Affin Hwang Aiiman
PRS Shariah Growth Fund

Annual Report
31 July 2019

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

AFFIN HWANG
CAPITAL

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
CIMB Commerce Trustee Berhad (313031-A)

AFFIN HWANG AIIMAN PRS SHARIAH GROWTH FUND

Annual Report and Audited Financial Statements
For The Financial Year Ended 31 July 2019

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FUND INFORMATION

Fund Name	Affin Hwang Aiiman PRS Shariah Growth Fund
Fund Type	Growth
Fund Category	Equity
Investment Objective	To facilitate the accumulation of Shariah-compliant retirement savings by Members for their retirement needs, the Fund aims to generate capital growth through a portfolio of Shariah-compliant investments
Benchmark	FTSE Bursa Malaysia EMAS Shariah Index
Distribution Policy	The Fund will endeavour to declare distribution on an annual basis after the end of its first financial year, subject to the availability of income.

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 31 JULY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	3,102	6,617
5,001 to 10,000	1,598	10,616
10,001 to 50,000	1,826	36,509
50,001 to 500,000	81	8,268
500,001 and above	1	801
Total	**6,608**	**62,811**

** Note: Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 Jul 2019 (%)	As at 31 Jul 2018 (%)	As at 31 Jul 2017 (%)
Portfolio composition			
Collective investment scheme – local			
- Affin Hwang Aiiman Asia (ex Japan) Growth Fund	43.49	56.30	44.43
- Affin Hwang Aiiman Equity Fund	14.24	13.57	-
- Affin Hwang Aiiman Global Sukuk Fund	2.90	-	-
- Affin Hwang Aiiman Growth Fund	29.09	29.93	40.04
- Affin Hwang Aiiman Income Plus Fund	10.24	0.06	15.16
Total collective investment scheme – local	**99.96**	**99.86**	**99.62**
Cash & cash equivalent	**0.04**	**0.14**	**0.38**
Total	**100.00**	**100.00**	**100.00**
Total NAV (RM million)	37.109	33.590	29.284
NAV per Unit (RM)	0.5908	0.6094	0.6033
Unit in Circulation (million)	62.813	55.117	48.537
Highest NAV	0.6112	0.6438	0.6127
Lowest NAV	0.5509	0.5927	0.5410
Return of the Fund (%)[iii]	-1.38	1.01	12.80
- Capital Growth (%)[i]	-3.05	1.01	10.96
- Income Distribution (%)[ii]	1.73	Nil	1.66
Gross Distribution per Unit (sen)	1.0	Nil	1.0
Net Distribution per Unit (sen)	1.0	Nil	1.0
Management Expense Ratio (%)[1]	1.93	1.98	0.51
Portfolio Turnover Ratio (times)[2]	0.20	0.61	0.78

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

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return = NAV per Unit end / NAV per Unit begin – 1
Income return = Income distribution per Unit / NAV per Unit ex-date
Total return = (1+Capital return) x (1+Income return) – 1

Capital Return[i] = (NAV per Unit @ 31/07/19 ÷ NAV per Unit @ 31/07/18* - 1) x 100
= (0.5908 ÷ 0.6094 – 1) x 100
= **-3.05%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1
= {0.0100 ÷ 0.5790 @ 17/10/18} + 1 = 1.0173

Total Income Return[ii] = {Income Return @ ex-date x Income Return @ ex-date} -1 x 100
= {1.0173} – 1 x 100
= **1.73%**

Return of the Fund[iii] = [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100
= [{(1 – 3.05%) x (1 + 1.73%)} – 1] x 100
= **-1.38%**

**Source: CIMB Commerce Trustee Berhad*

[1]The MER of the Fund was slightly lower than previous year given the higher average net asset value of the Fund during the financial period.
[2]The PTR of the Fund was higher than previous year as the Manager had increased its portfolio activities during the period under review.

Table 1: Performance of the Fund

	1 Year (1/8/18 - 31/7/19)	3 Years (1/8/16 - 31/7/19)	5 Years (1/8/14 - 31/7/19)	Since Commencement (23/11/12 - 31/7/19)
Fund	**(1.38%)**	**12.37%**	**4.07%**	**39.98%**
Benchmark	**(6.31%)**	**(1.61%)**	**(10.32%)**	**8.62%**
Outperformance	**4.93%**	**13.98%**	**14.39%**	**31.36%**

Source of Benchmark: Bursa Malaysia

Table 2: Average Total Return

	1 Year (1/8/18 - 31/7/19)	3 Years (1/8/16 - 31/7/19)	5 Years (1/8/14 - 31/7/19)	Since Commencement (23/11/12 - 31/7/19)
Fund	**(1.38%)**	**3.97%**	**0.80%**	**5.16%**
Benchmark	**(6.31%)**	**(0.54%)**	**(2.15%)**	**1.24%**
Outperformance / (Underperformance)	**4.93%**	**4.51%**	**2.95%**	**3.92%**

Source of Benchmark: Bursa Malaysia

Table 3: Annual Total Return

	FYE 2019 (01/8/18 - 31/7/19)	FYE 2018 (01/8/17 - 31/7/18)	FYE 2017 (01/8/16 - 31/7/17)	FYE 2016 (01/8/15 - 31/7/16)	FYE 2015 (01/8/14 - 31/7/15)
Fund	**(1.38%)**	**1.01%**	**12.80%**	**(0.62%)**	**(6.81%)**
Benchmark	**(6.31%)**	**0.73%**	**4.25%**	**(1.41%)**	**(7.55%)**
Outperformance	**4.93%**	**0.28%**	**8.55%**	**0.79%**	**0.74%**

Source of Benchmark: Bursa Malaysia

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

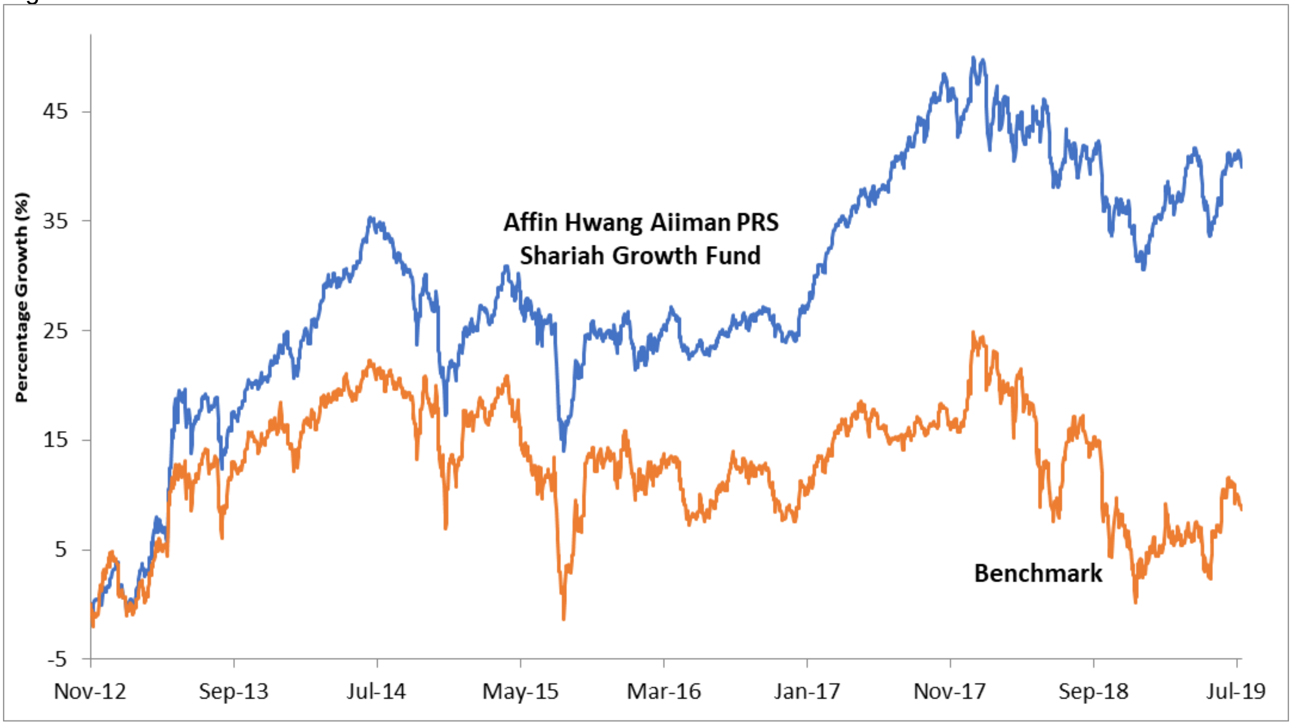
PROVIDER'S REPORT

Performance Review

For the period 1 August 2018 – 31 July 2019 the Fund registered a return of -1.38%. The Benchmark for the period registered a return of -6.31%. The Fund thus outperformed the Benchmark by 4.93 percentage points. The Net Asset Value (NAV) per unit of the Fund as at 31 July 2019 was RM 0.5908 while the NAV at 31 July 2018 was RM 0.6094. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since commencement, the Fund has gained 39.98%, compared to the benchmark that rose 8.62%. The Fund outperformed the Benchmark by 31.36 percentage points. The Fund has declared a total gross income distribution of RM0.10 per unit to date. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the long term has been met.

Figure 1: Movement of the Fund versus the Benchmark



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

Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of RM0.0100 per Unit for investors of the Affin Hwang Aiiman PRS Shariah Growth Fund over the period under review.

The Net Asset Value per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16 Oct 2018	17 Oct 2018	0.5855	0.0100	0.5790

No unit split were declared for the financial year ended 31 July 2019.

Asset Allocation

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

Figure 2: Asset allocation of the Fund

	31 Jul 2019 (%)	31 Jul 2018 (%)	31 Jul 2017 (%)
Collective investment scheme – local	99.96	99.86	99.62
Cash & cash equivalent	0.04	0.14	0.38
Total	**100.00**	**100.00**	**100.00**

As at 31 July 2019, the Fund's exposure to the Shariah-based collective investment schemes stood at 99.96% of the Fund's NAV, while the balance was held in cash and cash equivalent. During the period under review, the Manager had added allocation into Affin Hwang Aiiman Global Sukuk Fund.

Strategies Employed

The Fund had remained into a portfolio of Collective Investment Schemes (CIS) managed by the Provider. The Manager believes that the portfolio of CIS provides the PRS members with sufficient diversification across asset-classes and geographical reach that is necessary to mitigate concentration risk.

The portfolio of investments is reviewed on a quarterly basis. Nevertheless, the Manager holds the flexibility to rebalance the portfolio, depending on prevailing market conditions.

Market Review

Emerging markets (EMs) saw a "tantrum-like" sell-off in 2018 where investors' appetite for risk-assets tapered off significantly on the back of fractious developments within Turkey and Argentina that have sent both their currencies into free fall.

Trade remained a key overhang of markets following tit-for-tat tariffs. A sharp depreciation of the Chinese yuan also dragged down the rest of EMs, as a high correlation between markets led to further pain within other Asian currencies. The yuan has shed its value when trade tensions started to brew. Due to concerns over trade-frictions with the US and possible second-order impacts on the Chinese economy that could manifest into slower investment and softer consumption, Beijing has shifted slightly towards a more neutral tone that leaves more room for China to loosen its grip on deleveraging and policy easing.
On the local front, the 14th General Election (GE14) concluded with jaw-dropping results that stunned political pundits and pollsters. In a watershed election, the opposition won GE14 by wrestling traditionally held strongholds from the incumbent by taking over states such as Johor, Kedah, and Melaka. Tun Dr. Mahathir aged 93 returns to parliament with a second stint as Prime Minister pledging institutional and fiscal reforms for the country.

Coming into 2019, after a yearlong bitter trade conflict, we've since seen the two economic powerhouses change their political rhetoric to one of compromise and cooperation after extending the initial 1 March deadline. Some of the headwinds pressuring emerging markets (EMs) before are now receding with the US Federal Reserve turning more dovish and the US dollar strength starting to top-out. A gradual step-up in stimulus measures from China would also be supportive of markets and help drive growth.
However, "Sell in May and go away" has again proven to be a recurring theme this year after deteriorating trade relations between US and China wreaked further havoc across global financial markets in May. Trump raised the tariff on some US$200 billion worth of Chinese imports to 25.0% from 10.0% earlier that month in an extreme bid to speed up trade negotiations. While the tariff hike was initially downplayed, things took a swift turn on when Trump banned Huawei with a national security order; thus prompting US companies to sever all business ties with the Chinese smartphone and telecommunications giant.

For the first time in more than a decade, the US Federal Reserve ("Fed") reduced interest rates by 25bps in July; effectively lowering the benchmark rate to a new range of 2.00-2.25%. Fed Chair Jerome Powell struck a neutral tone; explaining that the rate cut was a mid-cycle adjustment to better sustain the US' current economic expansion. While it was also highlighted that the Fed would do whatever it takes to support the economy, Powell's statement stopped short of committing to a series of near-term interest rate cuts.

Meanwhile, Hong Kong continues to be plagued by protests which are starting to hurt businesses and dent economic growth. The unrest in Hong Kong started since early June when protesters took to the streets to oppose an extradition bill proposal that has since been suspended, but not fully withdrawn. The demonstrations have shifted into a movement now calling for more autonomy, full democracy and the ousting of Hong Kong's embattled leader Carrie Lam.

Within the domestic fixed income, the market sold-off on the back of news that index provider FTSE Russell may drop Malaysian bonds from its global index which triggered outflows. FTSE Russell said it would review Malaysia's market accessibility level in its World Government Bond Index (WGBI) due to concerns about market liquidity.

Malaysia could potentially face total outflows of US$ 7-8 billion dollar in the event of an exclusion from the WGBI with Malaysia making up 40bps of the index. Passive outflows which is the more susceptible component could see outflows totalling US$2-3 billion. However, ample domestic liquidity would be able to shore up the bond market and absorb any shocks due to foreign selling. A final review by the index provider is due on September'19.

On a side note, BNM cut the Overnight Policy Rate by 25 bps to 3.00% on 7 May – likely a pre-emptive measure against a weakening external environment as well as slowing domestic growth. The announcement was largely priced in by investors, which saw the MGS market rallied strongly in the few weeks prior to the announcement, though the buying subsequently eased up amid the addition of risks on the global trade front.

Investment Outlook

The global economy is poised to continue to grow at an even keel albeit at a slower pace. We do not see major economic imbalances that would lead to a recession in the immediate term. That said, as we head into a late cycle, we are mindful that uncertainty will stay high from economic, policy and politics perspective.

Given the re-escalation of trade tension and Trump pressured on the Fed to cut rate, markets will look ahead to the upcoming US Federal Reserve policy meeting on the 17-18 September. Although Jerome Powell mentioned that the rate cut in July was a mid-cycle adjustment, market still expecting a 25-50 bps rate cut in September. Nonetheless, negative news flow on trade may lead to volatility in the near term as investors price in the effects of protectionist measures.

Similarly, there may be room for Bank Negara Malaysia ("BNM") to cut rates if macro conditions deteriorate and if the trade war stays protracted becoming a drag on global growth. The trade impasse which has stretched into a yearlong skirmish between US and China shows no signs of abating yet with negotiations ongoing which could lead to more choppy market conditions.

State of Affairs of the Fund

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

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

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

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

SCHEME TRUSTEE'S REPORT TO THE MEMBERS OF
AFFIN HWANG AIIMAN PRS SHARIAH GROWTH FUND

We, **CIMB Commerce Trustee Berhad** being the Scheme Trustee of **Affin Hwang Aiiman PRS Shariah Growth Fund ('the Fund')** are of the opinion that **Affin Hwang Asset Management Berhad ('the PRS Provider')**, acting in the capacity as PRS Provider of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 July 2019.

a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the PRS Provider under the Deeds, the Securities Commission Malaysia's Guidelines on Private Retirement Scheme, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;

b) Valuation and pricing for the Fund has been carried out in accordance with the Deeds and relevant regulatory requirements; and

c) Creation and cancellation of units have been carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of
CIMB Commerce Trustee Berhad

Lee Kooi Yoke
Chief Operating Officer

Kuala Lumpur, Malaysia
11 September 2019

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

We have acted as the Shariah Adviser of Affin Hwang Aiiman PRS Shariah Growth Fund. Our responsibility is to ensure that the procedures and processes employed by Affin Hwang Asset Management Berhad and the provisions of the Deed dated 25 October 2012 and First Supplemental Deed dated 17 June 2013, Second Supplemental Deed dated 24 July 2014, Third Supplemental Deed dated 17 October 2014 and Restated Deed dated 18 December 2017 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad has managed and administered Affin Hwang Aiiman PRS Shariah Growth Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 31 July 2019.

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

For **Amanie Advisors Sdn Bhd**

DATUK DR MOHD DAUD BAKAR
Executive Chairman

Kuala Lumpur, Malaysia
Date: 11 September 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

	Note	2019 RM	2018 RM
INVESTMENT (LOSS)/INCOME			
Dividend income		302,036	910,961
Profit income from financial assets at amortised cost		1,046	1,916
Net loss on financial assets at fair value through profit or loss	9	(568,572)	(571,985)
		(265,490)	340,892
EXPENSES			
Management fee	4	(66,637)	(66,982)
Scheme Trustee fee	5	(13,920)	(12,896)
PPA administration fee	6	(13,920)	(12,896)
Auditors' remuneration		(8,500)	(8,500)
Tax agent's fee		(2,000)	(3,700)
Other expenses		(6,290)	(19,564)
		(111,267)	(124,538)
NET (LOSS)/PROFIT BEFORE TAXATION		(376,757)	216,354
TAXATION	7	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(376,757)	216,354
Net (loss)/profit after taxation is made up of the following:			
Realised amount		131,607	1,662,454
Unrealised amount		(508,364)	(1,446,100)
		(376,757)	216,354

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Note	2019 RM	2018 RM
ASSETS			
Cash and cash equivalents		29,841	5,660
Amount due from Provider			
- creation of units		31,613	70,221
Financial assets at fair value through profit or loss	9	37,095,399	33,543,174
TOTAL ASSETS		37,156,853	33,619,055
LIABILITIES			
Amount due to Provider			
- management fee		7,446	3,901
- cancellation of units		18,392	-
Amount due to Scheme Trustee		1,264	1,125
Amount due to PPA		1,264	1,125
Auditors' remuneration		8,500	8,500
Tax agent's fee		3,000	5,500
Other payables and accruals		7,718	9,247
TOTAL LIABILITIES		47,584	29,398
NET ASSET VALUE OF THE FUND		37,109,269	33,589,657
EQUITY			
Members' capital		36,279,941	31,817,812
Retained earnings		829,328	1,771,845
NET ASSETS ATTRIBUTABLE TO MEMBERS		37,109,269	33,589,657
NUMBER OF UNITS IN CIRCULATION	11	62,813,000	55,117,000
NET ASSET VALUE PER UNIT (RM)		0.5908	0.6094

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

	Members' capital RM	Retained earnings RM	Total RM
Balance as at 1 August 2018	31,817,812	1,771,845	33,589,657
Total comprehensive loss for the financial year	-	(376,757)	(376,757)
Distributions (Note 8)	-	(565,760)	(565,760)
Movement in members' capital:			
Creation of units arising from applications	4,854,180	-	4,854,180
Creation of units arising from distributions	565,760	-	565,760
Cancellation of units	(957,811)	-	(957,811)
Balance as at 31 July 2019	36,279,941	829,328	37,109,269
Balance as at 1 August 2017	27,729,186	1,555,491	29,284,677
Total comprehensive income for the financial year	-	216,354	216,354
Movement in members' capital:			
Creation of units arising from applications	5,004,687	-	5,004,687
Cancellation of units	(916,061)	-	(916,061)
Balance as at 31 July 2018	31,817,812	1,771,845	33,589,657

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	4,775,663	17,474,548
Purchase of Shariah-compliant investments	(8,878,068)	(22,475,509)
Dividends received	302,036	910,961
Profit income from short-term Shariah-based deposits	1,046	1,916
Management fee paid	(63,092)	(69,107)
Scheme Trustee fee paid	(13,781)	(12,750)
PPA fee paid	(13,781)	(12,750)
Payment for other fees and expenses	(20,819)	(26,365)
Net cash used in operating activities	(3,910,796)	(4,209,056)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	4,892,788	5,017,000
Payments for cancellation of units	(957,811)	(916,061)
Net cash generated from financing activities	3,934,977	4,100,939
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24,181	(108,117)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	5,660	113,777
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	29,841	5,660

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires the Provider to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Provider'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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 August 2018:

- MFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.

  Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

  MFRS 9 has been applied retrospectively by the Fund and has resulted in the changes outlined in Note F.

  The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 August 2018: (continued)

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

Profit income

Profit income from short-term Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals basis.

Up to 31 July 2018, when a financing and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective profit rate of the instrument, and continue unwinding the discount as profit income. Profit income on impaired financing and receivables are recognised using the original effective profit rate.

From 1 August 2018, profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

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

Realised gains and losses on sale of investments

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

C DISTRIBUTION

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

D TAXATION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

Up to 31 July 2018, the Fund designates its Shariah-compliant investments in CIS as financial assets at fair value through profit or loss.

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets.

The Fund's financing and receivables comprise cash and cash equivalents and amount due from Provider.

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

The Fund classifies amount due to Provider, amount due to Scheme Trustee, amount due to Private Pension Administrator ("PPA"), auditors' remuneration, tax agent's fee and other payables and accruals as other financial liabilities.

From 1 August 2018, the Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost

F FINANCIAL ASSETS AND FINAICIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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 CIS as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, 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 and amount due from Provider as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Provider, amount due to Scheme Trustee, amount due to PPA, 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. Shariah-compliant investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 139 up to 31 July 2018 and MFRS 9 from 1 August 2018, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant 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 are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

F FINANCIAL ASSETS AND FINAICIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

Investment in Shariah-compliant CIS are valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

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

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

(iii) Impairment

Up to 31 July 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

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

From 1 August 2018 onwards, 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

F FINANCIAL ASSETS AND FINAICIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

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.

Definition of default and credit-impaired financial assets

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

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 impairment gains. There are no write-offs/recoveries during the financial year.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash which is subject to an insignificant risk of changes in value.

H MEMBERS' CAPITAL

The members' 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 member to a proportionate share of the Fund's net asset 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 year if a member exercises the right to put the unit back to the Fund.

H MEMBERS' CAPITAL (CONTINUED)

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to members with the total number of outstanding units. In accordance with the Securities Commission's ("SC") Guidelines on Private Retirement Schemes, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

I SEGMENT REPORTING

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

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 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 Provider and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's Shariah-compliant investment, the Provider will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Private Retirement Schemes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

1 INFORMATION ON THE FUND

The Private Retirement Scheme ("PRS") was constituted under the name Hwang AIIMAN PRS Shariah Growth Fund (the "Fund") pursuant to the execution of a Deed dated 25 October 2012 as modified by a Supplemental Deed dated 17 June 2013, a Second Supplemental Deed dated 24 July 2014, a Third Supplemental Deed dated 17 October 2014, a Fourth Supplemental Deed dated 13 June 2016 and a Restated Deed dated 18 December 2017 ("the Deeds"). The Fund has changed its name from Hwang Aiiman PRS Shariah Growth Fund to Affin Hwang Aiiman PRS Shariah Growth Fund as amended by the Second Supplemental Deed dated 24 July 2014 entered into between Affin Hwang Asset Management Berhad (the "Provider") and CIMB Commerce Trustee Berhad (the "Scheme Trustee").

The Fund commenced operations on 2 November 2012 and will continue its operations until terminated by the Scheme Trustee as provided under Clause 14.4 of the Deed.

The Fund may invest in any of the following investments:

a) Listed Shariah-compliant securities;
b) Shariah-compliant unlisted securities of companies, including without limitation, securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such securities;
c) Islamic money market instruments and sukuk that are traded in or under the rules of an eligible Islamic market;
d) Government investment issues, Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt securities, Islamic negotiable instruments of deposits;
e) Sukuk which are issued or guaranteed by the Malaysian government, Bank Negara Malaysia, Malaysian state government or Malaysian government-related agencies;
f) Other Islamic money market instruments and sukuk which are not issued or guaranteed by the Malaysian government, Bank Negara Malaysia, Malaysian state government or Malaysian government-related agencies;
g) Shariah-compliant fixed deposits with financial institutions;
h) Units or shares in Shariah-compliant collective investment schemes, both local and foreign;
i) Shariah-compliant derivatives; and
j) Any other Shariah-compliant investments permitted by the Shariah Advisory Council of the SC and/or the Shariah Advisor from time to time.

All investments will be subjected to the SC's Guidelines on Private Retirement Schemes, the Deeds and the objective of the Fund.

The main objective of the Fund is to facilitate the accumulation of Shariah-compliant retirement savings by Members for their retirement needs, the Fund aims to generate capital growth through a portfolio of Shariah-compliant investments.

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

The financial statements were authorised for issue by the Provider on 11 September 2019.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
2019				
Cash and cash equivalents		29,841	-	29,841
Amount due from Provider - creation of units		31,613	-	31,613
Shariah-compliant collective investment schemes	9	-	37,095,399	37,095,399
Total		61,454	37,095,399	37,156,853

	Note	Financing and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
2018				
Cash and cash equivalents		5,660	-	5,660
Amount due from Provider - creation of units		70,221	-	70,221
Shariah-compliant collective investment schemes	9	-	33,543,174	33,543,174
Total		75,881	33,543,174	33,619,055

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

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

Financial risk management is carried out through internal control processes adopted by the Provider and adherence to the investment restrictions as stipulated by the SC's Guidelines on Private Retirement Schemes.

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

Market risk

(a) Price risk

Price risk arises mainly from the uncertainty about future prices of Shariah-compliant investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Provider 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 follow:

	2019	2018
	RM	RM
Shariah-compliant quoted investments		
Shariah-compliant collective investment schemes	37,095,399	33,543,174

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Shariah-compliant CIS, having regard to the historical volatility of the prices.

% Change in price	Market value	Impact on (loss)/profit after tax/NAV
	RM	RM
2019		
-5%	35,240,629	(1,854,770)
0%	37,095,399	-
+5%	38,950,169	1,854,770
2018		
-5%	31,866,015	(1,677,159)
0%	33,543,174	-
+5%	35,220,333	1,677,159

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

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

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

Credit risk

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

The settlement terms of the proceeds from the creation of units receivable from the Provider are governed by the SC's Guidelines on Private Retirement Schemes.

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

	Cash and cash equivalents RM	Amount due from Provider RM	Total RM
2019			
Financials			
- AAA	29,841	-	29,841
Other			
- NR	-	31,613	31,613
	29,841	31,613	61,454
2018			
Financials			
- AAA	5,660	-	5,660
Other			
- NR	-	70,221	70,221
	5,660	70,221	75,881

Liquidity risk

Liquidity risk is the risk that the Fund encounters difficulty in meeting its financial obligations. The Provider manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by members. Liquid assets comprise cash and bank balances and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

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

Liquidity risk (continued)

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.

	Within one month RM	Between one month to one year RM	Total RM
2019			
Amount due to Provider			
- management fee	7,446	-	7,446
- cancellation of units	18,392	-	18,392
Amount due to Scheme Trustee	1,264	-	1,264
Amount due to PPA	1,264	-	1,264
Auditors' remuneration	-	8,500	8,500
Tax agent's fee	-	3,000	3,000
Other payables and accruals	-	7,718	7,718
	28,366	19,218	47,584
2018			
Amount due to Provider			
- management fee	3,901	-	3,901
Amount due to Scheme Trustee	1,125	-	1,125
Amount due to PPA	1,125	-	1,125
Auditors' remuneration	-	8,500	8,500
Tax agent's fee	-	5,500	5,500
Other payables and accruals	-	9,247	9,247
	6,151	23,247	29,398

Capital risk

The capital of the Fund is represented by equity consisting of members' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. 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 members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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

Collective investment scheme risk

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

Reclassification of Shariah status risk

The risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the investments by the Shariah Advisory Council of the SC performed twice yearly. If this occurs, the value of the Fund may be adversely affected where the Provider will take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's advice.

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such trading securities) is based on quoted market prices at the close of trading on the financial year end date.

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 on going basis.

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

i. Fair value hierarchy

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

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2019				
Financial assets at fair value through profit or loss - Shariah-compliant collective investment schemes	37,095,399	-	-	37,095,399
2018				
Financial assets at fair value through profit or loss - Shariah-compliant collective investment schemes	33,543,174	-	-	33,543,174

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

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

4 MANAGEMENT FEE & MANAGEMENT FEE REBATE

	2019 RM	2018 RM
Gross management fee	626,405	580,336
Management fee rebate		
- management fee rebate on collective investment schemes	(559,768)	(513,354)
Net management fee	66,637	66,982

In accordance with the Deeds, the Provider is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund calculated on a daily basis.

For the financial year ended 31 July 2019, the management fee is recognised at a rate of 1.80% (2018: 1.80%) per annum on the NAV of the Fund, calculated on a daily basis as stated in Disclosure Document.

As this Fund invests in units of the Affin Hwang Aiiman Asia (ex Japan) Growth Fund, Affin Hwang Aiiman Equity Fund, Affin Hwang Aiiman Global Sukuk Fund, Affin Hwang Aiiman Growth Fund and Affin Hwang Aiiman Income Plus Fund, any management fee charged to CIS are fully refunded to this Fund. Accordingly, there is no double charging of management fee.

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

5 SCHEME TRUSTEE FEE

In accordance with the Deeds, the Scheme Trustee is entitled to an annual fee at a rate not exceeding 1.00% per annum on the NAV of the Fund.

For the financial year ended 31 July 2019, the Scheme Trustee fee is recognised at a rate of 0.04% (2018: 0.04%) per annum on the NAV of the Fund calculated on a daily basis as stated in Disclosure Document.

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

6 PRIVATE PENSION ADMINISTRATOR (“PPA”) ADMINISTRATION FEE

For the financial year ended 31 July 2019, the PPA administration fee is recognised at a rate of 0.04% (2018: 0.04%) per annum on the NAV of the Fund calculated on a daily basis.

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

7 TAXATION

	2019 RM	2018 RM
Current taxation – local	-	-

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

	2019 RM	2018 RM
Net (loss)/profit before taxation	(376,757)	216,354
Tax at Malaysian statutory rate of 24% (2018: 24%)	(90,422)	51,925
Tax effects of:		
Investment loss disallowed from tax/ (Investment income not subject to tax)	63,718	(205,019)
Expenses not deductible for tax purposes	8,671	10,333
Restriction on tax deductible expenses for PRS Funds	18,033	142,761
Tax expense	-	-

8 DISTRIBUTION

2019	2018	
RM	RM	
Distribution to members are from the following sources:		
Previous year's realised income	565,760	-

During the financial year ended 31 July 2019, distributions were made as follows:

	Gross/net distribution per unit
	sen
2019	
17.10.2018	1.00

There was no distribution made during the financial year ended 31 July 2018.

Gross distribution per unit is derived from gross realised income less expenses dividend 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 year is an amount of RM565,760 (2018: RM Nil) made from previous year's realised income.

There are unrealised losses of RM 508,364 (2018: RM 1,446,100) during the financial year.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

2019	2018	
RM	RM	
Financial assets at fair value through profit or loss:		
- Shariah-compliant collective investment schemes – local	37,095,399	33,543,174
Net loss on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(60,208)	874,115
- unrealised loss on changes in fair value	(508,364)	(1,446,100)
	(568,572)	(571,985)

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

(a) Shariah-compliant collective investment schemes – local

(i) Shariah-compliant collective investment schemes – local as at 31 July 2019 is as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Affin Hwang Aiiman Asia (ex Japan) Growth Fund	26,020,387	15,938,612	16,140,446	43.49
Affin Hwang Aiiman Equity Fund	11,568,711	5,976,688	5,283,430	14.24
Affin Hwang Aiiman Global Sukuk Fund	2,049,586	1,059,230	1,075,623	2.90
Affin Hwang Aiiman Growth Fund	10,198,807	10,692,205	10,795,437	29.09
Affin Hwang Aiiman Income Plus Fund	6,336,218	3,632,584	3,800,463	10.24
Total Shariah-compliant collective investment schemes – local	56,173,709	37,299,319	37,095,399	99.96
Accumulated unrealised loss on Shariah-compliant collective investment schemes – local		(203,920)		
Total Shariah-compliant collective investment schemes – local		37,095,399		

(ii) Shariah-compliant collective investment schemes – local as at 31 July 2018 is as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Affin Hwang Aiiman Asia (ex Japan) Growth Fund	29,908,328	18,348,953	18,911,035	56.30
Affin Hwang Aiiman Equity Fund	9,748,525	5,143,944	4,560,360	13.57
Affin Hwang Aiiman Growth Fund	9,268,241	9,726,573	10,052,334	29.93
Affin Hwang Aiiman Income Plus Fund	34,143	19,260	19,445	0.06
Total Shariah-compliant collective investment schemes – local	48,959,237	33,238,730	33,543,174	99.86
Accumulated unrealised gain on Shariah-compliant collective investment schemes – local		304,444		
Total Shariah-compliant collective investment schemes – local		33,543,174		

10 SHARIAH INFORMATION OF THE FUND

The Shariah Advisor confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

(a) Collective investment schemes which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and

(b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

11 NUMBER OF UNITS IN CIRCULATION

	2019 No. of Units	2018 No. of Units
At the beginning of the financial year	55,117,000	48,537,000
Creation of units arising from applications	8,375,119	8,061,000
Creation of units arising from distributions	981,881	-
Cancellation of units	(1,661,000)	(1,481,000)
At the end of the financial year	62,813,000	55,117,000

12 TRANSACTIONS WITH PROVIDER

(a) Details of transaction with the Provider for the financial year ended 31 July 2019 are as follows:

Name of Provider	Value of trade RM	Percentage of total trade %
Affin Hwang Asset Management Berhad #*	13,370,085	100.00

There is no brokerage fee paid to the Provider during the financial year.

(b) Details of transaction with the Provider for the financial year ended 31 July 2018 are as follows:

Name of Provider	Value of trade RM	Percentage of total trade %
Affin Hwang Asset Management Berhad #*	38,979,097	100.00

There is no brokerage fee paid to the Provider during the financial year.

Included in the transactions with the Provider are trades conducted with Affin Hwang Asset Management Berhad, the Provider, amounting to RM13,370,085 (2018: RM38,979,097). The Provider is of the opinion that all transactions have been entered into in the normal course of business at agreed terms between the related parties.

* Affin Hwang Asset Management Berhad, the Provider of the Fund, is the Manager of Affin Hwang Aiiman Asia (ex Japan) Growth Fund, Affin Hwang Aiiman Equity Fund, Affin Hwang Aiiiman Global Sukuk Fund, Affin Hwang Aiiman Growth Fund and Affin Hwang Aiiman Income Plus Fund, the CIS that the Fund invests in during the financial year.

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

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

Related parties	Relationships
Affin Hwang Asset Management Berhad	The Provider
Affin Hwang Investment Bank Berhad	Holding company of the Provider
Affin Bank Berhad ("ABB")	Ultimate holding company of the Provider

The units held by the Provider as at the end of the financial year are as follows:

	2019		2018	
	No. of units	RM	No. of units	RM
The Provider:				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	2,244	1,326	3,027	1,845

14 MANAGEMENT EXPENSE RATIO ("MER")

	2019	2018
	%	%
MER	1.93	1.98

MER is derived from the following calculation:

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

A = Management fee, excluding management fee rebate
B = Scheme Trustee fee
C = PPA administration fee
D = Auditors' remuneration
E = Tax agent's fee
F = Other expenses
G = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM34,793,924 (2018: RM32,232,951).

15 PORTFOLIO TURNOVER RATIO ("PTR")

	2019	2018
PTR (times)	0.20	0.61

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM8,896,460 (2018: RM22,415,509)
total disposal for the financial year = RM4,835,871 (2018: RM16,600,433)

16 SEGMENT INFORMATION

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

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

16 SEGMENT INFORMATION (CONTINUED)

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of profit, dividend and gains on the appreciation in the value of investments and is derived from Shariah-compliant collective investment schemes in Malaysia.

There were no changes in the reportable segments during the financial year.

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

17 MFRS 9 FINANCIAL INSTRUMENTS

As disclosed in Note A, the Fund have adopted MFRS 9, which resulted in the following changes in accounting policies:

(a) Classification and measurement of financial assets

Up to 31 July 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. Note F sets out the details of accounting policies for classification and measurement of financial instruments under MFRS 139.

From 1 August 2018, the Fund applies the following MFRS 9's classification approach to all types of financial assets:

- Investments in equity instruments: These instruments are always measured at fair value with changes in fair value presented in profit or loss unless the Fund has made an irrevocable choice to present changes in fair value in other comprehensive income ("OCI") for investments that are not held for trading.

- Investments in debt instruments: There are 3 subsequent measurement categories: amortised cost, fair value with changes either recognised through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL").

(b) Impairment

From 1 August 2018 onwards, 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.

<u>Significant increase in credit risk</u>

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

17 MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

As disclosed in Note A, the Fund have adopted MFRS 9, which resulted in the following changes in accounting policies: (continued)

(b) Impairment (continued)

Definition of default and credit-impaired financial assets

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

As disclosed above, the adoption of MFRS 9 in 2018 resulted in a change in measurement categories of certain financial assets and financial liabilities.

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 August 2018 are compared as follows:

	Measurement category		**Carrying amount**			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassifi-cations	Remeasu-rements	New (MFRS 9)
			RM	**RM**	**RM**	**RM**
Assets						
Cash and cash equivalents	Financing and receivables	Amortised cost	5,660	-	-	5,660
Shariah-compliant CIS	FVTPL	FVTPL	33,543,174	-	-	33,543,174
Amount due from Provider – creation of units	Financing and receivables	Amortised cost	70,221	-	-	70,221
Liabilities						
Amount due to Provider – management fee	Amortised cost	Amortised cost	3,901	-	-	3,901
Amount due to Scheme Trustee	Amortised cost	Amortised cost	1,125	-	-	1,125
Amount due to PPA	Amortised cost	Amortised cost	1,125	-	-	1,125
Auditors' remuneration	Amortised cost	Amortised cost	8,500	-	-	8,500
Tax agent's fee	Amortised cost	Amortised cost	5,500	-	-	5,500
Other payables and accruals	Amortised cost	Amortised cost	9,247	-	-	9,247

AFFIN HWANG AIIMAN PRS SHARIAH GROWTH FUND

STATEMENT BY THE PROVIDER

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Provider, the financial statements set out on pages 1 to 28 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 July 2019 and of its financial performance, changes in equity and cash flows for the financial year ended 31 July 2019 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
MANAGING DIRECTOR/EXECUTIVE DIRECTOR

Kuala Lumpur
11 September 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFFIN HWANG AIIMAN PRS SHARIAH GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman PRS Shariah Growth Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 July 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 July 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 28.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Provider for the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

<u>Auditors' responsibilities for the audit of the financial statements</u>

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Provider.

(d) Conclude on the appropriateness of the Provider's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
11 September 2019

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