



ANNUAL REPORT
29 February 2024

AHAM Smart Invest Portfolio - Growth

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
200301008392 (610812-W)

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AHAM SMART INVEST PORTFOLIO – GROWTH

Annual Report and Audited Financial Statements For The Financial Year Ended 29 February 2024

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FUND INFORMATION

Fund Name	AHAM Smart Invest Portfolio - Growth
Fund Type	Income & Growth
Fund Category	Mixed assets (Fund-of-Funds)
Investment Objective	The Fund aims to provide investors with regular income and capital growth over medium to long-term period through a portfolio of collective investment schemes
Benchmark	Absolute return of 8% per annum
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis, after the end of its first financial year

FUND PERFORMANCE DATA

Category	As at 29 Feb 2024 (%)	As at 28 Feb 2023 (%)	As at 28 Feb 2022 (%)
Portfolio composition			
Collective investment scheme – local	4.89	19.17	22.48
Collective investment scheme – foreign	58.99	49.28	60.24
Total collective investment scheme	63.88	68.45	82.72
Exchange-traded fund – foreign	32.23	30.40	15.40
Cash & cash equivalent	3.89	1.15	1.88
Total	100.00	100.00	100.00
Total NAV (RM'million)	420.605	370.988	415.630
NAV per Unit (RM)	0.6968	0.5799	0.6488
Unit in Circulation (million)	603.589	639.777	640.633
Highest NAV	0.7022	0.6463	0.7661
Lowest NAV	0.5668	0.5467	0.6446
Return of the Fund (%)	20.17	-10.62	-7.91
- Capital Growth (%)	20.17	-10.62	-11.54
- Income Distribution (%)	Nil	Nil	4.10
Gross Distribution per Unit (sen)	Nil	Nil	3.00
Net Distribution per Unit (sen)	Nil	Nil	3.00
Total Expense Ratio (%) ¹	1.32	1.25	1.14
Portfolio Turnover Ratio (times) ²	1.54	1.34	1.12

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

The performance figures are a comparison of the growth/decline in Net Asset Value (“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 TER of the Fund was higher due to increased expenses of the Fund for the financial year.

²The Fund recorded a higher PTR due to increased trading activities of the Fund for the financial year.

Income Distribution / Unit Split

No income distribution or unit splits were declared for the financial year ended 29 February 2024.

Income Distribution Breakdown

No income distribution was declared for the financial year ended 29 February 2024.

Fund Performance

Table 1: Performance of the Fund

	1 Year (1/3/23 - 29/2/24)	3 Years (1/3/21 - 29/2/24)	Since Commencement (7/6/19 - 29/2/24)
Fund	20.16%	(1.09%)	45.08%
Benchmark	8.02%	26.00%	43.99%
Outperformance	12.14%	(27.09%)	1.09%

Table 2: Average Total Return

	1 Year (1/3/23 - 29/2/24)	3 Years (1/3/21 - 29/2/24)	Since Commencement (7/6/19 - 29/2/24)
Fund	20.16%	(0.36%)	8.17%
Benchmark	8.02%	8.00%	8.00%
Outperformance	12.14%	(8.36%)	0.17%

Table 3: Annual Total Return

	FYE 2024 (1/3/23 - 29/2/24)	FYE 2023 (1/3/22 - 28/2/23)	FYE 2022 (1/3/21 - 28/2/22)	FYE 2021 (1/3/20 - 28/2/21)	FYE 2020 (7/6/19 - 29/2/20)
Fund	20.16%	(10.62%)	(7.90%)	43.07%	2.52%
Benchmark	8.02%	8.00%	8.00%	8.00%	5.81%
Outperformance	12.14%	(18.62%)	(15.90%)	35.07%	(3.29%)

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

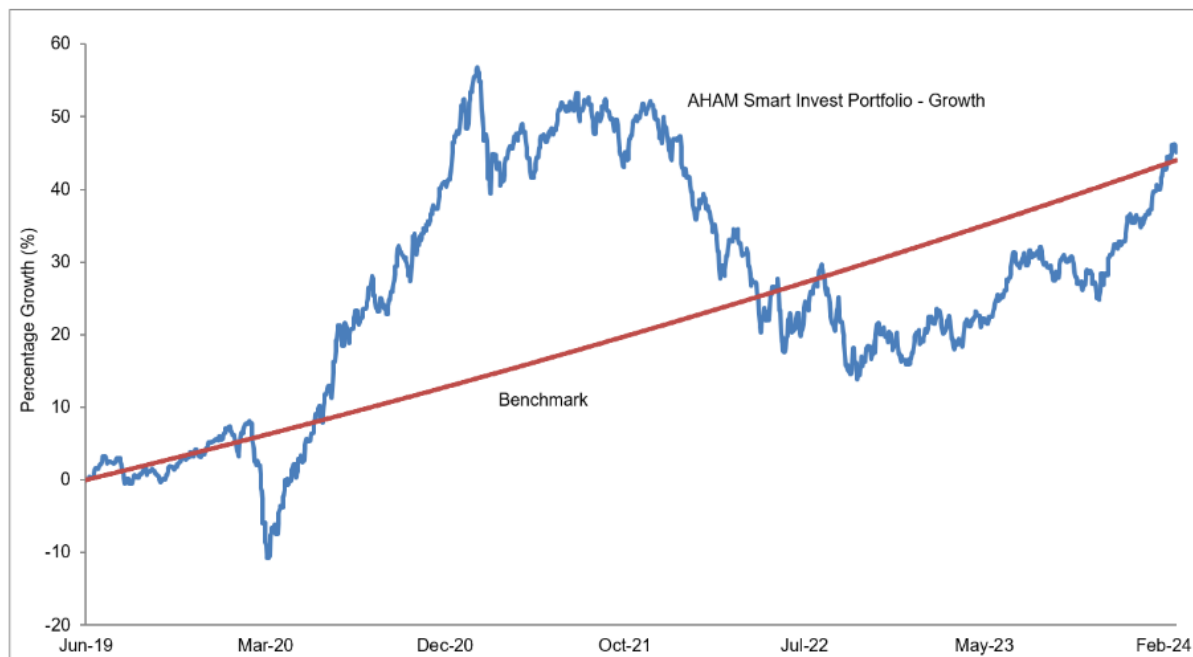
MANAGER'S REPORT

Performance Review (1 March 2023 to 29 February 2024)

For the period 1 March 2023 to 29 February 2024, the Fund registered a 20.16% return compared to the benchmark return of 8.00%. The Fund thus outperformed the Benchmark by 12.16%. The Net Asset Value per unit ("NAV") of the Fund as at 29 February 2024 was RM0.6968 while the NAV as at 28 February 2023 was RM0.5799.

Since commencement, the Fund has registered a return of 45.08% compared to the benchmark return of 43.99%, outperforming by 1.09%.

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



"This information is prepared by AHAM Asset Management Berhad for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."
Benchmark: Absolute return of 8% per annum

Asset Allocation

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

During the financial year under review, the Fund's total exposure into collective investment scheme stood at 63.88%, with exchange traded fund holdings at 32.23%. The remaining was held in cash and cash equivalent.

Strategy Employed

The Fund continues to invest in a diversified portfolio of collective investment schemes, aiming to provide investors with regular income and capital growth over the medium to long-term period. The selection of collective investment schemes was made based on the geographical and asset class focus, broadening the investment reach to provide exposure into equities listed in global markets as well as a fixed income instruments.

Market Review

Over the financial year under review on a total return basis, the Standard and Poor's ("S&P") 500 Index returned 30.34% with the Morgan Stanley Capital International ("MSCI") World index lagging slightly at 25.63%. Specific to the Asian region, MSCI AC Asia ex Japan Index saw a relatively weaker return of -2.69% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") fared better at 10.95% in Ringgit terms. Within bond markets, Bloomberg Barclays Global Aggregate Index gained 3.03% while domestically, the bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.86%.

The United States ("U.S.") Federal Reserve ("Fed") conducts monetary policy by setting a target range for the federal funds rate, which does not directly affect firms and household in the economy. Instead, monetary policy effect cascades to the broader economy by affecting financial conditions including the longer-term interest rates and the exchange value of the dollar. Analysts posit that the Fed's actions of supporting the U.S. economy during the peak of the coronavirus crisis by initiating large purchases of U.S. government and mortgage-backed securities, lending to support household and employers could have been overdone and led to the unwelcome surge in increased inflationary pressures. The Fed has been engaging in a tightening monetary policy stance throughout 2023 to address said inflationary pressures, only relenting towards the end of 2023 when signs of tighter policy was slowing down the economy. Unprecedented global events that unfolded in 2023 also contributed to the Fed's challenge in reigning in inflation rates.

One of the most significant events of 2023 was the eruption of the Israel-Palestinian conflict in October, which led to a sharp depreciation of the Israeli shekel. Gold, viewed as a safe-haven asset surged significantly in the short term and investors' bullish sentiment towards oil also intensified from concern over a disruption to oil supplies in the Middle East, a major oil-producing region. The strained banking sector in U.S. triggered by the collapse of Silicon Valley Bank ("SVB") weighed heavily on investors sentiments. With an abundant of deposits over loans, SVB had placed them into available-for-sale and held-to-maturity securities like Treasuries and mortgage-backed securities when yields were at all-time lows. However, as interest rates began to rise rapidly, it recorded massive outflows in deposits alongside the rest of the banking sector. SVB sold substantially all of its available-for-sale securities to accommodate the outflows, incurring a massive loss which eventually led to a bank run. Smaller U.S. banks were caught also caught in the turmoil as concerns spread.

Since the debut of ChatGPT, last year also saw the surge of Artificial Intelligence ("AI") technology and explosive growth of generative AI tools like image recognition and image generation. Google launched the Bard the chatbot and later released Gemini, touted as the largest and most versatile AI model. Nvidia also dominated the market with its flagship chip, leading to a doubling in its stock price and contributing to the AI boom. The market's biggest tech stocks, which investors dub the magnificent seven of the Nasdaq 100 – Microsoft, Apple, Alphabet, Nvidia, Amazon, Meta and Tesla saw massive outperformance relative to the Nasdaq composite and S&P500 over the past year.

Global financial markets confounded gloomy expectations in 2023. Despite a lacklustre start to the year, even prolonging to the second half of 2023, the stock market eventually rallied, bonds reversed heavy losses made early in the year as recession fears were replaced by increasing confidence that an economic soft landing would be achieved. The rally began in November as Fed chair, Jerome Powell fanned hopes that borrowing costs had peaked. Entering 2024, U.S. equities started the year on a strong note to the surprise of investors, underpinned by robust economic indicators that fortified the case for a soft landing. The gains were also supported by good corporate earnings, including from the top technology names of the market.

Asia ex Japan equities experienced a mix of ups and downs over the financial year, reflecting the volatile nature of the global market landscape. The year commenced with a negative performance in the second quarter of 2023, marked by declines in Chinese equities as the country's economic rebound post pandemic began to slow. Despite this, markets in India, South Korea, and Taiwan saw gains, fueled by factors such as foreign inflows and investor enthusiasm for AI related stocks. The challenges persisted trough to the second half of 2023 with concerns over the Chinese economy and global economic growth weighing on investor sentiment across the region. Chinese stocks faced sharp declines amid doubts about government stimulus measures, while markets in Hong Kong, Taiwan, and South Korea also witnessed significant downturns. However, as hopes of stable U.S. interest rates renewed investor appetite for risk assets the outlook improved in the fourth quarter. While Chinese stocks continued to struggle, markets in Taiwan, South Korea, and India saw robust growth, driven by factors such as technology stocks and chipmakers. Other markets in

the region also achieved positive growth, albeit more modestly. Markets saw positive momentum carried into the first quarter of 2024, with Asia ex Japan equities achieving modest gains. Despite ongoing concerns, particularly regarding China's economic outlook and geopolitical tensions, markets in Taiwan, India, and the Philippines performed strongly. However, challenges persisted in markets such as Hong Kong, Thailand, and China, where share prices ended the quarter in negative territory.

Within Malaysia, several policy announcements made by the government in July 2023 caught the attention of investors as markets started to gain. These positive sentiments lifted foreign investors' confidence as they poured into local equities. They include the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap ("NETR") which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the NETR as well as the New Industrial Masterplan. The unveiling of Budget 2024 in October 2023 also helped shed light on the government's policies and laid down the groundwork for the government's path to fiscal consolidation. According to the Budget, the government aims to narrow the fiscal deficit from 5.0% to 4.3% in 2024 in line with its broader policy objective to bring it down to 3.10% by 2026. Towards the end of the financial year, the benchmark KLCI surged with Johor-focused names taking the spotlight following the installation of the new Yang Di-Pertuan Agong. However, the small cap space saw more measured gains of 2.30%.

The bond market experienced dynamic shifts, influenced by factors such as inflation concerns, central bank policies, and global economic conditions. The second quarter of 2023 witnessed a decline in market volatility, accompanied by a rise in government bond yields, albeit with some divergence among countries. The United Kingdom ("U.K.") and Australia underperformed due to higher-than-expected inflation, leading to more aggressive actions by central banks to combat inflation. The Fed paused its consecutive rate increases after more than a year, marking a notable shift in monetary policy. Corporate balance sheets remained relatively strong, despite an uptick in default rates, and global high yield outperformed investment grade bonds. At the start of second half of 2023, the U.S. economy displayed resilience, with signs of improvement in the manufacturing sector and a relatively robust labor market. However, concerns over rising U.S. debt issuance and a downgrade in the U.S. credit rating by Fitch Ratings weighed on the Treasury market. Despite a significant rise in oil prices, inflationary pressures eased in most economies, allowing major central banks to signal a pause in further rate hikes. The last quarter of 2023 was marked by a perceived shift in monetary policy direction, with central banks adopting a more dovish tone. This led to a rally in government bond markets, with yields falling sharply and credit markets outperforming government bonds. Despite a slowing growth outlook, corporate bonds staged an impressive rally on hopes of averting a deep recession. The first quarter of 2024 saw a significant shift in inflation and interest rate expectations, with markets initially anticipating faster central bank action to lower rates. However, expectations were scaled back, with central banks proceeding with caution and avoiding premature declarations of victory over inflation. Global economic activity showed signs of improvement, particularly in the U.S., eurozone, and China, although inflation remained a central concern.

Investment Outlook

In 2023, the Fund maintained its quality-tilt strategies in global equities, constructing a portfolio with a lower beta of 0.8-0.9 to broader markets to mitigate potential risks associated with a soft or hard landing scenario. The decision was made to refrain from betting on economic outcomes amidst a high-interest-rate environment, adhering to a quality-style bias instead.

During the first half of the financial year ending (FYE), the Fund increased exposure to European and Japanese broad markets to align more closely with global indices, a move that proved beneficial to the strategy. As the second half of FYE approached, the strategy reduced its overweight position in China/Asia to market weight (approximately 4%) due to uncertainties surrounding China's recovery and a lack of clarity in policy direction. Proceeds from China were reinvested into global tech funds to address the initial technology underweight, driven by the anticipation of AI-related themes propelling tech firm earnings. Additionally, the strategy diversified into biotechnology, recognizing cost declines and improved efficiency in drug discovery.

Market sentiment in the last two months of 2023 indicated a peak in the rate cycle, echoed by the final Federal Reserve meeting of the year. However, the manager's outlook for 2024 differed, cautioning against overly aggressive rate cut expectations. Strong corporate earnings and low unemployment figures suggested a potential upside surprise in inflation, limiting the Federal Reserve's scope for rate cuts, especially in an

election year. The strategy capitalized on anticipated growth in large tech firms, bolstering exposure to global tech strategies. Concurrently, European exposure was reduced due to perceived policy errors leading to regional economic downturns.

Given a narrow tech-focused market rally in early 2024, the manager strategically positioned the Fund to benefit from growth drivers beyond AI by actively engaging in uncorrelated markets such as Malaysia and Japan. Malaysia was identified as offering diversification benefits driven by strong earnings momentum, while Japan saw a shift from broad market ETFs to an active Fund. This move was motivated by the expectation of the Bank of Japan adjusting its yield curve control, potentially leading to variations in stock performance and alpha generation opportunities.

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 financial year under review.

Soft Commissions received from Brokers

Soft commissions received from brokers/dealers may be retained by the management company only if the:–

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

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

Cross Trade

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

Securities Financing Transactions

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

Changes Made to the Fund's Prospectus

No changes were made to the Fund's prospectus over the financial year under review.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AHAM SMART INVEST PORTFOLIO – GROWTH ("Fund")

We have acted as the Trustee of the Fund for the financial year ended 29 February 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

For TMF Trustees Malaysia Berhad
(Company No.: 200301008392 (610812-W))

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
26 April 2024

**AHAM SMART INVEST PORTFOLIO - GROWTH
FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

AHAM SMART INVEST PORTFOLIO - GROWTH

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

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AHAM SMART INVEST PORTFOLIO - GROWTH

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
INVESTMENT INCOME/(LOSS)			
Dividend income		1,237,861	1,319,823
Interest income from financial assets at amortised cost		125,711	127,787
Net (loss)/gain on foreign currency exchange		(542,675)	65,099
Net loss on forward foreign currency contracts at fair value through profit or loss	10	(1,650,471)	(6,569,108)
Net gain/(loss) on financial assets at fair value through profit or loss	8	77,288,573	(34,420,548)
		<u>76,458,999</u>	<u>(39,476,947)</u>
EXPENSES			
Management fee	4	(4,688,596)	(4,500,922)
Trustee fee	5	(228,101)	(229,870)
Fund accounting fee	6	(14,083)	(2,166)
Auditors' remuneration		(7,500)	(7,500)
Tax agent's fee		(3,500)	(3,500)
Transaction costs		(87,210)	(221,351)
Other expenses		(289,161)	(448,523)
		<u>(5,318,151)</u>	<u>(5,413,832)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		71,140,848	(44,890,779)
Taxation	7	(131,976)	(76,637)
NET PROFIT/LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>71,008,872</u>	<u>(44,967,416)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		7,278,451	(30,249,177)
Unrealised amount		63,730,421	(14,718,239)
		<u>71,008,872</u>	<u>(44,967,416)</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM SMART INVEST PORTFOLIO - GROWTH

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
ASSETS			
Cash and cash equivalents	9	17,481,155	6,143,921
Amount due from Manager			
- creation of units		102,419	45,170
- management fee rebate receivable		14,597	76,791
Financial assets at fair value through profit or loss	8	404,244,128	366,716,409
Tax recoverable		196,485	121,780
TOTAL ASSETS		<u>422,038,784</u>	<u>373,104,071</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	-	1,327,082
Amount due to brokers		-	251,640
Amount due to Manager			
- management fee		401,892	406,505
- cancellation of units		998,214	99,332
Amount due to Trustee		19,765	17,422
Auditors' remuneration		7,500	7,500
Tax agent's fee		3,500	3,500
Fund accounting fee		2,167	1,083
Other payables and accruals		597	1,897
TOTAL LIABILITIES		<u>1,433,635</u>	<u>2,115,961</u>
NET ASSET VALUE OF THE FUND		<u>420,605,149</u>	<u>370,988,110</u>
EQUITY			
Unitholders' capital		414,267,249	435,659,082
Retained earnings/(accumulated losses)		6,337,900	(64,670,972)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>420,605,149</u>	<u>370,988,110</u>
NUMBER OF UNITS IN CIRCULATION	11	<u>603,589,000</u>	<u>639,777,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6968</u>	<u>0.5799</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM SMART INVEST PORTFOLIO - GROWTH

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

	Unitholders' capital RM	Retained earnings/ (accumulated losses) RM	Total RM
Balance as at 1 March 2023	435,659,082	(64,670,972)	370,988,110
Total comprehensive income for the financial year	-	71,008,872	71,008,872
Movement in unitholders' capital:			
Creation of units arising from applications	22,335,570	-	22,335,570
Cancellation of units	(43,727,403)	-	(43,727,403)
Balance as at 29 February 2024	<u>414,267,249</u>	<u>6,337,900</u>	<u>420,605,149</u>
Balance as at 1 March 2022	435,333,264	(19,703,556)	415,629,708
Total comprehensive loss for the financial year	-	(44,967,416)	(44,967,416)
Movement in unitholders' capital:			
Creation of units arising from applications	30,181,429	-	30,181,429
Cancellation of units	(29,855,611)	-	(29,855,611)
Balance as at 28 February 2023	<u>435,659,082</u>	<u>(64,670,972)</u>	<u>370,988,110</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM SMART INVEST PORTFOLIO - GROWTH

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

	<u>Note</u>	<u>2024</u> RM	<u>2023</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of investments		612,847,992	495,420,807
Purchase of investments		(573,710,132)	(498,961,808)
Dividend received		1,399,553	1,319,823
Interest received		125,711	127,787
Management fee paid		(4,693,208)	(4,445,846)
Management fee rebate received		416,592	671,572
Trustee fee paid		(225,758)	(232,154)
Fund accounting fee paid		(12,999)	(1,083)
Realised loss on forward foreign currency contracts		(2,977,552)	(5,072,328)
Net gain on foreign currency exchange		474,577	10,090,141
Payment for other fees and expenses		(570,090)	(679,270)
Tax paid		(170,000)	(200,000)
		<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities		32,904,686	(1,962,359)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		22,278,321	30,475,529
Payments from cancellation of units		(42,828,521)	(32,165,464)
		<hr/>	<hr/>
Net cash flows used in financing activities		(20,550,200)	(1,689,935)
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		12,354,486	(3,652,294)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(1,017,252)	(222,372)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		6,143,921	10,018,587
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	17,481,155	6,143,921
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The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

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 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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

The areas involving a higher degree of judgement 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 applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

- (b) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

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

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

B INCOME RECOGNITION

Dividend Income

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

Interest income

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

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

Realised gains and losses on sale of investments

For collective investment schemes ("CIS") and exchange-traded funds, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

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

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

D TAXATION

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

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATIONS

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as financial assets measured at fair value through profit or loss.

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

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

(ii) Recognition and measurement

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

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

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

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

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

Investment in CIS and exchange-traded funds are valued at the last published net asset value (NAV) per unit at the date of the statement of financial position.

Financial assets at amortised cost and other financial liabilities, except forward foreign currency contracts, are subsequently carried at amortised cost using the effective interest method.

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I UNITHOLDERS' CAPITAL

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

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

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

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

J AMOUNT DUE FROM/(TO) BROKERS

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

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

K DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in the statement of comprehensive income when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a positive fair value and negative fair value are presented as financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss, respectively.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

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

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

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Smart Invest Portfolio - Growth (the "Fund") pursuant to the execution of a Deed dated 15 January 2019 as modified by a Supplemental Deed dated 21 September 2022 (the "Deed") entered in between AHAM Asset Management Berhad (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee"). The Fund has changed its name from Affin Hwang Smart Invest Portfolio – Growth to AHAM Smart Invest Portfolio – Growth as amended by the Supplemental Deed dated 21 September 2022.

The Fund was launched on 17 May 2019 and will continue its operations until terminated by the Trustee as provided under Clause 12.4.2 of the Deed.

The Fund may invest any of in the following assets, subject to the Deed, the Fund's objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Units/shares in collective investment schemes;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives; and
- (e) Any other form of investments as may be permitted by the SC from time to time which is in line with the objective of the Fund.

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

The main objective of the Fund is to provide investors with regular income and capital growth over medium to long-term period through a portfolio of collective investment schemes.

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

The financial statements were authorised for issue by the Manager on 26 April 2024.

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	17,481,155	-	17,481,155
Amount due from Manager				
- creation of units		102,419	-	102,419
- management fee rebate receivable		14,597	-	14,597
Collective investment schemes	8	-	268,680,855	268,680,855
Exchange-traded funds	8	-	135,563,273	135,563,273
Total		<u>17,598,171</u>	<u>404,244,128</u>	<u>421,842,299</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		401,892	-	401,892
- cancellation of units		998,214	-	998,214
Amount due to Trustee		19,765	-	19,765
Fund accounting fee		2,167	-	2,167
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		3,500	-	3,500
Other payables and accruals		597	-	597
Total		<u>1,433,635</u>	<u>-</u>	<u>1,433,635</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	6,143,921	-	6,143,921
Amount due from Manager				
- creation of units		45,170	-	45,170
- management fee rebate receivable		76,791	-	76,791
Collective investment schemes	8	-	253,952,883	253,952,883
Exchange-traded funds	8	-	112,763,526	112,763,526
Total		<u>6,265,882</u>	<u>366,716,409</u>	<u>372,982,291</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	1,327,082	1,327,082
Amount due to Manager				
- management fee		406,505	-	406,505
- cancellation of units		99,332	-	99,332
Amount due to Trustee		17,422	-	17,422
Fund accounting fee		1,083	-	1,083
Amount due to brokers		251,640	-	251,640
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		3,500	-	3,500
Other payables and accruals		1,897	-	1,897
Total		<u>788,879</u>	<u>1,327,082</u>	<u>2,115,961</u>

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Market risk (continued)

(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 a short-term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

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

(c) Currency risk

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

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

	Collective investment schemes RM	Exchange- traded funds RM	Cash and cash equivalents RM	Total RM
<u>2024</u>				
<u>Financial assets</u>				
Euro	-	-	2,817	2,817
British Pound Sterling	-	15,438,687	4,538,672	19,977,359
Hong Kong Dollar	-	-	2,706	2,706
Japanese Yen	-	19,663,715	1,160,478	20,824,193
United States Dollar	248,106,279	100,460,871	9,808,084	358,375,234
	<u>248,106,279</u>	<u>135,563,273</u>	<u>15,512,757</u>	<u>399,182,309</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

	<u>Collective investment schemes</u> RM	<u>Exchange- traded funds</u> RM	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Euro	-	-	2,917	2,917
British Pound Sterling	-	-	3,437	3,437
Hong Kong Dollar	-	-	2,669	2,669
Japanese Yen	-	-	45	45
United States Dollar	182,827,542	112,763,526	6,004,358	301,595,426
	<u>182,827,542</u>	<u>112,763,526</u>	<u>6,013,426</u>	<u>301,604,494</u>
			<u>Forward foreign currency contracts</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
United States Dollar			1,327,082	1,327,082
			<u>1,327,082</u>	<u>1,327,082</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	Change in price %	Impact on profit/(loss) after tax/ NAV RM
<u>2024</u>		
Euro	+/- 5.41	+/- 152
British Pound Sterling	+/- 5.86	+/- 1,170,673
Hong Kong Dollar	+/- 5.73	+/- 155
Japanese Yen	+/- 8.61	+/- 1,792,963
United States Dollar	+/- 5.70	+/- 20,427,388
<u>2023</u>		
Euro	+/- 8.80	+/- 257
British Pound Sterling	+/- 11.23	+/- 386
Hong Kong Dollar	+/- 5.32	+/- 142
Japanese Yen	+/- 11.19	+/- 5
United States Dollar	+/- 5.46	+/- 16,394,652

Liquidity risk

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Liquidity risk (continued)

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2024</u>			
Amount due to Manager			
- management fee	401,892	-	401,892
- cancellation of units	998,214	-	998,214
Amount due to Trustee	19,765	-	19,765
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	3,500	3,500
Fund accounting fee	1,083	1,084	2,167
Other payables and accruals	-	597	597
	1,420,954	12,680	1,433,635
	1,420,954	12,680	1,433,635
<u>2023</u>			
Forward foreign currency contracts	251,512	1,075,570	1,327,082
Amount due to broker	251,640	-	251,640
Amount due to Manager			
- management fee	406,505	-	406,505
- cancellation of units	99,332	-	99,332
Amount due to Trustee	17,422	-	17,422
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	3,500	3,500
Fund accounting fee	1,083	-	1,083
Other payables and accruals	-	1,897	1,897
	1,027,494	1,088,467	2,115,961
	1,027,494	1,088,467	2,115,961

Credit risk

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Credit risk (continued)

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

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

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

	<u>Cash and cash equivalents</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2024</u>			
Financial Services			
- AAA	17,481,155	-	17,481,155
Others			
- NR	-	117,016	117,016
	<u>17,481,155</u>	<u>117,016</u>	<u>17,598,171</u>
<u>2023</u>			
Financial Services			
- AAA	6,143,921	-	6,143,921
Others			
- NR	-	121,961	121,961
	<u>6,143,921</u>	<u>121,961</u>	<u>6,265,882</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

Capital risk

The capital of the Fund is represented by the equity consisting of unitholders' capital and retained earnings (2023: unitholders' capital net of accumulated losses). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Collective investment scheme risk

This risk is associated with the Fund's investment in CIS exposing the Fund to the inherent investment risks faced by the CIS. The fund may also be exposed to liquidity risk which may arise from the inability of the CIS to meet redemption amounts, as well as the risk of not being aligned with the Fund's mandate in the event the CIS that the Fund is invested into breaches its asset allocation limits. Therefore, should any of the risks faced by the CIS materialised, the performance of the Fund will be affected.

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the bid price for financial assets which falls within the bid-ask spread.

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

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

(i) Fair value hierarchy

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (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 judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement 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 and financial liabilities (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>2024</u>				
Financial assets at fair value through profit or loss:				
- collective investment schemes	268,680,855	-	-	268,680,855
- exchange-traded funds	135,563,273	-	-	135,563,273
	<u>404,244,128</u>	<u>-</u>	<u>-</u>	<u>404,244,128</u>
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment schemes	253,952,883	-	-	253,952,883
- exchange-traded funds	112,763,526	-	-	112,763,526
	<u>366,716,409</u>	<u>-</u>	<u>-</u>	<u>366,716,409</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	1,327,082	-	1,327,082

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short-term nature.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 29 February 2024, the management fee is recognised at the following stated rate:

Financial period from 1 March 2023 to 31 March 2023	= 1.10% per annum
Financial period from 1 April 2023 to 30 June 2023	= 1.35% per annum
Financial period from 1 July 2023 to 31 December 2023	= 1.30% per annum
Financial period from 1 January 2024 to 29 February 2024	= 1.22% per annum

For the financial period 1 March 2022 to 31 October 2022, the management fee is recognised at a rate of 1.07% per annum on the NAV of the Fund. For the financial period 1 November 2022 to 28 February 2023, the management fee rate revised to 1.40% per annum on the NAV of the Fund, calculated on a daily basis.

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

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

5 TRUSTEE FEE

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

For the financial year ended 29 February 2024, the Trustee's fee is recognised at a rate of 0.06% (2023: 0.06%) per annum on the NAV of the Fund, excluding of foreign custodian fees and charges, calculated on a daily basis as stated in the Prospectus.

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

6 FUND ACCOUNTING FEE

For the financial year ended 31 January 2024, the fund valuation and accounting fee is RM14,083 (2023: RM2,166).

7 TAXATION

	<u>2024</u> RM	<u>2023</u> RM
Current taxation	132,221	78,220
Overprovision of taxation in prior year	(245)	(1,583)
	<u>131,976</u>	<u>76,637</u>

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

	<u>2024</u> RM	<u>2023</u> RM
Net profit/(loss) before taxation	<u>71,140,848</u>	<u>(44,890,779)</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	17,073,804	(10,773,787)
Tax effects of:		
(Investment income not subject to tax)/investment loss not brought to tax	(18,029,003)	9,458,339
Expenses not deductible for tax purposes	149,293	216,291
Restriction on tax deduction expenses for Unit Trust Fund	938,127	1,156,918
Income subject to different tax rate	-	20,459
Overprovision of tax in prior year	(245)	(1,583)
Tax expense	<u>131,976</u>	<u>76,637</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> RM	<u>2023</u> RM
Financial assets at fair value through profit or loss:		
- collective investment schemes – local	20,574,576	71,125,341
- collective investment schemes – foreign	248,106,279	182,827,542
- exchange-traded funds - foreign	135,563,273	112,763,526
	<u>404,244,128</u>	<u>366,716,409</u>
Net gain/(loss) on assets at fair value through profit or loss:		
- realised gain/(loss) on sale of investment	12,186,502	(22,110,530)
- unrealised gain/(loss) on changes in fair value	64,747,673	(12,999,087)
- management fee rebate on collective investment schemes #	354,398	689,069
	<u>77,288,573</u>	<u>(34,420,548)</u>

In arriving at the fair value of the Fund's investment in a CIS, the management fee initially paid to the Manager of CIS has been considered as part of its NAV. In order to minimise the impact of management fees charged by the fund manager, management fee charged on the Fund's investment in the collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management received from the Manager of CIS is reflected as an increase in the NAV of the CIS.

(a) Collective investment schemes - local

(i) Collective investment schemes - local as at 29 February 2024 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
AHAM Select Opportunity Fund	18,357,045	20,000,000	20,574,576	4.89
Total collective investment schemes - local	<u>18,357,045</u>	<u>20,000,000</u>	<u>20,574,576</u>	<u>4.89</u>
Accumulated unrealised gain on collective investment schemes - local		<u>574,576</u>		
Total collective investment schemes - local		<u>20,574,576</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

(a) Collective investment schemes – local (continued)

(ii) Collective investment schemes - local as at 28 February 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
AHAM Select Asia (ex Japan) Opportunity Fund – MYR Class	53,418,540	48,237,755	37,873,745	10.21
AHAM Select Opportunity Fund	17,250,284	16,000,000	16,408,470	4.42
AHAM Aiiman Money Market Fund (formerly known as Affin Hwang Aiiman Money Market Fund)	3,918,255	2,135,134	2,165,228	0.58
AHAM Select Asia (ex Japan) Quantum Fund – MYR Class	7,117,247	13,623,834	14,677,898	3.96
	<u>81,704,326</u>	<u>79,996,723</u>	<u>71,125,341</u>	<u>19.17</u>
Total collective investment schemes - local		(8,871,382)		
Accumulated unrealised loss on collective investment schemes - local		<u>71,125,341</u>		
Total collective investment schemes - local		<u>71,125,341</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

(b) Collective investment schemes - foreign

(i) Collective investment schemes - foreign as at 29 February 2024 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Baillie Gifford Worldwide Global Dividend Growth Class B USD	418,724	28,321,051	30,930,205	7.35
Baillie Gifford Worldwide Long Term Global Growth Fund Class B USD	136,914	17,149,236	20,136,504	4.79
Franklin Templeton Investment -I ACC USD	21,049	5,466,940	6,594,908	1.57
GQG Partners US Equity Fund – USD A	330,913	15,416,096	22,743,648	5.41
HSBC Global Liquidity Funds PLC – US Dollar Liquidity Fund-J	4,097,202	21,762,600	21,907,215	5.21
Janus Henderson Horizon Biotech Fund - A2 USD	216,640	22,798,258	25,435,660	6.04
JP Morgan Funds - U.S. Technology Fund-A-USD	18,186	19,469,475	22,420,455	5.33
Lazard Global Equity Franchise Luxembourg SICAV UBAM - 30	27,776	25,477,491	28,876,323	6.87
Global Leaders-A-USD	21,829	27,201,519	29,266,918	6.96
PIMCO Funds GIS Emerging Local Bond	622,713	19,085,120	19,480,966	4.63
TT International Funds PLC – Asia Pacific Equity Fund-A2-USD	374,643	19,645,740	20,313,477	4.83
Total collective investment schemes - foreign	<u>6,286,589</u>	<u>221,793,526</u>	<u>248,106,279</u>	<u>58.99</u>
Accumulated unrealised gain on collective investment schemes - foreign		<u>26,312,753</u>		
Total collective investment schemes - foreign		<u>248,106,279</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

(b) Collective investment schemes – foreign (continued)

(ii) Collective investment schemes - foreign as at 28 February 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Allianz Global Investors Fund				
All China Equity PT USD	2,782	16,514,883	14,426,256	3.89
Baillie Gifford Worldwide Long Term				
Global Growth Fund USD	181,039	22,676,032	18,963,617	5.11
GQG Partners US Equity Fund - USD A	387,709	18,062,035	17,840,863	4.81
HSBC Global Liquidity Fund PLC -				
US Dollar Liquidity Fund	3,057,476	14,576,586	14,679,413	3.96
Luxembourg SICAV UBAM - 30				
Global Leaders-A-USD	26,267	26,933,911	27,565,583	7.43
Morgan Stanley Investment Fund				
- Global Brands Fund	66,319	26,391,952	26,957,151	7.27
Nikko Asset Management - Global				
Equity Fund – B USD*	420,723	28,386,049	27,398,413	7.38
TT Environmental Solutions – Fund				
A1 USD A	333,002	31,455,054	28,424,548	7.66
UBS Lux Investment Sicav II - China				
A Opportunity (USD)	5,496	8,168,367	6,571,698	1.77
	<u>4,480,813</u>	<u>193,164,869</u>	<u>182,827,542</u>	<u>49.28</u>
Total collective investment schemes - foreign				
Accumulated unrealised loss on collective investment schemes - foreign		<u>(10,337,327)</u>		
Total collective investment schemes - foreign		<u>182,827,542</u>		

*Managed by a related company of the Manager's substantial shareholder.

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

(c) Exchange-traded funds - foreign

(i) Exchange-traded funds - foreign as at 29 February 2024 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
IShares Core MSCI Asia ex Japan ETF	499,780	14,560,329	15,054,723	3.58
IShares Core S&P 500 UCITS ETF	16,127	36,606,446	40,773,388	9.69
IShares Core TOPIX ETF	226,521	15,587,979	19,663,715	4.67
IShares MSCI ACWI UCITS ETF-GBP	41,105	14,377,838	15,438,687	3.67
IShares MSCI ACWI UCITS ETF-USD	53,990	18,761,476	20,217,095	4.81
IShares USD Ultrashort Bond UCITS ETF	445,180	11,964,167	12,053,195	2.87
Vanguard US Treasury 0-1 Year Bond UCITS ETF	48,800	11,759,052	12,362,470	2.94
Total exchange-traded funds - foreign	<u>1,331,503</u>	<u>123,617,287</u>	<u>135,563,273</u>	<u>32.23</u>
Accumulated unrealised gain on exchange-traded funds - foreign		<u>11,945,986</u>		
Total exchange-traded funds - foreign		<u>135,563,273</u>		

(ii) Exchange-traded funds - foreign as at 28 February 2023 are as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
ARK Innovation ETF	97,309	21,633,672	17,256,476	4.65
IShares Core S&P 500 UCITS ETF	20,568	37,875,677	38,088,062	10.27
IShares MSCI ACWI ETF	96,040	39,772,374	37,999,830	10.24
Vanguard Total Stock Market ETF	21,700	20,187,452	19,419,158	5.24
Total exchange-traded funds - foreign	<u>235,617</u>	<u>119,469,175</u>	<u>112,763,526</u>	<u>30.40</u>
Accumulated unrealised loss on exchange-traded funds - foreign		<u>(6,705,649)</u>		
Total exchange-traded funds - foreign		<u>112,763,526</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2024</u> RM	<u>2023</u> RM
Cash and bank balances	15,599,791	6,033,755
Deposit with a licensed financial institution	1,881,364	110,166
	<u>17,481,155</u>	<u>6,143,921</u>

Weighted average effective interest rates per annum of deposit with a licensed financial institution is as follows:

	<u>2024</u> %	<u>2023</u> %
Deposit with a licensed financial institution	<u>3.00</u>	<u>2.75</u>

Deposit with a licensed financial institution of the Fund has an average remaining maturity period of 1 day (2023: 1 day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there is Nil (2022: 6) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM Nil (2023: RM69,897,976). The forward currency contracts entered into during the financial year were for hedging against the currency exposure arising from the Fund's investment in the collective investment schemes denominated in Euro, British Pound Sterling and United States Dollar. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2024</u> RM	<u>2023</u> RM
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	-	1,327,082
	<u>-</u>	<u>1,327,082</u>
Net loss on forward foreign currency contracts at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	(1,650,471)	(5,072,328)
- unrealised gain/(loss) on changes in fair values	-	(1,496,780)
	<u>(1,650,471)</u>	<u>(6,569,108)</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

(i) There are no forward foreign currency contracts as at 29 February 2024.

(ii) Forward foreign currency contracts as at 28 February 2023 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
BNP Paribas Malaysia Bhd	21,515,000	22,352,167	(837,167)	(0.23)
Hong Leong Bank Bhd	20,999,416	21,168,279	(168,863)	(0.05)
Citibank Bhd	12,409,040	12,478,580	(69,540)	(0.01)
J.P. Morgan Chase Bank Bhd	10,571,520	10,747,992	(176,472)	(0.05)
Standard Chartered Bank Malaysia Bhd	4,403,000	4,478,040	(75,040)	(0.02)
	<u>69,897,976</u>	<u>71,225,058</u>	<u>(1,327,082)</u>	<u>(0.36)</u>

11 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u> No. of units	<u>2023</u> No. of units
At the beginning of the year	639,777,000	640,633,000
Creation of units arising from applications	35,162,000	50,140,000
Cancellation of units	(71,350,000)	(50,996,000)
At the end of the financial year	<u>603,589,000</u>	<u>639,777,000</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

12 TRANSACTIONS WITH BROKERS

- (i) Details of transaction with the brokers for the financial year ended 29 February 2024 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
MFEX Mutual Funds				
Exchange AB	591,567,014	49.87	-	-
CLSA Ltd	178,693,976	15.06	26,817	31.01
Flow Traders	136,644,841	11.52	-	-
AHAM Asset				
Management Bhd#	119,031,319	10.04	-	-
Robert W. Baird & Co.	70,737,488	5.96	14,855	17.18
CLSA Securities (Malaysia)				
Sdn Bhd	34,537,222	2.91	17,269	19.97
CLSA Singapore Pte Ltd	17,551,443	1.48	8,261	9.55
Alliance Bernstein				
(Singapore) Ltd	16,739,870	1.41	5,377	6.22
Macquarie Capital				
Securities Ltd	13,515,059	1.14	6,490	7.50
Cantor Fitzgerald (HK)				
Capital Markets Ltd	7,269,391	0.61	7,416	8.57
	<u>1,186,287,623</u>	<u>100.00</u>	<u>86,485</u>	<u>100.00</u>

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

12 TRANSACTIONS WITH BROKERS (CONTINUED)

(ii) Details of transaction with the top 10 brokers for the financial year ended 28 February 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
MFEX Mutual Funds Exchange AB	559,753,156	55.73	-	-
AHAM Asset Management Bhd#	173,477,817	17.27	-	-
Cantor Frizgerald Europe Robert W. Baird & Co.	141,921,165	14.13	174,040	78.94
China International Capital Corp HK Securities Ltd	42,228,646	4.20	11,118	5.04
Macquarie Capital Securities Ltd	23,148,667	2.31	7,026	3.19
Alliance Bernstein (Singapore) Ltd	21,195,657	2.11	10,598	4.81
Jefferies International Ltd	17,631,847	1.76	6,010	2.73
Others	15,985,403	1.59	5,613	2.55
	9,080,876	0.90	6,050	2.74
	<u>1,004,423,234</u>	<u>100.00</u>	<u>220,455</u>	<u>100.00</u>

Included in transactions with brokers are trades with the Manager amounting to RM119,031,319 (2023: RM173,477,817). The Manager is of the opinion that all transactions have been entered into at agreed terms between the related party.

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager and substantial shareholder of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the Manager
AHAM Asset Management Berhad	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AHAM Asset Management Berhad	Directors of the Manager

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

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

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

	<u>2024</u>		<u>2023</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	<u>17,754</u>	<u>12,371</u>	<u>3,861</u>	<u>2,239</u>
<u>Director of the Manager:</u>				
Director of the AHAM Asset Management Berhad (The units are held beneficially)	<u>1,190,575</u>	<u>829,593</u>	<u>481,835</u>	<u>279,416</u>

Other than the above, there were no units held by the Directors or parties related to the Manager.

14 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>1.32</u>	<u>1.25</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on a daily basis is RM380,136,567 (2023: RM383,103,038).

AHAM SMART INVEST PORTFOLIO - GROWTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	1.54	1.34

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM573,441,538 (2023: RM499,213,448)
total disposal for the financial year = RM600,661,490 (2023: RM527,334,009)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Change in substantial shareholders of AHAM Asset Management Berhad

On 19 April 2023, Nikko Asset Management International Limited (“NAMI”) has divested all its equity interest of 27% in AHAM Asset Management Berhad to Nikko Asset Management Co., Ltd (“NAM”) for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera (“LTAT”), resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

AHAM SMART INVEST PORTFOLIO - GROWTH

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 36 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 29 February 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 29 February 2024 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
26 April 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – GROWTH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of AHAM Smart Invest Portfolio - Growth (“the Fund”) give a true and fair view of the financial position of the Fund as at 29 February 2024, and of its financial performance and its cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 29 February 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 36.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors’ report thereon

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – GROWTH
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon (continued)

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – GROWTH
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF AHAM SMART INVEST PORTFOLIO – GROWTH
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 April 2024

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