



SEMI-ANNUAL REPORT
31 October 2023

AHAM Equity Fund
(Formerly known as
Affin Hwang Equity
Fund)

MANAGER
AHAM Asset Management Berhad
199701014290 (429786-T)

TRUSTEE
Maybank Trustees Berhad
196301000109 (5004-P)

Built On Trust

aham.com.my

AHAM EQUITY FUND (FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

Semi-Annual Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 31 October 2023

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FUND INFORMATION

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

FUND PERFORMANCE DATA

| Category | As at 31 Oct 2023 (%) | As at 31 Oct 2022 (%) | As at 31 Oct 2021 (%) |
|---|-----------------------------|-----------------------------|-----------------------------|
| Portfolio composition | | | |
| Quoted equities – local | | | |
| - Construction | 1.15 | - | - |
| - Consumer products & services | 4.01 | 9.49 | 10.89 |
| - Energy | 7.58 | 9.26 | 4.77 |
| - Financial services | 12.03 | 18.74 | 16.03 |
| - Industrial products & services | 18.72 | 17.74 | 29.68 |
| - Plantation | 3.55 | 11.48 | - |
| - Property | 2.42 | 1.86 | 2.92 |
| - REITs | 2.16 | 2.08 | - |
| - Technology | 17.46 | 8.75 | 17.38 |
| - Telecommunication & media | 5.01 | 4.00 | 3.40 |
| - Transportation & logistics | - | 3.39 | 3.68 |
| - Healthcare | 13.56 | 2.97 | 2.29 |
| - Utilities | 6.07 | - | 1.49 |
| - Warrant | - | - | 1.51 |
| Total quoted equities – local | 93.72 | 89.76 | 94.04 |
| Cash & cash equivalent | 6.28 | 10.24 | 5.96 |
| Total | 100.00 | 100.00 | 100.00 |
| Total NAV (RM'million) | 40.355 | 41.187 | 58.673 |
| NAV per Unit (RM) | 0.6374 | 0.6146 | 0.7936 |
| Unit in Circulation (million) | 63.309 | 67.010 | 73.929 |
| Highest NAV | 0.6568 | 0.7077 | 0.7937 |
| Lowest NAV | 0.6207 | 0.5939 | 0.6572 |
| Return of the Fund (%) | 0.11 | -13.16 | 11.55 |
| - Capital Growth (%) | -2.03 | -13.16 | 11.55 |
| - Income Distribution (%) | 2.19 | Nil | Nil |
| Gross Distribution per Unit (sen) | 1.37 | Nil | Nil |
| Net Distribution per Unit (sen) | 1.37 | Nil | Nil |
| Total Expense Ratio (%) ¹ | 0.93 | 0.99 | 0.85 |
| Portfolio Turnover Ratio (times) ² | 0.51 | 0.34 | 0.41 |

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 decrease in the Fund's TER over the period under review was due to lower average NAV for the financial period.

²The increase in the Fund's PTR over the period under review was due to higher trading activities for the financial period.

Income Distribution / Unit Split

Financial Period ended 31 October 2023

| Cum Date | Ex-Date | Cum-distribution (RM) | Distribution per Unit (RM) | Ex-distribution (RM) |
|-----------|-----------|-----------------------|----------------------------|----------------------|
| 19-Jul-23 | 20-Jul-23 | 0.6413 | 0.0137 | 0.6264 |

No unit splits were declared for the financial period ended 31 October 2023.

Breakdown of Distribution

| Ex date | Class | Income (per Unit) (sens) | Income (%) | Capital (per unit) (sens) | Capital (%) |
|-----------|-------|--------------------------|------------|---------------------------|-------------|
| 20-Jul-23 | RM | 1.3700 | 100 | - | - |

Fund Performance

Table 1: Performance of the Fund

| | 6 Months (1/5/23 - 31/10/23) | 1 Year (1/11/22 - 31/10/23) | 3 Years (1/11/20 - 31/10/23) | 5 Years (1/11/18 - 31/10/23) | Since Commencement (30/4/93 - 31/10/23) |
|----------------|------------------------------------|-----------------------------------|------------------------------------|------------------------------------|--|
| Fund | 0.11% | 5.98% | 8.25% | 23.95% | 87.17% |
| Benchmark | 1.85% | (1.25%) | (1.69%) | (15.63%) | 104.56% |
| Outperformance | (1.74%) | 7.23% | 9.94% | 39.58% | (17.39%) |

Source of Benchmark: Bloomberg

Table 2: Average Total Return

| | 1 Year (1/11/22 - 31/10/23) | 3 Years (1/11/20 - 31/10/23) | 5 Years (1/11/18 - 31/10/23) | Since Commencement (30/4/93 - 31/10/23) |
|----------------|-----------------------------------|------------------------------------|------------------------------------|--|
| Fund | 5.98% | 2.68% | 4.38% | 2.07% |
| Benchmark | (1.25%) | (0.57%) | (3.34%) | 2.37% |
| Outperformance | 7.23% | 3.25% | 7.72% | (0.30%) |

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

| | FYE 2023 (1/5/22 - 30/4/23) | FYE 2022 (1/5/21 - 30/4/22) | FYE 2021 (1/5/20 - 30/4/21) | FYE 2020 (1/5/19 - 30/4/20) | FYE 2019 (1/5/18 - 30/4/19) |
|----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fund | (8.07%) | (0.52%) | 50.37% | (10.82%) | (4.47%) |
| Benchmark | (11.53%) | (0.08%) | 13.77% | (14.28%) | (12.19%) |
| Outperformance | 3.46% | (0.44%) | 36.60% | 3.46% | 7.72% |

Source of Benchmark: Bloomberg

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

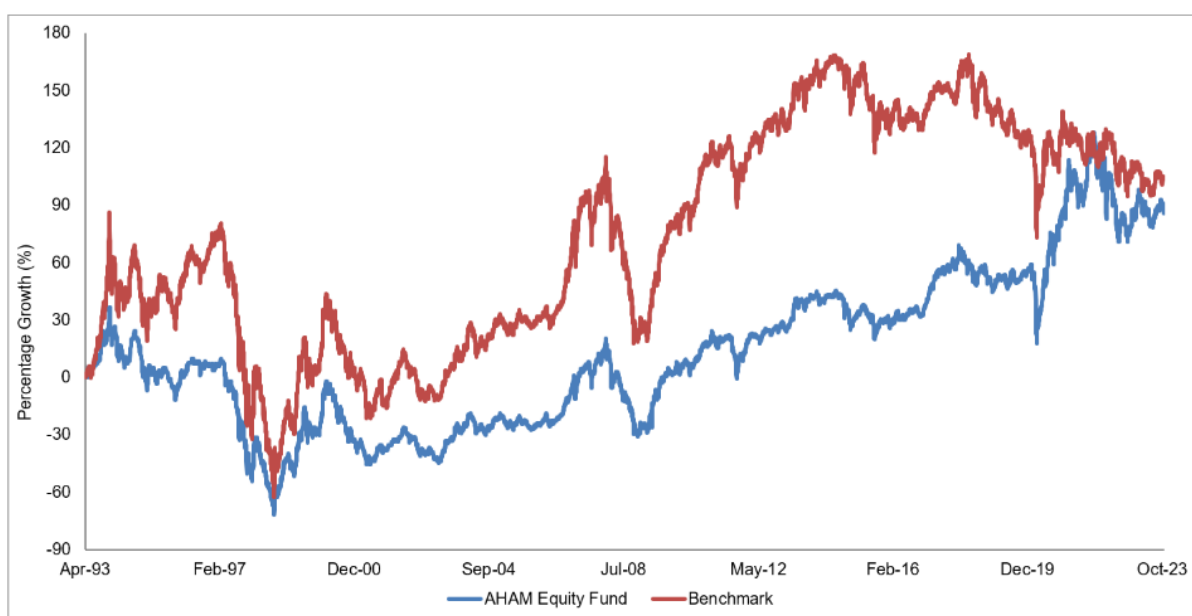
MANAGER'S REPORT

Performance Review (1 April 2023 to 31 October 2023)

For the period 1 May 2023 to 31 October 2023, the Fund has registered a return of 0.11% as compared to the benchmark return of 1.85%. The Fund thus underperformed the benchmark by 1.74%. The Net Asset Value (NAV) per unit of the Fund as at 31 October 2023 was RM0.6374 while the NAV per unit on 30 April 2023 was RM0.6506. During the same period under review, the Fund has declared an income distribution of RM0.0137 per unit.

Since commencement, the Fund has registered a return of 87.17% compared to the benchmark return of 104.56%, underperforming by 17.39%.

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



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

Asset Allocation

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

As at 31 October 2023 the asset allocation of the Fund stood at 93.72% (2022:89.76%) in equities while the balance was held in cash and cash equivalent. During the period under review, the reduction in holdings was mainly done through the consumer products & services, financial services as well as the plantation sector. The Fund Manager however added holdings in the technology and healthcare sector during the financial period under review. Cash level was decreased to 6.28% level as the Manager took the opportunity to increase exposure to equities after passing through a period of volatility.

Strategies Employed

The Fund remained focus on providing investors with an increased exposure into equities over the period under review using a top-down approach that begins with a review of the domestic economy and its financial markets. This set the basis for the overall asset allocation decision.

Market Review

Over the financial period under review, the Standard and Poor's ("S&P") 500 returned 0.58% while the Morgan Stanley Capital International ("MSCI") AC World index was lower at -2.37%. Specific to the Asian region, MSCI AC Asia ex Japan Index returned -7.85% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia relatively outperformed, returning 1.85%. Bond markets saw weakness over the period with the Bloomberg Barclays Global Aggregate Index returning -6.61%. Domestically, bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 4.11%.

Market volatility continue to persist and affect economies globally as macro events and policy rate hikes affected stock and bond markets. The economic fallout from the Covid-19 pandemic alongside with the Russia-Ukraine conflict has disrupted supply chains and commodity markets, weighing heavily on global economic growth. Central banks continue to attempt rein in inflation contributed by supply-demand imbalances and volatility in energy prices among other factors through monetary policy, which inadvertently played a role in destabilising the banking sector March this year.

The US Federal Reserve ("Fed") raised their policy rates in monetary policy committee meetings since March of 2022, to of 5.50% in July 2023. Although, at time of writing, holding interest rates at the most recent October/November 2023 Federal Open Market Committee Meeting ("FOMC"). Fed Chair Jerome Powell said that the committee was still "determining the extent of additional policy firming" it would need to bring down inflation sustainably. The sharp pace of policy tightening over the past months raised concerns in the financial markets of an over-tightening that could lead to a growth slowdown, or even a potential recession. Further signs of tension in the economy were also visible in March this year as the fallout of Silicon Valley Bank and the emergency rescue of Credit Suisse triggered concerns of contagion to other vulnerable banks.

In addition to fractures in the banking sector, other notable events included the concern over the US approaching its debt ceiling in January, failing which to reach a consensus to suspend or raise the limit could result in a catastrophic default. However, investors heaved a sigh of relief after lawmakers passed a bill to raise the debt ceiling, in a deal that included concessions on spending expected to have limited effect on economic growth. Despite narrowly avoiding a default, the U.S did not escape unscathed as Fitch Ratings downgraded its rating on U.S. debt, quoting in a press release "The repeated debt-limit political standoffs and last-minute resolutions have eroded confidence in fiscal management,".

US equities was volatile throughout 2023. The financial sector disruption troubled markets in the first quarter of 2023, however this was corrected by the second quarter of the year as the market saw gains which was mostly driven by fervour and enthusiasm over new developments in artificial intelligence ("AI"). However, after the strong gains, markets took a tumble by October this year as interest rate jitters coupled with the widening conflict between Israel and Hamas gave rise to fear and uneasiness. Investors entered the second half of 2023 optimistic that the era of policy tightening rates would be over soon. This enthusiasm however withered over August and September as the possibility of higher rates for a sustained period sank in.

On other news, new data in October pointed towards strong economic momentum in the US. Retail sales rose 0.70%, defying consensus expectations that spending would slow due to the resumption of student loan repayments and tighter monetary conditions. Additionally, US third quarter 2023 GDP increased 4.90% above consensus estimates of 4.00% supported by strong consumption. Similarly, purchasing managers' index (PMI) indicators displayed similar strength pointing to a reacceleration in economic activity.

In Asia, despite starting off 2023 strong, Chinese equity trended downwards following the country's reopening after the pandemic started to cool before lifting in July, driven by stimulus optimism in China, evident as the MSCI China Index vaulted 9.30% in July as top party leaders unveiled measures at its Politburo meeting to reinvigorate growth in the country. Among the measures include a pledge by Beijing to provide stimulus support for its beleaguered property sector. Top party leaders also emphasised the need for

measures to tackle youth unemployment as well as accelerate the issuance of local government special bonds to spur government investment. While there were no explicit announcements of blockbuster stimulus, the overall policy tone from the Politburo meeting did exceed expectations. There was an acknowledgement of pressing issues on-the-ground that could result in targeted easing measures to bolster growth and lift sentiment. Bright spots were seen in China's economy as newly released GDP data came in stronger than expected. In the third quarter of 2023, China's GDP grew by 4.90% as the volley of stimulus measures start to take effect. Retail sales and industrial production data also surpassed forecasts, instilling further confidence that its economy has bottomed out, boosting optimism that recovery in the world's second-largest economy is starting to gain traction.

Back in Malaysia, several policy announcements by the government caught the attention of investors. These positive sentiments lifted foreign investors' confidence as they poured into local equities. These included the Ekonomi Madani Plan which outlined several key economic targets, Part 1 of the National Energy Transition Roadmap which intends to achieve 70% renewable energy capacity mix by 2050 and Part 2 of the National Energy Transition Roadmap as well as the New Industrial Masterplan. There was also greater political clarity following the conclusion of state elections. As widely expected, the Pakatan Harapan-Barisan Nasional coalition retained Selangor, Penang and Negeri Sembilan, while Perikatan Nasional held on to their strongholds in Kedah, Kelantan and Terengganu. The recent by-elections for the Pulai parliamentary seat and Simpang Jeram state seat in Johor concluded with the Pakatan Harapan-Barisan Nasional (PH-BN) coalition defending both seats.

The unveiling of Budget 2024 in October this year also helped shed light on the government's policies and helped lay 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. Key measures announced to broaden the government's revenue include the increase of Sales and Service tax ("SST") from 6% to 8% as well as the introduction of a 10% capital gains tax for unlisted shares. To further bolster revenue, a luxury goods tax will also be applied to high-value items including jewellery and watches based on predefined thresholds.

On fixed income, the series of recent economic data releases mentioned were supportive of the US economic outlook but disappointed fixed income investors as markets came to terms with the Fed's 'higher for longer' narrative. On the fiscal front, the US debt funding programme fell under the spotlight as concerns on US Treasuries supply glut intensified. In absence of an anchor from monetary policy and expectations of a demand-supply imbalance, 10-year US Treasury yield inched higher to test its high several times during October but kept in check by the 5% handle. As a result, US Treasury yield curve bear steepened, with 2-year, 10-year and 30-year Treasury ending the month at 5.09% (+4 basis points) ("bps"), 4.93% (+36 bps), and 5.09% (+39 bps) respectively.

Domestically, market reaction towards tabling of Budget 2024 mid-October were muted, as headline numbers were mainly in line of market expectations, with a fiscal consolidation path towards the government's medium target of 3% fiscal deficit-to-GDP ratio, from 2023 estimate of 5.0% and 2024 estimate of 4.3%. A well telegraphed subsidy rationalisation (for chicken, eggs, diesel, and electricity) ahead of Budget 2024 kept the lid on inflation expectations.

Investment Outlook

US inflation has eased amid aggressive monetary tightening but remained well above Federal Reserve's 2% target. Resiliency in the US economy has afforded the Federal Reserve to maintain current policy rate of 5.25-5.50% for 'longer', with the option to go 'higher' if necessary as Fed Chair Powell made clear during his press conference that the economy has proven to be stronger than expected as a result of strong consumer spending. The FOMC's economic projections now show the median expectation for GDP growth for 2023 at 2.1% (previously 1.1%) and next year at 1.5% (previously 1.0%). The unemployment rate is projected to be lower at the end of next year as a consequence, from previous expectation of 4.5% to the revised rate of 4.1%.

Domestically, moderating growth and subdued inflation continued to support the fixed income market, while external pressure in the form of widening interest differential and ensuing Ringgit weakness kept short-end

rates elevated. Persistent demand from domestic investors were unabated by the flatness in MGS yield curve and have continued to keep long-tenured bond yields anchored during choppy sessions.

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

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 Berhad. The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

Cross Trade

No cross trade transactions were carried out during the reported period.

Securities Financing Transactions

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

Changes Made To the Fund's Prospectus

There were no changes made to the Fund's prospectus during the financial period under review.

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF AHAM EQUITY FUND (FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND) ("FUND")

We have acted as Trustee of the Fund for the financial period ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM 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 are 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.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For **Maybank Trustees Berhad**
Company No.: 196301000109 (5004-P)

Ms Norhazliana Binti Mohammed Hashim
Head, Unit Trust & Corporate Operations

(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

**AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)**

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

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AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

| | <u>Note</u> | 6 months financial period ended <u>31.10.2023</u> RM | 6 months financial period ended <u>31.10.2022</u> RM |
|--|-------------|--|--|
| INVESTMENT INCOME/(LOSS) | | | |
| Dividend income | | 729,466 | 641,163 |
| Interest income from financial assets at amortised cost | | 46,394 | 71,974 |
| Net loss on financial assets at fair value through profit or loss | 9 | (203,688) | (6,864,711) |
| | | <u>572,172</u> | <u>(6,151,574)</u> |
| EXPENSES | | | |
| Management fee | 4 | (307,633) | (333,716) |
| Trustee fee | 5 | (16,412) | (17,804) |
| Fund accounting fee | 6 | (3,600) | - |
| Auditors' remuneration | | (3,770) | (3,781) |
| Tax agent's fee | | (2,099) | - |
| Transaction costs | | (163,921) | (127,616) |
| Other expenses | | (49,550) | (14,173) |
| | | <u>(546,985)</u> | <u>(497,090)</u> |
| NET PROFIT/(LOSS) BEFORE TAXATION | | 25,187 | (6,648,664) |
| Taxation | 7 | - | - |
| NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD | | <u>25,187</u> | <u>(6,648,664)</u> |
| Net profit/(loss) after taxation is made up of the following: | | | |
| Realised amount | | 402,555 | 1,054,436 |
| Unrealised amount | | (377,368) | (7,703,100) |
| | | <u>25,187</u> | <u>(6,648,664)</u> |

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

| | <u>Note</u> | <u>2023</u> RM | <u>2022</u> RM |
|---|-------------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 10 | 1,939,167 | 4,430,514 |
| Amount due from brokers | | 679,059 | - |
| Dividend receivables | | 42,666 | 43,310 |
| Financial assets at fair value through profit or loss | 9 | 37,819,742 | 36,970,839 |
| TOTAL ASSETS | | <u>40,480,634</u> | <u>41,444,663</u> |
| LIABILITIES | | | |
| Amount due to broker | | - | 185,138 |
| Amount due to Manager | | | |
| - management fee | | 51,787 | 51,928 |
| - cancellation of units | | 59,018 | - |
| Amount due to Trustee | | 2,762 | 2,770 |
| Fund accounting fee | | 600 | - |
| Auditors' remuneration | | 3,770 | 3,781 |
| Tax agent's fee | | 7,039 | 9,320 |
| Other payables and accruals | | 556 | 4,252 |
| TOTAL LIABILITIES | | <u>125,532</u> | <u>257,189</u> |
| NET ASSET VALUE OF THE FUND | | <u>40,355,102</u> | <u>41,187,474</u> |
| EQUITY | | | |
| Unitholders' capital | | 68,450,388 | 70,891,247 |
| Accumulated losses | | (28,095,286) | (29,703,773) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | <u>40,355,102</u> | <u>41,187,474</u> |
| NUMBER OF UNITS IN CIRCULATION | 11 | <u>63,309,000</u> | <u>67,010,000</u> |
| NET ASSET VALUE PER UNIT (RM) | | <u>0.6374</u> | <u>0.6146</u> |

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

| | Unitholders' <u>capital</u> RM | Accumulated <u>losses</u> RM | <u>Total</u> RM |
|---|--------------------------------------|------------------------------------|--------------------|
| Balance as at 1 May 2023 | 69,276,658 | (27,252,688) | 42,023,970 |
| Total comprehensive loss for the financial period | - | 25,187 | 25,187 |
| Distribution (Note 8) | - | (867,785) | (867,785) |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | 223,011 | - | 223,011 |
| Creation of units arising from distribution | 867,785 | - | 867,785 |
| Cancellation of units | (1,917,066) | - | (1,917,066) |
| Balance as at 31 October 2023 | <u>68,450,388</u> | <u>(28,095,286)</u> | <u>40,355,102</u> |
| Balance as at 1 May 2022 | 74,307,145 | (23,055,109) | 51,252,036 |
| Total comprehensive loss for the financial period | - | (6,648,664) | (6,648,664) |
| Movement in unitholders' capital: | | | |
| Creation of units | 204,198 | - | 204,198 |
| Cancellation of units | (3,620,096) | - | (3,620,096) |
| Balance as at 31 October 2022 | <u>70,891,247</u> | <u>(29,703,773)</u> | <u>41,187,474</u> |

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

| | 6 months financial period ended <u>31.10.2023</u> RM | 6 months financial period ended <u>31.10.2022</u> RM |
|---|--|--|
| | <u>Note</u> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from sale of investments | 20,198,221 | 17,928,018 |
| Purchase of investments | (20,935,827) | (12,535,706) |
| Dividend received | 730,408 | 668,107 |
| Interest received | 46,394 | 71,974 |
| Management fee paid | (308,499) | (345,276) |
| Trustee fee paid | (16,458) | (18,420) |
| Fund accounting fee paid | (3,000) | - |
| Payment for other fees and expenses | (230,409) | (156,045) |
| | <hr/> | <hr/> |
| Net cash flows (used in)/generated from operating activities | (519,170) | 5,612,652 |
| | <hr/> | <hr/> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from creation of units | 223,011 | 204,198 |
| Payments for cancellation of units | (1,869,771) | (3,687,939) |
| | <hr/> | <hr/> |
| Net cash flows used in financing activities | (1,646,760) | (3,483,741) |
| | <hr/> | <hr/> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (2,165,930) | 2,128,911 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 4,105,097 | 2,301,603 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 10 1,939,167 | 4,430,514 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

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 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 K.

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘Onerous contracts - cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

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

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 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 period (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.

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective: (continued)

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.

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

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

C TRANSACTION COSTS

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

D TAXATION

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

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

**AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)**

E 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 financial year in which it is approved by the Trustee of the Fund.

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 ("RM"), which is the Fund's functional and presentation currency.

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 fair value through other comprehensive income.

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

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

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

(ii) Recognition and measurement

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

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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.

Gain or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category is 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.

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

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

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

(iii) Impairment

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

Significant increase in credit risk

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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 period.

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 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 AMOUNTS DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note 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 broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

J UNITHOLDERS' CAPITAL

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

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

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

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

K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

L REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

**AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023**

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name of Amanah Saham PHB (the “Fund”) pursuant to the execution of a Principal Deed dated 15 April 1993, a First Supplemental Deed dated 4 May 1994, a Second Supplemental Deed dated 1 October 1996, a Third Supplemental deed dated 1 October 1996, a Supplemental Deed dated 18 November 1998, Second Supplemental Deed dated 31 May 2002, Third Supplemental Deed dated 23 August 2007, Fourth Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 22 July 2014, Sixth Supplemental Deed dated 27 July 2015, Seventh Supplemental Deed dated 5 October 2018 and Eighth Supplemental Deed dated 10 January 2023 (the “Deeds”) entered into between AHAM Asset Management Berhad (the “Manager”) and Maybank Trustees Berhad (the “Trustee”). The Fund, under a Second Supplemental Deed dated 31 May 2002, was later renamed to Affin Equity Fund, changed its pricing policy to forward pricing and replaced units certificates with statements, from Affin Equity Fund to Affin Hwang Equity Fund as amended by the Fifth Supplemental Deed dated 22 July 2014 and Affin Hwang Equity Fund to AHAM Equity Fund as amended by the Eighth Supplemental Deed dated 10 January 2023.

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

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

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

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. On 10 November 2022, the Manager has changed its name from Affin Hwang Asset Management Berhad to AHAM Asset Management Berhad.

The financial statements were authorised for issue by the Manager on 15 December 2023.

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

| | <u>Note</u> | At amortised cost RM | At fair value through profit or loss RM | <u>Total</u> RM |
|------------------------------|-------------|-------------------------------|--|--------------------|
| <u>2023</u> | | | | |
| <u>Financial asset</u> | | | | |
| Cash and cash equivalents | 10 | 1,939,167 | - | 1,939,167 |
| Amount due from broker | | 679,059 | - | 679,059 |
| Dividend receivables | | 42,666 | - | 42,666 |
| Quoted equities | 9 | - | 37,819,742 | 37,819,742 |
| Total | | <u>2,660,892</u> | <u>37,819,742</u> | <u>40,480,634</u> |
| <u>Financial liabilities</u> | | | | |
| Amount due to Manager | | | | |
| - management fee | | 51,787 | - | 51,787 |
| - cancellation of units | | 59,018 | - | 59,018 |
| Amount due to Trustee | | 2,762 | - | 2,762 |
| Fund accounting fee | | 600 | - | 600 |
| Auditor's remuneration | | 3,770 | - | 3,770 |
| Tax agent's fee | | 7,039 | - | 7,039 |
| Other payables and accruals | | 556 | - | 556 |
| | | <u>125,532</u> | <u>-</u> | <u>125,532</u> |
| <u>2022</u> | | | | |
| <u>Financial asset</u> | | | | |
| Cash and cash equivalents | 10 | 4,430,514 | - | 4,430,514 |
| Dividend receivables | | 43,310 | - | 43,310 |
| Quoted equities | 9 | - | 36,970,839 | 36,970,839 |
| Total | | <u>4,473,824</u> | <u>36,970,839</u> | <u>41,444,663</u> |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

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

| <u>Note</u> | At amortised <u>cost</u> RM | At fair value through <u>profit or loss</u> RM | <u>Total</u> RM |
|---|--------------------------------------|---|--------------------|
| <u>2022</u> (continued) | | | |
| <u>Financial liabilities</u> | | | |
| Amount due to broker | 185,138 | - | 185,138 |
| Amount due to Manager - management fee | 51,928 | - | 51,928 |
| Amount due to Trustee | 2,770 | - | 2,770 |
| Auditor's remuneration | 3,781 | - | 3,781 |
| Tax agent's fee | 9,320 | - | 9,320 |
| Other payables and accruals | 4,252 | - | 4,252 |
| | <u>257,189</u> | <u>-</u> | <u>257,189</u> |

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

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

Market risk

(a) Price risk

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

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

| | <u>2023</u> RM | <u>2022</u> RM |
|---------------------------|-------------------|-------------------|
| Quoted investments | | |
| Quoted equities | <u>37,819,742</u> | <u>36,970,839</u> |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 15% (2022: 4%) and decreased by 15% (2022: 4%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

| <u>% Change in price</u> | <u>Market value</u> RM | Impact on profit/(loss) after tax/ <u>NAV</u> RM |
|--------------------------|-----------------------------|--|
| <u>2023</u> | | |
| -15% | 32,146,781 | (5,672,961) |
| 0% | 37,819,742 | - |
| +15% | 43,492,703 | 5,672,961 |
| | <u> </u> | <u> </u> |
| <u>2022</u> | | |
| -4% | 35,492,005 | (1,478,834) |
| 0% | 36,970,839 | - |
| +4% | 38,449,673 | 1,478,834 |
| | <u> </u> | <u> </u> |

(b) Interest rate risk

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

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

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

Credit risk

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

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

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

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

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

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

| | <u>Cash and cash equivalents</u> RM | <u>Amount due from brokers</u> RM | <u>Dividend receivables</u> RM | <u>Total</u> RM |
|--------------------|--|--|---------------------------------------|--------------------|
| <u>2023</u> | | | | |
| Financial Services | | | | |
| - AAA | 1,939,167 | - | - | 1,939,167 |
| Others | | | | |
| - NR | - | 679,059 | 42,666 | 721,725 |
| | <u>1,939,167</u> | <u>679,059</u> | <u>42,666</u> | <u>2,660,892</u> |
| <u>2022</u> | | | | |
| Financial Services | | | | |
| - AAA | 4,430,514 | - | - | 4,430,514 |
| Others | | | | |
| - NR | - | - | 43,310 | 43,310 |
| | <u>4,430,514</u> | <u>-</u> | <u>43,310</u> | <u>4,473,824</u> |

AHAM EQUITY FUND
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NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

Liquidity risk

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

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

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

| | <u>Within one month</u> RM | <u>Between one month to one year</u> RM | <u>Total</u> RM |
|-----------------------------|-----------------------------------|--|--------------------|
| <u>2023</u> | | | |
| Amount due to Manager | | | |
| - management fee | 51,787 | - | 51,787 |
| - cancellation of units | 59,018 | - | 59,018 |
| Amount due to Trustee | 2,762 | - | 2,762 |
| Fund accounting fee | 600 | - | 600 |
| Auditors' remuneration | - | 3,770 | 3,770 |
| Tax agent's fee | - | 7,039 | 7,039 |
| Other payables and accruals | - | 556 | 556 |
| | <u>114,167</u> | <u>11,365</u> | <u>125,532</u> |
| <u>2022</u> | | | |
| Amount due to broker | 185,138 | - | 185,138 |
| Amount due to Manager | | | |
| - management fee | 51,928 | - | 51,928 |
| Amount due to Trustee | 2,770 | - | 2,770 |
| Auditors' remuneration | - | 3,781 | 3,781 |
| Tax agent's fee | - | 9,320 | 9,320 |
| Other payables and accruals | - | 4,252 | 4,252 |
| | <u>239,836</u> | <u>17,353</u> | <u>257,189</u> |

Capital risk

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

| | <u>Level 1</u> RM | <u>Level 2</u> RM | <u>Level 3</u> RM | <u>Total</u> RM |
|---|----------------------|----------------------|----------------------|--------------------|
| <u>2023</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - quoted equities | 37,819,742 | - | - | 37,819,742 |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

| | <u>Level 1</u> RM | <u>Level 2</u> RM | <u>Level 3</u> RM | <u>Total</u> RM |
|---|----------------------|----------------------|----------------------|--------------------|
| <u>2022</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - quoted equities | 36,970,839 | - | - | 36,970,839 |

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

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

4 MANAGEMENT FEE

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

For 6 months financial period ended 31 October 2023, the management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum based on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

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

For the 6 months financial period ended 31 October 2023, the Trustee fee is recognised at a rate of 0.08% (2022: 0.08%) per annum based on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund is RM3,600 (2022: RM Nil) for the financial period.

7 TAXATION

| | 6 months financial period ended <u>31.10.2023</u> RM | 6 months financial period ended <u>31.10.2022</u> RM |
|--------------------------|--|--|
| Current taxation - local | - | - |

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

| | 6 months financial period ended <u>31.10.2023</u> | 6 months financial period ended <u>31.10.2022</u> |
|--|--|--|
| Net profit/(loss) before taxation | 25,187 | (6,648,664) |
| Tax at Malaysian statutory tax rate of 24% (2022: 24%) | 6,045 | (1,595,679) |
| Tax effect of: | | |
| (Investment income not subject to tax)/ | | |
| Investment loss not brought to tax | (137,321) | 1,476,378 |
| Expenses not deductible for tax purposes | 56,539 | 38,302 |
| Restrictions on tax deductible expenses for Unit Trust Funds | 74,737 | 80,999 |
| Tax expense | - | - |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

8 DISTRIBUTION

| | 6 months financial period ended <u>31.10.2023</u> RM | 6 months financial period ended <u>31.10.2022</u> RM |
|--|--|--|
| Distribution to unitholders is from the following sources: | | |
| Previous year's realised income | 745,293 | - |
| Dividend income | 209,271 | - |
| | <hr/> | <hr/> |
| Expenses | 954,564 (86,779) | - - |
| | <hr/> | <hr/> |
| | <u>867,785</u> | <u>-</u> |
| Gross/Net distribution per unit (sen) | <u>1.37</u> | <u>-</u> |
| Ex-date | <u>20.7.2023</u> | <u>-</u> |

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Included in distribution for the financial period is an amount of RM745,293 (2022: RM Nil) made from previous year's realised income.

The Fund has incurred an unrealised loss of RM377,368 (2022: RM7,703,100) for the 6 months financial period ended 31 October 2023.

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

| | <u>2023</u> RM | <u>2022</u> RM |
|---|-------------------|-------------------|
| Financial assets at fair value through profit or loss: | | |
| - quoted equities – local | 37,819,742 | 36,970,839 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net loss on financial assets at fair value through profit or loss | | |
| - realised gain on sale of investments | 173,680 | 838,389 |
| - unrealised loss on changes in fair value | (377,368) | (7,703,100) |
| | <hr/> <hr/> | <hr/> <hr/> |
| | (203,688) | (6,864,711) |

(a) Quoted equities – local

(i) Quoted equities – local as at 31 October 2023 are as follows:

| <u>Name of counters</u> | <u>Quantity</u> | <u>Aggregate cost</u> RM | <u>Fair value</u> RM | <u>Percentage of NAV</u> % |
|---|-----------------|-----------------------------|-------------------------|-------------------------------|
| <u>Construction</u> | | | | |
| IJM Corporation Bhd | 244,500 | 430,145 | 464,550 | 1.15 |
| <u>Consumer Products & Services</u> | | | | |
| Hong Leong Industries Bhd | 92,300 | 656,784 | 830,700 | 2.06 |
| Lee Swee Kiat Group Bhd | 1,049,600 | 787,200 | 787,200 | 1.95 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,141,900 | 1,443,984 | 1,617,900 | 4.01 |
| <u>Energy</u> | | | | |
| Dayang Enterprise Hldgs Bhd | 422,300 | 563,070 | 781,255 | 1.94 |
| Dialog Group Bhd | 339,900 | 675,821 | 727,386 | 1.80 |
| Icon Offshore Bhd | 6,791,000 | 628,502 | 780,965 | 1.93 |
| Wasco Bhd | 794,700 | 501,726 | 770,859 | 1.91 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 8,347,900 | 2,369,119 | 3,060,465 | 7.58 |
| <u>Financial Services</u> | | | | |
| Aeon Credit Service M Bhd | 69,800 | 1,085,346 | 791,532 | 1.96 |
| CIMB Group Holdings Bhd | 213,952 | 1,093,202 | 1,219,526 | 3.02 |
| Hong Leong Bank Bhd | 40,900 | 795,991 | 793,460 | 1.97 |
| Malayan Banking Bhd | 137,949 | 1,180,489 | 1,240,162 | 3.07 |
| RHB Bank Bhd | 144,887 | 816,491 | 808,469 | 2.01 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 607,488 | 4,971,519 | 4,853,149 | 12.03 |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 October 2023 are as follows: (continued)

| <u>Name of counters</u> | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|---|------------------|----------------------------------|------------------------------|------------------------------------|
| <u>Healthcare</u> | | | | |
| DC Healthcare Holdings Berhad | 3,161,800 | 1,462,273 | 1,644,136 | 4.07 |
| Hartalega Holdings Bhd | 405,600 | 784,132 | 831,480 | 2.06 |
| Kossan Rubber Industries Bhd | 587,700 | 801,396 | 793,395 | 1.97 |
| KPJ Healthcare Berhad | 1,152,000 | 1,346,587 | 1,463,040 | 3.63 |
| Top Glove Corp Bhd | 1,025,600 | 869,995 | 738,432 | 1.83 |
| | <u>6,332,700</u> | <u>5,264,383</u> | <u>5,470,483</u> | <u>13.56</u> |
| <u>Industrial Products & Services</u> | | | | |
| Ancom Nylex Bhd | 749,200 | 919,288 | 891,548 | 2.21 |
| Aurelius Technologies Bhd | 314,400 | 732,164 | 789,144 | 1.96 |
| EG Industries Berhad | 727,700 | 1,168,656 | 1,026,057 | 2.54 |
| Malayan Cement Berhad | 111,800 | 325,712 | 404,716 | 1.00 |
| Nextgreen Global Bhd | 992,100 | 1,001,445 | 917,692 | 2.27 |
| Pekati Group Berhad | 2,175,900 | 994,307 | 902,999 | 2.24 |
| Press Metal Aluminium Hldg Bhd | 165,300 | 883,069 | 806,664 | 2.00 |
| Scientex Bhd | 229,000 | 332,590 | 835,850 | 2.07 |
| SKP Resources Bhd | 304,250 | 385,485 | 238,836 | 0.59 |
| V.S. Industry Bhd | 838,200 | 783,429 | 741,807 | 1.84 |
| | <u>6,607,850</u> | <u>7,526,145</u> | <u>7,555,313</u> | <u>18.72</u> |
| <u>Plantation</u> | | | | |
| Kuala Lumpur Kepong Bhd | 36,600 | 882,625 | 802,272 | 1.99 |
| Sime Darby Plantation Bhd | 145,500 | 647,529 | 630,015 | 1.56 |
| | <u>182,100</u> | <u>1,530,154</u> | <u>1,432,287</u> | <u>3.55</u> |
| <u>Property</u> | | | | |
| Eco World Development Grp Bhd | 814,200 | 461,331 | 814,200 | 2.02 |
| Ewein Berhad | 148,900 | 172,341 | 163,790 | 0.40 |
| | <u>963,100</u> | <u>633,672</u> | <u>977,990</u> | <u>2.42</u> |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 31 October 2023 are as follows: (continued)

| <u>Name of counters</u> | <u>Quantity</u> | <u>Aggregate cost RM</u> | <u>Fair value RM</u> | <u>Percentage of NAV %</u> |
|---|-----------------|----------------------------------|------------------------------|------------------------------------|
| <u>Real Estate Investment Trust</u> | | | | |
| Atrium Real Estate InvestTrust | 626,300 | 876,820 | 870,557 | 2.16 |
| <u>Technology</u> | | | | |
| Aimflex Berhad | 5,196,000 | 1,037,551 | 909,300 | 2.25 |
| Frontken Corp Bhd | 253,000 | 823,297 | 802,010 | 1.99 |
| Genetec Technology Bhd | 411,500 | 1,067,145 | 971,140 | 2.41 |
| Globetronics Technology Berhad | 291,200 | 437,105 | 413,504 | 1.03 |
| Inari Amertron Bhd | 419,900 | 1,300,596 | 1,188,317 | 2.94 |
| ITMAX SYSTEM Bhd | 734,800 | 1,159,924 | 1,307,944 | 3.24 |
| JHM Consolidation Bhd | 533,500 | 437,661 | 389,455 | 0.97 |
| Malaysian Pac Industries Bhd | 28,000 | 807,492 | 720,160 | 1.78 |
| TT Vision Holdings Berhad | 349,200 | 418,735 | 342,216 | 0.85 |
| | 8,217,100 | 7,489,506 | 7,044,046 | 17.46 |
| <u>Telecommunication & Media</u> | | | | |
| Catcha Digital Berhad | 949,100 | 514,975 | 412,859 | 1.02 |
| Telekom Malaysia Bhd | 162,400 | 823,076 | 818,496 | 2.03 |
| TIME dotCom Berhad | 149,700 | 509,000 | 791,913 | 1.96 |
| | 1,261,200 | 1,847,051 | 2,023,268 | 5.01 |
| <u>Utilities</u> | | | | |
| Tenaga Nasional Bhd | 248,200 | 2,365,420 | 2,449,734 | 6.07 |
| Total quoted equities – local | 34,780,338 | 36,747,918 | 37,819,742 | 93.72 |
| Accumulated unrealised loss on quoted equities – local | | 1,071,824 | | |
| Total quoted equities – local | | 37,819,742 | | |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

(a) Quoted equities – local (continued)

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

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

(a) Quoted equities – local (continued)

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

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

(a) Quoted equities – local (continued)

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

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

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

10 CASH AND CASH EQUIVALENTS

| | <u>2023</u> RM | <u>2022</u> RM |
|---|-------------------|-------------------|
| Cash and bank balances | 12,905 | 79,361 |
| Deposits with licensed financial institutions | 1,926,262 | 4,351,153 |
| | <u>1,939,167</u> | <u>4,430,514</u> |

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

| | <u>2023</u> % | <u>2022</u> % |
|---|------------------|------------------|
| Deposits with licensed financial institutions | <u>3.00</u> | <u>2.50</u> |

Deposits with licensed financial institutions have an average maturity period of 1 day (2022: 1 day).

11 NUMBER OF UNITS IN CIRCULATION

| | <u>2023</u> No. of unit | <u>2022</u> No. of unit |
|---|----------------------------|----------------------------|
| At beginning of the financial period | 64,589,000 | 72,421,000 |
| Creation of units arising from applications | 349,000 | 329,000 |
| Creation of units arising from distribution | 1,386,903 | - |
| Cancellation of units | (3,015,903) | (5,740,000) |
| At end of the financial period | <u>63,309,000</u> | <u>67,010,000</u> |

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

12 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top 10 brokers for the 6 months financial period ended 31 October 2023 are as follows:

| <u>Name of brokers</u> | <u>Value of trade</u> RM | Percentage of total <u>trade</u> % | Brokerage <u>fees</u> RM | Percentage of total <u>brokerage</u> % |
|---|-----------------------------|---|--------------------------------|---|
| Affin Hwang Investment Bank Bhd # | 6,223,420 | 14.89 | 24,357 | 14.86 |
| UOB Kay Hian Securities (M) Sdn Bhd | 5,513,100 | 13.19 | 21,394 | 13.05 |
| Malayan Banking Berhad | 4,793,874 | 11.47 | 18,837 | 11.49 |
| Public Investment Bank Berhad | 3,985,620 | 9.53 | 16,213 | 9.89 |
| Hong Leong Investment Bank Berhad | 3,638,184 | 8.70 | 14,556 | 8.88 |
| RHB Investment Bank Berhad | 3,284,540 | 7.85 | 13,115 | 8.00 |
| J.P. Morgan Securities (Malaysia) Sdn Bhd | 2,490,787 | 5.96 | 9,876 | 6.02 |
| Macquarie Capital Securities (Malaysia) Sdn. Bhd. | 2,382,630 | 5.70 | 9,261 | 5.65 |
| Kenanga Investment Bank Berhad | 2,105,568 | 5.04 | 8,534 | 5.21 |
| CGS – Cimb Securities Sdn. Bhd | 1,537,773 | 3.68 | 6,065 | 3.70 |
| Others | 5,849,581 | 13.99 | 21,713 | 13.25 |
| | <u>41,805,077</u> | <u>100.00</u> | <u>163,921</u> | <u>100.00</u> |

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

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

**AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)**

**NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)**

12 TRANSACTIONS WITH BROKERS (CONTINUED)

Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, the former immediate holding company of the Manager amounting to RM6,223,420 (2022: RM5,450,553). The Manager is of the opinion that the transactions with the former immediate holding company have been entered in the normal course of business to at agreed terms between the related parties.

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") | Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager |
| Affin Bank Berhad ("ABB") | Former penultimate holding company of the Manager |
| Affin Hwang Investment Bank Berhad | Former 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 EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

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

| | <u>2023</u> | | <u>2022</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) | 10,705 | 6,823 | 2,221 | 1,365 |

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

14 TOTAL EXPENSE RATIO (“TER”)

| | 6 months financial period ended <u>31.10.2023</u> % | 6 months financial period ended <u>31.10.2022</u> % |
|-----|---|---|
| TER | 0.93 | 0.99 |

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 fee
- 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 Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM40,803,971 (2022: RM44,142,640).

AHAM EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023 (CONTINUED)

15 PORTFOLIO TURNOVER RATIO (“PTR”)

| | 6 months financial period ended <u>31.10.2023</u> | 6 months financial period ended <u>31.10.2022</u> |
|-------------|--|--|
| PTR (times) | <u>0.51</u> | <u>0.34</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 = RM20,935,827 (2022: RM12,720,844)
total disposal for the financial period = RM20,703,600 (2022: RM17,089,629)

16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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 EQUITY FUND
(FORMERLY KNOWN AS AFFIN HWANG EQUITY FUND)**

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 31 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 31 October 2023 in accordance with the Malaysian Financial Reporting Standards, 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
15 December 2023

DIRECTORY OF SALES OFFICE

HEAD OFFICE

AHAM Asset Management Berhad
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