Affin Hwang
Growth Fund

Annual Report
28 February 2019

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

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
AmanahRaya Trustees Berhad (766894-T)

AFFIN HWANG GROWTH FUND

Annual Report and Audited Financial Statements
For the Financial Year Ended 28 February 2019

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FUND INFORMATION

Fund Name	Affin Hwang Growth Fund
Fund Type	Capital Growth
Fund Category	Equity
Investment Objective	To generate capital growth over the medium to long term period through diversified investments of equities listed on Bursa Malaysia
Benchmark	FTSE Bursa Malaysia KLCI
Distribution Policy	Distribution (if any) is incidental and will be subject to the availability of income

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 28 FEBRUARY 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	40,603	86,956
5,001 to 10,000	27,530	203,391
10,001 to 50,000	19,439	328,009
50,001 to 500,000	137	9,004
500,001 and above	2	4,502
Total	**87,711**	**631,862**

** Note : Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 28 Feb 2019 (%)	As at 28 Feb 2018 (%)	As at 28 Feb 2017 (%)
Portfolio composition			
Quoted equities – local			
- Consumer Products & Services	9.46	7.59	6.14
- Construction	-	6.05	12.20
- Financial Services	30.10	22.63	20.31
- Industrial Product & Services	11.48	15.68	9.89
- Healthcare	0.82	-	-
- Infrastructure project company	-	-	2.03
- Energy	4.12	-	-
- Plantation	1.95	3.05	3.71
- Properties	2.63	9.09	5.10
- REITs	6.14	4.51	3.12
- Technology	3.78	2.95	4.85
- Telecommunication & Media	5.19	-	-
- Trading and services	-	22.12	28.40
- Utilities	4.02	-	-
- Warrant	0.04	0.10	0.42
Total quoted equities – local	**79.73**	**93.77**	**96.17**
Cash and cash equivalent	**20.27**	**6.23**	**3.83**
Total	**100.00**	**100.00**	**100.00**
Total NAV (RM'million)	180.756	228.889	234.610
NAV per Unit (RM)	0.2861	0.3185	0.2763
Unit in Circulation (million)	631.864	718.757	849.238
Highest NAV	0.3185	0.3271	0.2778
Lowest NAV	0.2718	0.2779	0.2507
Return of the Fund (%)[iii]	-8.01	15.27	9.51
- Capital Growth (%)[i]	-10.71	15.27	9.51
- Income Distribution (%)[ii]	2.41	Nil	Nil
Gross Distribution per Unit (sen)	0.70	Nil	Nil
Net Distribution per Unit (sen)	0.70	Nil	Nil
Management Expense Ratio (%)[1]	1.62	1.68	1.69
Portfolio Turnover Ratio (times)[2]	0.78	0.89	0.75

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 @ 28/02/19 ÷ NAV per Unit @ 28/02/18* – 1} x 100
= (0.2861 ÷ 0.3185 – 1) x 100
= **-10.17%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex-date} + 1
= {0.0070 ÷ 0.2903 @ 24/07/18} + 1 = 1.0241

[1]The MER of the Fund was lower than previous year due to lower expenses incurred by the Fund during the period under review.
[2]The Fund recorded a lower PTR as the Manager had decreased its trading activities during the period under review.

Total Income Return[ii] = [{Income Return @ ex-date x Income Return @ ex-date} – 1] x 100
= [{1.0241} – 1] x 100
= 2.41%

Return of the Fund[iii] = {(1 + Capital Return x (1 + Income Return)} – 1] x 100
= {(1 + (-10.17%)) x (1 + 2.41%)} – 1] x 100
= **-8.01%**

** Source – Amanahraya Trustees Berhad*

Table 1: Performance of the Fund

	1 Year (1/3/18 - 28/2/19)	3 Years (1/3/16 - 28/2/19)	5 Years (1/3/14 - 28/2/19)	Since Commencement (28/6/11 - 28/2/19)
Fund	**(8.01%)**	**16.13%**	**7.52%**	**30.78%**
Benchmark	**(8.00%)**	**3.20%**	**(6.17%)**	**9.36%**
Outperformance / (Underperformance)	**(0.01%)**	**12.93%**	**13.69%**	**21.42%**

Source of Benchmark: Bursa Malaysia

Table 2: Average Total Return

	1 Year (1/3/18 - 28/2/19)	3 Years (1/3/16 - 28/2/19)	5 Years (1/3/14 - 28/2/19)	Since Commencement (28/6/11 - 28/2/19)
Fund	**(8.01%)**	**5.11%**	**1.46%**	**3.56%**
Benchmark	**(8.00%)**	**1.06%**	**(1.27%)**	**1.17%**
Outperformance / (Underperformance)	**(0.01%)**	**4.05%**	**2.73%**	**2.39%**

Source of Benchmark: Bursa Malaysia

Table 3: Annual Total Return

	FYE 2019 (01/3/18 - 28/2/19)	FYE 2018 (01/3/17 - 28/2/18)	FYE 2017 (01/3/16 - 28/2/17)	FYE 2016 (01/1/15 - 29/2/16)	FYE 2014 (01/1/14 - 31/12/14)
Fund	**(8.01%)**	**15.27%**	**9.51%**	**(1.06%)**	**(8.86%)**
Benchmark	**(8.00%)**	**9.59%**	**2.36%**	**(5.58%)**	**(5.22%)**
Outperformance / (Underperformance)	**(0.01%)**	**5.68%**	**7.15%**	**4.52%**	**(3.64%)**

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.

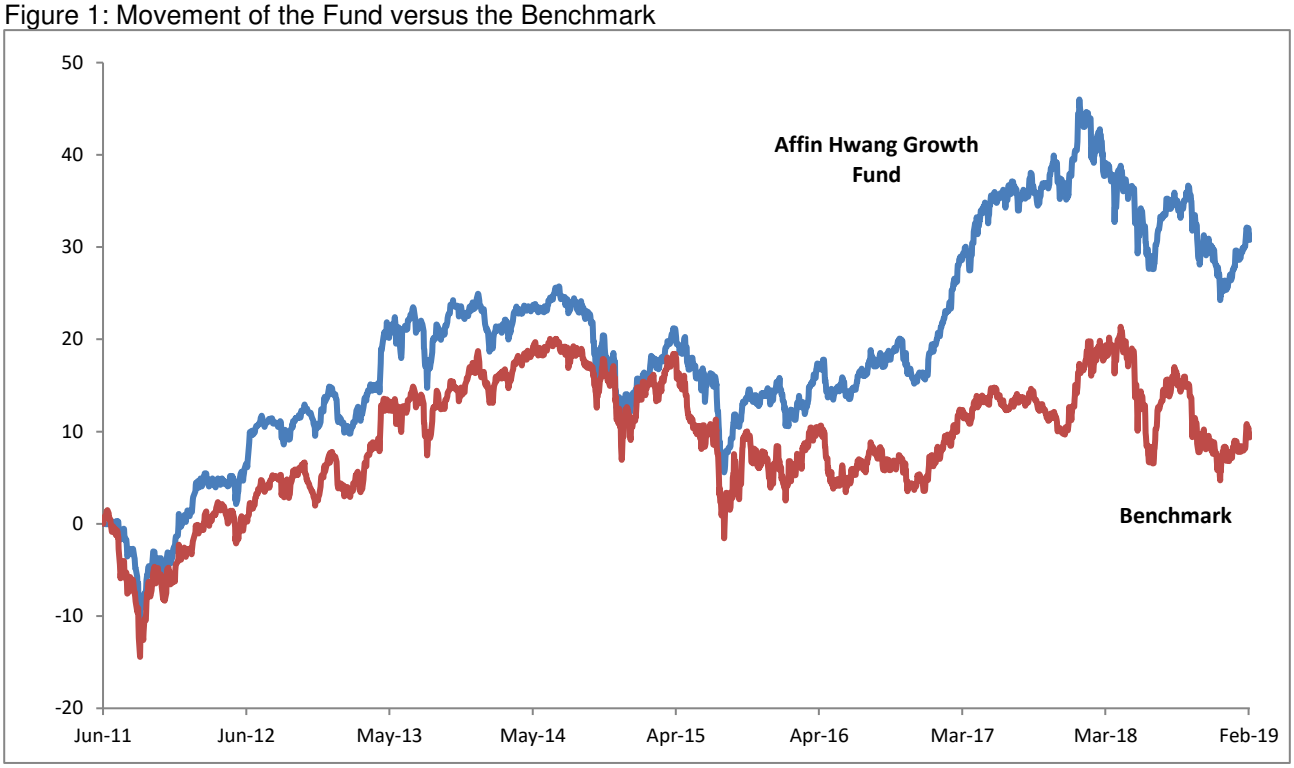
MANAGER'S REPORT

Performance Review

For the period 1 March 2018 to 28 February 2019, the Fund registered a return of -8.01%. The Net Asset Value (NAV) per unit of the Fund as at 28 February 2019 was RM 0.2861 while the NAV at 28 February 2018 was RM0.3185. The Benchmark for the period registered a return of -8.00%. The Fund underperformed the Benchmark by 0.01 percentage points. The fund declared a gross income distribution of RM0.007 per unit for the period. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since its inception to 28 February 2019, the Fund has registered a return of 30.78%. Compared to the benchmark that rose 9.36% for the same period, the Fund outperformed the Benchmark by 21.42 percentage points. The fund has declared a total gross income distribution of RM0.038 per unit to-date. As such, the Fund will continue to be managed in a manner to fulfill its objective.

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 KLCI

Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of RM0.0070 per Unit for investors of the Affin Hwang Growth Fund during 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)
23 Jul 2018	24 Jul 2018	0.2967	0.0070	0.2903

No unit split were declared for the financial year ended 28 February 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

	28 Feb 2018 (%)	28 Feb 2018 (%)	28 Feb 2017 (%)
Quoted equities – local	79.73	93.77	96.17
Cash and Cash Equivalent	20.27	6.23	3.83
Total	**100.00**	**100.00**	**100.00**

As at 28 February 2019, the Fund's asset allocation in equities stood lower at 79.73%, 14.04 percentage points lower than 93.77% a year ago, while the remaining was held in cash and cash equivalent. During the period under review, the Manager had decreased exposures towards Properties sectors, while stripped off Trading & Services and Construction sector from the portfolio.

Strategies Employed

With the return of volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we took a view that the correction was overdone and a recession was not imminent, where we then deployed back into the market with a focus on quality.

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.

Investors ploughed back money into the US on signs of quicker growth, rising interest rates and a stronger greenback that has undermined the attraction of riskier EM assets. Regionally, the MSCI Asia ex-Japan Index was weighed down by external risk plunging 10.34% in the period under review.

The market sell-off was exacerbated further by outflows from global EM funds who were de-risking portfolios. Global fund managers have posited similar characteristics from Turkey & Argentina to other economies that might share some of these symptoms such as a high current account deficit and reliance on foreign debt.

Trade remained a key overhang of markets following tit-for-tat tariffs, where the Trump administration announced 10.0% duties on USD200 billion worth of Chinese imports which took effect on September 2018. China swiftly retaliated by imposing tariffs of their own on USD60 billion worth of US goods ranging between 5.0-10.0%. The two global powerhouses have already slapped tariffs on USD50 billion worth of goods throughout its trade skirmish.

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 over 3.37% of its value YTD, 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. The benchmark KLCI fell 8.00% in the period under review, whilst the small-cap rout deepened with the small-cap index plunging 24.97%.

Extensive kitchen-sinking and cost-cutting exercises embarked by the new government led to a fierce sell-off at the initial stage of the power transition. Construction stocks and politically-linked counters bore the brunt of the sell-off last month, as major infrastructure projects were reviewed and big-ticket items such as the Kuala Lumpur-Singapore High-Speed Rail (HSR) and the Mass Rapid Transit Line 3 (MRT3) project were

scrapped. A massive clean-up that has swept across various institutions in the country post GE-14 saw numerous GLC & GLIC heads fall into the fray.

Coming into 2019, markets staged a fast and furious early-year rally that fuelled gains in Asian equity benchmark gauges. Coming from a deeply oversold position, markets were buoyed by increased trade optimism as both US and China come around the negotiation table to iron out a framework for a trade deal.

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.

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.

Easing measures announced by China has propped up the market, though closer monitoring would be needed to see if such stimulus has started to trickle-down to growth and GDP possibly sometime into the 2Q'19 due to lag effects. This could bolster fund flows back into EMs as positioning has been light with global funds underweight EMs and lots of cash on the side-lines.

Post sell-off, we do see valuations coming down to more attractive levels. With the exception of the 2008-GFC and Asian Financial Crisis, valuations today in Asia ex-Japan are at levels which correspond to positive market performance going forward. Though, we are mindful still of weaker earnings growth and further cuts to forward earnings estimates that could put a drag to market performance. We need to see earnings stabilise to anchor valuations forward.

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.

TRUSTEE'S REPORT
For the Financial Year Ended 28 February 2019

To the Unit Holders of
AFFIN HWANG GROWTH FUND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG GROWTH FUND for the financial year ended 28 February 2019. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has managed AFFIN HWANG GROWTH FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are of the opinion that:

(a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;

(b) Creation and cancellation of units are carried out in accordance with the Deed and other regulatory requirement; and

(c) The distribution of income made by AFFIN HWANG GROWTH FUND as declared by the Manager is appropriate and reflects the investment objective of AFFIN HWANG GROWTH FUND.

Yours faithfully
AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
18 April 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

	Note	2019 RM	2018 RM
INVESTMENT (LOSS)/INCOME			
Gross dividend income		5,219,161	7,386,851
Interest income from deposits with licensed financial institutions		1,270,228	477,824
Net (loss)/gain on financial assets at fair value through profit or loss	8	(20,332,907)	31,195,469
		(13,843,518)	39,060,144
EXPENSES			
Management fee	4	(2,965,169)	(3,516,604)
Trustee fee	5	(159,069)	(188,655)
Auditors' remuneration		(7,500)	(7,520)
Tax agent's fee		(6,000)	(6,016)
Transaction costs		(888,308)	(1,317,747)
Other expenses		(88,321)	(246,205)
		(4,114,367)	(5,282,747)
NET (LOSS)/PROFIT BEFORE TAXATION		(17,957,885)	33,777,397
TAXATION	7	(42,886)	(53,290)
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(18,000,771)	33,724,107

Net (loss)/profit after taxation is made up of the following:

Realised amount	899,519	30,443,014
Unrealised amount	(18,900,290)	3,281,093
	(18,000,771)	33,724,107

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 28 FEBRUARY 2019

	Note	2019 RM	2018 RM
ASSETS			
Cash and cash equivalents	9	38,139,167	17,052,790
Financial assets at fair value through profit or loss	8	144,123,531	214,620,307
Dividend receivables		43,536	254,006
Amount due from brokers		938,629	995,242
TOTAL ASSETS		183,244,863	232,922,345
LIABILITIES			
Amount due to brokers		2,173,330	3,585,847
Amount due to Manager			
- management fee		208,772	263,286
- cancellation of units		68,904	127,640
Amount due to Trustee		11,135	14,042
Auditors' remuneration		7,520	7,520
Tax agent's fee		7,917	6,116
Other payable and accruals		10,930	28,388
TOTAL LIABILITIES		2,488,508	4,032,839
NET ASSET VALUE OF THE FUND		180,756,355	228,889,506
EQUITY			
Unitholders' capital		161,937,808	187,298,036
Retained earnings		18,818,547	41,591,470
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		180,756,355	228,889,506
NUMBER OF UNITS IN CIRCULATION	10	631,864,000	718,757,000
NET ASSET VALUE PER UNIT (RM)		0.2861	0.3185

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 28 FEBRUARY 2019

	Unitholders' capital RM	Retained earnings RM	Total RM
Balance as at 1 March 2018	187,298,036	41,591,470	228,889,506
Total comprehensive loss for the financial year	-	(18,000,771)	(18,000,771)
Distributions (Note 6)	-	(4,772,152)	(4,772,152)
Movement in unitholders' capital:			
Creation of units arising from distribution	4,772,152	-	4,772,152
Cancellation of units	(30,132,380)	-	(30,132,380)
Balance as at 28 February 2019	161,937,808	18,818,547	180,756,355
Balance as at 1 March 2017	226,743,256	7,867,363	234,610,619
Total comprehensive income for the financial year	-	33,724,107	33,724,107
Movement in unitholders' capital:			
Creation of units arising from applications	136,504	-	136,504
Cancellation of units	(39,581,724)	-	(39,581,724)
Balance as at 28 February 2018	187,298,036	41,591,470	228,889,506

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 28 FEBRUARY 2019

	Note	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		180,372,448	230,682,377
Purchase of investments		(131,564,483)	(186,413,110)
Dividend received		5,429,631	7,379,324
Interest received from deposits with licensed financial institutions		1,270,228	477,824
Management fee paid		(3,019,683)	(3,524,397)
Trustee fee paid		(161,976)	(189,071)
Payment for other fees and expenses		(1,005,786)	(252,394)
Tax paid		(42,886)	(53,290)
Net cash generated from operating activities		51,277,493	48,107,263
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		-	136,504
Payments for cancellation of units		(30,191,116)	(39,612,031)
Net cash used in financing activities		(30,191,116)	(39,475,527)
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,086,377	8,631,736
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		17,052,790	8,421,054
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	38,139,167	17,052,790

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 28 FEBRUARY 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 year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

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

The Fund has applied the following amendments for the first time for the financial year beginning on 1 March 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 did not result in a change to the classification or measurement of financial instruments as outlined in Note F.

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 March 2018: (continued)

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.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2018 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 March 2018 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2018, 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

Interest income

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

Up to 28 February 2018, when a loan and receivable is impaired, the Fund reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

From 1 March 2018, 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).

The change did not result in any material impact in the Fund.

Dividend income

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

C TRANSACTION COSTS

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

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial 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, which is the Fund's functional and presentation currency.

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

Up to 28 February 2018, the Fund designates its investment in quoted equities as financial assets at fair value through profit or loss at inception.

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 loan and receivables comprise cash and cash equivalents, dividend receivables and amount due from brokers.

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

The Fund classifies amount due to brokers, amount due to Manager, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as other financial liabilities.

From 1 March 2018, the Fund classify 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 FINANCIAL 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 equity securities 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, dividend receivables and amount due from brokers 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 brokers, amount due to Manager, amount due to Trustee, 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 139 up to 28 February 2018 and MFRS 9 from 1 March 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 investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

Gain or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or (loss)' in the financial year 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.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the deposit.

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

(iii) Impairment

Until 28 February 2018, for assets carried at amortised cost, the Fund assesses at the end of the reporting period 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 interest rate.

The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest 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 financial 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 March 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider 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.

(iii) 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.

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 and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) BROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. 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.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

I UNITHOLDERS' CAPITAL

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

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

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

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 unitholders with the total number of outstanding units.

J 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 Manager that makes strategic decisions.

K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

1 INFORMATION ON THE FUND

The Fund was constituted under the name Affin Quantum Fund (the "Fund") pursuant to the execution of a Deed dated 25 March 2011 as modified by a Second Supplemental Deed dated 6 August 2015 and a Third Supplemental Deed dated 5 October 2018. The Fund has changed its name from Affin Quantum Fund to Affin Hwang Growth Fund as amended by the First Supplemental Deed dated 22 July 2014 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and AmanahRaya Trustees Berhad (the "Trustee").

The Fund commenced operations on 25 March 2011 and will continue its operations until terminated by the Trustee as provided by Division 12.3 of the Deed.

The Fund may invest in securities traded on Bursa Malaysia and other markets considered as eligible markets, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the SC from time to time. All investments will be subjected to the SC's Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund:

(i) Listed securities
(ii) Unlisted securities including, without limitation, securities that have been approved by relevant authorities for the listing of and quotation for such securities;
(iii) Fixed deposits with financial institutions;
(iv) Money market instruments;
(v) Government bonds, treasury bills and other Government approved or guaranteed bonds;
(vi) Debentures including private debt securities and bonds;
(vii) Unit/shares in collective investment schemes, both local and foreign which are in line with the objective of the Fund;
(viii) Equity linked instruments such as warrants and right;
(ix) Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
(x) Structured product; and
(xi) Any other form of investments as may be permitted by the Securities Commission from time to time that is in line with the Fund's Objectives.

The objective of the Fund is to seek a stable return and generate capital growth over the medium to long term period in diversified investment of equities listed on Bursa Malaysia.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager 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 Manager on 16 April 2019.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund 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	9	38,139,167	-	38,139,167
Quoted equities	8	-	144,123,531	144,123,531
Dividend receivable		43,536	-	43,536
Amount due from brokers		938,629	-	938,629
Total		39,121,332	144,123,531	183,244,863

	Note	Loans and receivables RM	Financial assets at fair value through profit or loss RM	Total RM
2018				
Cash and cash equivalents	9	17,052,790	-	17,052,790
Quoted equities	8	-	214,620,307	214,620,307
Dividend receivable		254,006	-	254,006
Amount due from brokers		995,242	-	995,242
Total		18,302,038	214,620,307	232,922,345

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), liquidity risk, credit risk and capital risk.

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

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 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:

	2019 RM	2018 RM
Quoted investments		
Quoted equities designated at fair value through profit or loss	144,123,531	214,620,307

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movement. The analysis is based on the assumption 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 quoted securities having regard to the historical volatility of the prices.

% Change in price	Market value RM	Impact on profit after tax/NAV RM
2019		
-5%	136,917,354	(7,206,177)
0%	144,123,531	-
+5%	151,329,708	7,206,177
2018		
-5%	203,889,292	(10,731,015)
0%	214,620,307	-
+5%	225,351,322	10,731,015

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

Market risk (continued)

(b) Interest rate risk

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

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

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

Liquidity risk

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

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

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

	Within one month RM	Between one month to one year RM	Total RM
2019			
Amount due to brokers	2,173,330	-	2,173,330
Amount due to Manager			
- management fee	208,772	-	208,772
- cancellation of units	68,904	-	68,904
Amount due to Trustee	11,135	-	11,135
Auditors' remuneration	-	7,520	7,520
Tax agent's fee	-	7,917	7,917
Other payables and accruals	-	10,930	10,930
	2,462,141	26,367	2,488,508

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

Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows: (continued)

	Within one month RM	Between one month to one year RM	Total RM
2018			
Amount due to brokers	3,585,847	-	3,585,847
Amount due to Manager			
- management fee	263,286	-	263,286
- cancellation of units	127,640	-	127,640
Amount due to Trustee	14,042	-	14,042
Auditors' remuneration	-	7,520	7,520
Tax agent's fee	-	6,116	6,116
Other payables and accruals	16,640	11,748	28,388
	4,007,455	25,384	4,032,839

Credit risk

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

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

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

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

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

Credit risk (continued)

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

	Cash and cash equivalents RM	Dividend receivables RM	Amount due from brokers RM	Total RM
2019				
Finance				
- AAA	27,824,811	-	-	27,824,811
- AA3	115,432	-	-	115,432
- AA-	10,198,924	-	-	10,198,924
- NR	-	-	938,629	938,629
REITS				
- NR	-	43,536	-	43,536
	38,139,167	43,536	938,629	39,121,332
2018				
Finance				
- AAA	16,784,578	-	-	16,784,578
- AA3	268,212	-	-	268,212
- NR	-	85,488	-	85,488
Consumer product				
- AA3	-	-	413,027	413,027
Industrial product				
- NR	-	45,773	-	45,773
Properties				
- AA3	-	-	582,215	582,215
REITS				
- NR	-	29,323	-	29,323
Trading/Services				
- NR	-	93,422	-	93,422
	17,052,790	254,006	995,242	18,302,038

Capital risk

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

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

3 FAIR VALUE ESTIMATION

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2019				
Financial assets at fair value through profit or loss				
- quoted equities	144,123,531	-	-	144,123,531

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2018				
Financial assets at fair value through profit or loss				
- quoted equities	214,620,307	-	-	214,620,307

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

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

4 MANAGEMENT FEE

	2019 RM	2018 RM
Gross management fee	2,982,551	3,537,280
Management fee rebate	(17,382)	(20,676)
Net management fee	2,965,169	3,516,604

In accordance with the Deed, the Manager is entitled to a management fee at a rate of up to 3.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 28 February 2019, the management fee is recognised at a rate of 1.50% (2018: 1.50%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

The management fee rebate is derived from the interest income earned by the Manager from the Fund's trust collection account maintained by the Manager. The interest income earned is reimbursed to the unitholders of the Fund in the form of management fee rebate.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee of up to 0.08% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 28 February 2019, the Trustee fee is recognised at a rate of 0.08% (2018: 0.08%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's Prospectus.

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

6 DISTRIBUTION

	2019 RM	2018 RM
Distribution to unitholders is from the following sources:		
Previous year realised income	4,772,152	-
Gross realised income	4,772,152	-
Less: Expenses	-	-
Net distribution amount	4,772,152	-

During the financial year ended 28 February 2019, distributions were made as follows:

Ex date	Gross/Net distribution per unit (sen) RM
24.07.2018	0.70

There is no distribution made during the financial year ended 28 February 2018.

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

Included in distribution for the financial year is an amount of RM4,772,152 (2018: RM Nil) made from previous year's realised income.

There are unrealised losses of RM18,900,290 during the financial year (2018: Nil)

7 TAXATION

	2019 RM	2018 RM
Current year taxation - local	42,886	53,290

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	(17,957,885)	33,777,397
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	(4,309,892)	8,106,575
Tax effects of:		
Investment loss not deductible for tax purposes/ (investment income not subject to tax)	3,322,443	(9,374,435)
Expenses not deductible for tax purposes	274,008	420,291
Restrictions on tax deductible expenses for Unit Trust Fund	713,441	847,569
Income subject to different tax rate	42,886	53,290
Tax expense	42,886	53,290

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 RM	2018 RM
Designated at fair value through profit or loss at inception:		
- quoted equities – local	144,123,531	214,620,307
Net gain on financial assets at fair value through profit or loss		
- realised (loss)/gain on sale of investments	(1,432,617)	27,914,376
- unrealised (loss)/gain on changes in fair value	(18,900,290)	3,281,093
	(20,332,907)	31,195,469

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

(a) Quoted equities – local

(i) Quoted equities – local as at 28 February 2019 are as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Consumer Product & Services				
Fraser & Neave Holdings Bhd	119,600	3,225,528	4,217,096	2.33
Guan Chong Bhd	579,700	2,052,507	2,185,469	1.21
Hong Leong Industries Bhd	707,800	5,017,892	7,000,142	3.87
Petronas Dagangan Bhd	138,500	3,551,994	3,697,950	2.05
	1,545,600	13,847,921	17,100,657	9.46
Energy				
Dialog Group Bhd	1,218,400	3,569,302	3,923,248	2.17
Hibiscus Petroleum Bhd	3,369,000	3,594,652	3,402,690	1.88
Uzma Bhd	135,800	221,139	118,146	0.07
	4,723,200	7,385,093	7,444,084	4.12
Financial Services				
Aeon Credit Service M Bhd	515,286	4,982,917	8,481,608	4.69
Alliance Bank Malaysia Bhd	996,900	4,244,066	3,947,724	2.18
Allianz Malaysia Berhad	329,500	4,717,094	4,705,260	2.60
CIMB Group Holdings Bhd	1,579,100	9,415,727	9,206,153	5.09
Hong Leong Financial Group Bhd	325,400	5,987,360	6,410,380	3.55
Malayan Banking Bhd	1,333,880	12,709,101	12,711,876	7.03
Public Bank Bhd	240,700	5,605,956	6,017,500	3.33
RHB Bank Bhd	524,100	2,755,960	2,945,442	1.63
	5,844,866	50,418,181	54,425,943	30.10
Health care				
Top Glove Corp Bhd	324,600	1,816,040	1,473,684	0.82

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 28 February 2019 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Industrial Product & Services				
ATA IMS Bhd	1,169,600	1,988,320	2,011,712	1.11
Petronas Chemicals Group Bhd	586,300	4,846,721	5,405,686	2.99
Scientex Bhd	993,600	4,982,545	8,773,488	4.85
Sunway Bhd	2,817,200	4,572,348	4,563,864	2.53
	5,566,700	16,389,934	20,754,750	11.48
Plantations				
Genting Plantations Bhd	252,100	2,484,559	2,642,008	1.46
Sime Darby Plantation Bhd	172,800	879,552	879,552	0.49
	424,900	3,364,111	3,521,560	1.95
Property				
Matrix Concepts Holdings Bhd	1,469,175	2,898,261	2,879,583	1.59
SP Setia Bhd Group	821,000	2,021,087	1,880,090	1.04
	2,290,175	4,919,348	4,759,673	2.63
REITS				
Sunway REIT	2,103,200	3,631,434	3,680,600	2.04
IGB REIT	4,254,900	6,969,966	7,403,526	4.10
	6,358,100	10,601,400	11,084,126	6.14
Technology				
Inari Amertron Bhd	1,220,200	2,725,328	1,903,512	1.05
Malaysian Pac Industries Bhd	502,100	5,027,873	4,925,601	2.73
	1,722,300	7,753,201	6,829,113	3.78

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

(a) Quoted equities – local (continued)

(i) Quoted equities – local as at 28 February 2019 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Telecommunication & Media				
Astro Malaysia Holdings Bhd	3,597,000	5,667,424	5,899,080	3.26
OCK Group Bhd	6,295,350	4,829,285	3,493,919	1.93
	9,892,350	10,496,709	9,392,999	5.19
Utilities				
Tenaga Nasional Bhd	541,200	8,084,582	7,262,904	4.02
Warrant				
Econpile Holdings Bhd -Warrant (02.01.2023)	779,350	-	74,038	0.04
Total quoted equities – local	40,013,341	135,076,520	144,123,531	79.73
Accumulated unrealised gain on quoted equities – local		9,047,011		
Total quoted equities – local		144,123,531		

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 28 February 2018 are as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Construction				
Econpile Holdings Bhd	4,571,250	2,610,988	5,531,213	2.42
Gabungan AQRS Bhd	1,135,600	1,932,884	2,146,284	0.94
Gamuda Bhd	492,100	2,405,140	2,440,816	1.07
WCT Holdings Bhd	2,412,533	4,315,553	3,715,301	1.62
	8,611,483	11,264,565	13,833,614	6.05
Consumer Products & Services				
Fraser & Neave Holdings Bhd	265,300	6,768,098	8,118,180	3.55
Hong Leong Industries Bhd	511,900	3,014,191	5,702,566	2.49
Malayan Flour Mills Bhd	1,739,400	3,733,955	3,548,376	1.55
	2,516,600	13,516,244	17,369,122	7.59
Financial Services				
Aeon Credit Service M Bhd	542,686	5,095,203	7,217,724	3.15
Allianz Malaysia Bhd	329,500	4,717,094	4,237,370	1.85
BIMB Holdings Bhd	791,700	3,217,464	3,325,140	1.45
Bursa Malaysia Bhd	462,100	3,943,692	5,194,004	2.27
CIMB Group Holdings Bhd	1,286,880	7,263,051	9,252,667	4.04
Malayan Banking Bhd	1,417,698	12,902,575	14,800,767	6.47
Public Bank Bhd	304,200	6,830,970	6,984,432	3.05
RHB Bank Bhd	148,800	783,164	800,544	0.35
	5,283,564	44,753,213	51,812,648	22.63
Industrial Products & Services				
Kossan Rubber Industries Bhd	198,500	1,524,890	1,701,145	0.74
Petronas Chemicals Group Bhd	846,400	6,873,307	6,838,912	2.99
Scientex Bhd	1,326,900	6,518,202	11,398,071	4.98
SKP Resources Bhd	2,327,200	3,049,873	4,375,136	1.91
Top Glove Corp Bhd	265,900	1,470,756	2,581,889	1.13
V.S. Industry Bhd	3,051,500	8,864,942	9,001,925	3.93
	8,016,400	28,301,970	35,897,078	15.68

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 28 February 2018 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Plantations				
Genting Plantations Bhd	447,000	4,268,394	4,514,700	1.97
Sime Darby Plantation Bhd	461,900	2,580,260	2,471,165	1.08
	908,900	6,848,654	6,985,865	3.05
Property				
Malaysian Resources Corp Bhd	3,989,400	3,731,685	4,308,552	1.88
Matrix Concepts Holdings Bhd	3,260,875	6,432,771	7,271,751	3.18
Sunway Bhd	2,817,200	4,572,348	4,648,380	2.03
UOA Development Bhd	1,756,900	4,513,433	4,567,940	2.00
	11,824,375	19,250,237	20,796,623	9.09
REITS				
IGB REIT	3,646,400	5,937,428	5,615,456	2.45
MRCB-QUILL REIT	2,201,700	2,650,720	2,443,887	1.07
Sunway REIT	1,341,400	2,293,475	2,266,966	0.99
	7,189,500	10,881,623	10,326,309	4.51
Trading & Services				
Boustead Holdings Bhd	1,002,500	3,007,500	2,786,950	1.22
Chin Hin Group Bhd	2,947,600	2,771,199	3,036,028	1.33
Dayang Enterprise Hldgs Bhd	1,792,700	1,418,730	1,407,269	0.61
Dialog Group Bhd	2,690,800	4,752,272	7,130,620	3.12
OCK Group Bhd	9,342,150	7,166,544	7,473,720	3.27
Petronas Dagangan Bhd	360,900	9,098,137	9,296,784	4.06
Sime Darby Bhd	1,093,400	2,362,707	3,006,850	1.31
Taliworks Corp Bhd	378,400	453,929	344,344	0.15
Tenaga Nasional Bhd	592,200	8,693,523	9,285,696	4.06
Uzma Bhd	1,224,700	2,081,990	1,677,839	0.73
YTL Corp Bhd	3,618,900	4,738,202	5,175,027	2.26
	25,044,250	46,544,733	50,621,127	22.12

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

(a) Quoted equities – local (continued)

(ii) Quoted equities – local as at 28 February 2018 are as follows: (continued)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Technology				
Inari Amertron Bhd	625,350	834,570	2,113,683	0.92
Malaysian Pac Industries Bhd	125,300	1,244,120	1,145,242	0.50
Unisem M Bhd	1,291,800	3,233,077	3,500,778	1.53
	2,042,450	5,311,767	6,759,703	2.95
Warrant				
Econpile Holdings Bhd – Warrant (02.01.2023)	779,350	-	218,218	0.10
Total quoted equities – local	72,216,872	186,673,006	214,620,307	93.77
Accumulated unrealised gain on quoted equities – local		27,947,301		
Total quoted equities – local		214,620,307		

9 CASH AND CASH EQUIVALENTS

	2019 RM	2018 RM
Cash and bank balances	115,432	268,212
Deposits with licensed financial institutions	38,023,735	16,784,578
	38,139,167	17,052,790

The weighted average effective interest rates per annum of deposits with licensed financial institutions are as follows:

	2019 %	2018 %
Deposits with licensed financial institutions	3.38	3.29

Deposits with licensed financial institutions have an average maturity of 7 days (2018: 2 day).

10 NUMBER OF UNITS IN CIRCULATION

	2019 No. of units	2018 No. of units
At the beginning of the financial year	718,757,000	849,238,000
Creation of units arising from applications	-	452,000
Creation of units arising from distributions	16,382,259	-
Cancellation of units	(103,275,259)	(130,933,000)
At the end of the financial year	631,864,000	718,757,000

11 TRANSACTIONS WITH BROKERS

(i) Details of transactions with the top 10 brokers for the financial year ended 28 February 2019 are as follows:

Name of brokers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
Affin Hwang Investment Bank Bhd#	102,547,691	33.31	291,328	32.80
Kenanga Investment Bank Bhd	36,335,040	11.81	108,192	12.18
Malayan Banking Bhd	32,417,850	10.53	96,625	10.88
Hong Leong Investment Bank Bhd	24,008,374	7.80	60,348	6.79
CIMB Investment Bank Bhd	18,960,421	6.16	52,420	5.90
Public Investment Bank Bhd	14,653,607	4.76	44,580	5.02
RHB Investment Bank Bhd	12,767,248	4.15	38,919	4.38
Macquarie Capital Securities (M) Sdn Bhd	11,177,958	3.63	33,779	3.80
KAF Seagroatt & Campbell Securities Sdn Bhd	10,623,678	3.45	29,659	3.34
CLSA Securities (M) Sdn Bhd	8,536,296	2.77	24,126	2.72
Others	35,801,581	11.63	108,332	12.19
	307,829,744	100.00	888,308	100.00

11 TRANSACTIONS WITH BROKERS (CONTINUED)

(ii) Details of transactions with the top 10 brokers for the financial year ended 28 February 2018 are as follows:

Name of brokers	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage %
Affin Hwang Investment Bank Bhd#	181,554,915	44.30	443,469	42.77
Public Investment Bank Bhd	31,490,252	7.69	78,737	7.58
RHB Investment Bank Bhd	29,234,189	7.13	69,431	6.70
Hong Leong Investment Bank Bhd	29,116,051	7.11	72,790	7.02
CIMB Investment Bank Bhd	24,589,473	6.00	65,453	6.31
Kenanga Investment Bank Bhd	24,216,278	5.91	60,541	5.84
Malayan Banking Bhd	23,770,402	5.80	53,427	5.15
UOB Kay Hian Securities (M) Sdn Bhd	16,612,494	4.05	41,531	4.01
KAF Seagroatt & Campbell Securities Sdn Bhd	10,882,700	2.66	27,207	2.62
Macquarie Capital Securities (M) Sdn. Bhd.	9,314,960	2.27	23,287	2.25
Others	29,006,803	7.08	101,090	9.75
	409,788,517	100.00	1,036,963	100.00

Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Investment Bank Berhad, a company related to the Manager amounting RM102,547,691 (2018: RM181,554,915). The Manager is of the opinion that the transactions with the related company have been entered at agreed terms between the related parties.

Included in the transactions with dealers are cross trades conducted between the Fund and private mandates managed by the Manager amounting to:

Name of dealers	2019 RM	2018 RM
Affin Hwang Investment Bank Bhd	4,366,726	-

The cross trades are conducted between the Fund and other funds; and private mandate managed by the Manager as follows:

	2019 RM	2018 RM
Private mandate managed by the Manager	4,366,726	-

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

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

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

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

	2019		2018	
	No. of units	RM	No. of units	RM
The Manager:				
Affin Hwang Asset Management Berhad (The units are held legally for booking purpose)	2,077	594	2,483	791

13 MANAGEMENT EXPENSE RATIO ("MER")

	2019	2018
	%	%
MER	1.62	1.68

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial year calculated on daily basis is RM198,818,805 (2018: RM235,796,764).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	2019	2018
PTR (times)	0.78	0.89

PTR is derived from the following calculation:

(Total acquisition for the financial year + total disposal for the financial year) ÷ 2
Average net asset value of the Fund for the financial year calculated on daily basis

where: total acquisition for the financial year =RM130,151,966 (2018: RM188,243,744)
total disposal for the financial year =RM181,748,452 (2018: RM230,447,562)

15 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 the Manager 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.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividends, income and gains on the appreciation in the value of investments and are derived from quoted equities in Malaysia.

The Fund has a diversified unitholder population. As at 28 February 2019 and 28 February 2018, there were no unitholders who held more than 10% of the Fund's NAV.

There were no changes in the reportable segment 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 IRFS.

16 MFRS 9 FINANCIAL INSTRUMENTS

As disclosed in Note A, the Fund has adopted MFRS 9, which resulted in changes in accounting policies and adjustments to the financial position. The main changes are as follows.

(a) Classification and measurement of financial assets

Up to 28 February 2018, financial assets were classified in the following categories: financial assets at fair value through profit or loss ("FVTPL"), loans and receivables. Note F set out the details of accounting policies for classification and measurement of financial instruments under MFRS 139.

From 1 March 2018, the Fund apply the following MFRS 9's classification approach to all types of financial assets, including those that contain embedded derivative features:

- 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.

(b) Impairment

From 1 March 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider 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

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

16 MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

As disclosed above, the adoption of MFRS 9 in 2018 resulted in reclassification and change in measurement 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 March 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	Loans and receivables	Amortised cost	17,052,790	-	-	17,052,790
Investment in equity securities	FVTPL	FVTPL	214,620,307	-	-	214,620,307
Amount due from broker	Loans and receivables	Amortised cost	995,242	-	-	995,242
Dividend receivables	Loans and receivables	Amortised cost	254,006			254,006
Liabilities						
Amount due to brokers	Amortised cost	Amortised cost	3,585,847	-	-	3,585,847
Amount due to manager – management fee	Amortised cost	Amortised cost	263,286	-	-	263,286
Amount due to manager – cancellation of units	Amortised cost	Amortised cost	127,640	-	-	127,640
Amount due to trustee	Amortised cost	Amortised cost	14,042	-	-	14,042
Auditors' remuneration	Amortised cost	Amortised cost	7,520	-	-	7,520
Tax agent fee	Amortised cost	Amortised cost	6,116	-	-	6,116
Other payables and accruals	Amortised cost	Amortised cost	28,388	-	-	28,388

AFFIN HWANG GROWTH FUND

STATEMENT BY THE MANAGER

I, Teng Chee Wai, as the Director of Affin Hwang Asset Management Berhad, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 43 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 28 February 2019 and of its financial performance, changes in equity and cash flows for the financial year ended 28 February 2019 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
16 April 2019

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Affin Hwang Growth Fund give a true and fair view of the financial position of the Fund as at 28 February 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 28 February 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 10 to 43.

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 Manager of the Fund is responsible for the other information. The other information comprises Manager'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 Manager for the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
16 April 2019

DIRECTORY OF SALES OFFICE

HEAD OFFICE
Affin Hwang Asset Management Berhad
Ground Floor
Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll free no : 1-800-88-7080
Email:customercare@affinhwangam.com

SELANGOR
Affin Hwang Asset Management Berhad
A-7-G Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor

Tel: 03-7620 1290
Fax: 03-7620 1298

PENANG
Affin Hwang Asset Management Berhad
No. 10-C-24 Precinct 10
Jalan Tanjung Tokong
10470 Penang

Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK
Affin Hwang Asset Management Berhad
13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh Perak

Tel : 05 – 241 0668
Fax : 05 – 255 9696

MELAKA
Affin Hwang Asset Management Berhad
Ground Floor, No. 584, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

Tel : 06 – 281 2890 / 3269
Fax : 06 – 281 2937

JOHOR
Affin Hwang Asset Management Berhad
1st Floor, Lot 93
Jalan Molek 1/29, Taman Molek
81100 Johor Bahru
Johor

Tel : 07 – 351 5977
Fax : 07 – 351 5377

SABAH
Affin Hwang Asset Management Berhad
Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah

Tel : 088 – 252 881
Fax : 088 – 288 803

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

Affin Hwang Asset Management Berhad
Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching
Sarawak

Tel : 082 – 233 320
Fax : 082 – 233 663

Affin Hwang Asset Management Berhad
1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri
Sarawak

Tel : 085 – 418 403
Fax : 085 – 418 372

www.affinhwangam.com

Affin Hwang Asset Management Berhad
(429786-T)