

SEMI-ANNUAL REPORT
31 August 2023

**AHAM Smart Invest
Portfolio - Growth Fund**
(Formerly known as Affin
Hwang Smart Invest
Portfolio - Growth)

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

Trustee
TMF Trustees Malaysia Berhad
200701008892 (766894-T)

AHAM SMART INVEST PORTFOLIO – GROWTH (FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO – GROWTH)

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

Contents	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	IV
MANAGER’S REPORT	V
TRUSTEE’S REPORT	IX
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

FUND INFORMATION

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

FUND PERFORMANCE DATA

Category	As at 31 Aug 2023 (%)	As at 31 Aug 2022 (%)	As at 31 Aug 2021 (%)
Portfolio composition			
Collective investment scheme – local	4.88	15.51	25.26
Collective investment scheme – foreign	49.86	43.77	63.77
Total unquoted fixed income securities	54.74	59.28	89.03
Exchange-traded fund - foreign	41.80	38.82	9.16
Cash & cash equivalent	3.56	1.90	1.81
Total	100.00	100.00	100.00
Total NAV (RM'million)	378.819	384.350	439.458
NAV per Unit (RM)	0.6257	0.5884	0.7486
Unit in Circulation (million)	605.385	653.255	587.035
Highest NAV	0.6345	0.6463	0.7661
Lowest NAV	0.5668	0.5650	0.6971
Return of the Fund (%)	7.90	-9.31	2.07
- Capital Growth (%)	7.90	-9.31	2.07
- 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	0.64	0.58	0.57
Portfolio Turnover Ratio (times) ²	0.67	0.89	0.50

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 was higher than previous period due to lower average NAV of the Fund for the financial period.

² The PTR of the Fund was lower than previous period due to decreased trading activities of the Fund for the financial period.

MANAGER'S REPORT

Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 31 August 2023.

Performance Review (1 March 2023 to 31 August 2023)

For the period 1 March 2023 to 31 August 2023, the Fund registered a 7.90% return compared to the benchmark return of 3.96%. The Fund thus outperformed the Benchmark by 3.94%. The Net Asset Value per unit ("NAV") of the Fund as at 31 August 2023 was RM0.6257 while the NAV as at 28 February 2023 was RM0.5799.

Since commencement, the Fund has registered a return of 30.28% compared to the benchmark return of 38.57%, underperforming by 8.29%.

Table 1: Performance of the Fund

	6 Months (1/3/23 - 31/8/23)	1 Year (1/9/22 - 31/8/23)	3 Years (1/9/20 - 31/8/23)	Since Commencement (7/6/19 - 31/8/23)
Fund	7.90%	6.34%	3.05%	30.28%
Benchmark	3.96%	8.00%	25.97%	38.57%
Outperformance	3.94%	(1.66%)	(22.92%)	(8.29%)

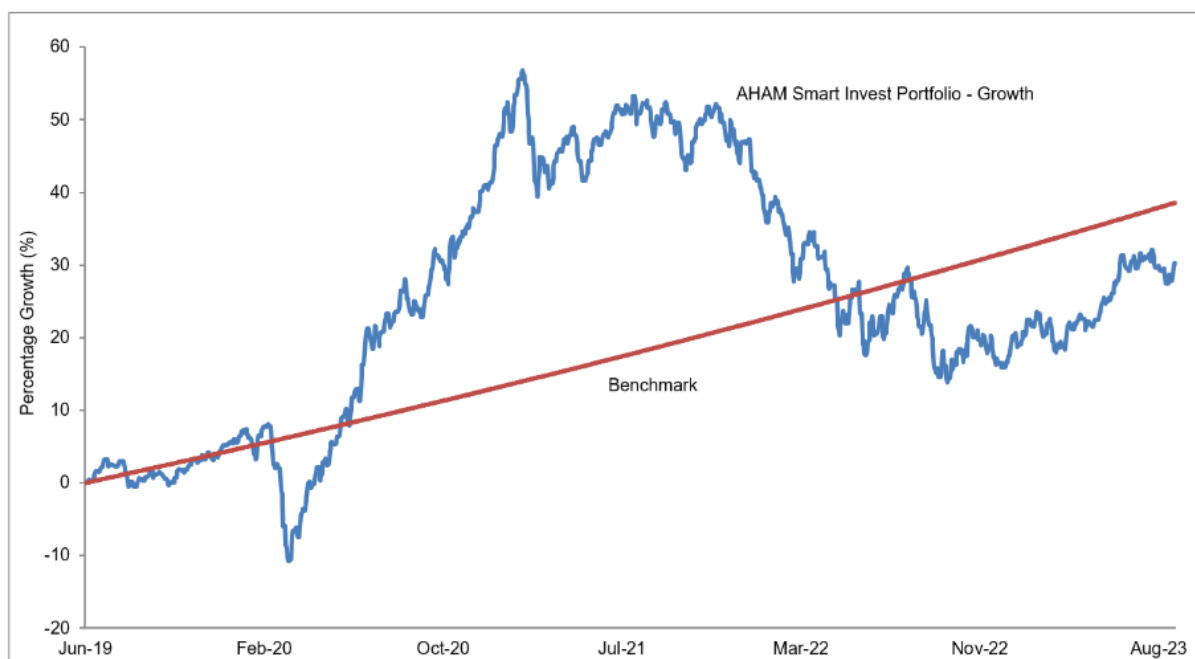
Table 2: Average Total Return

	1 Year (1/9/22 - 31/8/23)	3 Years (1/9/20 - 31/8/23)	Since Commencement (7/6/19 - 31/8/23)
Fund	6.34%	1.01%	6.44%
Benchmark	8.00%	8.00%	8.00%
Outperformance	(1.66%)	(6.99%)	(1.56%)

Table 3: Annual Total Return

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

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



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

Benchmark: Absolute return of 8% per annum

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

Asset Allocation

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

During the period under review, the Fund's total exposure into collective investment scheme stood at 54.74% (2022:59.28%), exchange-traded fund at 41.80% (2022:38.82%) while the remaining was held in cash and cash equivalent.

Strategies Employed

Over the period under review, the Manager continued to focus on sectors with potential room for growth. With inflation in mind, we continued to hold high cash levels as we maintain our defensive stance in our allocation. We continue to keep close monitor on market development amidst high interest rates environment and inflation worries.

Market Review

Over the period under review, the Standard and Poor's ("S&P") 500 returned 14.26% while the Morgan Stanley Capital International ("MSCI") AC World index returned 10.52%. Specific to the Asian region, MSCI AC Asia ex Japan Index was down at -2.07% while locally, the Financial Times Stock Exchange ("FTSE") Bursa Malaysia returned 0.12%. Bond markets were neutral over the year with the Bloomberg Barclays Global Aggregate Index returning 1.00%. Domestically, bond markets' benchmark 10-year Malaysian Government Securities ("MGS") yield closed at 3.84%.

Market volatility persisted across the global economy as macro events and policy rate hikes over the past year affected stock and bond markets. The economic fallout from the Covid-19 pandemic coupled with the Russia-Ukraine conflict has disrupted supply chains and commodity markets, weighing heavily on global

economic growth. Central banks continue to 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 last year, to of 5.50% in July 2023, although pausing for the first time in 15 months in June 2023. The sharp pace of policy tightening 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 over the year 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 the year, as the financial sector disruption troubled markets in the first quarter of 2023, while gains in the second quarter of the year was mostly driven by the fervour and enthusiasm over new developments in artificial intelligence (“AI”). Zooming in closer on a monthly basis, although US equities ended July 2023 upbeat, gains were pared back, falling 1.77% over the month of August as stronger than expected economic data spurred bond yields which hit new highs, soaring 15 basis points (“bps”) to close at 4.11%. This bolstered bets that the Fed would hold interest rates higher for longer to keep a lid on inflation.

In Asia, the broader MSCI Asia ex-Japan index slid slightly ending the financial period down by 2.07% as rising bond yields put pressure on emerging markets. 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. However, this quickly cooled as investors remain doubtful whether the stimulus measure would be enough to arrest the decline in growth, with the gains made in July this year quickly neutralised by the end of August.

Back in Malaysia, several policy announcements by the government in June 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. By the end of August 2023, 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.

On economic data, headline inflation decelerated for an 11th straight month to 2.00% year on year (“y-o-y”) in July, marking the lowest level since Aug 2021. Similarly, core consumer price index (“CPI”) inflation, which excludes volatile fresh food prices and price-administered goods, decelerated to 2.80% y-o-y. This may provide more room for Bank Negara Malaysia (“BNM”) to pause its overnight policy rate (“OPR”) hike with inflationary pressures easing.

Meanwhile, Malaysia’s second quarter 2023 (2Q23) Gross Domestic Product (“GDP”) growth at 2.9% y-o-y (1Q23: +5.6% y-o-y), the slowest pace of expansion since 3Q21. GDP growth remained supported by labour market improvements, sustained increase in domestic demand, and higher tourism activities. Key drags were weaker external demand, global tech down cycle, and lower commodity production. Malaysia’s gross exports maintained a double-digit contraction of 13.1% y-o-y (June: -14.1%) and imports declined by -15.9% y-o-y in July 2023 (June: -18.7% y-o-y) YTD as of July, exports shrank by 5.9% (Jan-July 2022: +27.5%). The slowdown in demand was evident in major trading partners such as Singapore, China, and the US, which together account for 40% of total exports

U.S. Treasury (“UST”) was seen rebounding post the Federal Open Market Committee (FOMC) meeting, but the advance U.S. second quarter GDP print surprised on the upside while news on discussion on a potential tweak to Bank of Japan’s yield curve control unnerved the markets. The 2-year, 5-year and 10-year yields ended the month at 4.88%, 4.25% and 4.11% respectively. The 30-year UST closed at 4.21%. As a result, the inversion between the 2-year and 10-year US. Treasury narrowed to -75bps.

Investment Outlook

The US economic data continue to send mixed signals, leading to an increased market conviction that the US may avoid a recession in 2023 and move towards a soft landing. Economic data has been stronger than expected and earnings have been resilient. The larger cap stocks in particular have outperformed driven by various factors. There is a risk that the Fed will hike rates by another 25bps in 2023; however, we believe that there is higher possibility that Fed’s may pause its hiking cycle in 2023. With developed markets peak cycle in the horizon, risk appetite is seen returning to the Emerging Markets (“EM”) space given that EM has better shielded economics against inflation.

Locally, the economy could be supported by lower government bond supply in September and the fourth quarter of 2023. Easing inflationary pressure and resilient demand from domestic investors could also provide support. The state election results affirmed the current political status quo. We expect that Bank Negara Malaysia will hold OPR for the remainder of 2023 amidst decelerating inflation level and softer GDP growth outlook.

As such, we expect a range bound yield movement in the near term as market reacts to headline risks. Foreign inflows are steady and may continue as global investors seek stability and carry trade opportunities.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the 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, the Fund has received soft commissions from brokers/dealers who have also executed trades for other funds managed by AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad). The soft commissions were utilised for goods and services in the form of research materials, data and quotation services, investment-related publications, market data feed, industry benchmarking agencies and investment-related publications to assist the Manager in the investment decision-making process. The soft commission received were for the benefit of the fund and there were no churning of trades.

Cross Trade

No cross trade transactions 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 SMART INVEST PORTFOLIO – GROWTH) ("Fund") (FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO – GROWTH)

We have acted as the Trustee of the Fund for the financial period ended 31 August 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

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

NORHAYATI BINTI AZIT
DIRECTOR – FUND SERVICES

Kuala Lumpur
16 October 2023

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2023

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 2023

CONTENTS	PAGE(S)
UNAUDITED SEMI-ANNUAL STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED SEMI-ANNUAL STATEMENT OF FINANCIAL POSITION	2
UNAUDITED SEMI-ANNUAL STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED SEMI-ANNUAL STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 11
NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS	12 - 34
STATEMENT BY THE MANAGER	35

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

	<u>Note</u>	6 months financial period ended <u>31.8.2023</u> RM	6 months financial period ended <u>31.8.2022</u> RM
INVESTMENT INCOME/(LOSS)			
Dividend income		612,505	687,515
Interest income from financial assets at amortised cost		71,601	62,003
Net (loss)/gain on foreign currency exchange		(116,391)	1,639,235
Net loss on forward foreign currency contracts at fair value through profit or loss		(1,650,470)	(6,042,844)
Net gain/(loss) on financial assets at fair value through profit or loss	8	32,142,716	(33,059,827)
		<u>31,059,961</u>	<u>(36,713,918)</u>
EXPENSES			
Management fee	4	(2,243,999)	(2,128,685)
Trustee fee	5	(112,720)	(119,411)
Fund accounting fee	6	(7,583)	-
Auditors' remuneration		(3,910)	(3,910)
Tax agent's fee		(1,825)	(1,825)
Transaction cost		(54,882)	(176,465)
Other expenses		(207,291)	(237,165)
		<u>(2,632,210)</u>	<u>(2,667,461)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		28,427,751	(39,381,379)
Taxation	7	(101,477)	(18,876)
NET PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE FINANCIAL PERIOD		<u>28,326,274</u>	<u>(39,400,255)</u>
Net profit/(loss) after taxation is made up of the following:			
Realised amount		(16,047,492)	(24,176,132)
Unrealised amount		44,373,766	(15,224,123)
		<u>28,326,274</u>	<u>(39,400,255)</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 SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
ASSETS			
Cash and cash equivalents	9	14,828,080	6,319,736
Amount due from brokers		-	3,018,697
Amount due from Manager			
- creation of units		-	15,537
- management fee rebate receivable		27,678	47,128
Tax recoverable		190,303	-
Financial assets at fair value through profit or loss	8	365,691,049	377,027,481
TOTAL ASSETS		<u>380,737,110</u>	<u>386,428,579</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	-	1,037,617
Amount due to Manager			
- management fee		413,682	361,915
- cancellation of units		1,471,646	627,541
Amount due to Trustee		19,138	20,294
Fund accounting fee		2,167	-
Auditors' remuneration		3,910	3,910
Tax agent's fee		5,325	5,325
Tax payable		-	20,459
Other payables and accruals		1,897	1,173
TOTAL LIABILITIES		<u>1,917,765</u>	<u>2,078,234</u>
NET ASSET VALUE OF THE FUND		<u>378,819,345</u>	<u>384,350,345</u>
EQUITY			
Unitholders' capital		415,164,043	443,454,156
Accumulated losses		(36,344,698)	(59,103,811)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>378,819,345</u>	<u>384,350,345</u>
NUMBER OF UNITS IN CIRCULATION	11	<u>605,385,000</u>	<u>653,255,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6257</u>	<u>0.5884</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 SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

	Unitholders' <u>capital</u> RM	Accumulated <u>losses</u> RM	<u>Total</u> RM
Balance as at 1 March 2023	435,659,082	(64,670,972)	370,988,110
Total comprehensive income for the financial period	-	28,326,274	28,326,274
Movement in unitholders' capital:			
Creation of units arising from applications	4,625,741	-	4,625,741
Cancellation of units	(25,120,780)	-	(25,120,780)
Balance as at 31 August 2023	<u>415,164,043</u>	<u>(36,344,698)</u>	<u>378,819,345</u>
Balance as at 1 March 2022	435,333,264	(19,703,556)	415,629,708
Total comprehensive loss for the financial period	-	(39,400,255)	(39,400,255)
Movement in unitholders' capital:			
Creation of units arising from applications	21,389,011	-	21,389,011
Cancellation of units	(13,268,119)	-	(13,268,119)
Balance as at 31 August 2022	<u>443,454,156</u>	<u>(59,103,811)</u>	<u>384,350,345</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 SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

	6 months financial period ended <u>31.8.2023</u> RM	6 months financial period ended <u>31.8.2022</u> RM
<u>Note</u>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	251,307,887	331,766,108
Purchase of investments	(229,841,203)	(342,559,545)
Dividends received	429,325	687,515
Interest received	71,601	62,003
Management fee rebate received	305,033	328,162
Management fee paid	(2,236,822)	(2,118,199)
Trustee fee paid	(111,004)	(118,823)
Fund accounting fee paid	(6,499)	-
Realised loss on forward foreign currency contracts	(2,977,552)	(4,835,529)
Net gain on foreign currency exchange	11,113,021	5,346,992
Payment for other fees and expenses	(86,493)	(420,250)
Tax paid	(170,000)	-
Net cash flows generated from/(used in) operating activities	<u>27,797,294</u>	<u>(11,861,566)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	4,670,911	21,712,744
Payments from cancellation of units	(23,748,466)	(15,049,763)
Net cash flows (used in)/generated from financing activities	<u>(19,077,555)</u>	<u>6,662,981</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,719,740	(5,198,585)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(35,580)	1,499,734
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>6,143,921</u>	<u>10,018,587</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>9</u> <u>14,828,080</u>	<u>6,319,736</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 SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 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 L.

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

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

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

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

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting 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.

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

B INCOME RECOGNITION

Dividend income

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

Interest income

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

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

Realised gains and losses on sale of investments

For collective investment schemes ("CIS") and exchange-traded funds ("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 the investments, determined on a weighted average cost basis.

C TRANSACTION COSTS

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

D TAXATION

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

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

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

F FOREIGN CURRENCY TRANSLATIONS

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

Investments in CIS 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, amount due from brokers and amount due from Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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.

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

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

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

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

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

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

The debtor meets unlikeliness 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;
and
- the debtor is insolvent.

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

Write-off

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

H CASH AND CASH EQUIVALENTS

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

I AMOUNT DUE FROM/(TO) BROKERS

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

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

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

J UNITHOLDERS' CAPITAL

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

- the units entitle the holder to a proportionate share of the Fund's NAV;
- 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 prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

K DERIVATIVE FINANCIAL INSTRUMENTS

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

K DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

L CRITICAL ACCOUNTING ESTIMATES AND 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 of the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

1 INFORMATION ON THE FUND

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

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

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

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

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

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients. 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 16 October 2023.

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	14,828,080	-	14,828,080
Amount due from Manager				
- management fee rebate receivable		27,678	-	27,678
Collective investment schemes	8	-	207,338,774	207,338,774
Exchange-traded fund	8	-	158,352,275	158,352,275
Total		<u>14,855,758</u>	<u>365,691,049</u>	<u>380,546,807</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		413,682	-	413,682
- cancellation of units		1,471,646	-	1,471,646
Amount due to Trustee		19,138	-	19,138
Fund accounting fee		2,167	-	2,167
Auditors' remuneration		3,910	-	3,910
Tax agent's fee		5,325	-	5,325
Other payables and accruals		1,897	-	1,897
Total		<u>1,917,765</u>	<u>-</u>	<u>1,917,765</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	6,319,736	-	6,319,736
Amount due from brokers		3,018,697	-	3,018,697
Amount due from Manager				
- creation of units		15,537	-	15,537
- management fee rebate receivable		47,128	-	47,128
Collective investment schemes	8	-	227,841,335	227,841,335
Exchange-traded fund	8	-	149,186,146	149,186,146
Total		<u>9,401,098</u>	<u>377,027,481</u>	<u>386,428,579</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Financial instruments 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 (continued)</u>				
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	1,037,617	1,037,617
Amount due to Manager				
- management fee		361,915	-	361,915
- cancellation of units		627,541	-	627,541
Amount due to Trustee		20,294	-	20,294
Auditors' remuneration		3,910	-	3,910
Tax agent's fee		5,325	-	5,325
Other payables and accruals		1,173	-	1,173
Total		<u>1,020,158</u>	<u>1,037,617</u>	<u>2,057,775</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency 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 was as follows:

	<u>2023</u> RM	<u>2022</u> RM
Quoted investments		
Collective investment schemes	207,338,774	227,841,335
Exchange-traded fund	158,352,275	149,186,146
	<u>365,691,049</u>	<u>377,027,481</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and NAV to price risk movements. The analysis is based on the assumptions that the market price increased by 10% (2022: 2%) and decreased by 10% (2022: 2%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit/(loss) after tax <u>NAV</u> RM
<u>2023</u>		
-10%	329,121,944	(36,569,105)
0%	365,691,049	-
+10%	402,260,154	36,569,105
	<u> </u>	<u> </u>
<u>2022</u>		
-2%	369,486,931	(7,540,550)
0%	377,027,481	-
+2%	384,568,031	7,540,550
	<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 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 a licensed financial institution is not material as carrying value of the deposits are held on a short-term basis.

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 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:

	Collective investment schemes RM	Exchange- traded funds RM	Cash and cash equivalents RM	Total RM
<u>2023</u>				
<u>Financial assets</u>				
British Pound Sterling	-	-	3,637	3,637
Euro	-	-	2,832	2,832
Hong Kong Dollar	-	-	2,760	2,760
Japanese Yen	-	17,178,229	1,013,056	18,191,285
United States Dollar	188,868,360	141,174,046	6,656,214	336,698,620
	<u>188,868,360</u>	<u>158,352,275</u>	<u>7,678,499</u>	<u>354,899,134</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Market risk (continued)

(c) Currency risk (continued)

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

	Collective investment schemes RM	Exchange- traded funds RM	Cash and cash equivalents RM	Amount due from brokers RM	Total RM
<u>2022</u>					
<u>Financial assets</u>					
British Pound Sterling	-	-	3,336	-	3,336
Euro	-	-	2,764	-	2,764
Hong Kong Dollar	-	-	2,663	-	2,663
Japanese Yen	-	-	44	-	44
United States Dollar	168,229,241	149,186,146	5,136,637	3,018,697	325,570,721
	<u>168,229,241</u>	<u>149,186,146</u>	<u>5,145,444</u>	<u>3,018,697</u>	<u>325,579,528</u>
				Forward foreign currency contracts RM	Total RM
<u>Financial liabilities</u>					
United States Dollar				1,037,617	1,037,617

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and NAV to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2022: 10%), 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 approximately 10% (2022: 10%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit/(loss) after tax/ NAV RM
<u>2023</u>		
British Pound Sterling	+/- 10	+/- 364
Euro	+/- 10	+/- 283
Hong Kong Dollar	+/- 10	+/- 276
Japanese Yen	+/- 10	+/- 1,819,129
United States Dollar	+/- 10	+/- 33,669,862
<u>2022</u>		
British Pound Sterling	+/- 10	+/-334
Euro	+/- 10	+/-276
Hong Kong Dollar	+/- 10	+/-266
Japanese Yen	+/- 10	+/-4
United States Dollar	+/- 10	+/- 32,453,310

Liquidity risk

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Liquidity risk (continued)

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2023</u>			
Amount due to Manager			
- management fee	413,682	-	413,682
- cancellation of units	1,471,646	-	1,471,646
Amount due to Trustee	19,138	-	19,138
Fund accounting fee		2,167	2,167
Auditors' remuneration	-	3,910	3,910
Tax agent's fee	-	5,325	5,325
Other payables and accruals	-	1,897	1,897
	<u>1,904,466</u>	<u>13,299</u>	<u>1,917,765</u>
<u>2022</u>			
Forward foreign currency contracts at fair value through profit or loss	441,683	595,934	1,037,617
Amount due to Manager			
- management fee	361,915	-	361,915
- cancellation of units	627,541	-	627,541
Amount due to Trustee	20,294	-	20,294
Auditors' remuneration	-	3,910	3,910
Tax agent's fee	-	5,325	5,325
Other payables and accruals	-	1,173	1,173
	<u>1,451,433</u>	<u>606,342</u>	<u>2,057,775</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

NOTES TO THE UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 31 AUGUST 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 interests, principals and proceeds from realisation of investments. The Manager manages credit risk by undertaking credit evaluation to minimise such risk.

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

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

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

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

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

	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2023</u>			
Financial			
- AAA	14,828,080	-	14,828,080
Others			
- NR	-	27,678	27,678
	<u>14,828,080</u>	<u>27,678</u>	<u>14,855,758</u>

	Cash and cash <u>equivalents</u> RM	Amount due from <u>brokers</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial				
- AAA	6,319,736	-	-	6,319,736
- NR	-	3,018,697	-	3,018,697
Others				
- NR	-	-	62,665	62,665
	<u>6,319,736</u>	<u>3,018,697</u>	<u>62,665</u>	<u>9,401,098</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

Capital risk

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

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

Collective investment scheme risk

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

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the financial 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 and financial liabilities that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

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

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- collective investment schemes	207,338,774	-	-	207,338,774
- exchange - traded fund	158,352,275	-	-	158,352,275
	<u>365,691,049</u>	<u>-</u>	<u>-</u>	<u>365,691,049</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- collective investment schemes	227,841,335	-	-	227,841,335
- exchange - traded fund	149,186,146	-	-	149,186,146
	<u>377,027,481</u>	<u>-</u>	<u>-</u>	<u>377,027,481</u>
Financial liabilities at fair value through profit or loss:				
- forward foreign currency contracts	-	1,037,617	-	1,037,617

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

4 MANAGEMENT FEE

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

For the 6 months financial period ended 31 August 2023, the management fee is recognised at the following stated rate:

Financial period from 1 July 2023 to 31 August 2023	= 1.30% per annum
Financial period from 1 April 2023 to 30 June 2023	= 1.35% per annum
Financial period from 1 March 2023 to 31 March 2023	= 1.10% per annum

For the 6 months financial period ended 31 August 2022, the management fee is recognised at 1.07% per annum.

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 not exceeding 0.10% per annum on the NAV of the Fund, excluding of foreign custodian fees and charges.

For the 6 months financial period ended 31 August 2023, the Trustee's fee is recognised at a rate of 0.06% (2022: 0.06%) per annum on the NAV of the Fund, excluding of foreign custodian fees and charges, calculated on a daily basis as stated in the Prospectus.

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

6 FUND ACCOUNTING FEE

The fund valuation and accounting fee for the Fund for 6 months financial period ended 31 August 2023 is RM7,583 (2022: RM Nil).

7 TAXATION

	6 months financial period ended <u>31.8.2023</u> RM	6 months financial period ended <u>31.8.2022</u> RM
Current taxation	101,477	18,876

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

	6 months financial period ended <u>31.8.2023</u> RM	6 months financial period ended <u>31.8.2022</u> RM
Net profit/(loss) before taxation	28,427,751	(39,381,379)
Tax at Malaysian statutory rate of 24% (2022: 24%)	6,822,660	(9,451,531)
Tax effects of:		
(Investment income not subject to tax)/		
Investment loss not brought to tax	(7,369,268)	8,811,340
Expenses not deductible for tax purposes	214,936	127,842
Restriction on tax deduction expenses for Unit Trust Funds	433,149	512,349
Foreign income subject to tax	-	18,876
Tax expenses	101,477	18,876

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- collective investment schemes – local	18,470,414	59,612,094
- collective investment schemes - foreign	188,868,360	168,229,241
- exchange-traded fund – foreign	158,352,275	149,186,146
	<u>365,691,049</u>	<u>377,027,481</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

	6 months financial period ended <u>31.8.2023</u> RM	6 months financial period ended <u>31.8.2022</u> RM
Net gain/(loss) on assets at fair value through profit or loss:		
- realised loss on sale of investment	(11,195,469)	(17,859,281)
- unrealised gain/(loss) on changes in fair value	43,082,265	(15,516,542)
- management fee rebate on collective investment schemes #	255,920	315,996
	<u>32,142,716</u>	<u>(33,059,827)</u>

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

(a) Collective investment schemes - local

(i) Collective investment schemes - local as at 31 August 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
AHAM Select Asia (ex Japan) Opportunity Fund - MYR Class (formerly known as Affin Hwang Select Asia (ex Japan) Opportunity Fund - MYR Class)	25,476,433	23,005,607	18,470,414	4.88
Total collective investment scheme - local	<u>25,476,433</u>	<u>23,005,607</u>	<u>18,470,414</u>	<u>4.88</u>
Accumulated unrealised loss on collective investment schemes - local		<u>(4,535,193)</u>		
Total collective investment schemes - local		<u>18,470,414</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

(a) Collective investment schemes – local (continued)

(ii) Collective investment schemes - local as at 31 August 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
AHAM Aiiman Money Market Fund (formerly known as Aiiman Money Market Fund)	37,294,275	20,303,003	20,306,733	5.28
AHAM Select Asia (ex Japan) Opportunity Fund - MYR Class (formerly known as Affin Hwang Select Asia (ex Japan) Opportunity Fund - MYR Class)	53,418,540	48,237,755	39,305,361	10.23
Total collective investment scheme - local	<u>90,712,815</u>	<u>68,540,758</u>	<u>59,612,094</u>	<u>15.51</u>
Accumulated unrealised loss on collective investment schemes - local		(8,928,664)		
Total collective investment schemes - local		<u>59,612,094</u>		

(b) Collective investment schemes - foreign

(i) Collective investment schemes - foreign as at 31 August 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Baillie Gifford Worldwide Global Inc Growth Fund Equity PT-USD	394,956	26,848,667	26,666,656	7.04
Baillie Gifford Worldwide Long Term Global Growth Fund	136,914	17,149,236	17,158,235	4.53
GQG Partners US Equity Fund - USD A	330,913	15,416,096	17,981,737	4.75
HSBC Global Liquidity Fund PLC - US Dollar Liquidity Fund-J	10,944,401	54,261,483	55,718,223	14.71
Lazard Global Equity Franchise	18,142	16,340,675	17,656,489	4.66
Luxembourg SICAV UBAM - 30 Global Leaders -A-USD	22,695	23,271,681	27,019,065	7.13
Nikko AM Global Umbrella Fund - Global Equity Fund *	374,706	25,281,316	26,667,955	7.04
Total collective investment scheme - foreign	<u>12,222,727</u>	<u>178,569,154</u>	<u>188,868,360</u>	<u>49.86</u>
Accumulated unrealised gain on collective investment scheme - foreign		10,299,206		
Total collective investment scheme - foreign		<u>188,868,360</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

(b) Collective investment schemes – foreign (continued)

(ii) Collective investment schemes - foreign as at 31 August 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Allianz Global Investors Fund – All China Equity PT-USD	4,182	24,827,025	23,386,944	6.09
Baillie Gifford Worldwide Long Term Global Growth Fund	173,861	21,971,097	18,348,612	4.77
GQG Partners US Equity Fund - USD A	402,686	18,782,316	18,955,128	4.93
HSBC Global Liquidity Fund PLC - US Dollar Liquidity Fund-J	4,354,080	20,058,857	20,469,648	5.33
Morgan Stanley Investment Funds - Global Brands Fund	77,455	30,240,987	31,409,781	8.17
Nikko AM Global Umbrella Fund - Global Equity Fund *	265,214	18,453,225	17,064,778	4.44
TT Environmental Solutions	330,451	31,252,522	28,758,791	7.48
UBS Lux Investment Sicav II - China A Opportunity	8,296	12,329,755	9,835,559	2.56
Total collective investment scheme - foreign	<u>5,616,225</u>	<u>177,915,784</u>	<u>168,229,241</u>	<u>43.77</u>
Accumulated unrealised loss on collective investment scheme - foreign		<u>(9,686,543)</u>		
Total collective investment scheme - foreign		<u>168,229,241</u>		

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

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

(c) Exchange-traded fund - foreign

(i) Exchange-traded fund - foreign as at 31 August 2023 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
iShares Core S&P 500 UCITS ETF	17,166	31,610,943	37,569,739	9.92
iShares Core TOPIX ETF	226,521	15,587,979	17,178,229	4.53
iShares MSCI ACWI ETF	112,398	33,376,736	37,078,636	9.79
iShares MSCI All Country Asia ex Japan ETF	60,514	18,628,123	18,399,988	4.86
iShares MSCI China ETF	71,420	14,811,484	14,871,445	3.92
Vanguard FTSE Europe ETF	57,010	15,800,563	16,094,863	4.25
Vanguard US Treasury 0-1 Year Bond ETF	71,100	17,132,553	17,159,375	4.53
Total exchange-traded fund - foreign	<u>616,129</u>	<u>146,948,381</u>	<u>158,352,275</u>	<u>41.80</u>
Accumulated unrealised gain on exchange-traded fund - foreign		<u>11,403,894</u>		
Total exchange-traded fund - foreign		<u>158,352,275</u>		

(ii) Exchange-traded fund - foreign as at 31 August 2022 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
ARK Innovation ETF	77,699	18,723,952	14,553,222	3.79
iShares Core S&P 500 UCITS ETF	31,169	57,397,266	57,173,960	14.88
iShares MSCI ACWI ETF	151,390	62,694,082	58,188,192	15.14
Vanguard Total Stock Market ETF	21,700	20,187,452	19,270,772	5.01
Total exchange-traded fund - foreign	<u>281,958</u>	<u>159,002,752</u>	<u>149,186,146</u>	<u>38.82</u>
Accumulated unrealised loss on exchange-traded fund - foreign		<u>(9,816,606)</u>		
Total exchange-traded fund - foreign		<u>149,186,146</u>		

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

9 CASH AND CASH EQUIVALENTS

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	7,690,762	5,170,665
Deposit with a licensed financial institution	7,137,318	1,149,071
	<u>14,828,080</u>	<u>6,319,736</u>

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	<u>3.01</u>	<u>2.25</u>

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

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are nil (2022: 7) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM (2022: RM91,205,336). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the Fund's investment in the collective investment schemes denominated in United States Dollar. As the fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contracts are recognised immediately in the statement of comprehensive income.

	<u>2023</u> RM	<u>2022</u> RM
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>-</u>	<u>1,037,617</u>
Net loss on forward foreign currency contracts		
at fair value through profit or loss:		
- realised loss on forward foreign currency contracts	-	(4,835,529)
- unrealised loss on changes in fair value	-	(1,207,315)
	<u>-</u>	<u>(6,042,844)</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

(a) Forward foreign currency contracts

(i) There is no forward foreign currency contracts as at 31 August 2023.

(ii) Forward foreign currency contracts as at 31 August 2022 is as follows:

	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
Affin Hwang Investment Bank Bhd #	14,367,006	(14,436,310)	(69,304)	(0.02)
BNP Paribas Malaysia Bhd	22,161,500	(22,260,278)	(98,778)	(0.03)
Citibank Bhd	10,135,350	(10,269,684)	(134,334)	(0.03)
J.P. Morgan Chase Bank Bhd	15,028,680	(15,158,571)	(129,891)	(0.03)
Hong Leong Bank Bhd	20,734,800	(21,176,483)	(441,683)	(0.11)
Maybank Bhd	8,778,000	(8,941,627)	(163,627)	(0.04)
Total forward foreign currency contracts	<u>91,205,336</u>	<u>(92,242,953)</u>	<u>(1,037,617)</u>	<u>(0.26)</u>

The Manager is of the opinion that all transactions with former holding company of the Manager have been entered into the normal course of business at agreed terms between the related parties.

11 NUMBER OF UNITS IN CIRCULATION

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of the financial period	639,777,000	640,633,000
Creation of units arising from applications	7,633,000	34,690,000
Cancellation of units	(42,025,000)	(22,068,000)
At the end of the financial period	<u>605,385,000</u>	<u>653,255,000</u>

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

12 TRANSACTIONS WITH BROKERS

- (i) Details of transaction with the top brokers for the 6 months financial period ended 31 August 2023 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
MFEX Mutual Funds Exchange AB	207,603,902	42.19	-	-
AHAM Asset Management Bhd (formerly known as Affin Hwang Asset Management Bhd) #	80,948,147	16.45	-	-
Robert W. Baird & Co.	70,737,488	14.37	14,855	27.36
CLSA Hong Kong Ltd	51,834,825	10.53	-	-
CLSA Securities (Malaysia) Sdn Bhd	34,537,222	7.02	17,269	31.81
CLSA Singapore Pte Ltd	17,551,443	3.57	8,261	15.22
Macquarie Capital Securities Ltd	13,515,059	2.75	6,490	11.95
Flow Traders	8,091,898	1.64	-	-
Cantor Fitzgerald (HK) Capital Markets Ltd	7,269,391	1.48	7,416	13.66
	<u>492,089,375</u>	<u>100.00</u>	<u>54,291</u>	<u>100.00</u>

- (ii) Details of transaction with the top brokers for the 6 months financial period ended 31 August 2022 are as follows:

<u>Name of brokers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage %</u>
MFEX Mutual Funds Exchange AB	367,044,179	53.78	-	-
Cantor Frizgerald Europe	121,567,105	17.81	134,827	76.59
AHAM Asset Management Bhd (formerly known as Affin Hwang Asset Management Bhd) #	86,626,807	12.69	-	-
Robert W. Baird & Co.	24,846,575	3.64	7,037	4.00
China International Capital Corp HK Securities Ltd	23,148,667	3.39	7,025	3.99
Macquarie Capital Securities Ltd	21,195,657	3.11	10,598	6.02
Jefferies International Ltd	15,985,403	2.34	5,613	3.19
Alliance Bernstein (Singapore) Ltd	13,043,253	1.91	4,897	2.78
CLSA Ltd	6,062,196	0.89	3,031	1.72
State Street Global Markets	3,018,679	0.44	3,019	1.71
	<u>682,538,521</u>	<u>100.00</u>	<u>176,047</u>	<u>100.00</u>

- # Included in transactions with brokers are trades with the Manager amounting to RM80,948,147 (2022: RM86,626,807). The Manager is of the opinion that all transactions have been entered into at agreed terms between the related parties.

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

The related parties of and their relationship with the Fund as at 31 August 2022 are as follows:

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the Manager and former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former immediate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
CVC Capital Partners Asia V L.P. ("CVC Asia V")	Ultimate 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 (formerly known as Affin Hwang 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 (formerly known as Affin Hwang Asset Management Berhad)	Directors of the Manager

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

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

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

	<u>2023</u>		<u>2022</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held legally for booking purposes)	<u>2,759</u>	<u>1,726</u>	<u>3,230</u>	<u>1,901</u>
<u>Director of the Manager:</u>				
Director of the AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) (The units are held beneficially)	<u>948,994</u>	<u>593,786</u>	<u>74,679</u>	<u>43,941</u>

14 TOTAL EXPENSE RATIO ("TER")

	<u>6 months financial period ended 31.8.2023</u> %	<u>6 months financial period ended 31.8.2022</u> %
TER	<u>0.64</u>	<u>0.58</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM373,678,294 (2022: RM394,780,680).

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

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

15 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 31.8.2023	6 months financial period ended 31.8.2022
PTR (times)	0.67	0.89

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 = RM229,620,109 (2022: RM342,663,446)
total disposal for the financial period = RM273,672,852 (2022: RM357,779,013)

16 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Change in substantial shareholders of AHAM Asset Management Berhad (formerly known as Affin Hwang 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 (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT"), resulting in both NAM and LTAT becoming substantial shareholders of the Manager.

AHAM SMART INVEST PORTFOLIO - GROWTH
(FORMERLY KNOWN AS AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH)

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 34 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 August 2023 and of its financial performance, changes in equity and cash flows for the 6 months financial period ended 31 August 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
AHAM ASSET MANAGEMENT BERHAD
(FORMERLY KNOWN AS AFFIN HWANG ASSET MANAGEMENT BERHAD)

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
16 October 2023

DIRECTORY OF SALES OFFICE

HEAD OFFICE

AHAM Asset Management Berhad
(formerly known as Affin Hwang Asset Management Berhad)
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PENANG

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JOHOR

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DIRECTORY OF SALES OFFICE (CONTINUED)

SABAH

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SARAWAK - KUCHING

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Sarawak

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Fax : 082 – 233 663

SARAWAK - MIRI

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Sarawak

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AHAM Asset Management Berhad

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Registration No: 199701014290 (429786-T)

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