.1051. The Benchmark for the period registered a return of 5.32%. The Fund underperformed the Benchmark by 2.61 percentage points (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

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 Bursa Malaysia."

Benchmark: FTSE Bursa Malaysia Emas Shariah Index (FBMSHA)

Income Distribution / Unit Split

No income distribution or unit split was declared for the financial period ended 28 February 2018.

Asset Allocation

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<u>28 Feb 2018</u>	<u>28 Feb 2017</u>	<u>29 Feb 2016</u>
	(%)	(%)	(%)
Shariah-compliant quoted equities – local	77.48	91.37	85.42
Shariah-compliant collective investment scheme – local	1.16	-	-
Cash & cash equivalent	21.36	8.63	14.58
Total	100.00	100.00	100.00

As at 28 February 2018, the Fund was 78.64% invested with 77.48% in Shariah-compliant equities, 1.16% 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 substantially reduced its investment holdings, especially within the construction and trading/services sector which stood at 9.01% and 16.34% respectively as at end February 2018. Meanwhile, the Manager had added allocations into TradePlus Shariah Gold Tracker by 1.16% over the same period. Correspondingly, cash level of the Fund increased to a high level of 21.36% over the same period.

Strategies Employed

We are shifting the portfolio towards a rising inflation environment, which should mean stronger growth, higher rates and better commodity performance. We would express this view in our portfolios through the banks & insurance companies, which are geared towards economic growth and rising rates, large cap oil & gas stocks and net cash companies.

With the return of volatility in markets, we are gradually raising our cash holdings but continue to remain invested to capture growth. As we approach the late stage of the cycle after a long economic run since 2009 with massive liquidity in the system, markets tend to give the sweetest performance at late stage rallies. We want to capture some of these returns but careful also not to overstay.

Market Review

With the return of growth, the year 2017 has seen an economic upswing that has lifted both global and regional markets in terms of asset returns and earnings recovery. Accelerating growth, but benign inflation has kept policy tightening at bay, creating the right conditions for risk-assets to perform well under a 'Goldilocks' environment.

Global benchmarks including the S&P 500 and the Dow Jones Industrial Index vaulted by over 13% (local currency terms) in the period under review. Supportive macroeconomic data, improving fundamentals and a positive earnings revision cycle have whet investors' appetite leading to a boost in sentiment. In Europe, growth has become more entrenched as its economy expanded at its fastest pace in a decade, growing by 2.5% in 2017. Tightening labour conditions, a strong cyclical momentum and broad improvement in business sentiment indicators point to healthy expansion, despite uncertainties surrounding ongoing Brexit negotiations and political risks arising from elections in France, Germany and Netherlands.

In China, an acceleration in public-private partnership (PPP) projects drove infrastructure spending demand, whilst supply-side and SOE capacity reforms helped reflate raw material and commodity prices which spurred restocking activities. Rising household consumption and increased urbanisation through strong wage increases will place the planks for a long growth runway for its new economy sectors. The MSCI China gained 14.2% in the period under review, whilst the Hang Seng Index returned 10.3% driven by performance from tech and strong earnings momentum from the sector.

South Korea's Kospi rallied by 21.8% in 2017, as prospects of improved capital repayment following chaebol reforms in the country could potentially unlock value for shareholders. Possibility of a long-drawn-out conflict with its belligerent northern neighbour, including outward displays of military force and continued sabre-rattling did little to sour the market's rally, having little or any significant long-term impact.

On the domestic-front, the benchmark FBMKLCI climbed 9.5% to close at 1,796.81 points in 2017. Fuelled by exports growth and the strengthening Ringgit, the local market staged a strong performance last year, though still lagged behind other Asian markets. Overall, the local market reached an inflection point with earnings growing by 7% in 2017 as opposed to negative growth recorded from 2014-2016, for 3 consecutive years. The entry of a new management into Permodalan Nasional Berhad (PNB) which subsequently led to a series of strategic corporate and restructuring exercises within its stable of companies proved effective as well in helping unlock value within its investee companies and became a major investment theme in 2017.

The strong market rally subsequently took a breather in early-February'18, as markets entered correction territory as strong inflation & labour data prompted concerns that the US Federal Reserve would accelerate the pace of interest rate hikes. After a strong start to the year, global equities were broadly down as a bond rout deepened which lifted US Treasury Yields to a 4-year high of 2.84%. Nonetheless, the current pullback is likely an overdue correction, as markets begin to reprice itself and settle to more healthy levels. The broad economic fundamentals has not shifted significantly, and a positive earnings revision cycle continue to underpin and provide support for valuations.

Investment Outlook

Volatility could pick-up in the year, as markets adjust to a reversal of a rate-cut cycle, with global central banks expected to gradually lift interest rates and embark on their balance-sheet unwinding. The gradual withdrawal of monetary stimulus would be a key focal point in markets, where markets are seen underpricing the impact of rate hikes by the US Federal Reserve, and tighter liquidity conditions. Inflation data may be a key-data point to monitor in coming quarters, especially if inflation picks up more than market's expectation, which would lead to an acceleration in rate hikes.

In the domestic market, we expect growth to spread as positive spillover effects from exports are starting to trickle down into domestic demand, which would be supportive of growth. With also less selling pressure going into 2018 and with potentially better micro support for the GDP number, we think market prospects for the KLCI should be more vibrant. Markets will look to better earnings growth as catalyst, where we expect the positive momentum will carry through into 2018 as strong GDP data and Ringgit strength will support consensus forecast of 5-7% growth this year. Though markets could turn more volatile, in the lead up to the 14th General Election (GE14) which is due by August'18.

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.

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

We have acted as Trustee of **Affin Hwang Aiman Growth Fund** ("the Fund") for the financial period ended 28 February 2018. 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
18 April 2018

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, Sixth Supplemental Deed dated 27 June 2014 and Seventh Supplemental Deed dated 30 November 2017 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 2018.

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
18 April 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

	<u>Note</u>	6 months financial period ended <u>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u> RM
INVESTMENT INCOME			
Dividend income		5,834,382	5,276,213
Profit from short term Shariah-based deposits		928,533	957,867
Net gain on financial assets at fair value through profit or loss	7	7,607,512	11,934,391
Rebate of management fee		99,345	-
		<u>14,469,772</u>	<u>18,168,471</u>
EXPENSES			
Management fee	4	(3,009,889)	(2,718,341)
Trustee fee	5	(140,461)	(128,365)
Auditors' remuneration		(3,719)	(3,273)
Tax agent's fee		(1,985)	(1,985)
Transaction cost		(964,846)	(421,801)
Other expenses		(244,548)	(295,073)
		<u>(4,365,448)</u>	<u>(3,568,838)</u>
NET PROFIT BEFORE TAXATION		10,104,324	14,599,633
TAXATION	6	(27,758)	(20,696)
NET PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>10,076,566</u>	<u>14,578,937</u>
Net profit after taxation is made up of the following:			
Realised amount		14,669,040	(11,765,147)
Unrealised amount		(4,592,474)	26,344,084
		<u>10,076,566</u>	<u>14,578,937</u>

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 2018**

	Note	<u>2018</u> RM	<u>2017</u> RM
ASSETS			
Financial assets at fair value through profit or loss	7	381,862,113	335,063,525
Cash and cash equivalents	8	104,055,168	31,861,315
Dividend receivables		79,350	916,025
Amount due from Manager			
- creation of units		559,054	-
- rebate of management fee receivables		5,639	820,793
Amount due from brokers		-	954,829
TOTAL ASSETS		<u>486,561,324</u>	<u>369,616,487</u>
LIABILITIES			
Amount due to Manager			
- management fee		557,390	423,653
- cancellation of units		358,274	-
Amount due to Trustee		26,012	19,770
Amount due to brokers		-	2,403,802
Auditors' remuneration		3,719	3,273
Tax agent's fee		5,535	5,385
Other payables and accruals		39,053	32,214
TOTAL LIABILITIES		<u>989,983</u>	<u>2,888,097</u>
NET ASSET VALUE OF THE FUND		<u>485,571,341</u>	<u>366,728,390</u>
EQUITY			
Unitholders' capital		426,653,603	335,307,208
Retained earnings		58,917,738	31,421,182
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>485,571,341</u>	<u>366,728,390</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>427,806,000</u>	<u>348,409,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.1350</u>	<u>1.0526</u>

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 2018**

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 September 2017	302,893,088	48,841,172	351,734,260
Total comprehensive income for the financial period	-	10,076,566	10,076,566
Movement in unitholders' capital:			
Creation of units	178,612,546	-	178,612,546
Cancellation of units	(54,852,031)	-	(54,852,031)
Balance as at 28 February 2018	<u>426,653,603</u>	<u>58,917,738</u>	<u>485,571,341</u>
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	<u>335,307,208</u>	<u>31,421,182</u>	<u>366,728,390</u>

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

**STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

	6 months financial period ended <u>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u> RM
CASH FLOW FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	135,193,722	75,888,083
Purchase of Shariah-compliant investments	(189,190,169)	(92,949,240)
Dividends received	6,065,353	4,930,028
Profit from short term Shariah-based deposits	928,533	957,867
Rebate of management received	93,706	-
Management fee paid	(2,901,967)	(2,781,611)
Trustee's fee paid	(135,424)	(131,318)
Payment for other fees and expenses	(1,213,027)	(727,031)
Net cash used in operating activities	<u>(51,159,273)</u>	<u>(14,813,222)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from creation of units	178,143,435	14,464,794
Payments for cancellation of units	(54,690,251)	(37,100,552)
Net cash generated from/(used in) financing activities	<u>123,453,184</u>	<u>(22,635,758)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	72,293,911	(37,448,980)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>31,761,257</u>	<u>69,310,295</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>8</u> <u>104,055,168</u>	<u>31,861,315</u>

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 2018

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 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.

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

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows:

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

- 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).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows: (continued)

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

- 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 has reviewed its financial assets and liabilities and does not expect any impact from the adoption of the new standard on 1 September 2018.

There will be no impact on the Fund's accounting for financial assets as the Fund's equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Fund does not have any such liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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 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.

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 SC Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018

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 and Seventh Supplemental Deed dated 30 November 2017. The Fund has changed its name from HwangDBS Dana Izdihar to HwangDBS AIIIMAN Growth Fund as amended by the Fourth Supplemental Deed dated 20 November 2008, from HwangDBS AIIIMAN Growth Fund to Hwang AIIIMAN Growth Fund as amended by the Fifth Supplemental Deed dated 18 January 2012 and from Hwang AIIIMAN Growth Fund to Affin Hwang Aiiiman 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 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 (IOSCO);
- (b) Unlisted Shariah-compliant securities;
- (c) Shariah-compliant warrants;
- (d) Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposit (INID), 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, Bank Islam Malaysia Berhad 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 SC and/or Shariah Adviser from time to time that is in line with the Fund's objectives.

All investments will be subjected to the Securities Commission's ("SC") 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 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 18 April 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	<u>Financing and receivables</u> RM	<u>Financial assets at fair value through profit or loss</u> RM	<u>Total</u> RM
<u>2018</u>				
Shariah-compliant collective investment schemes		-	5,643,000	5,643,000
Shariah-compliant quoted equities	7	-	376,219,113	376,219,113
Cash and cash equivalents	8	104,055,168	-	104,055,168
Amount due from Manager			-	
- creation of units		559,054	-	559,054
- rebate management fee receivable		5,639	-	5,639
Dividend receivables		79,350	-	79,350
Total		104,699,211	381,862,113	486,561,324
<u>2017</u>				
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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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:

	<u>2018</u> RM	<u>2017</u> RM
Collective investment schemes		
Shariah-compliant collective investment schemes designated at fair value through profit or loss	5,643,000	-
Shariah – compliant quoted investments		
Shariah – compliant quoted equities designated at fair value through profit or loss	376,219,113	335,063,525

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.

<u>% change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2018</u>		
-5%	362,769,007	(19,093,106)
0%	381,862,113	-
+5%	400,955,219	19,093,106
<u>2017</u>		
-5%	318,310,349	(16,753,176)
0%	335,063,525	-
+5%	351,816,701	16,753,176

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (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>2018</u>			
Amount due to Manager			
- management fee	557,390	-	557,390
- cancellation of units	358,274	-	358,274
Amount due to Trustee	26,012	-	26,012
Auditors' remuneration	-	3,719	3,719
Tax agent's fee	-	5,535	5,535
Other payables and accruals	34,670	4,383	39,053
	<u>976,346</u>	<u>13,637</u>	<u>989,983</u>
 <u>2017</u>			
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
	<u>2,873,830</u>	<u>14,267</u>	<u>2,888,097</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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:

	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2018</u>			
Finance			
- AAA	89,037,627	-	89,037,627
- AA2	15,017,541	-	15,017,541
Industrial Products			
- NR	-	79,350	79,350
Others			
- NR	-	564,693	564,693
	<u>104,055,168</u>	<u>644,043</u>	<u>104,699,211</u>
<u>2017</u>			
Finance			
- AAA	4,888,399	-	4,888,399
- AA1	21,909,731	-	21,909,731
- AA3	5,063,185	-	5,063,185
Constructions			
- NR	-	754,325	754,325
Industrial Products			
- NR	-	954,829	954,829
Plantation			
- NR	-	161,700	161,700
Others			
- NR	-	820,793	820,793
	<u>31,861,315</u>	<u>2,691,647</u>	<u>34,552,962</u>

* Other assets consist of dividend receivables, amount due from manager and amount due from brokers.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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

Capital risk

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

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)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (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>2018</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant collective investment schemes	5,643,000	-	-	5,643,000
- Shariah-compliant quoted equities	376,219,113	-	-	376,219,113
	<u>381,862,113</u>	<u>-</u>	<u>-</u>	<u>381,862,113</u>
<u>2017</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted equities	335,063,525	-	-	335,063,525
	<u>335,063,525</u>	<u>-</u>	<u>-</u>	<u>335,063,525</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

4 MANAGEMENT FEE AND FEE REBATE

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 2018, the management fee is recognised at a rate of 1.50% (2017: 1.50%) per annum on the NAV of the Fund calculated on daily basis as stated in the Fund's prospectus.

As this Fund invests in units of TradePlus Shariah Gold Tracker, any management fee charged to CIS are fully refunded to this Fund. Accordingly, there is no double charging of management fee.

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 2018, the Trustee's fee is recognised at a rate of 0.07% (2017: 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>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u> RM
Current taxation - local	<u>27,758</u>	<u>20,696</u>

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

Net profit before taxation	<u>10,104,324</u>	<u>14,599,633</u>
Tax at Malaysian statutory rate of 24% (2017: 24%)	2,425,038	3,503,912
Tax effects of:		
Investment income not subject to tax	(3,448,903)	(4,360,433)
Expenses not deductible for tax purposes	276,756	200,736
Restriction on tax deductible for expenses for Unit Trust Fund	747,109	655,785
Income subject to different tax rate	27,758	20,696
Tax expense	<u>27,758</u>	<u>20,696</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2018</u> RM	<u>2017</u> RM
Designated at fair value through profit or loss at inception		
- Shariah-compliant collective investment schemes – local	5,643,000	-
- Shariah-compliant quoted equities – local	376,219,113	335,063,525
	<u>381,862,113</u>	<u>335,063,525</u>
Net gain on assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	12,199,986	(14,409,693)
- unrealised (loss)/gain on changes of fair value	(4,592,474)	26,344,084
	<u>7,607,512</u>	<u>11,934,391</u>

(a) Shariah-compliant collective investment schemes – local

- (i) Shariah-compliant collective investment schemes – local as at 28 February 2018 is as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
TradePlus Shariah Gold Tracker	3,300,000	5,670,549	5,643,000	1.16
Total Shariah-compliant collective Investment schemes – local	<u>3,300,000</u>	<u>5,670,549</u>	<u>5,643,000</u>	<u>1.16</u>
Accumulated unrealised loss on Shariah-compliant collective investment schemes - local		(27,549)		
Total Shariah-compliant collective investment schemes – local		<u>5,643,000</u>		

- (ii) There were no investments in Shariah-compliant collective investment schemes – local as at 28 February 2017.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities - local as at 28 February 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>CONSTRUCTION</u>				
Econpile Holdings Bhd	6,125,000	4,870,693	7,411,250	1.53
Gamuda Bhd	2,188,700	10,794,593	10,855,952	2.24
IJM Corporation Bhd	3,480,000	10,541,738	9,465,600	1.95
Kerjaya Prospek Group Bhd	3,831,960	3,691,248	6,054,497	1.25
Kerjaya Prospek Group Bhd -Warrant	522,540	-	-	-
WCT Holdings Bhd	6,418,620	11,033,999	9,884,675	2.04
	<u>22,566,820</u>	<u>40,932,271</u>	<u>43,671,974</u>	<u>9.01</u>
<u>CONSUMER</u>				
Fraser & Neave Holdings Bhd	555,000	14,610,110	16,983,000	3.50
QL Resources Bhd	1,499,030	3,929,106	7,405,208	1.53
	<u>2,054,030</u>	<u>18,539,216</u>	<u>24,388,208</u>	<u>5.03</u>
<u>FINANCE</u>				
BIMB Holdings Bhd	2,982,600	11,930,468	12,526,920	2.58
Syarikat Takaful Malaysia	3,826,100	9,755,969	13,276,567	2.73
	<u>6,808,700</u>	<u>21,686,437</u>	<u>25,803,487</u>	<u>5.31</u>
<u>INDUSTRIAL PRODUCTS</u>				
Kossan Rubber Industries Bhd	865,600	6,814,140	7,418,192	1.53
Petronas Chemicals Group Bhd	1,514,500	11,060,752	12,237,160	2.52
Petronas Gas Bhd	401,000	8,158,823	7,065,620	1.46
Scientex Bhd	1,687,000	10,614,854	14,491,330	2.98
SKP Resources Bhd	2,605,000	3,290,627	4,897,400	1.01
Top Glove Corp Bhd	796,000	4,587,818	7,729,160	1.59
Uchi Technologies Bhd	1,825,000	3,758,631	5,511,500	1.14
V.S. Industry Bhd	5,290,000	14,907,503	15,605,500	3.21
	<u>14,984,100</u>	<u>63,193,148</u>	<u>74,955,862</u>	<u>15.44</u>
<u>INFRASTRUCTURE</u>				
Lingkar Trans Kota Hldgs Bhd	1,219,200	6,902,840	6,888,480	1.42

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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 2018 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>PLANTATION</u>				
Genting Plantations Bhd	732,000	7,597,916	7,393,200	1.52
IOI Corporation Bhd	2,260,000	10,340,296	10,599,400	2.18
Sime Darby Plantation Bhd	928,355	4,791,120	4,966,699	1.02
	<u>3,920,355</u>	<u>22,729,332</u>	<u>22,959,299</u>	<u>4.72</u>
<u>PROPERTIES</u>				
Eastern & Oriental Bhd	3,600,000	6,226,887	5,148,000	1.06
Malton Bhd	2,900,000	2,202,662	2,726,000	0.56
Matrix Concepts Holdings Bhd	3,726,677	7,172,107	8,310,490	1.71
SP Setia Bhd Group	2,740,981	9,686,815	9,237,106	1.90
SP Setia Bhd Group - RCPS-i B	692,872	609,727	609,727	0.13
Sunway Bhd	9,078,000	14,229,922	14,978,700	3.08
UOA Development Bhd	2,300,000	5,567,529	5,980,000	1.23
	<u>25,038,530</u>	<u>45,695,649</u>	<u>46,990,023</u>	<u>9.67</u>
<u>REITS</u>				
Axis Real Estate Invst Trust	3,319,200	4,882,915	4,447,728	0.92
KLCCP Stapled Group Stapled Security	1,825,000	13,344,465	14,180,250	2.92
	<u>5,144,200</u>	<u>18,227,380</u>	<u>18,627,978</u>	<u>3.84</u>
<u>TECHNOLOGY</u>				
GHL Systems Bhd	5,250,000	7,588,967	7,455,000	1.54
Globetronics Technology Bhd	1,371,000	6,887,599	8,472,780	1.74
Inari Amertron Bhd	1,412,700	4,881,456	4,774,926	0.98
Malaysian Pac Industries Bhd	690,500	9,107,670	6,311,170	1.30
Unisem M Bhd	2,038,000	5,051,954	5,522,980	1.14
	<u>10,762,200</u>	<u>33,517,646</u>	<u>32,536,856</u>	<u>6.70</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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 2018 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
TRADING/SERVICES				
Dialog Group Bhd	8,226,000	14,151,338	21,798,900	4.49
Gas Malaysia Bhd	1,876,100	4,474,811	5,590,778	1.15
Petronas Dagangan Bhd	306,200	7,613,592	7,887,712	1.62
Sime Darby Bhd	5,318,355	11,010,849	14,625,476	3.01
Tenaga Nasional Bhd	1,881,000	26,823,704	29,494,080	6.07
	<u>17,607,655</u>	<u>64,074,294</u>	<u>79,396,946</u>	<u>16.34</u>
Total Shariah-compliant quoted equities – local	<u>110,105,790</u>	335,498,213	<u>376,219,113</u>	<u>77.48</u>
Accumulated unrealized gain on Shariah-compliant quoted equities – local		<u>40,720,900</u>		
Total Shariah-compliant quoted equities – local		<u>376,219,113</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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 28 February 2017 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
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
	<u>26,083,750</u>	<u>54,540,589</u>	<u>61,266,841</u>	<u>16.71</u>
CONSUMER				
Fraser & Neave Holdings Bhd	234,000	4,858,644	5,405,400	1.47
QL Resources Bhd	1,884,100	6,419,936	8,195,835	2.23
UMW Holdings Bhd	730,000	3,686,573	4,044,200	1.10
	<u>2,848,100</u>	<u>14,965,153</u>	<u>17,645,435</u>	<u>4.80</u>
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
	<u>7,206,500</u>	<u>22,700,766</u>	<u>29,902,323</u>	<u>8.16</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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 28 February 2017 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>INDUSTRIAL PRODUCTS</u>				
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 Bhd	367,000	8,251,751	7,340,000	2.00
Press Metal Bhd	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
	<u>13,408,100</u>	<u>40,487,866</u>	<u>44,184,720</u>	<u>12.05</u>
<u>INFRASTRUCTURE</u>				
Digi.Com Bhd	1,262,800	6,687,763	6,351,884	1.73
Lingkar Trans Kota Hldgs Bhd	1,449,200	8,205,050	8,419,852	2.30
	<u>2,712,000</u>	<u>14,892,813</u>	<u>14,771,736</u>	<u>4.03</u>
<u>PLANTATION</u>				
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
	<u>3,509,000</u>	<u>25,416,186</u>	<u>26,932,240</u>	<u>7.35</u>
<u>PROPERTIES</u>				
Eastern & Oriental Bhd	1,950,000	3,689,214	3,646,500	0.99
Malton Bhd	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 Bhd	1,200,000	3,700,041	3,780,000	1.03
	<u>12,892,342</u>	<u>23,874,397</u>	<u>23,643,771</u>	<u>6.44</u>
<u>REITS</u>				
KLCCP Stapled Group Stapled Security	1,825,000	13,344,465	14,235,000	3.88

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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 28 February 2017 are as follows: (continued)

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>TECHNOLOGY</u>				
Globetronics Technology Bhd	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 Bhd	1,548,000	3,366,549	4,179,600	1.14
	<u>8,965,550</u>	<u>15,181,943</u>	<u>20,281,305</u>	<u>5.53</u>
<u>TRADING/SERVICES</u>				
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 Bhd	1,302,000	5,453,574	5,299,140	1.44
Petronas Dagangan Bhd	156,000	3,644,668	3,809,520	1.04
Prestariang Bhd	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
	<u>17,531,124</u>	<u>77,272,177</u>	<u>82,200,154</u>	<u>22.42</u>
Total Shariah-compliant quoted equities – local	<u>96,981,466</u>	<u>302,676,355</u>	<u>335,063,525</u>	<u>91.37</u>
Accumulated unrealized gain on Shariah-compliant quoted equities – local		<u>32,387,170</u>		
Total Shariah-compliant quoted equities – local		<u>335,063,525</u>		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

8 CASH AND CASH EQUIVALENTS

	<u>2018</u> RM	<u>2017</u> RM
Cash and bank balances	250,061	189,336
Short term Shariah-based deposits with licensed financial institutions	<u>103,805,107</u>	<u>31,671,979</u>
	<u><u>104,055,168</u></u>	<u><u>31,861,315</u></u>

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

	<u>2018</u> %	<u>2017</u> %
Shariah-based deposits with licensed financial institutions	<u>3.30</u>	<u>3.14</u>

Shariah-based deposits with licensed financial institutions have an average maturity of 5 days (2017: 10 days).

9 NUMBER OF UNITS IN CIRCULATION

	<u>2018</u> No. of units	<u>2017</u> No. of units
At the beginning of the financial period	318,293,000	369,730,000
Creation of units arising from applications during the financial period	157,955,000	14,975,000
Cancellation of units during the financial period	<u>(48,442,000)</u>	<u>(36,296,000)</u>
At the end of the financial period	<u><u>427,806,000</u></u>	<u><u>348,409,000</u></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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

11 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top 10 brokers for the financial period ended 28 February 2018 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 Investment Bank Bhd	130,934,111	40.55	321,967	39.69
UOB Kay Hian Secs (M) Sdn Bhd	31,943,620	9.89	79,859	9.84
Kenanga Investment Bank Bhd	22,431,275	6.95	56,078	6.91
RHB Investment Bank Bhd	21,340,817	6.61	53,352	6.58
Maybank Investment Bank Bhd	20,602,066	6.38	52,088	6.42
HLG Securities Sendirian Bhd	20,003,135	6.19	50,008	6.16
Kenanga Investment Bank Bhd	18,096,554	5.60	57,437	7.08
Public Investment Bank Bhd	12,130,065	3.76	30,325	3.74
CLSA Sec Malaysia Sdn Bhd	11,234,041	3.48	24,723	3.05
Credit Suisse Secs (M) Sdn Bhd	10,108,465	3.13	25,271	3.11
Others	24,077,263	7.46	60,194	7.42
	<u>322,901,412</u>	<u>100.00</u>	<u>811,302</u>	<u>100.00</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

11 TRANSACTIONS WITH BROKERS (CONTINUED)

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

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Affin Investment Bank Bhd	60,412,944	35.44	151,032	35.90
Kenanga Investment Bank Bhd	15,007,567	8.80	37,519	8.92
CIMB Investment Bank Bhd	13,867,086	8.15	34,668	8.24
Malayan Banking Bhd	13,426,891	7.88	33,567	7.98
MIDF Amanah Investment Bank Bhd	11,870,347	6.96	26,708	6.35
RHB Investment Bank Bhd	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
Maybank Investment Bank Bhd	6,671,878	3.91	16,680	3.96
Others	16,615,887	9.75	41,280	9.82
	<u>170,445,317</u>	<u>100.00</u>	<u>420,654</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 RM130,934,111 (2017: RM60,412,944). 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (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>
Affin Hwang Asset Management Bhd	The Manager
Affin Hwang Investment Bank Bhd	Holding company of the Manager
Affin Bank Berhad (“ABB”)	Ultimate holding company of the Manager
Subsidiaries and associates of ABB 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

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

	<u>2018</u>		<u>2017</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)	390,916	443,690	840,636	884,853

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

13 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2018</u> %	<u>2017</u> %
MER	<u>0.80</u>	<u>0.84</u>

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee’s and custodian fees
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Other expenses, excluding goods and services tax on transaction costs
- 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 RM404,805,082 (2017: RM369,839,739).

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2018</u>	<u>2017</u>
PTR (times)	<u>0.38</u>	<u>0.25</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 = RM189,190,169 (2017: RM94,534,885)
total disposal for the financial period = RM122,120,985 (2017: RM91,252,605)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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 Bhd**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 41 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 2018 and of its financial performance, changes in equity and cash flows for the financial period ended 28 February 2018 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AFFIN HWANG ASEET MANAGEMENT BHD

TENG CHEE WAI
EXECUTIVE DIRECTOR

Kuala Lumpur
18 April 2018

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