

# Affin Hwang Aiiman Money Market Fund

Interim Report  
29 February 2020

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**  
Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**  
AmanahRaya Trustees Berhad (766894-T)

# **AFFIN HWANG AIIMAN MONEY MARKET FUND**

## **Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 29 February 2020**

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## FUND INFORMATION

Fund Name	Affin Hwang Aiman Money Market Fund
Fund Type	Income
Fund Category	Islamic Money Market
Investment Objective	To provide short-term liquidity and income whilst maintaining capital stability by investing in a diversified portfolio of Islamic money market instruments.
Benchmark	1-month GIA rate quoted by Maybank
Distribution Policy	Subject to the availability of income, the Fund will provide Unit Holders with monthly income by way of cash payment or reinvestment in the form of additional Units.

## BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 29 FEBRUARY 2020

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	62	43
5,001 to 10,000	21	168
10,001 to 50,000	55	1,370
50,001 to 500,000	104	28,460
500,001 and above	582	22,632,652
<b>Total</b>	<b>824</b>	<b>22,662,693</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 29 Feb 2020 (%)	As at 28 Feb 2019 (%)	As at 28 Feb 2018 (%)
Portfolio composition			
Shariah-based deposits	99.22	99.21	99.15
Cash & cash equivalent	0.78	0.79	0.85
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	12,135.834	8,825.908	3,866.934
NAV per Unit (RM)	0.5355	0.5302	0.5262
Unit in Circulation (million)	22,662.696	16,645.956	7,348.149
Highest NAV	0.5367	0.5306	0.5276
Lowest NAV	0.5354	0.5277	0.5259
Return of the Fund (%) <sup>iii</sup>	1.64	1.79	1.72
- Capital Growth (%) <sup>i</sup>	0.00	0.47	-0.13
- Income Distribution (%) <sup>ii</sup>	1.64	1.31	1.86
Gross Distribution per Unit (sen)	0.87	0.69	0.97
Net Distribution per Unit (sen)	0.87	0.69	0.97
Management Expense Ratio (%) <sup>1</sup>	0.17	0.17	0.18
Portfolio Turnover Ratio (times) <sup>2</sup>	5.51	7.28	1.71

### **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

<sup>1</sup>The MER of the Fund was unchanged for the financial period.

<sup>2</sup>The Fund's PTR decreased due to higher average NAV of the Fund for the financial period.

## MANAGER'S REPORT

### Income Distribution / Unit Split

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)
10-Sep-19	11-Sep-19	0.5360	0.0005	0.5356
24-Sep-19	25-Sep-19	0.5362	0.0006	0.5357
8-Oct-19	9-Oct-19	0.5363	0.0007	0.5357
22-Oct-19	23-Oct-19	0.5363	0.0007	0.5357
12-Nov-19	13-Nov-19	0.5366	0.0007	0.5360
26-Nov-19	27-Nov-19	0.5366	0.0007	0.5359
10-Dec-19	11-Dec-19	0.5365	0.0007	0.5359
25-Dec-19	26-Dec-19	0.5365	0.0007	0.5359
7-Jan-20	8-Jan-20	0.5365	0.0007	0.5358
21-Jan-20	22-Jan-20	0.5364	0.0007	0.5358
11-Feb-20	12-Feb-20	0.5367	0.0010	0.5357
25-Feb-20	26-Feb-20	0.5363	0.0010	0.5354

No unit split were declared for the financial year ended 29 February 2020.

### Performance Review

For the period under review from 1 September 2019 to 29 February 2020, the Fund registered a return of 1.64% based on the change in its Net Asset Value ("NAV") per unit. The NAV per unit of the Fund as at 29 February 2020 was RM0.5355 compared to its NAV per unit as at 31 August 2019 was RM0.5355. During the same period, the Fund has declared a total income distribution of RM0.0087 per unit by way of reinvestment in the form of additional units. The benchmark Maybank Overnight Repo Rate yielded a return of 1.11%. The Fund thus outperformed the benchmark by 0.53 percentage points.

Since commencement, the Fund has registered a return of 40.43% compared to the benchmark's return of 38.70%, overperforming by 1.73 percentage points.

Table 1: Performance of the Fund

	6 Months (1/9/19 - 29/2/20)	1 Year (1/3/19 - 29/2/20)	3 Years (1/3/17 - 29/2/20)	5 Years (1/3/15 - 29/2/20)	Since Commencement (14/11/08 - 29/2/20)
<b>Fund</b>	<b>1.64%</b>	<b>3.48%</b>	<b>10.98%</b>	<b>20.56%</b>	<b>40.43%</b>
<b>Benchmark</b>	<b>1.11%</b>	<b>2.46%</b>	<b>9.31%</b>	<b>17.55%</b>	<b>38.70%</b>
<b>Outperformance</b>	<b>0.53%</b>	<b>1.02%</b>	<b>1.67%</b>	<b>3.01%</b>	<b>1.73%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/3/19 -</b> <b>29/2/20)</b>	<b>3 Years</b> <b>(1/3/17 -</b> <b>29/2/20)</b>	<b>5 Years</b> <b>(1/3/15 -</b> <b>29/2/20)</b>	<b>Since</b> <b>Commencement</b> <b>(14/11/08 - 29/2/20)</b>
<b>Fund</b>	<b>3.48%</b>	<b>3.53%</b>	<b>3.81%</b>	<b>3.05%</b>
<b>Benchmark</b>	<b>2.46%</b>	<b>3.01%</b>	<b>3.28%</b>	<b>2.94%</b>
<b>Outperformance</b>	<b>1.02%</b>	<b>0.52%</b>	<b>0.53%</b>	<b>0.11%</b>

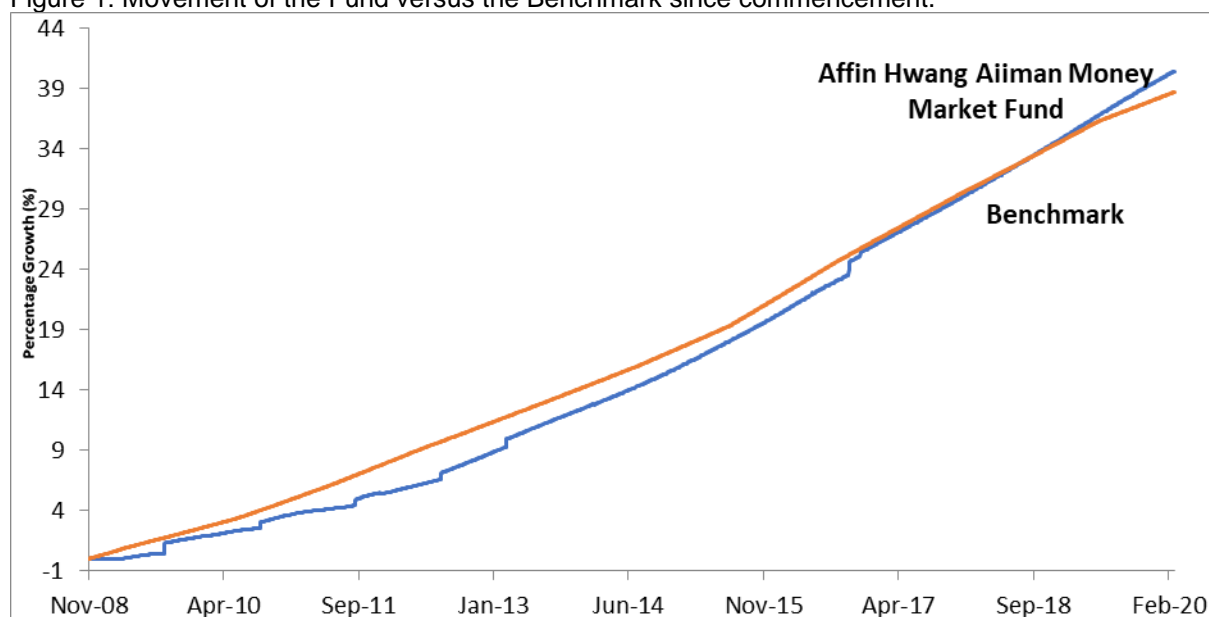
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2019</b> <b>(01/9/18 -</b> <b>31/8/19)</b>	<b>FYE 2018</b> <b>(01/9/17 -</b> <b>31/8/18)</b>	<b>FYE 2017</b> <b>(01/9/16 -</b> <b>31/8/17)</b>	<b>FYE 2016</b> <b>(01/9/15 -</b> <b>31/8/16)</b>	<b>FYE 2015</b> <b>(01/9/14 -</b> <b>31/8/15)</b>
<b>Fund</b>	<b>3.64%</b>	<b>3.57%</b>	<b>4.54%</b>	<b>3.81%</b>	<b>3.49%</b>
<b>Benchmark</b>	<b>2.92%</b>	<b>3.26%</b>	<b>3.51%</b>	<b>3.99%</b>	<b>3.13%</b>
<b>Outperformance</b>	<b>0.72%</b>	<b>0.31%</b>	<b>1.03%</b>	<b>(0.18%)</b>	<b>0.36%</b>

Source of Benchmark: Bloomberg

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



"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. Source of Benchmark is from Bloomberg." Benchmark: MBB GIA 1M

**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 asset allocation of the Fund stood at 99.22% in Islamic deposit placements.

## **Strategies Employed**

The Fund solely invests into Islamic deposit placements.

## **Market Review**

Global markets got off to a rocky start in 2020 as benchmark gauges reeled from contagion fears as a result of the coronavirus outbreak. The Hong Kong Hang Seng index tumbled 6.7% in January, whilst the broader MSCI Asia ex-Japan index fell 4.5%. The World Health Organization declared a global health emergency over the coronavirus outbreak that has claimed the lives of at least 300 people with rates of infection rapidly increasing.

However, the global equities trended even lower in February as risk assets continue to reel from the impact of the Covid-19 outbreak which sent chills to investors. The rapid spread of the infection outside of China with new cases springing in Italy, South Korea and Iran led to a rush towards safe haven assets with US Treasury yields dipping to record lows. The S&P 500 index tumbled 8.4%, whilst the index Dow Jones closed 10.1% lower in the month. The broader MSCIA Asia ex-Japan index fell 2.9%.

After Australia, Thailand and the US reported over the weekend their first coronavirus-related deaths. US and Europe stock markets caught up with losses as investors become increasingly fearful of a contagion effect as the coronavirus reaches their shores.

Seoul raised its coronavirus alert to the "highest level," with the latest spike in numbers bringing the country with the most cases outside of mainland China. Industry heavyweight Samsung Electronics had also announced that a coronavirus case had been confirmed at a mobile device factory complex in South Korea, resulting in the shutdown of the entire facility. The affected factory reportedly accounts for a small portion of Samsung's total smartphone production.

The impact of the coronavirus outbreak has been felt acutely in the world's second largest economy. China's latest Purchasing Managers' Index ("PMI") data plunged to a record low in February as sentiment was soured by the outbreak. The Markit/ Caixin manufacturing PMI dropped to 40.3 below the 50-point threshold signalling contraction. Investors have been closely tracking the coronavirus outbreak to assess its potential impact to the economy as a result of wide scale city and factory shutdowns, as well as travel restriction bans. Global supply chains have seen disruption due to stalled manufacturing activity.

On the domestic front, the benchmark KLCI fell by 3% in February as the country plunged into political turmoil which ultimately culminated in the appointment of Tan Sri Muhyiddin Yassin as the eighth Prime Minister, from the Perikatan Nasional coalition (UMNO, PAS, Bersatu and a splinter faction of PKR). The appointment was announced by Istana Negara amidst shifting political allegiances and frantic horse-trading across the ruling and opposition coalitions.

Meanwhile, the US-China trade war made some positive headway with the two countries signing a phase-one trade deal in January. US President Donald Trump and Chinese Vice Premier Liu He signed the pact that will roll back some tariffs as well as see Beijing boost purchases of US goods and services over two years. This includes purchases of US agriculture products over the next two years by China. Negotiations for the second phase of the trade deal is expected to commence before the presidential election in November.

On monetary policy, the US Federal Reserve ("Fed") kept its benchmark rates unchanged in its policy meeting in January, but extended its repo injection programme by two more months to June 2020. This has resulted in a surge in the Fed's balance sheet to above the US\$4 trillion mark. With US inflation currently hovering 0.7% below the Fed's target of 2.0%.

Bank Negara Malaysia unexpectedly lowered its overnight policy rate by 25bps to 2.75% during its January meeting, its first interest rate cut since March 2019. There is further room for BNM to loosen monetary policy

by up to 75bps using history as a guide. The rate cut is expected to boost economic growth amid price stability.

### **Investment Outlook**

The ensuing market correction is likely overdone with volatility exacerbated by the presence of algo-traders. Strict containment measures undertaken by China has helped to reduce the spread of infection as factories gradually begin to reopen. Apple and Starbucks which temporarily shuttered their retail outlets due to the outbreak have also begun to reopen in China.

The central Hubei province, which was the epicentre of the country's coronavirus outbreak, reported less than 200 cases of new infections for the first time since January at the time of writing. If the outbreak can be effectively contained, we could then begin to see factory activities start to normalise and consumption picking-up again. Expectations that governments would also embark on additional fiscal stimulus to support the economy is seen positively by investors to soothe a recovery.

Whilst Muhyiddin's appointment as PM has ended the political stalemate temporarily, we expect volatility to continue to persist in the local market. Without a strong mandate or a solid support base, Muhyiddin could face challenges in pushing through policy decisions or may even find himself challenged again.

Sin stocks such as Carlsberg, Heineken and Genting faced selling pressure amidst concerns over policy changes in the industry under the new government that is perceived to be more conservative. The small-mid-caps which has outperformed the rest of the market last year were not spared from the sell-off as well with the FBM Small Cap index down 4% in February.

On top of the political uncertainty, the economy faces additional headwinds from the covid-19 with the government reducing its growth outlook for 2020 to 3.2-4.2% from 4.8% previously. Nonetheless, the government will be under a lot of pressure to implement policies to support economic growth and shore up support.

### **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 Six Months Financial Period Ended 29 February 2020

### **TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN MONEY MARKET FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AFFIN HWANG AIIMAN MONEY MARKET FUND for the six months financial period ended 29 February 2020. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG AIIMAN MONEY MARKET 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 for the six months financial period ended 29 February 2020.

We are also 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 any regulatory requirement; and
- (c) The distribution of income made by AFFIN HWANG AIIMAN MONEY MARKET FUND as declared by the Manager is appropriate and reflects the investment objective of AFFIN HWANG AIIMAN MONEY MARKET FUND.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Deputy Chief Executive Officer

Kuala Lumpur, Malaysia

24 April 2020

## **SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN MONEY MARKET FUND**

We have acted as the Shariah Adviser of **Affin Hwang Aiiman Money Market Fund**. Our responsibility is to ensure that the procedures and processes employed by **Affin Hwang Asset Management Berhad** and the provisions of the Master Deed dated 20 August 2008, First Supplemental Deed dated 3 January 2013, Second Supplemental Deed dated 26 September 2013, Third Supplemental Deed dated 22 July 2014 and Fourth Supplemental Deed dated 6 August 2015 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad has managed and administered Affin Hwang Aiiman Money Market Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 29 February 2020.

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

For **Amanie Advisors Sdn Bhd**

**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

Kuala Lumpur  
24 April 2020

**AFFIN HWANG AIIMAN MONEY MARKET FUND**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020**

# **AFFIN HWANG AIIMAN MONEY MARKET FUND**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020**

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# AFFIN HWANG AIIMAN MONEY MARKET FUND

## UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	<u>Note</u>	6 months financial period ended <u>29.2.2020</u> RM	6 months financial period ended <u>28.2.2019</u> RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets at fair value through profit or loss		209,035,550	120,597,959
		<u>209,035,550</u>	<u>120,597,959</u>
<b>EXPENSES</b>			
Management fee	4	(19,231,649)	(10,034,628)
Trustee fee	5	(582,777)	(304,080)
Auditor's remuneration		(3,482)	(3,471)
Tax agent's fee		(2,178)	(2,172)
Other expenses		(8,635)	(6,263)
		<u>(19,828,721)</u>	<u>(10,350,614)</u>
<b>NET PROFIT BEFORE TAXATION</b>		189,206,829	110,247,345
Taxation	6	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>189,206,829</u>	<u>110,247,345</u>
Net profit after taxation is made up of the following:			
Realised amount		<u>189,206,829</u>	<u>110,247,345</u>

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

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
<b>ASSETS</b>			
Cash and cash equivalents		1,516	833
Financial assets at fair value through profit or loss	8	12,139,124,493	8,836,579,501
<b>TOTAL ASSETS</b>		<u>12,139,126,009</u>	<u>8,836,580,334</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		3,176,852	2,275,578
Amount due to Trustee		96,268	68,957
Auditors' remuneration		3,481	3,471
Tax agent's fee		1,858	6,232
Distribution payable		-	8,304,022
Other payables and accruals		13,131	14,560
<b>TOTAL LIABILITIES</b>		<u>3,291,590</u>	<u>10,672,820</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>12,135,834,419</u>	<u>8,825,907,514</u>
<b>EQUITY</b>			
Unitholders' capital		11,934,549,134	8,726,209,187
Retained earnings		201,285,285	99,698,327
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>12,135,834,419</u>	<u>8,825,907,514</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>22,662,696,000</u>	<u>16,645,956,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5355</u>	<u>0.5302</u>

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

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 September 2019	10,845,636,473	203,571,130	11,049,207,603
Total comprehensive income for the financial period	-	189,206,829	189,206,829
Distributions (Note 7)	-	(191,492,674)	(191,492,674)
Movement in unitholders' capital:			
Creation of units arising from applications	4,564,008,799	-	4,564,008,799
Creation of units arising from distributions	189,683,641	-	189,683,641
Cancellation of units	(3,664,779,779)	-	(3,664,779,779)
Balance as at 29 February 2020	<u>11,934,549,134</u>	<u>201,285,285</u>	<u>12,135,834,419</u>
Balance as at 1 September 2018	3,645,057,001	68,437,238	3,713,494,239
Total comprehensive income for the financial period	-	110,247,345	110,247,345
Distributions (Note 7)	-	(78,986,256)	(78,986,256)
Movement in unitholders' capital:			
Creation of units arising from applications	7,178,017,942	-	,178,017,942
Creation of units arising from distributions	70,682,234	-	70,682,234
Cancellation of units	(2,167,547,990)	-	(2,167,547,990)
Balance as at 28 February 2019	<u>8,726,209,187</u>	<u>99,698,327</u>	<u>8,825,907,514</u>

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

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	6 months financial period ended 29.2.2020 RM	6 months financial period ended 28.2.2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Purchase of Shariah-compliant investments	(65,213,594,249)	(47,194,201,805)
Proceeds from sale of Shariah-compliant investments and hibah	64,042,185,040	42,092,937,923
Profit income received	293,710,967	99,935,771
Management fee paid	(19,121,280)	(8,867,807)
Trustee fee paid	(579,433)	(268,722)
Payment for other fees and expenses	(20,182)	(14,359)
Net cash used in operating activities	<u>(897,419,137)</u>	<u>(5,010,478,999)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	4,564,008,799	7,178,017,942
Payments for cancellation of units	(3,664,779,779)	(2,167,547,990)
Payment for distributions	(1,809,033)	-
Net cash generated from financing activities	<u>897,419,987</u>	<u>5,010,469,952</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	850	(9,047)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>666</u>	<u>9,880</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>1,516</u></u>	<u><u>833</u></u>

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



## **AFFIN HWANG AIIMAN MONEY MARKET FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020**

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 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 I.

(a) Standards and amendments to existing standards effective 1 March 2019:

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

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

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

#### **B INCOME RECOGNITION**

##### Profit income

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

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

#### **C DISTRIBUTION**

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

## **AFFIN HWANG AIIMAN MONEY MARKET FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)**

#### **D TAXATION**

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

#### **E FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

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

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 contractual cash flows of the Fund’s debt securities are solely principal and interest<sup>1</sup>, 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 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 Manager, amount due to Trustee, auditors’ remuneration, tax agent’s fee and other payables and accruals as financial liabilities measured at amortised cost.

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<sup>1</sup> For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

## **AFFIN HWANG AIIMAN MONEY MARKET FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)**

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

##### **(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.

Financial liabilities, within the scope of 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 are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period which they arise.

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

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

##### **(iii) Impairment**

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

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

## **AFFIN HWANG AIIMAN MONEY MARKET FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)**

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

##### **(iii) Impairment (continued)**

###### 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 at bank which is subject to an insignificant risk of changes in value.

#### **H 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 unitholder exercises 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 unit holders with the total number of outstanding units.

#### **I 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.

# **AFFIN HWANG AIIMAN MONEY MARKET FUND**

## **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020**

### **1 INFORMATION ON THE FUND**

The Unit Trust Fund was constituted under the name Affin Islamic Money Market Fund (the “Fund”) pursuant to the execution of a Master Deed dated 20 August 2008, First Supplemental Deed dated 3 January 2013, Second Supplemental Deed dated 26 September 2013, Third Supplemental Deed dated 22 July 2014, Fourth Supplemental Deed dated 6 August 2015 and Fifth Supplemental Deed dated 24 April 2019 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”). The Fund has changed its name from Affin Islamic Money Market Fund to Affin Hwang Aiiman Money Market Fund as amended by the Third Supplemental Deed dated 22 July 2014 .

The Fund commenced operations on 20 August 2008 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deeds.

The Fund may invest in the following permitted investments subject to the following restrictions imposed or as may be amended from time to time by the SC and/or the relevant authorities and/or the Deeds and as permitted by the SC’s Shariah Advisory Council and/or the Shariah Advisor:

- (i) Government and/or any other government-related agencies Islamic Investment Issues, Islamic Acceptance Bills, Bank Negara Negotiable Notes, Negotiable Islamic Debt Certificate (“NIDC”), Islamic Negotiable Instrument of Deposits (“INID”), Cagamas Mudharabah Bonds and any other Government Islamic papers;
- (ii) Islamic fixed deposits with financial institutions, Bank Islam Malaysia Berhad and placements of money at call with investment banks;
- (iii) Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- (iv) Islamic money market instruments;
- (v) Sukuk;
- (vi) Units/shares in Shariah-compliant collective investment schemes which are in line with the objective of the Fund; and
- (vii) Any other form of Shariah-compliant investments as may be permitted by the SC and/or the Shariah Advisor from time to time that is in line with the Fund’s objective.

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

The main objective of the Fund is to provide short-term liquidity and income, whilst maintaining capital stability by investing in a diversified portfolio of Islamic money market instruments.

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.

The financial statements were authorised for issue by the Manager on 13 April 2020.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u> RM	Financial assets at amortisation cost RM	Financial assets at fair value through profit or loss RM	<u>Total</u>
<u>2020</u>				
Cash and cash equivalents		1,516	-	1,516
Shariah-based deposits with licensed financial institutions	8	-	12,139,124,493	12,139,124,493
		<u>1,516</u>	<u>12,139,124,493</u>	<u>12,139,126,009</u>
<u>2019</u>				
Cash and cash equivalents		833	-	833
Shariah-based deposits with licensed financial institutions	8	-	8,836,579,501	8,836,579,501
		<u>833</u>	<u>8,836,579,501</u>	<u>8,836,580,334</u>

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 profit rate risk), credit risk, liquidity risk and capital risk and reclassification of Shariah status 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) Profit rate risk

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

The Fund's exposure to profit rate risk is mainly confined to Shariah-based deposits with licensed financial institutions. The Manager overcomes this exposure by placing deposits with licensed financial institutions with fixed rates of interest and maturity.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

##### Credit risk

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

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

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

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
<u>2020</u>			
Financials			
- AAA	6,572,696,152	-	6,572,696,152
- AA2	4,444,941,602	-	4,444,941,602
- AA3	1,121,486,739	1,516	1,121,488,255
	<u>12,139,124,493</u>	<u>1,516</u>	<u>12,139,126,009</u>
<u>2019</u>			
Financials			
- AAA	5,447,608,798	-	5,447,608,798
- AA2	2,068,216,651	-	2,068,216,651
- AA3	1,269,617,066	833	1,269,617,899
- NR	51,136,986	-	51,136,986
	<u>8,836,579,501</u>	<u>833</u>	<u>8,836,580,334</u>

The financial assets of the Fund are neither past due nor impaired.

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

#### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of Shariah-based liquid assets to meet anticipated payment and cancellations of unit by unitholders. Shariah-based liquid assets comprise cash at bank, Shariah-based deposits with licensed financial institutions and other Shariah-compliant 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
<u>2020</u>			
Amount due to Manager			
- management fee	3,176,852	-	3,176,852
Amount due to Trustee	96,268	-	96,268
Auditors' remuneration	-	3,481	3,481
Tax agent's fee	-	1,858	1,858
Other payables and accruals	-	13,131	13,131
	<u>3,273,120</u>	<u>18,470</u>	<u>3,291,590</u>
<u>2019</u>			
Amount due to Manager			
- management fee	2,275,578	-	2,275,578
Amount due to Trustee	68,957	-	68,957
Auditors' remuneration	-	3,471	3,471
Tax agent's fee	-	6,232	6,232
Distribution payable	8,304,022	-	8,304,022
Other payables and accruals	-	14,560	14,560
	<u>10,648,557</u>	<u>24,263</u>	<u>10,672,820</u>



## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital 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 Shariah-compliant investment activities of the Fund.

##### Reclassification of Shariah status risk

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

#### 3 FAIR VALUE ESTIMATION

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

The fair value of financial assets traded in active markets (such 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 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)

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (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>2020</u>				
Financial assets at fair value through profit or loss				
- Shariah-based deposits with licensed financial institutions	-	12,139,124,493	-	12,139,124,493
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2019</u>				
Financial assets at fair value through profit or loss				
- Shariah-based deposits with licensed financial institutions	-	8,836,579,501	-	8,836,579,501
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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 include Shariah-based deposits with licensed financial institutions. 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 and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

#### 4 MANAGEMENT FEE

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

For the 6 months financial period ended 29 February 2020, the management fee is recognised at a rate of 0.33% (2019: 0.33%) per annum on the NAV of the Fund calculated on a daily basis as stated in the Fund's prospectus.

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

#### 5 TRUSTEE'S FEE

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

For the 6 months financial period ended 29 February 2020 and 28 February 2019, the Trustee fee is recognised at the following tiered rate:

<b>Net Asset Value (NAV)</b>	<b>% of NAV of the Fund</b>
Up to RM1billion	0.02% per annum
Above RM1billion	0.01% per annum

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

#### 6 TAXATION

		6 months financial period ended <u>29.2.2020</u> RM	6 months financial period ended <u>28.2.2019</u> RM
Current taxation - local	-	-	-

## AFFIN HWANG AIIAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

#### 6 TAXATION (CONTINUED)

The numerical reconciliation between net income before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	6 months financial period ended 29.2.2020 RM	6 months financial period ended 28.2.2019 RM
Net profit before taxation	189,206,829	110,247,345
Tax at Malaysian statutory rate of 24% (2019: 24%)	45,409,639	26,459,363
Tax effects of:		
Investment income not subject to tax	(50,168,532)	(28,943,510)
Expenses not deductible for tax purposes	142,462	75,003
Restriction on tax deductible expenses for Unit Trust Funds	4,616,431	2,409,144
Tax expense	-	-

#### 7 DISTRIBUTIONS

	6 months financial period ended 29.2.2020 RM	6 months financial period ended 28.2.2019 RM
Distributions to unitholders are from the following sources:		
Profit income	-	15,762,592
Previous year's realised income	196,010,409	68,432,694
Gross realised income	196,010,409	84,195,286
Less: Expenses	(4,517,735)	(5,209,030)
Net distribution amount	191,492,674	78,986,256

## AFFIN HWANG AIIAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

#### 7 DISTRIBUTIONS (CONTINUED)

During the 6 months financial period ended 29 February 2020, distributions were made as follows:

	<u>Gross/Net distribution per unit</u> sen
11.09.2019	0.0500
25.09.2019	0.0600
09.10.2019	0.0700
23.10.2019	0.0700
13.11.2019	0.0700
27.11.2019	0.0700
11.12.2019	0.0700
26.12.2019	0.0700
08.01.2020	0.0700
22.01.2020	0.0700
12.02.2020	0.1000
26.02.2020	0.1000
	<hr/>
	0.8700
	<hr/>

During the 6 months financial period ended 28 February 2018, distributions were made as follows:

	<u>Gross/Net distribution per unit</u> sen
12.09.2018	0.060
26.09.2018	0.060
10.10.2018	0.060
24.10.2018	0.060
14.11.2018	0.060
28.11.2018	0.060
12.12.2018	0.060
26.12.2018	0.060
09.01.2019	0.060
23.01.2019	0.050
13.02.2019	0.050
27.02.2019	0.050
	<hr/>
	0.690
	<hr/>

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

Included in the distribution for the financial period is an amount of RM196,010,409 (2019: RM68,432,694) made from previous year's realised income.

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

### 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Financial assets at fair value through profit or loss		
- Shariah-based deposits with licensed financial institutions*	12,139,124,493	8,836,579,501

\* Includes profit income receivable of RM98,268,978 (2019: RM80,870,582).

Weighted average effective profits per annum and weighted average maturity of Shariah-based deposits with licensed financial institutions are as follows:

	<u>2020</u> %	<u>2019</u> %
Shariah-based deposits with licensed financial institutions	3.39%	4.07

Shariah-based deposits with licensed financial institutions have an average maturity of 59 days (2019: 169 days).

### 9 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2020</u> No. of units	<u>2019</u> No. of units
At the beginning of the financial period	20,632,214,000	7,037,577,000
Creation of units arising from applications	8,513,146,313	13,571,465,382
Creation of units arising from distributions	354,035,569	133,657,958
Cancellation of units during the financial period	(6,836,699,882)	(4,096,744,340)
At the end of the financial period	22,662,696,000	16,645,956,000

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

### 11 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

- (i) Details of transactions with the top financial institutions for the 6 months financial period ended 29 February 2020 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Public Islamic Bank Bhd	22,675,098,132	34.77
Hong Leong Islamic Bank Bhd	22,442,673,301	34.41
CIMB Islamic Bank Bhd	7,417,526,809	11.38
Ambank Islamic Bhd	5,471,066,798	8.39
RHB Islamic Bank Bhd	4,802,878,356	7.37
Bank Islam Malaysia Bhd	1,007,002,853	1.54
Affin Islamic Bank Bhd #	700,000,000	1.07
Maybank Islamic Bhd	497,348,000	0.76
OCBC AL-Amin Bank Bhd	200,000,000	0.31
	<u>65,213,594,249</u>	<u>100.00</u>

- (ii) Details of transactions with the top financial institutions for the 6 months financial period ended 28 February 2019 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Hong Leong Islamic Bank Bhd	3,846,374,200	26.49
RHB Islamic Bank Bhd	2,378,607,000	16.38
United Overseas Bank (Malaysia) Bhd	1,750,000,000	12.06
Malayan Banking Bhd	1,700,000,000	11.71
Public Islamic Bank Bhd	1,366,063,706	9.41
Ambank Islamic Bhd	1,150,000,000	7.92
CIMB Islamic Bank Bhd	950,000,000	6.54
Affin Bank Bhd #	777,599,000	5.36
Bank Islam Malaysia Bhd	600,000,000	4.13
	<u>14,518,643,906</u>	<u>100.00</u>

# Included in transactions with financial institutions are placements with Affin Bank Bhd and Affin Islamic Bank Bhd, companies related to the Manager amounting to RM700,000,000 (2019: RM777,599,000). The Manager is of the opinion that all transactions with the relate companies have been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
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
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

The units held by the Manager and parties related to the Manager as at the end of the financial period are as follows:

	<u>2020</u>		<u>2019</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held for booking purposes)	3,150	1,687	3,717	1,971
<u>Parties Related to the Manager:</u>				
AXA Affin Life Insurance Bhd (The units are held beneficially)	-	-	59,726,285	31,666,876
Aiiman Asset Management Sdn Bhd (The units are held beneficially)	44,295,721	23,720,359	32,509,674	17,236,629
Bintang Capital Partners Bhd (The units are held beneficially)	2,788,992	1,493,505	9,229,556	4,893,511



## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 29 FEBRUARY 2020 (CONTINUED)

#### 13 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended <u>29.2.2020</u> %	6 months financial period ended <u>29.2.2019</u> %
MER	<u>0.17</u>	<u>0.17</u>

MER is derived from the following calculations:

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

A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM11,719,369,511 (2019: RM6,131,872,636).

#### 14 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended <u>29.2.2020</u>	6 months financial period ended <u>28.2.2019</u>
PTR (times)	<u>5.51</u>	<u>7.28</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM65,213,594,249 (2019: RM47,194,201,805)  
total disposal for the financial period = RM64,042,185,040 (2019: RM42,092,937,923)

## **AFFIN HWANG AIIMAN MONEY MARKET FUND**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai, 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 1 to 21 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 29 February 2020 and of its financial performance, changes in equity and cash flows for the financial period ended 29 February 2020 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  
24 April 2020

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