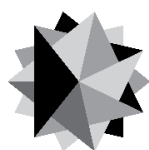


# Affin Hwang Aiiman Money Market Fund

Interim Report

28 February 2022

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 28 February 2022

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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.

## FUND PERFORMANCE DATA

Category	As at 28 Feb 2022 (%)	As at 28 Feb 2021 (%)	As at 29 Feb 2020 (%)
Portfolio composition			
Shariah-based deposits	100.00	99.10	99.22
Cash & cash equivalent	0.00	0.90	0.78
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	15,346.911	14,350.261	12,135.834
NAV per Unit (RM)	0.5395	0.5357	0.5355
Unit in Circulation (million)	228,447.484	26,786.013	22,662.696
Highest NAV	0.5395	0.5359	0.5367
Lowest NAV	0.5371	0.5342	0.5354
Return of the Fund (%) <sup>iii</sup>	0.93	0.96	1.64
- Capital Growth (%) <sup>i</sup>	0.45	0.28	0.00
- Income Distribution (%) <sup>ii</sup>	0.48	0.67	1.64
Gross Distribution per Unit (sen)	0.26	0.36	0.87
Net Distribution per Unit (sen)	0.26	0.36	0.87
Management Expense Ratio (%) <sup>1</sup>	0.13	0.17	0.17
Portfolio Turnover Ratio (times) <sup>2</sup>	2.56	4.21	5.51

### **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 lower than previous period due to lower expenses incurred for the Fund during the financial period.

<sup>2</sup>The Fund's PTR decreased due to higher average NAV of the Fund and lesser trading activities 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)
07-Sep-21	08-Sep-21	0.5373	0.0003	0.5371
21-Sep-21	22-Sep-21	0.5374	0.0003	0.5371
12-Oct-21	13-Oct-21	0.5377	0.0003	0.5374
26-Oct-21	27-Oct-21	0.5377	0.0003	0.5375
09-Nov-21	10-Nov-21	0.5378	0.0003	0.5375
23-Nov-21	24-Nov-21	0.5379	0.0003	0.5377
07-Dec-21	08-Dec-21	0.5380	0.0003	0.5377
21-Dec-21	22-Dec-21	0.5380	0.0003	0.5378
25-Jan-22	26-Jan-22	0.5387	0.0001	0.5386
22-Feb-22	23-Feb-22	0.5394	0.0001	0.5393

No unit split were declared for the financial year ended 28 February 2022.

### Performance Review

For the period 1 September 2021 to 28 February 2022, the Fund registered a 0.93% return compared to the benchmark return of 0.49%. The Fund thus outperformed the Benchmark by 0.44%. The Net Asset Value per unit ("NAV") of the Fund as at 28 February 2022 was RM0.5395 while the NAV as at 31 August 2021 was RM0.5371. During the period under review, the Fund has declared a total gross income distribution of RM0.0026 per unit.

Since commencement, the Fund has registered a return of 46.26% compared to the benchmark return of 41.80%, outperforming by 4.46%. The fund's investment objective has been met.

Table 1: Performance of the Fund

	6 Months (1/9/21 - 28/2/22)	1 Year (1/3/21 - 28/2/22)	3 Years (1/3/19 - 28/2/22)	5 Years (1/3/17 - 28/2/22)	Since Commencement (14/11/08 - 28/2/22)
<b>Fund</b>	<b>0.93%</b>	<b>1.88%</b>	<b>7.78%</b>	<b>15.59%</b>	<b>46.26%</b>
<b>Benchmark</b>	<b>0.49%</b>	<b>1.00%</b>	<b>4.74%</b>	<b>11.75%</b>	<b>41.80%</b>
<b>Outperformance</b>	<b>0.44%</b>	<b>0.88%</b>	<b>3.04%</b>	<b>3.84%</b>	<b>4.46%</b>

Source of Benchmark: Maybank

Table 2: Average Total Return

	1 Year (1/3/21 - 28/2/22)	3 Years (1/3/19 - 28/2/22)	5 Years (1/3/17 - 28/2/22)	Since Commencement (14/11/08 - 28/2/22)
<b>Fund</b>	<b>1.88%</b>	<b>2.53%</b>	<b>2.94%</b>	<b>2.90%</b>
<b>Benchmark</b>	<b>1.00%</b>	<b>1.55%</b>	<b>2.25%</b>	<b>2.66%</b>
<b>Outperformance</b>	<b>0.88%</b>	<b>0.98%</b>	<b>0.69%</b>	<b>0.24%</b>

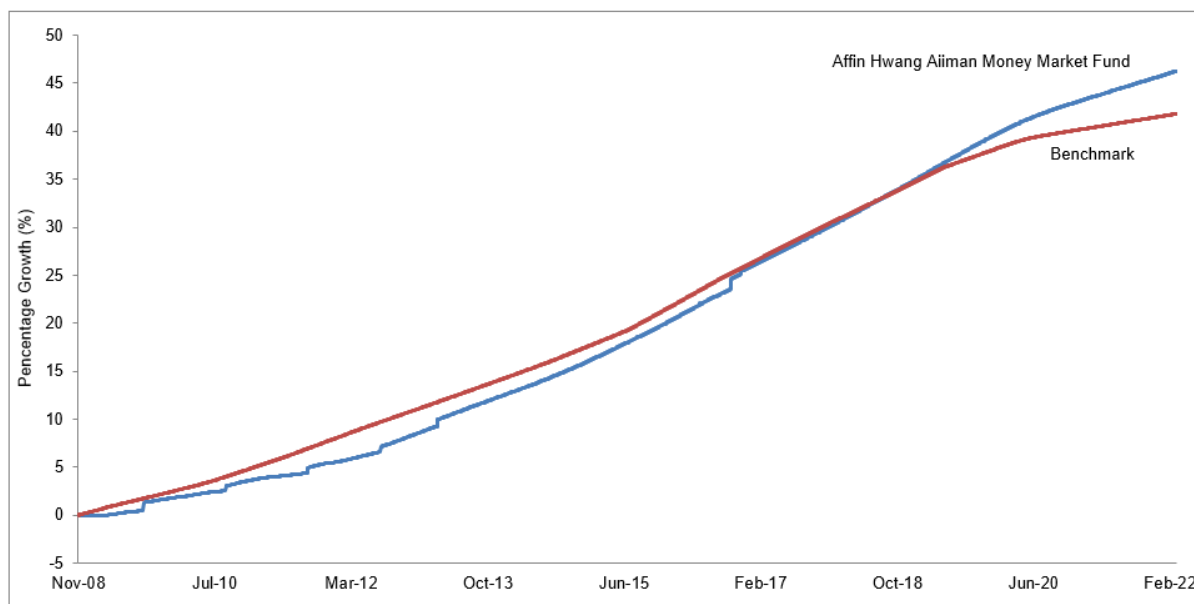
Source of Benchmark: Maybank

Table 3: Annual Total Return

	FYE 2021 (1/9/20 - 31/8/21)	FYE 2020 (1/9/19 - 31/8/20)	FYE 2019 (1/9/18 - 31/8/19)	FYE 2018 (1/9/17 - 31/8/18)	FYE 2017 (1/9/16 - 31/8/17)
<b>Fund</b>	<b>1.90%</b>	<b>2.92%</b>	<b>3.64%</b>	<b>3.57%</b>	<b>4.54%</b>
<b>Benchmark</b>	<b>1.00%</b>	<b>1.84%</b>	<b>2.92%</b>	<b>3.26%</b>	<b>3.51%</b>
<b>Outperformance</b>	<b>0.90%</b>	<b>1.08%</b>	<b>0.72%</b>	<b>0.31%</b>	<b>1.03%</b>

Source of Benchmark: Maybank

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 Maybank."*

Benchmark: 1-month GIA rate quoted by Maybank

***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 100% in Islamic deposit placements.

### **Strategies Employed**

The Fund solely invests into Islamic deposit placements.

### **Market Review**

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. The market showed strong attention to the Biden administration's US\$

1.9 trillion COVID-19 relief proposal in mid-January. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and “stay at home” trades, which are now facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the month. The Fed lightly addressed some of these concerns but mainly assured that current easy monetary policy will remain, with primary focus on the labor market.

The S&P500 closed 2.76% higher in the month, whilst Asian markets came in marginally lower, with the MSCI Asia ex Japan index gaining 1.25%. It was also a time for earnings announcements. 58.0% of companies in the MSCI Asia ex Japan index reporting their results in the month. Of these, 48.0% saw earnings beat and 12.0% missing estimates. In the US, 79.0% of the companies in the S&P500 saw earnings beat.

President Biden held his first official call with President Xi Jinping. While Biden may have brought up controversial topics such as economic competition and human rights issues, the call should merely be viewed as a formality rather than tangible progress between China and the US and both sides continue to tread on thin ice. The US House of Representatives also passed a US\$1.9 trillion coronavirus relief package

Commodities saw strong returns in the January, buoyed by vaccination programs and normalization of the economy. The commodity market saw four consecutive weeks of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 10.67% in the month.

Following from 2020’s political overhang, Malaysia’s Yang di-Pertuan Agong issued a Proclamation of Emergency, resulting in the implementation of MCO 2.0 as daily Covid-19 cases rose to four digits. Restrictions on movement were less stringent than the initial MCO from 2020, though inconsistent communication surrounding the restrictions resulted in some public confusion.

The PN government unveiled its fifth economic stimulus package, PERMAI, worth RM 15 billion. Market impact was neutral following the announcement, as the package was viewed largely as a safety net aimed at cushioning the downside impact of MCO 2.0’s implementation, especially to more vulnerable sectors.

Malaysia’s Consumer Price Index (CPI) came in at 122.5 in February 2021, a marginal increase of 0.1% from January 2021. Despite this, trade numbers have been gradually increasing as global trade picks up. December 2020 saw Malaysia’s exports rise 10.8% y-o-y and imports rebounding for the first time in 9 months by 1.6% y-o-y. This positive momentum continued in January 2021, with exports expanding by 6.6% y-o-y to RM 89.6 billion. Imports saw the same trend, increasing by 1.3% y-o-y.

In February, the local equity market’s performance was muted relative to regional peers, gaining by 0.82% in the month. It was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. AmBank announced a settlement cost of RM2.83 billion for its role and involvement in the 1MDB scandal that took place prior. This accounts for up to 30.0% of its market capitalisation. Petronas announced its first annual loss of RM 21 billion in 2020, its weak earnings dragged by weak product prices and margins, in line with last year’s decline in crude oil prices.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM’s announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient. Market is of the expectation that central bank will cut rates in BNM’s next meeting in March, but our in-house view views that the likelihood of a cut is minimal.

Yields trended higher in tandem with US treasury movement in the month of February. The 10-year MGS closed at 3.08%. The corporate space also saw yields edge higher, particularly in the longer-dated names of the IG credit space. The primary market was greeted by the auction of a new 7-year GII of RM 3.5 billion.

The trend here follows from January's auction of the 10-year MGS, with strong bidding interest as the 7-year GII posted a bid-to-cover ratio of 2.2x, supported by onshore interbank players. The yield closed at 2.8%.

### **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return following the low death rates despite the rise in infections. With most markets recovering the year's losses by December coincided with the release of Phase III clinical trial data for the vaccines, there is certainly light at the end of the tunnel for global markets.

Recovery plays will be the most obvious theme for the year improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. General market consensus suggests global GDP is down 5% in 2020, with an expected rebound of 5.4% in 2021 with the reopening of economies and growth returns. We have already started to see the rotation from growth to value take place in the start of 2021.

January 2021's US employment report was less than stellar as nonfarm payrolls increased only by half of the market's initial consensus, which is worse when compared to the fact that it had already been revised down by 159,000 two months prior. The US labor market has some ways to go for recovery as Covid-19 cases continue to rise. Valuations in the American market are coming across as stretched as the S&P 500 surpasses far beyond its historical P/E average of 15x -17x. There has been some correction in the recent few weeks and we may see this correction extend for a further couple more months.

Earnings momentum will continue in 2021 with earnings growth projected to rise by 38.0% in Asia ex-Japan (ex-Financials) according to estimates by some sell-side analysts. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow.

Following President Biden's call to China, we still expect little improvement between China and the US's already contentious relationship. We see at least a few months of reprieve for the global economy as the two leading nations focus on economic recovery. It will not be long before they step back into the boxing ring to tackle the long list of conflicting issues they face, ranging from trade issues, social rights and environmental impacts.

Economic recovery continues to be delayed by Covid-19 as cases surge throughout the country/ From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Political risk has been delayed with the declaration of state of emergency until August 2021

Fund flows continue to pour in, following 2020's trend which began in the month of March. In the US, long-term mutual funds and exchange-traded funds picked up US\$95 billion in new assets. ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

### **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.

**Cross Trade**

No cross trade transactions have been carried out during the reported period.

## **TRUSTEE'S REPORT**

For the Six Months Financial Period Ended 28 February 2022

### **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 28 February 2022. 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 28 February 2022.

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**

Chief Executive Officer

Kuala Lumpur, Malaysia

15 April 2022

## **SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Affin Hwang Aiiman Money Market Fund ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
15 April 2022

**AFFIN HWANG AIIMAN MONEY MARKET FUND**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022**

# **AFFIN HWANG AIIMAN MONEY MARKET FUND**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

### **FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022**

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## AFFIN HWANG AIIMAN MONEY MARKET FUND

### UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

	Note	6 months financial period ended 28.2.2022 RM	6 months financial period ended 28.2.2021 RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets at fair value through profit or loss		183,597,735	160,315,217
		<u>183,597,735</u>	<u>160,315,217</u>
<b>EXPENSES</b>			
Management fee	4	(21,777,282)	(23,416,214)
Trustee fee	5	(871,091)	(710,628)
Auditor's remuneration		(6,971)	(3,471)
Tax agent's fee		(2,172)	(2,172)
Other expenses		(7,652)	(6,787)
		<u>(22,665,168)</u>	<u>(24,139,272)</u>
<b>NET PROFIT BEFORE TAXATION</b>		160,932,567	136,175,945
Taxation	6	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>160,932,567</u>	<u>136,175,945</u>
Net profit after taxation is made up of the following:			
Realised amount		<u>160,932,567</u>	<u>136,175,945</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 28 FEBRUARY 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents		1,113	1,190
Amount due from Manager			
- management fee rebate receivable		-	34,520
Financial assets at fair value through profit or loss	8	15,350,088,591	14,354,346,858
<b>TOTAL ASSETS</b>		<u>15,350,089,704</u>	<u>14,354,382,568</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		3,039,532	3,980,093
Amount due to Trustee		121,582	120,609
Auditors' remuneration		3,471	3,471
Tax agent's fee		6,552	6,552
Other payables and accruals		7,419	11,291
<b>TOTAL LIABILITIES</b>		<u>3,178,556</u>	<u>4,122,016</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>15,346,911,148</u>	<u>14,350,260,552</u>
<b>EQUITY</b>			
Unitholders' capital		15,017,718,482	14,137,472,577
Retained earnings		329,192,666	212,787,975
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>15,346,911,148</u>	<u>14,350,260,552</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>28,447,484,000</u>	<u>26,786,013,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5395</u>	<u>0.5357</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 28 FEBRUARY 2022

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 September 2021	18,531,088,919	256,692,466	18,787,781,385
Total comprehensive income for the financial period	-	160,932,567	160,932,567
Distributions (Note 7)	-	(88,432,367)	(88,432,367)
Movement in unitholders' capital:			
Creation of units arising from applications	5,770,020,689	-	5,770,020,689
Creation of units arising from distributions	85,108,801	-	85,108,801
Cancellation of units	<u>(9,368,499,927)</u>	-	<u>(9,368,499,927)</u>
Balance as at 28 February 2022	<u><u>15,017,718,482</u></u>	<u><u>329,192,666</u></u>	<u><u>15,346,911,148</u></u>
Balance as at 1 September 2020	12,734,433,970	173,657,235	12,908,091,205
Total comprehensive income for the financial period	-	136,175,945	136,175,945
Distributions (Note 7)	-	(97,045,205)	(97,045,205)
Movement in unitholders' capital:			
Creation of units arising from applications	7,067,377,982	-	7,067,377,982
Creation of units arising from distributions	93,967,495	-	93,967,495
Cancellation of units	<u>(5,758,306,870)</u>	-	<u>(5,758,306,870)</u>
Balance as at 28 February 2021	<u><u>14,137,472,577</u></u>	<u><u>212,787,975</u></u>	<u><u>14,350,260,552</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

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Purchase of Shariah-compliant investments	(43,234,597,164)	(61,034,533,998)
Proceeds from sale of Shariah-compliant investments and hibah	46,700,647,358	59,632,880,088
Profit income received	159,460,153	119,480,923
Management fee paid	(22,775,931)	(23,104,610)
Trustee fee paid	(911,036)	(700,139)
Payment for other fees and expenses	(20,072)	(15,200)
Net cash flows generated from/ (used in) operating activities	<u>3,601,803,308</u>	<u>(1,305,992,936)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	5,770,020,689	7,067,377,982
Payments for cancellation of units	(9,368,499,927)	(5,758,306,870)
Payment for distributions	(3,323,566)	(3,077,710)
Net cash flows (used in)/generated from financing activities	<u>(3,601,802,804)</u>	<u>1,305,993,402</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	504	466
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>609</u>	<u>724</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>1,113</u></u>	<u><u>1,190</u></u>

Cash and cash equivalents as at 28 February 2022 and 28 February 2021 comprise of bank balances.

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 28 FEBRUARY 2022

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, International Financial Reporting Standards (“MFRS”).

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 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, amendments to published standards and interpretations that are effective:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2021 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

#### **B INCOME RECOGNITION**

##### Profit income

Profit income 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 DISTRIBUTIONS**

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.

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI")<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.

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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 28 FEBRUARY 2022 (CONTINUED)

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

(i) Classification (continued)

The Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee, 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.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

Shariah-based deposits with licensed Islamic financial institutions are stated at fair value. Due to the short-term nature of the deposits, the cost-plus accrued profit calculated based on the effective profit rate method over the period from the date of placement to the date of maturity of the respective deposits is a reasonable estimate of fair value.

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

(iii) Impairment

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

Significant increase in credit risk

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

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

(iii) Impairment (continued)

##### Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

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

##### Write-off

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

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

#### 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 asset value ("NAV");
- the units are the most subordinated class and class features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund.

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

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)**

#### **H UNITHOLDERS' CAPITAL (CONTINUED)**

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to 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.

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

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

#### **L REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

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

# AFFIN HWANG AIIMAN MONEY MARKET FUND

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022

### 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 15 April 2022.

## AFFIN HWANG AII MAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,113	-	1,113
Shariah-based deposits with licensed financial institutions	8	-	15,350,088,591	15,350,088,591
		<u>1,113</u>	<u>15,350,088,591</u>	<u>15,350,089,704</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		3,039,532	-	3,039,532
Amount due to Trustee		121,582	-	121,582
Auditors' remuneration		3,471	-	3,471
Tax agent's fee		6,552	-	6,552
Other payables and accruals		7,419	-	7,419
		<u>3,178,556</u>	<u>-</u>	<u>3,178,556</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,190	-	1,190
Amount due from Manager				
- management fee rebate receivable		34,520	-	34,520
Shariah-based deposits with licensed financial institutions	8	-	14,354,346,858	14,354,346,858
		<u>35,710</u>	<u>14,354,346,858</u>	<u>14,354,382,568</u>



## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		3,980,093	-	3,980,093
Amount due to Trustee		120,609	-	120,609
Auditors' remuneration		3,471	-	3,471
Tax agent's fee		6,552	-	6,552
Other payables and accruals		11,291	-	11,291
		<u>4,122,016</u>	<u>-</u>	<u>4,122,016</u>

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.

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

Credit risk arising from 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.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

##### Credit risk (continued)

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

	Financial assets at fair value through <u>profit or loss</u> RM	Cash and cash <u>equivalents</u> RM	<u>Total</u> RM	
<u>2022</u>				
Financial Services				
- AAA	9,885,074,734	-	9,885,074,734	
- AA2	3,043,296,566	-	3,043,296,566	
- AA3	2,321,545,510	1,113	2,321,546,623	
- NR	100,171,781	-	100,171,781	
	<u>15,350,088,591</u>	<u>1,113</u>	<u>15,350,089,704</u>	
	Financial assets at fair value through <u>profit or loss</u> RM	Cash and cash <u>equivalents</u> RM	Amount due from <u>Manager</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial Services				
- AAA	7,115,425,320	-	-	7,115,425,320
- AA1	1,519,247,027	-	-	1,519,247,027
- AA2	4,552,844,973	-	-	4,552,844,973
- AA3	1,166,829,538	1,190	-	1,166,830,728
Other				
- NR	-	-	34,520	34,520
	<u>14,354,346,858</u>	<u>1,190</u>	<u>34,520</u>	<u>14,354,382,568</u>

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (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.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>2022</u>			
Amount due to Manager			
- management fee	3,039,532	-	3,039,532
Amount due to Trustee	121,582	-	121,582
Auditors' remuneration	-	3,471	3,471
Tax agent's fee	-	6,552	6,552
Other payables and accruals	-	7,419	7,419
	<u>3,161,114</u>	<u>17,442</u>	<u>3,178,556</u>
<u>2021</u>			
Amount due to Manager			
- management fee	3,980,093	-	3,980,093
Amount due to Trustee	120,609	-	120,609
Auditors' remuneration	-	3,471	3,471
Tax agent's fee	-	6,552	6,552
Other payables and accruals	-	11,291	11,291
	<u>4,100,702</u>	<u>21,314</u>	<u>4,122,016</u>

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (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)

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.



## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (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 28 February 2022, the management fee is recognised at a rate of 0.25% (2021: 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 28 February 2022 and 28 February 2021, 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.

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

#### 6 TAXATIONS

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
Current taxation - local	-	-

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

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
Net profit before taxation	160,932,567	136,175,945
Tax at Malaysian statutory rate of 24% (2021: 24%)	38,623,816	32,682,227
Tax effects of:		
Investment income disallowed from tax	(44,063,456)	(38,475,652)
Expenses not deductible for tax purposes	211,300	172,582
Restriction on tax deductible expenses for Unit Trust Funds	5,228,340	5,620,843
Tax expense	-	-

#### 7 DISTRIBUTIONS

	6 months financial period ended <u>28.2.2022</u> RM	6 months financial period ended <u>28.2.2021</u> RM
Distributions to unitholders are from the following sources:		
Previous year's realised income	88,432,367	97,045,205
Gross realised income	88,432,367	97,045,205
Less: Expenses	-	-
Net distribution amount	88,432,367	97,045,205

## AFFIN HWANG AIFMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

#### 7 DISTRIBUTIONS (CONTINUED)

During the 6 months financial period ended 28 February 2022, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
08.09.2021	0.03
22.09.2021	0.03
13.10.2021	0.03
27.10.2021	0.03
10.11.2021	0.03
24.11.2021	0.03
08.12.2021	0.03
22.12.2021	0.03
26.01.2022	0.01
23.02.2022	0.01
	<hr/>
	0.26
	<hr/> <hr/>

During the 6 months financial period ended 28 February 2021, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit</u> sen
09.09.2020	0.03
23.09.2020	0.03
14.10.2020	0.03
28.10.2020	0.03
11.11.2020	0.03
25.11.2020	0.03
09.12.2020	0.03
23.12.2020	0.03
13.01.2021	0.03
27.01.2021	0.03
10.02.2021	0.03
24.02.2021	0.03
	<hr/>
	0.3600
	<hr/> <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 RM88,432,367 (2021: RM97,045,205) made from previous year's realised income.



## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-based deposits with licensed financial institutions*	15,350,088,591	14,354,346,858

\* Includes profit income receivable of RM123,409,165 (2021: RM133,314,325).

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

	<u>2022</u> %	<u>2021</u> %
Shariah-based deposits with licensed financial institutions	2.20	2.20

Shariah-based deposits with licensed financial institutions have an average maturity of 109 days (2021: 71 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>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial period	34,977,156,000	24,161,306,000
Creation of units arising from applications	10,729,895,207	13,206,000,662
Creation of units arising from distributions	158,323,475	175,617,083
Cancellation of units	(17,417,890,682)	(10,756,910,745)
At the end of the financial period	28,447,484,000	26,786,013,000

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

#### 11 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

- (i) Details of transactions with the top financial institutions for the 6 months financial period ended 28 February 2022 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	109,601,952,745	71.80
Affin Islamic Bank Bhd#	18,915,282,161	12.39
CIMB Islamic Bank Bhd	9,779,605,333	6.41
Public Islamic Bank Bhd	3,962,382,282	2.60
Maybank Islamic Bhd	3,633,980,000	2.38
Ambank Islamic Bhd	2,200,000,000	1.44
United Overseas Bank (Malaysia) Bhd	1,500,000,000	0.98
RHB Islamic Bank Bhd	1,302,577,594	0.85
OCBC Al-Amin Bank Bhd	1,100,000,000	0.72
Bank Islam Malaysia Bhd	650,000,000	0.43
	<u>152,645,780,115</u>	<u>100.00</u>

- (ii) Details of transactions with the top financial institutions for the 6 months financial period ended 28 February 2021 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	43,857,522,710	71.86
Public Islamic Bank Bhd	5,974,627,813	9.79
CIMB Islamic Bank Bhd	4,176,999,946	6.84
Ambank Islamic Bhd	2,201,597,646	3.61
RHB Islamic Bank Bhd	1,722,114,383	2.82
Maybank Islamic Bhd	1,500,000,000	2.46
OCBC AL-Amin Bank Bhd	1,101,671,500	1.80
Bank Islam Malaysia Bhd	500,000,000	0.82
	<u>61,034,533,998</u>	<u>100.00</u>

- # Included in transactions with financial institutions are placements with Affin Islamic Bank Bhd, a company related to the Manager amounting to RM18,915,282,161 (2021: RM Nil). 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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (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>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors 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>2022</u>		<u>2021</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Bhd (The units are held for booking purposes)	<u>19,108</u>	<u>10,309</u>	<u>4,971</u>	<u>2,663</u>
<u>Parties Related to the Manager:</u>				
Aiiman Asset Management Sdn Bhd (The units are held beneficially)	<u>352,184,325</u>	<u>190,003,443</u>	<u>236,780,486</u>	<u>126,843,306</u>
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	<u>18,904,784</u>	<u>10,199,131</u>	<u>-</u>	<u>-</u>
Bintang Capital Partners Bhd (The units are held beneficially)	<u>423,764</u>	<u>228,621</u>	<u>3,562,898</u>	<u>1,908,644</u>

## AFFIN HWANG AIIMAN MONEY MARKET FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2022 (CONTINUED)

#### 13 MANAGEMENT EXPENSE RATIO (“MER”)

	6 months financial period ended <u>28.2.2022</u> %	6 months financial period ended <u>28.2.2021</u> %
MER	<u>0.13</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 RM17,565,961,390 (2021: RM14,330,089,835).

#### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	6 months financial period ended <u>28.2.2022</u>	6 months financial period ended <u>28.2.2021</u>
PTR (times)	<u>2.56</u>	<u>4.21</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 = RM43,234,597,164 (2021: RM61,034,533,998)  
total disposal for the financial period = RM46,700,647,358 (2021: RM59,632,880,088)

#### 15 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The worsening macro-economic environment as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

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

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 23 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 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 28 February 2022 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**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 April 2022

## **DIRECTORY OF SALES OFFICE**

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