

SEMI-ANNUAL REPORT
31 October 2023

AHAM
New China Tracker
Fund
(Formerly known as
Affin Hwang New
China Tracker Fund)

MANAGER
AHAM Asset Management Berhad
*(Formerly known as Affin Hwang Asset
Management Berhad)*
199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
(200301008392 [610812-W])

**AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 New China Tracker Fund
Fund Type	Growth
Fund Category	Feeder fund
Investment Objective	The Fund aims to provide investors with investment results that closely correspond to the performance of the benchmark
Benchmark	S&P New China Sectors Ex A-Shares Index
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate

FUND PERFORMANCE DATA

Category	As at 31 Oct 2023 (%)	As at 31 Oct 2022 (%)	As at 31 Oct 2021 (%)
Portfolio composition			
Collective investment scheme - local	96.93	92.53	95.03
Cash & cash equivalent	3.07	7.47	4.97
Total	100.00	100.00	100.00
Total NAV (RM'million)	28.064	23.711	31.174
NAV per Unit (RM)	0.3046	0.2488	0.4319
Unit in Circulation (million)	92.125	95.318	72.171
Highest NAV	0.3447	0.3697	0.5241
Lowest NAV	0.2990	0.2488	0.4074
Return of the Fund (%)	-2.68	-23.75	-16.83
- Capital Growth (%)	-2.68	-23.75	-16.83
- Income Distribution (%)	Nil	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expense Ratio (%) ¹	0.31	0.29	0.27
Portfolio Turnover Ratio (times) ²	0.05	0.02	0.26

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

¹ The TER of the Fund decreased due to lower average NAV of the fund during the financial period under review.

² The PTR of the fund was higher due to increased trading activities of the Fund during the financial period under review.

Income Distribution / Unit Split

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

Fund Performance

Table 1: Performance of the Fund

	6 Months (1/5/23 - 31/10/23)	1 Year (1/11/22 - 31/10/23)	Since Commencement (9/12/20 - 31/10/23)
Fund	(2.68%)	22.43%	(39.08%)
Benchmark	(4.26%)	23.30%	(41.83%)
Outperformance	1.58%	(0.87%)	2.75%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/11/22 - 31/10/23)	Since Commencement (9/12/20 - 31/10/23)
Fund	22.43%	(15.73%)
Benchmark	23.30%	(17.06%)
Outperformance	(0.87%)	1.33%

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 (9/12/20 - 30/4/21)
Fund	(4.08%)	(37.17%)	3.86%
Benchmark	(4.93%)	(39.07%)	4.89%
Outperformance	0.85%	1.90%	(1.03%)

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.

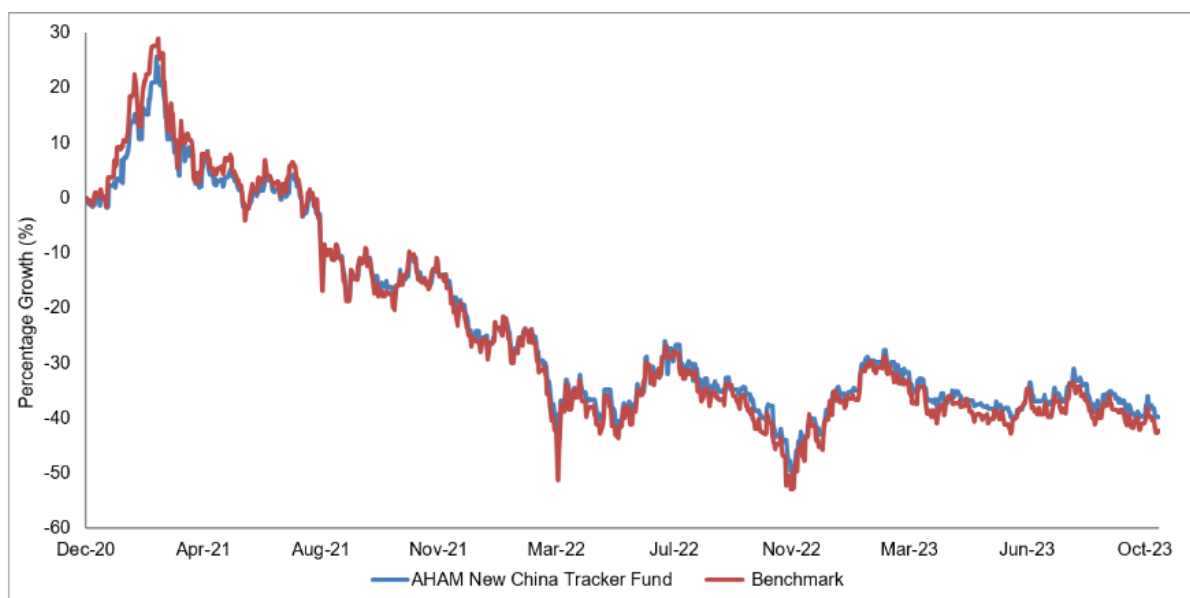
MANAGER'S REPORT

Performance Review (1 May 2023 to 31 October 2023)

For the period 1 May 2023 to 31 October 2023, the Fund registered a -2.68% return compared to the benchmark return of -4.26%. The Fund thus outperformed the Benchmark by 1.58%. The Net Asset Value per unit ("NAV") of the Fund as at 31 October 2023 was MYR0.3046 while the NAV as at 30 April 2023 was MYR0.3130.

Since commencement, the Fund has registered a return of -39.08% compared to the benchmark return of -41.83%, outperforming by 2.75%.

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. Source of Benchmark is from Bloomberg."
Benchmark: S&P New China Sectors Ex A-Shares Index

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 Fund's exposure into the collective investment scheme stood at 96.93% of the Fund's NAV and the remaining in cash and cash equivalent.

Target Fund top 10 Holdings as at 31 October 2023

Holdings	Percentage of Target Fund's NAV (%)
Alibaba Group Holding Ltd	9.92
Tencent Holdings Ltd	8.96
AIA Group Ltd	8.87
Meituan	6.90
PDD Holdings Inc	5.68
NetEase Inc	4.18
Ping An Insurance Grp Co China	3.43
JD.com Inc	3.13

Baidu Inc	3.08
BYD Co Ltd	2.86
Total	57.01

Target Fund top 10 Holdings as at 31 October 2022

Holdings	Percentage of Target Fund's NAV (%)
AIA Group Ltd	11.49
Alibaba Group Holding Ltd	8.93
Meituan	8.56
Tencent Holdings Ltd	8.30
JD.com Inc	5.15
Ping An Insurance Grp Co China	3.62
NetEase Inc	3.30
Baidu Inc	3.17
Pinduoduo Inc	2.85
BYD Co Ltd	2.35
Total	57.72

Strategies Employed

The Manager continues to hold the flexibility to invest into a range of asset classes depending on the prevailing market conditions.

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 period under review, no soft commission was received by the Manager on behalf of the Fund.

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 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 NEW CHINA TRACKER FUND (FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 period 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 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.

For
TMF Trustees Malaysia Berhad

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

15 December 2023

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 OCTOBER 2023

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AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 LOSS			
Interest income from financial assets at amortised cost		4,949	19,747
Net gain on foreign currency exchange		140	1,142
Net loss on financial asset at fair value through profit or loss	8	(663,477)	(7,340,536)
		<u>(658,388)</u>	<u>(7,319,647)</u>
EXPENSES			
Management fee	4	(74,271)	(76,694)
Trustee fee	5	(4,462)	(4,603)
Fund accounting fee	6	(6,000)	-
Auditors' remuneration		(3,855)	(3,921)
Tax agent's fee		(1,800)	(1,829)
Transaction costs		(2,152)	(1,388)
Other expenses		(442)	(1,729)
		<u>(92,982)</u>	<u>(90,164)</u>
NET LOSS BEFORE TAXATION		(751,370)	(7,409,811)
Taxation	7	-	-
NET LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(751,370)</u>	<u>(7,409,811)</u>
Net loss after taxation is made up of the following:			
Realised amount		(939,407)	(87,311)
Unrealised amount		188,037	(7,322,500)
		<u>(751,370)</u>	<u>(7,409,811)</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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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	9	883,286	1,782,979
Amount due from Manager			
- creation of units		-	-
- management fee rebate receivable		11,650	10,775
Financial asset at fair value through profit or loss	8	27,202,860	21,938,920
TOTAL ASSETS		<u>28,097,796</u>	<u>23,732,674</u>
LIABILITIES			
Amount due to Manager			
- management fee		11,910	11,517
- cancellation of units		9,520	2,777
Amount due to Trustee		714	691
Fund accounting fee		1,000	-
Auditors' remuneration		3,855	3,921
Tax agent's fee		5,300	1,829
Other payable and accruals		1,884	978
TOTAL LIABILITIES		<u>34,183</u>	<u>21,713</u>
NET ASSET VALUE OF THE FUND		<u>28,063,613</u>	<u>23,710,961</u>
EQUITY			
Unitholders' capital		43,746,920	44,736,994
Accumulated losses		(15,683,307)	(21,026,033)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>28,063,613</u>	<u>23,710,961</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>92,125,000</u>	<u>95,318,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.3046</u>	<u>0.2488</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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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	45,272,609	(14,931,937)	30,340,672
Total comprehensive loss for the financial period	-	(751,370)	(751,370)
Movement in unitholders' capital:			
Creation of units arising from applications	501,957	-	501,957
Cancellation of units	(2,027,646)	-	(2,027,646)
Balance as at 31 October 2023	<u>43,746,920</u>	<u>(15,683,307)</u>	<u>28,063,613</u>
Balance as at 1 May 2022	44,099,613	(13,616,222)	30,483,391
Total comprehensive loss for the financial period	-	(7,409,811)	(7,409,811)
Movement in unitholders' capital:			
Creation of units arising from applications	873,203	-	873,203
Cancellation of units	(235,822)	-	(235,822)
Balance as at 31 October 2022	<u>44,736,994</u>	<u>(21,026,033)</u>	<u>23,710,961</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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS
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
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,956,603	287,784
Purchase of investments		-	(973,908)
Interest received		4,949	19,747
Management fee rebate received		74,248	72,647
Management fee paid		(75,022)	(77,315)
Fund accounting fee		(5,000)	-
Trustee fee paid		(4,508)	(4,640)
Payment for other fees and expenses		(11,209)	(2,139)
Net cash flows generated from/(used in) operating activities		<u>1,940,061</u>	<u>(677,824)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		505,075	885,507
Payments for cancellation of units		(2,018,126)	(233,045)
Net cash flows (used in)/generated from financing activities		<u>(1,513,051)</u>	<u>652,462</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		427,010	(25,362)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		140	1,142
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>456,136</u>	<u>1,807,199</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u><u>883,286</u></u>	<u><u>1,782,979</u></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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 J.

(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 is not expected to 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 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.

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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

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 exchange-traded funds (“ETF”), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose of financial assets or financial 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 profits earned during the financial period.

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.

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

F FOREIGN CURRENCY TRANSLATION

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in 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 fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely payment 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.

Investment in ETF have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets 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 for 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 NEW CHINA TRACKER FUND
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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.

Gains 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.

Investment in ETF are valued at the last published NAV per unit at the date of statement of financial position.

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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 reorganisation
- 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 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 change in value.

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

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 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 the 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.

J 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 impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

However, the Manager is of the opinion that 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.

K REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 Affin Hwang New China Tracker Fund (the “Fund”) pursuant to the execution of a Deed dated 15 May 2020 and First Supplemental Deed dated 10 January 2023 (the “Deeds”) AHAM Asset Management Berhad (the “Manager”) and TMF Trustees Malaysia Berhad (the “Trustee”). The Fund has changed its name from name Affin Hwang New China Tracker Fund to AHAM New China Tracker Fund as amended in the First Supplemental Deed dated 10 January 2023.

The Fund commenced operations on 9 December 2020 and will continue its operations until terminated by the Trustee as provided under Section 12.3 of the Deed.

The Fund may invest in the following permitted investments:

- (i) Units/shares in a collective investment schemes;
- (ii) Money market instruments;
- (iii) Deposits;
- (iv) Derivatives; and
- (v) Any other investments 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 investment results that closely correspond to the performance of the benchmark, S&P New China Sectors Ex A-Shares Index.

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 NEW CHINA TRACKER 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

Financial instruments of the Fund 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>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	883,286	-	883,286
Amount due from Manager				
- management fee rebate receivable		11,650	-	11,650
Exchange-traded fund	8	-	27,202,860	27,202,860
Total		<u>894,936</u>	<u>27,202,860</u>	<u>28,097,796</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		11,910	-	11,910
- creation of units		9,520	-	9,520
Amount due to Trustee		714	-	714
Fund accounting fee		1,000	-	1,000
Auditors' remuneration		3,855	-	3,855
Tax agent's fee		5,300	-	5,300
Other payables and accruals		1,884	-	1,884
Total		<u>34,183</u>	<u>-</u>	<u>34,183</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,782,979	-	1,782,979
Amount due from Manager				
- management fee rebate receivable		10,775	-	10,775
Exchange-traded fund	8	-	21,938,920	21,938,920
Total		<u>1,793,754</u>	<u>21,938,920</u>	<u>23,732,674</u>

AHAM NEW CHINA TRACKER 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)

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 Manager			
- management fee	11,517	-	11,517
- creation of units	2,777	-	2,777
Amount due to Trustee	691	-	691
Auditors' remuneration	3,921	-	3,921
Tax agent's fee	1,829	-	1,829
Other payables and accruals	978	-	978
Total	<u>21,713</u>	<u>-</u>	<u>21,713</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 the SC's Guidelines on Unit Trust Funds.

Market risk

(a) Price risk

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

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

	<u>2023</u> RM	<u>2022</u> RM
Quoted investment		
Exchange-traded fund	<u>27,202,860</u>	<u>21,938,920</u>

The following table summarises the sensitivity of the Fund's loss after taxation and net asset value to price risk movement. 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.

AHAM NEW CHINA TRACKER 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)

Market risk (continued)

(a) Price risk (continued)

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

<u>% Change in price</u>	<u>Market value</u> RM	Impact on loss after <u>tax/NAV</u> RM
<u>2023</u>		
-15%	23,122,431	(4,080,429)
0%	27,202,860	-
+15%	31,283,289	4,080,429
	<u><u> </u></u>	<u><u> </u></u>
<u>2022</u>		
-4%	21,061,363	(877,557)
0%	21,938,920	-
+4%	22,816,477	877,557
	<u><u> </u></u>	<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 future 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 is not material as the deposits are held on a short term basis.

AHAM NEW CHINA TRACKER 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)

Market risk (continued)

(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.

	Cash and cash equivalents RM	Total RM
<u>2023</u>		
<u>Financial assets</u>		
Hong Kong Dollar	-	-
<u>2022</u>		
<u>Financial assets</u>		
Hong Kong Dollar	14,530	14,530

The table below summarises the sensitivity of the Fund's loss after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 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 increase/(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 rate %	Impact on loss after tax/NAV RM
<u>2023</u>		
United States Dollar	+/- 10%	-
<u>2022</u>		
United States Dollar	+/- 10%	+/- 1,453

AHAM NEW CHINA TRACKER 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)

Credit risk

Credit risk refers to the ability of an 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 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 concentrations of the Fund:

	<u>Cash and cash equivalents</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2023</u>			
Financial services			
- AAA	883,286	-	883,286
Others			
- NR	-	11,650	11,650
	<u>883,286</u>	<u>11,650</u>	<u>894,936</u>
<u>2022</u>			
Financial services			
- AAA	1,782,979	-	1,782,979
Others			
- NR	-	10,775	10,775
	<u>1,782,979</u>	<u>10,775</u>	<u>1,793,754</u>

AHAM NEW CHINA TRACKER 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 payments and cancellation 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.

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	11,910	-	11,910
- creation of units	9,520	-	9,520
Amount due to Trustee	714	-	714
Fund accounting fee	1,000	-	1,000
Auditors' remuneration	-	3,855	3,855
Tax agent's fee	-	5,300	5,300
Other payables and accruals	-	1,884	1,884
	<u>23,144</u>	<u>11,039</u>	<u>34,183</u>
<u>2022</u>			
Amount due to Manager			
- management fee	11,517	-	11,517
- creation of units	2,777	-	2,777
Amount due to Trustee	691	-	691
Auditors' remuneration	-	3,921	3,921
Tax agent's fee	-	1,829	1,829
Other payables and accruals	-	978	978
	<u>14,985</u>	<u>6,728</u>	<u>21,713</u>

AHAM NEW CHINA TRACKER 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)

Capital risk

The capital of the Fund is represented by equity consisting of 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.

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 take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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.

AHAM NEW CHINA TRACKER FUND
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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

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 asset at fair value through profit or loss				
- exchange-traded fund	27,202,860	-	-	27,202,860
	<u>27,202,860</u>	<u>-</u>	<u>-</u>	<u>27,202,860</u>
<u>2022</u>				
Financial asset at fair value through profit or loss				
- exchange-traded fund	21,938,920	-	-	21,938,920
	<u>21,938,920</u>	<u>-</u>	<u>-</u>	<u>21,938,920</u>

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

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

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

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 5.00% per annum of the NAV of the Fund calculated on a daily basis.

For the 6 months financial period ended 31 October 2023, management fee is recognised at a rate of 0.50% per annum 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 Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum of the NAV of the Fund calculated on a daily basis (excluding foreign custodian fees and charges).

For the 6 months financial period ended 31 October 2023, the Trustee fee is recognised at a rate of 0.03% per annum 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 amount recognised above.

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee is RM6,000 (2022: RM Nil) for the financial period.

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

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	-	-

The numerical reconciliation between net 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> RM	6 months financial period ended <u>31.10.2022</u> RM
Net loss before taxation	<u>(751,370)</u>	<u>(7,409,811)</u>
Tax at Malaysian statutory rate of 24% (2022: 24%)	(180,329)	(1,778,355)
Tax effects of:		
Investment loss not brought to tax	175,654	1,774,017
Expenses not deductible for tax purposes	(14,075)	(15,010)
Restriction on tax deductible expenses for Unit Trust Funds	18,750	19,348
Tax expense	<u>-</u>	<u>-</u>

AHAM NEW CHINA TRACKER FUND
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NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
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8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> RM	<u>2022</u> RM
Financial asset at fair value through profit or loss:		
- exchange-traded fund – local	<u>27,202,860</u>	<u>21,938,920</u>
	6 months financial period ended <u>31.10.2023</u> RM	6 months financial period ended <u>31.10.2022</u> RM
Net loss on financial asset at fair value through profit or loss:		
- realised loss on sale of investments	(924,877)	(88,986)
- unrealised gain/(loss) on changes in fair value	187,897	(7,323,642)
- management fee rebate on exchange-traded fund #	73,503	72,092
	<u>(663,477)</u>	<u>(7,340,536)</u>

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

(a) Exchange-traded fund - local

(i) Exchange-traded fund – local as at 31 October 2023 is as follows:

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
Tradeplus S&P New China Tracker*	5,739,000	41,352,381	27,202,860	96.93
Total exchange-traded fund - local	<u>5,739,000</u>	41,352,381	<u>27,202,860</u>	<u>96.93</u>
Accumulated unrealised loss on exchange-traded fund - local		(14,149,521)		
Total exchange-traded fund - local		<u>27,202,860</u>		

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

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

(a) Exchange-traded fund – local (continued)

(ii) Exchange-traded fund – local as at 31 October 2022 is as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Tradeplus S&P New China Tracker*	5,773,400	42,780,371	21,938,920	92.53
Total exchange-traded fund - local	<u>5,773,400</u>	<u>42,780,371</u>	<u>21,938,920</u>	<u>92.53</u>
Accumulated unrealised loss on exchange-traded fund - local		<u>(20,841,451)</u>		
Total exchange-traded fund - local		<u>21,938,920</u>		

* Managed by the Manager of the Fund.

(b) Target fund top holdings

(i) The Target fund's top holdings as at 31 October 2023 is as follows:

	<u>Percentage of target fund NAV %</u>
Alibaba Group Holding Ltd	9.92
Tencent Holdings Ltd	8.96
AIA Group Ltd	8.87
Meituan	6.90
PDD Holdings Inc	5.68
NetEase Inc	4.18
Ping An Insurance Grp Co China	3.43
JD.com Inc	3.13
Baidu Inc	3.08
BYD Co Ltd	2.86
Total	<u>57.01</u>

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

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

(b) Target fund top holdings (continued)

(ii) The Target fund's top holdings as at 31 October 2022 is as follows:

	Percentage of target fund NAV %
AIA Group Ltd	11.49
Alibaba Group Holding Ltd	8.93
Meituan	8.56
Tencent Holdings Ltd	8.30
JD.com Inc	5.15
Ping An Insurance Grp Co China	3.62
NetEase Inc	3.30
Baidu Inc	3.17
Pinduoduo Inc	2.85
BYD Co Ltd	2.35
	<hr/>
Total	57.72
	<hr/> <hr/>

9 CASH AND CASH EQUIVALENTS

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	30,462	72,742
Deposit with a licensed financial institution	852,824	1,710,237
	<hr/>	<hr/>
	883,286	1,782,979
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>2023</u> %	<u>2022</u> %
Deposit with a licensed financial institution	3.04	2.50
	<hr/> <hr/>	<hr/> <hr/>

Deposit with a licensed financial institution have an average maturity of 1 day (2022: 1 day).

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

10 NUMBER OF UNITS IN CIRCULATION

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At the beginning of the financial period	96,921,000	93,421,000
Creation of units arising from applications	1,591,000	2,625,000
Cancellation of units during the financial period	<u>(6,387,000)</u>	<u>(728,000)</u>
At the end of the financial period	<u>92,125,000</u>	<u>95,318,000</u>

11 TRANSACTIONS WITH BROKERS

- (i) Details of transactions with the top 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> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
CIMB Investment Bank Bhd	897,537	45.87	718	45.85
RHB Investment Bank Bhd	567,066	28.98	454	28.99
Maybank Kim Eng Securities	492,000	25.15	394	25.16
	<u>1,956,603</u>	<u>100.00</u>	<u>1,566</u>	<u>100.00</u>

- (ii) Details of transactions with the top 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> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Maybank Kim Eng Securities	607,302	48.14	486	48.12
CIMB Investment Bank Bhd	486,060	38.52	389	38.51
RHB Investment Bank Bhd	168,330	13.34	135	13.37
	<u>1,261,692</u>	<u>100.00</u>	<u>1,010</u>	<u>100.00</u>

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

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

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

<u>Related parties</u>	<u>Relationship</u>
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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

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

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

	2023		2022	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (The units are held legally for booking purposes)	2,796	852	3,061	762
	<u>2,796</u>	<u>852</u>	<u>3,061</u>	<u>762</u>

13 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	0.31	0.29
	<u>0.31</u>	<u>0.29</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 fee
- D = Auditors’ remuneration
- E = Tax agent’s fee
- F = Other expenses, excluding sales and service tax on transaction costs
- 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 was RM29,586,162 (2022: RM30,432,860).

AHAM NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER FUND)

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

14 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>0.05</u>	<u>0.02</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 = RM Nil (2022: RM974,979)
total disposal for the financial period = RM2,881,480 (2022: RM376,453)

15 SIGNIFICANT EVENTS 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 NEW CHINA TRACKER FUND
(FORMERLY KNOWN AS AFFIN HWANG NEW CHINA TRACKER 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 28 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 31 October 2023 and of its financial performance, changes in equity and cash flows for the 6 months 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

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