

# Affin Hwang Aiiman Global Sukuk Fund

Interim Report  
30 November 2019

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
CIMB Islamic Trustee Berhad (167913-M)

# AFFIN HWANG AIIAMAN GLOBAL SUKUK FUND

## Interim Report and Unaudited Financial Statements For The Financial Period Ended 30 November 2019

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## FUND INFORMATION

Fund Name	Affin Hwang Aiiman Global Sukuk Fund
Fund Type	Income
Fund Category	Fixed Income
Investment Objective	The Fund aims to provide investors with regular income through investments in Shariah-compliant fixed income instruments
Benchmark	Dow Jones Sukuk Index
Distribution Policy	Subject to the availability of income, the Fund will distribute income on an annual basis after the end of the first financial year of the Fund

### BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 30 NOVEMBER 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	2	15
10,001 to 50,000	0	0
50,001 to 500,000	1	53
500,001 and above	0	0
<b>Total</b>	<b>3</b>	<b>68</b>

\* Note: Excluding Manager's stock

### BREAKDOWN OF UNITHOLDERS BY SIZE MYR CLASS AS AT 30 NOVEMBER 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	1	9
10,001 to 50,000	1	18
50,001 to 500,000	2	178
500,001 and above	3	3,945
<b>Total</b>	<b>7</b>	<b>4,150</b>

\* Note: Excluding Manager's stock

**BREAKDOWN OF UNITHOLDERS BY SIZE MYR-HEDGED CLASS AS AT 30 NOVEMBER 2019**

<b>Size of holdings (units)</b>	<b>No. of unitholders</b>	<b>No. of units held * ('000)</b>
5,000 and below	3	11
5,001 to 10,000	0	0
10,001 to 50,000	0	0
50,001 to 500,000	2	484
500,001 and above	3	57,262
<b>Total</b>	<b>8</b>	<b>57,757</b>

*\* Note: Excluding Manager's stock*

## FUND PERFORMANCE DATA

Category	As at 30 Nov 2019 (%)			As at 30 Nov 2018 (%)			As at 30 Nov 2017 (%)	
Portfolio composition								
Unquoted sukuk – local	-			0.94			1.00	
Unquoted sukuk – foreign	95.20			89.71			90.96	
<b>Total unquoted sukuk</b>	<b>95.20</b>			<b>90.65</b>			<b>91.96</b>	
<b>Cash &amp; cash equivalent</b>	<b>4.80</b>			<b>9.35</b>			<b>8.04</b>	
<b>Total</b>	<b>100.00</b>			<b>100.00</b>			<b>100.00</b>	
Currency class	USD Class	MYR Class	MYR- Hedged Class	USD Class	MYR Class	MYR- Hedged Class	USD Class	MYR Class
Total NAV (million)	0.040	2.241	31.528	4.994	1.150	0.046	5.052	0.034
NAV per Unit (in respective currencies)	0.5490	0.5396	0.5458	0.5133	0.4965	0.5073	0.5187	0.4902
Unit in Circulation (million)	0.072	4.153	57.760	9.728	2.317	0.091	9.740	0.071
Highest NAV	0.5504	0.5454	0.5471	0.5149	0.4976	0.5084	0.5215	0.5233
Lowest NAV	0.5394	0.5202	0.5319	0.5090	0.4673	0.4776	0.5144	0.4899
Return of the Fund (%) <sup>iii</sup>	3.65	3.37	2.25	0.67	5.86	5.84	0.37	-5.48
- Capital Growth (%) <sup>i</sup>	1.76	3.37	2.25	0.67	5.86	5.84	0.37	-5.48
- Income Distribution (%) <sup>ii</sup>	1.85	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	1.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Management Expense Ratio (%) <sup>1</sup>		0.68			0.69			0.74
Portfolio Turnover Ratio (times) <sup>2</sup>		0.19			0.26			0.69

### **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

### **USD Class**

$$\begin{aligned} \text{Capital Return}^i &= (\text{NAV per Unit @ 30/11/19} \div \text{NAV per Unit @ 31/05/19}^* - 1) \times 100 \\ &= (0.5490 \div 0.5395 - 1) \times 100 \\ &= \mathbf{1.76\%} \end{aligned}$$

$$\begin{aligned} \text{Income Return @ ex-date} &= \{\text{Income distribution per Unit} \div \text{NAV per Unit on ex-date}\} + 1 \\ &= \{0.0100 \div 0.5394 @ 17/07/19\} + 1 = 1.0185 \end{aligned}$$

$$\begin{aligned} \text{Total Income Return}^{ii} &= \{\text{Income distribution per Unit} \div \text{NAV per Unit on ex-date}\} \times 100 \\ &= \{1.0185\} - 1 \times 100 \\ &= \mathbf{1.85\%} \end{aligned}$$

$$\begin{aligned} \text{Return of the Fund}^{iii} &= \{[(1 + \text{Capital Return}) \times (1 + \text{Income Return})] - 1\} \times 100 \\ &= \{[(1 + 1.76\%) \times (1 + 1.85\%)] - 1\} \times 100 \end{aligned}$$

<sup>1</sup>The MER of the Fund was slightly lower than previous year due to higher average NAV of the Fund during the period under review.

<sup>2</sup>The PTR of the Fund was lower than previous year due to higher average NAV of the Fund during the period under review.

= **3.65%**

### **MYR Class**

**Capital Return<sup>i</sup>** = (NAV per Unit @ 30/11/19 ÷ NAV per Unit @ 31/05/19\* - 1) x 100  
 = (0.5396 ÷ 0.5220 - 1) x 100  
 = **3.37%**

**Total Income Return<sup>ii</sup>** = **Nil**

**Return of the Fund<sup>iii</sup>** = [(1 + Capital Return) x (1 + Income Return)] - 1 x 100  
 = [(1 + 3.37%) x (1 + 0.00%)] - 1 x 100  
 = **3.37%**

### **MYR-Hedged Class**

**Capital Return<sup>i</sup>** = (NAV per Unit @ 30/11/19 ÷ NAV per Unit @ 31/05/19\* - 1) x 100  
 = (0.5458 ÷ 0.5338 - 1) x 100  
 = **2.25%**

**Total Income Return<sup>ii</sup>** = **Nil**

**Return of the Fund<sup>iii</sup>** = [(1 + Capital Return) x (1 + Income Return)] - 1 x 100  
 = [(1 + 2.27%) x (1 + 0.00%)] - 1 x 100  
 = **2.25%**

\* Source – CIMB Islamic Trustee Berhad

Table 1: Performance of the Fund

### **USD Class**

	<b>6 Months (1/6/19 - 30/11/19)</b>	<b>1 Year (1/12/18 - 30/11/19)</b>	<b>3 Years (1/12/16 - 30/11/19)</b>	<b>Since Commencement (30/12/15 - 30/11/19)</b>
<b>Fund</b>	<b>3.65%</b>	<b>8.94%</b>	<b>11.64%</b>	<b>12.40%</b>
<b>Benchmark</b>	<b>2.91%</b>	<b>7.46%</b>	<b>4.16%</b>	<b>4.87%</b>
<b>Outperformance</b>	<b>0.74%</b>	<b>1.48%</b>	<b>7.48%</b>	<b>7.53%</b>

Source of Benchmark: Bloomberg

### **MYR Class**

	<b>6 Months (1/6/19 - 30/11/19)</b>	<b>1 Year (1/12/18 - 30/11/19)</b>	<b>3 Years (1/12/16 - 30/11/19)</b>	<b>Since Commencement (30/12/15 - 30/11/19)</b>
<b>Fund</b>	<b>3.37%</b>	<b>8.68%</b>	<b>2.35%</b>	<b>7.92%</b>
<b>Benchmark</b>	<b>2.82%</b>	<b>7.41%</b>	<b>(2.58%)</b>	<b>2.25%</b>
<b>Outperformance</b>	<b>0.55%</b>	<b>1.27%</b>	<b>4.93%</b>	<b>5.67%</b>

Source of Benchmark: Bloomberg

**MYR-Hedged Class**

	<b>6 Months</b> <b>(1/6/19 - 30/11/19)</b>	<b>1 Year</b> <b>(1/12/18 - 30/11/19)</b>	<b>Since Commencement</b> <b>(15/12/17 - 30/11/19)</b>
<b>Fund</b>	<b>2.25%</b>	<b>7.59%</b>	<b>9.16%</b>
<b>Benchmark</b>	<b>2.82%</b>	<b>7.41%</b>	<b>5.41%</b>
<b>Outperformance / (Underperformance)</b>	<b>(0.57%)</b>	<b>0.18%</b>	<b>3.75%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

**USD Class**

	<b>1 Year</b> <b>(1/12/18 - 30/11/19)</b>	<b>3 Years</b> <b>(1/12/16 - 30/11/19)</b>	<b>Since Commencement</b> <b>(30/12/15 - 30/11/19)</b>
<b>Fund</b>	<b>8.94%</b>	<b>3.74%</b>	<b>3.02%</b>
<b>Benchmark</b>	<b>7.46%</b>	<b>1.37%</b>	<b>1.22%</b>
<b>Outperformance</b>	<b>1.48%</b>	<b>2.37%</b>	<b>1.80%</b>

Source of Benchmark: Bloomberg

**MYR Class**

	<b>1 Year</b> <b>(1/12/18 - 30/11/19)</b>	<b>3 Years</b> <b>(1/12/16 - 30/11/19)</b>	<b>Since Commencement</b> <b>(30/12/15 - 30/11/19)</b>
<b>Fund</b>	<b>8.68%</b>	<b>0.78%</b>	<b>1.96%</b>
<b>Benchmark</b>	<b>7.41%</b>	<b>(0.87%)</b>	<b>0.57%</b>
<b>Outperformance</b>	<b>1.27%</b>	<b>1.65%</b>	<b>1.39%</b>

Source of Benchmark: Bloomberg

**MYR-Hedged Class**

	<b>1 Year</b> <b>(1/12/18 - 30/11/19)</b>	<b>Since Commencement</b> <b>(15/12/17 - 30/11/19)</b>
<b>Fund</b>	<b>7.59%</b>	<b>4.57%</b>
<b>Benchmark</b>	<b>7.41%</b>	<b>2.72%</b>
<b>Outperformance</b>	<b>0.18%</b>	<b>1.85%</b>

Source of Benchmark: Bloomberg

Table 3: Annual Total Return

**USD Class**

	<b>FYE 2019</b> <b>(01/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(01/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(01/6/16 - 31/5/17)</b>
<b>Fund</b>	<b>5.81%</b>	<b>(1.34%)</b>	<b>2.93%</b>
<b>Benchmark</b>	<b>3.40%</b>	<b>(3.73%)</b>	<b>0.81%</b>
<b>Outperformance</b>	<b>2.41%</b>	<b>2.39%</b>	<b>2.12%</b>

Source of Benchmark: Bloomberg

**MYR Class**

	<b>FYE 2019</b> <b>(01/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(01/6/17 - 31/5/18)</b>	<b>FYE 2017</b> <b>(01/6/16 - 31/5/17)</b>	<b>FYE 2016</b> <b>(30/12/15 - 31/5/16)</b>
<b>Fund</b>	<b>11.30%</b>	<b>(9.56%)</b>	<b>6.14%</b>	<b>(2.28%)</b>
<b>Benchmark</b>	<b>8.63%</b>	<b>(10.70%)</b>	<b>5.23%</b>	<b>(2.58%)</b>
<b>Outperformance / (Underperformance)</b>	<b>2.67%</b>	<b>1.14%</b>	<b>0.91%</b>	<b>0.30%</b>

Source of Benchmark: Bloomberg

**MYR-Hedged Class**

	<b>FYE 2019</b> <b>(01/6/18 - 31/5/19)</b>	<b>FYE 2018</b> <b>(15/12/17 - 31/5/18)</b>
<b>Fund</b>	<b>11.37%</b>	<b>(4.14%)</b>
<b>Benchmark</b>	<b>8.63%</b>	<b>(5.63%)</b>
<b>Outperformance</b>	<b>2.74%</b>	<b>1.49%</b>

Source of Benchmark: Bloomberg

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



# MANAGER'S REPORT

## Performance Review

### USD Class

For the period under review, the Fund has registered a return of 3.65% outperformed the benchmark return of 2.91% by 0.74 percentage points. The NAV per unit of the Fund on 30 November 2019 was USD 0.5490 while the NAV per unit on 31 May 2019 was USD 0.5395. (See Table 1 for performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

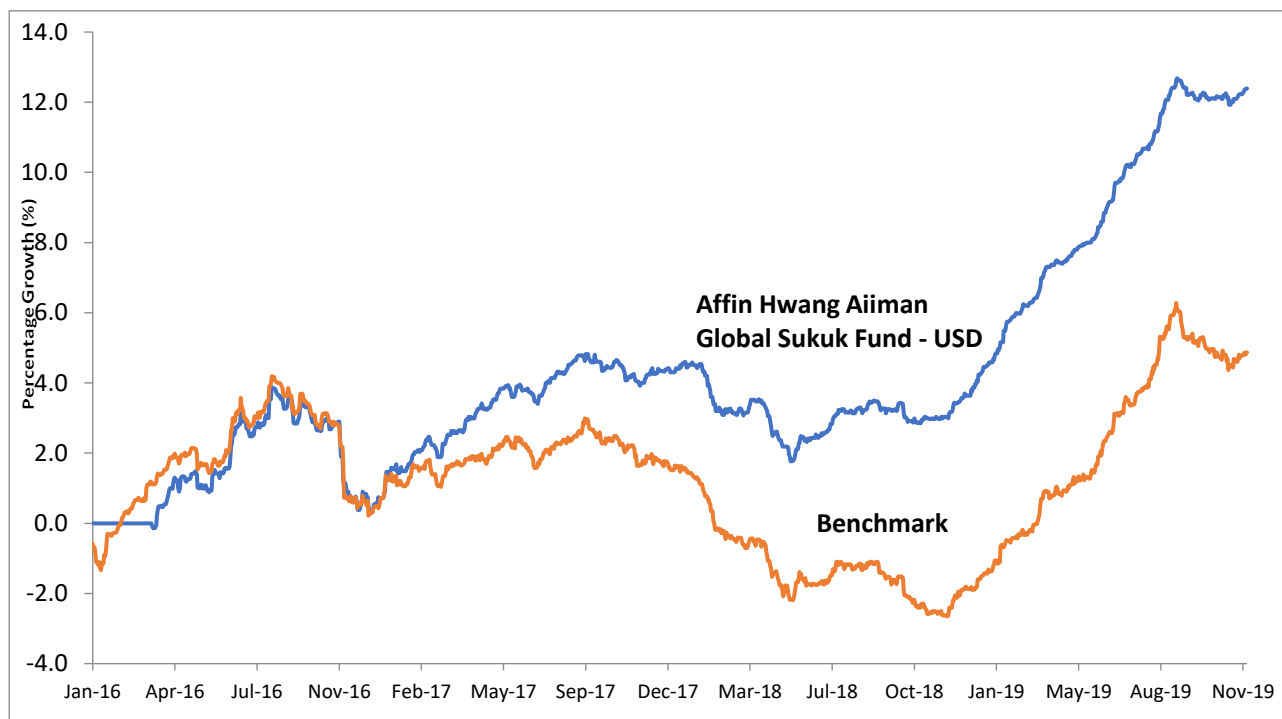
### MYR Class

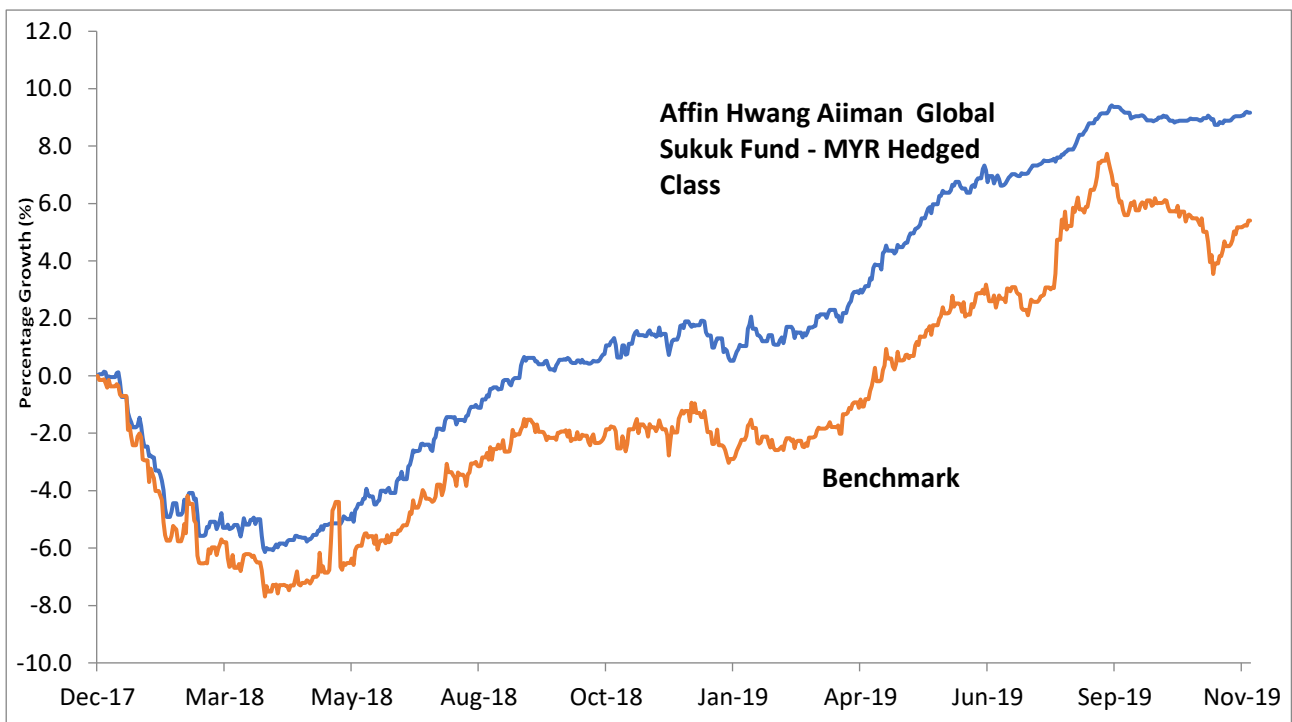
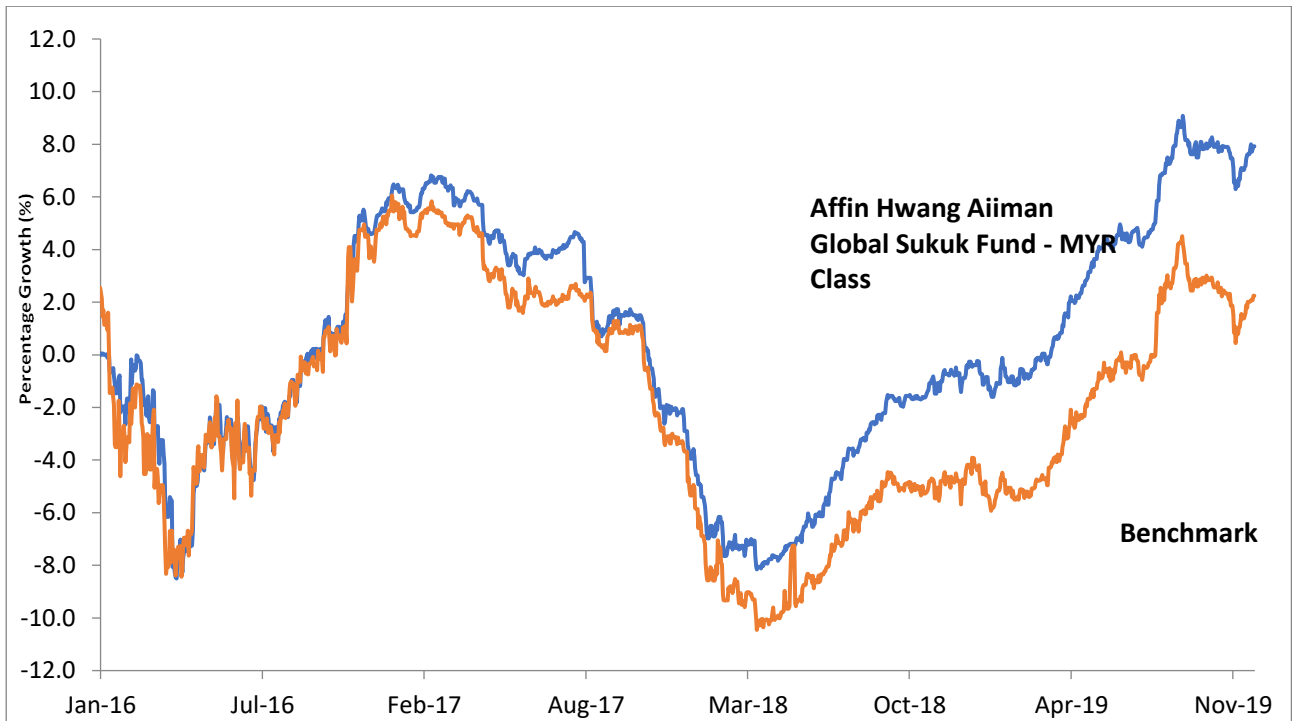
As for the MYR class, the Fund registered a return of 3.37% compared to the benchmark of 2.82% during the performance under review. The Fund thus outperformed the Benchmark by 0.55%. The Net Asset Value ("NAV") per unit as at 30 November 2019 was RM 0.5396 compared to the NAV per unit as 31 May 2019 was RM 0.5220.

### MYR-Hedged Class

As for the MYR hedged class, the Fund registered a return of 2.25% compared to the benchmark of 2.82% during the performance under review. The Fund thus underperformed the Benchmark by 0.57%. The Net Asset Value ("NAV") per unit as at 30 November 2019 was RM 0.5458 compared to the NAV per unit as 31 May 2019 was RM 0.5338.

Figure 1: Movement of the Fund versus the Benchmark





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

**Income Distribution / Unit Split**

Affin Hwang Asset Management Berhad recently declared a gross distribution of USD0.0100 per Unit (for USD Class) to investors of the Affin Hwang Aiiman Global Sukuk Fund over the period under review.

During the period under review, no income distribution was declared for Affin Hwang Aiiman Global Sukuk Fund MYR class and MYR Hedged-class.

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

## USD Class

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
16 Jul 2019	17 Jul 2019	0.5490	0.0100	0.5394

No unit split were declared for the financial period ended 30 November 2019.

## Asset Allocation

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

Figure 2: Asset allocation of the Fund

	<u>30 Nov 2019</u>	<u>30 Nov 2018</u>	<u>30 Nov 2017</u>
	(%)	(%)	(%)
Unquoted sukuk	95.20	90.65	91.96
Cash & Cash equivalent	4.80	9.35	8.04
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

As at 30 November 2019, the Fund's asset allocation in Sukuk were slightly higher at 95.20% while the balance was held in cash and cash equivalent.

## Strategies Employed

The Manager had maintained a moderately higher exposure level into the market while duration of the portfolio was kept shorter over the period under review.

## Market Review

"Sell in May and go away" has again proven to be a recurring theme this year after deteriorating trade relations between US and China wreaked further havoc across global financial markets in May. Trump raised the tariff on some US\$200 billion worth of Chinese imports to 25.0% from 10.0% earlier that month in an extreme bid to speed up trade negotiations. While the tariff hike was initially downplayed, things took a swift turn on when Trump banned Huawei with a national security order; thus prompting US companies to sever all business ties with the Chinese smartphone and telecommunications giant.

For the first time in more than a decade, the US Federal Reserve ("Fed") reduced interest rates by 25bps in July; effectively lowering the benchmark rate to a new range of 2.00-2.25%. However, the Fed delivered another widely expected 25bps rate cut at its policy meeting in September and October before Fed Chair Jerome Powell stopped short from guiding expectations of further easing indicating that 'monetary policy was in a good place'. The FOMC also dropped the use of the phrase 'act as appropriate' which markets took as a signal that the Fed would likely stay on hold for now.

Asian markets retreated in August as trade tensions flared up again after a surprise tariff announcement from US President Donald Trump. The Hong Kong Hang Seng index fell 7.4%, whilst the broader MSCI Asia ex-Japan index closed 4.6% lower as the prolonged trade row takes another turn for the worse. However, things took a turn in October as markets were buoyed by positive trade developments and synchronised monetary easing by global central banks, only to tumble at the end of November as US-China trade tensions continued to simmer following the signing of bills by US President Donald Trump in support of Hong Kong protesters.

Meanwhile, Hong Kong continues to be plagued by protests which are starting to hurt businesses and dent economic growth. The unrest in Hong Kong started since early June when protesters took to the streets to oppose an extradition bill proposal. The demonstrations have shifted into a movement calling for more autonomy, full democracy and the ousting of Hong Kong's embattled leader Carrie Lam.

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

## **Investment Outlook**

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

Whilst the partial trade deal helped provide a lift in sentiment, the temporary trade truce could be easily upended as seen before. China had revealed that it would raise penalties on violations of intellectual property rights to address one of the most contentious points in the ongoing trade dispute. However, the last mile negotiations in the trade talks would be the most critical to look out for. The overall macro environment remains weak as global economies are still showing weak data.

Going forward, we believe there is limited room for further monetary policy easing given already low interest rates. Central banks are more inclined to “save some bullets” for future, i.e. in the event whereby a recession materialises, as well as adopting a “wait-and-see” approach to assess impact post recent rate cuts. Therefore, expectations are that global interest rates are close to bottoming out in the near term. Having said that, we do not foresee central banks reverting to an interest rate hike cycle anytime soon.

The Budget 2020 placed a lot more emphasis on job creation and shifted away from the outright disbursement of large cash handouts and subsidies as seen in prior budgets before. In terms of impact, the budget was market-neutral with no immediate catalysts that could drive Bursa higher for now.

However, the absence of any pump-priming measures or announcement of mega infrastructure projects came as a disappointment to the construction sector. The consumer sector could benefit incrementally over time as the trickle-down effects of job creation, allocation for subsidies and social subsidies to address high cost of living and low income levels spur consumption.

## **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**

Cross trade transactions have been carried out during the reported period and the Investment Committee of the Fund has reviewed that such transaction are in the best interest of the Fund, transacted in the normal course of business at agreed terms and on a fair value basis.

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GLOBAL SUKUK FUND**

We, **CIMB Islamic Trustee Berhad** being the trustee for **Affin Hwang Aiiman Global Sukuk Fund** (“**the Fund**”), are of the opinion that **Affin Hwang Asset Management Berhad** (“**the Manager**”), acting in the capacity as the manager of the Fund, has fulfilled its duties in the following manner for the 6 months financial period ended 30 November 2019.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission Malaysia’s Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation and pricing of units of the Fund has been carried out in accordance with the Deed and relevant regulatory requirements;
- c) Creation and cancellation of units have been carried out in accordance with the Deed and the relevant regulatory requirements; and
- d) The distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of  
**CIMB Islamic Trustee Berhad**

**Lee Kooi Yoke**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
14 January 2020

## **SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GLOBAL SUKUK FUND**

We have acted as the Shariah Adviser of Affin Hwang Aiiman Global Sukuk Fund ("the 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 31 July 2015 and Supplemental Deed dated 16 October 2017 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad, has managed and administered the 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 30 November 2019.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") 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  
14 January 2020

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

	<u>Note</u>	6 months financial period ended <u>30.11.2019</u> USD	6 months financial period ended <u>30.11.2018</u> USD
<b>INVESTMENT INCOME</b>			
Profit income from financial asset at amortised cost		2,050	672
Profit income from financial asset at fair value through profit or loss		152,295	95,175
Net gain/(loss) on foreign currency exchange		13,665	(1,129)
Net loss on forward contract at fair value through profit or loss		(12,319)	-
Net gain/(loss) on financial assets at fair value through profit or loss	8	185,155	(25,800)
		<u>340,846</u>	<u>68,918</u>
<b>EXPENSES</b>			
Management fee	4	(48,461)	(30,295)
Trustee fee	5	(2,438)	(1,515)
Auditors' remuneration		(937)	(978)
Tax agent's fee		(428)	(431)
Other expenses		(2,873)	(1,549)
		<u>(55,137)</u>	<u>(34,768)</u>
<b>NET PROFIT BEFORE FINANCE COST</b>		285,709	34,150
<b>FINANCE COST (EXCLUDING DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>			
Distribution	7	(100,310)	-
		<u>(100,310)</u>	<u>-</u>
<b>INCREASE IN NET ASSET ATTRIBUTABLE TO UNITHOLDERS</b>		<u>185,399</u>	<u>34,150</u>
Increase in net asset attributable to unitholders is made up of the following:			
Realised amount		41,987	56,820
Unrealised amount		143,412	(22,670)
		<u>185,399</u>	<u>34,150</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 GLOBAL SUKUK FUND

### UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2019

	<u>Note</u>	<u>2019</u> USD	<u>2018</u> USD
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	8	7,735,521	4,786,192
Forward foreign currency contract at fair value through profit or loss		15,902	-
Cash and cash equivalents	9	414,695	505,317
Amount due from Manager			
- creation of units		380	-
Amount due from dealer		7,767	-
<b>TOTAL ASSETS</b>		<b>8,174,265</b>	<b>5,291,509</b>
<b>LIABILITIES</b>			
Forward foreign currency contract at fair value through profit or loss		28,221	-
Amount due to Manager			
- management fee		8,050	5,105
- cancellation of units		5,948	949
Amount due to Trustee		402	255
Auditors' remuneration		975	978
Tax agent's fee		2,504	2,491
Other payables and accruals		2,202	2,048
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>48,302</b>	<b>11,826</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>8,125,963</b>	<b>5,279,683</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>8,125,963</b>	<b>5,279,683</b>



## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2019 (CONTINUED)

	<u>Note</u>	<u>2019</u> USD	<u>2018</u> USD
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- MYR Class		536,645	275,006
- MYR-Hedged Class		7,549,791	11,035
- USD Class		39,527	4,993,642
		<u>8,125,963</u>	<u>5,279,683</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- MYR Class	10 (a)	4,153,000	2,317,000
- MYR-Hedged Class	10 (b)	57,760,000	91,000
- USD Class	10 (c)	72,000	9,728,000
		<u>61,985,000</u>	<u>12,136,000</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- MYR Class		0.1292	0.1187
- MYR-Hedged Class		0.1307	0.1213
- USD Class		0.5490	0.5133
		<u>0.5490</u>	<u>0.5133</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR Class		RM 0.5396	RM 0.4965
- MYR-Hedged Class		RM 0.5458	RM 0.5073
- USD Class		USD 0.5490	USD 0.5133
		<u>0.5490</u>	<u>0.5133</u>

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### UNAUDITED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

	6 months financial period ended <u>30.11.2019</u> USD	6 months financial period ended <u>30.11.2018</u> USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	7,889,655	4,974,972
Movement due to units created and cancelled during the financial period		
Creation of units arising from applications	6,086,139	271,747
- MYR Class	636,516	271,747
- MYR-Hedge Class	5,429,487	-
- USD Class	20,136	-
Creation of units arising from distributions	100,310	-
- USD Class	100,310	-
- MYR-Hedge Class	-	-
- USD Class	-	-
Cancellation of units	(6,135,540)	(1,186)
- MYR Class	(584,881)	(1,186)
- MYR-Hedge Class	(10,296)	-
- USD Class	(5,540,363)	-
Net increase in net assets attributable to unitholders during the financial period	185,399	34,150
- MYR Class	19,056	438
- MYR-Hedged Class	115,670	74
- USD Class	50,673	33,638
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<b>8,125,963</b>	<b>5,279,683</b>

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

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

	<u>Note</u>	6 months financial period ended <u>30.11.2019</u> USD	6 months financial period ended <u>30.11.2018</u> USD
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		1,474,387	996,049
Purchase of Shariah-compliant investments		(1,603,995)	(1,394,220)
Income received		145,221	87,873
Management fee paid		(48,145)	(30,245)
Trustee fee paid		(2,423)	(1,513)
Payment for other fees and expenses		(4,371)	(3,603)
Net realized gain/(loss) on foreign currency exchange		15,045	(1,128)
Net cash used in from operating activities		<u>(24,281)</u>	<u>(346,787)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		6,086,505	271,747
Payments for cancellation of units		(6,529,592)	(237)
Net cash (used in)/generated from financing activities		<u>(443,087)</u>	<u>271,510</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(467,368)</b>	<b>(75,277)</b>
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		<b>(42)</b>	<b>(3)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>882,105</u>	<u>580,597</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9	<u><u>414,695</u></u>	<u><u>505,317</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 AIIAN GLOBAL SUKUK FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019**

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

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

- (a) New standards, amendments and interpretations effective after 1 June 2019 and have not been early adopted:

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

#### **B INCOME RECOGNITION**

##### Profit income

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

For unquoted sukuk, realised gains and losses on sale of unquoted Shariah-compliant investments are accounted as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant investments, determined on a weighted average cost basis for Shariah-compliant investments and on cost adjusted for accretion of discount or amortisation of premium on investments for unquoted sukuk.

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

#### **C 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.

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

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

#### D 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 United States Dollar (USD), which is the Fund’s functional and presentation currency.

#### E FOREIGN CURRENCY TRANSLATION

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

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest<sup>3</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, dividend receivables, amount due from brokers and amount due from Manager 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, amount due to brokers, auditors’ remuneration, tax agent’s fee and other payables and accruals as financial liabilities measured at amortised cost.

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<sup>3</sup> For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

(ii) Recognition and measurement

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 expires.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transaction 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.

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

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA"). Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

Unquoted sukuk securities denominated in foreign currencies are revalued at least twice week by reference to the bid price quoted in Bloomberg. We use the Composite Bloomberg Bond Trader (CBBT) which is a weighted average bid and ask of price continuous submitted by Bloomberg dealers. However, if such quotations are not available, the fair value shall be determined by reference to the bid and ask prices quoted by independent and reputable financial institutions.

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.

Financing and receivables and other liabilities are subsequently carried at amortised cost using the effective profit method.

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

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

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

##### Write-off

The Fund write 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 purposes of cash flows, cash and cash equivalents comprise cash and bank balances and short term Shariah-based deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **AFFIN HWANG AIIMAN GLOBAL SUKUK FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)**

#### **H AMOUNTS DUE FROM/(TO) DEALERS**

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

#### **I CREATION AND CANCELLATION OF UNITS**

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as the MYR Class, MYR-Hedged Class and USD Class, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's (SC) Guidelines on Unit Trust Funds. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

#### **J INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Income not distributed is included in net assets attributable to unitholders.



## **AFFIN HWANG AIIAN GLOBAL SUKUK FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)**

#### **K CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

Estimates and judgments are continually evaluated by the 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 ("SC") Guidelines on Unit Trust Funds.

#### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) Significant portion of the NAV is invested in the form of cash denominated in USD for the purpose of making settlement of the foreign trades.
- ii) Significant portion of the Fund's expenses are denominated in USD.

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019

#### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Affin Hwang Aiiman Global Sukuk Fund (the "Fund") pursuant to the execution of a Deed dated 31 July 2015 ("the deed") and First Supplemental Deed dated 16 October 2017 entered into between Affin Hwang Asset Management Berhad (the "Manager") and CIMB Islamic Trustees Berhad.

The Fund commenced operations on 11 January 2016 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in any of the following investments, including but not limited to:-

- (a) Sukuk;
- (b) Shariah-compliant unlisted securities including without limitation, securities that have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- (c) Islamic fixed deposits and Islamic money market instruments;
- (d) Shariah-compliant collective investment schemes;
- (e) Shariah-compliant fixed income securities listed or traded on foreign markets;
- (f) Shariah-compliant derivative and structured products; and
- (g) Any other form of Shariah-compliant investments as may be permitted by the Shariah Advisory Council of the SC and/or the Shariah Adviser and as may be agreed between the Manager and the Trustee from time to time that is in line with the Fund's objective.

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

The main objective of the Fund is to provide investors with regular income through investments in Shariah-compliant fixed income instruments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchanged-traded fund 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 14 January 2020.

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

Financial instruments are as follows:

	<u>Note</u>	Financial asset amortised at cost USD	Financial asset at fair value through profit or loss USD	<u>Total USD</u>
<u>2019</u>				
Unquoted sukuk	8	-	7,735,521	7,735,521
Forward currency contract		-	15,902	15,902
Cash and cash equivalents	9	414,695	-	414,695
Amount due from Manager - creation of units		380	-	380
Amount due from dealer		7,767	-	7,767
Total		<u>422,842</u>	<u>7,751,423</u>	<u>8,174,265</u>
<u>2018</u>				
Unquoted sukuk	8	-	4,786,192	4,786,192
Cash and cash equivalents	9	505,317	-	505,317
Total		<u>505,317</u>	<u>4,786,192</u>	<u>5,291,509</u>

All current liabilities except for forward foreign currency contract are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk, currency risk) credit risk, liquidity risk, 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.

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	<u>2019</u> USD	<u>2018</u> USD
<b>Unquoted Shariah-compliant investments</b>		
Unquoted sukuk*	7,735,521	4,786,192

\* Include profit receivable of USD59,181 (2017: USD49,394).

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

<u>% change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>2019</u>		
-5%	7,292,523	(383,817)
0%	7,676,340	-
+5%	8,070,157	383,817
	<u>                    </u>	<u>                    </u>
<u>2018</u>		
-5%	4,499,958	(236,840)
0%	4,736,798	-
+5%	4,973,638	236,840
	<u>                    </u>	<u>                    </u>

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Market risk (continued)

##### (b) Interest rate risk

In general, when interest rates rise, unquoted sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial in an unquoted sukuk fund since unquoted sukuk portfolio management depends on forecasting profit rate movements. Prices of unquoted sukuk move inversely to profit rate movements, therefore as profit rates rise, the prices of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

Investors should note that unquoted sukuk and money market instruments are subject to profit rate fluctuations. Such investments may be subject to unanticipated rise in profit rates which may impair the ability of the issuers to make payments of profit income and principal, especially if the issuers are highly leveraged. An increase in profit rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rate. The analysis is based on the assumptions that the profit rate increased and decreased by 1% (100 basis points) with all other variables held constant.

<u>% Change in interest rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2019</u>	<u>2018</u>
	USD	USD
+ 1%		
- 1%	(7,495)	(10,681)
	7,516	10,712

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

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies other than the functional currency of the Fund. When the foreign currencies fluctuate in an unfavourable movement against the functional currency, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus the functional currency based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

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

	Unquoted <u>sukuk</u> USD	Cash and cash <u>equivalents</u> USD	Forward currency <u>contract</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>2019</u>					
Malaysian Ringgit	-	9,722	(12,319)	8,086,436	8,083,839
<u>2018</u>					
Malaysian Ringgit	49,696	270,231	-	286,041	605,968

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in price</u> %	Impact on profit after <u>tax/NAV</u> USD
<u>2019</u>		
Malaysian Ringgit	+/-5	+/-404,192
<u>2018</u>		
Malaysian Ringgit	+/-5	+/-30,298

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Credit risk

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

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

For unquoted sukuk, the Manager regularly reviews the ratings assigned to the issuer so that necessary steps can be taken if the rating falls below those prescribed by the Deeds and SC's Guidelines on Unit Trust Funds.

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

The settlement terms of amount due from dealers are governed by the relevant rules and regulators as prescribed by the respective stocks exchanges.

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

	<u>Forward currency contract</u> USD	<u>Unquoted sukuk</u> USD	<u>Cash and cash equivalents</u> USD	<u>Other asset*</u> USD	<u>Total</u> USD
<u>2019</u>					
Basic Materials					
- Baa3	-	210,291	-	-	210,291
Consumer Goods					
- Baa3	-	212,160			212,160
Consumer Services					
- A	-	204,721	-	-	204,721
Financials					
- A	-	210,138	414,695	-	624,833
- A-	-	411,995	-	-	411,995
- A1	-	414,213	-	-	414,213
- A2	-	212,257	-	-	212,257
- A3	-	820,643	-	-	820,643
- Aa3	-	212,877	-	-	212,877
- Baa1	-	201,779	-	-	201,779
- Baa2	-	213,733	-	-	213,733
- BBB	-	202,437	-	-	202,437
- BBB-	-	211,217	-	-	211,217
- NR	15,902	838,505	-	-	854,407
Government					
- A1	-	211,966	-	-	211,966
- Baa2	-	215,669	-	-	215,669
Industrials					
- Baa1	-	617,155	-	-	617,155
- Baa3	-	224,767	-	-	224,767
Oil & Gas					
- A2	-	201,278	-	-	201,278

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (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: (continued)

	Forward currency contract USD	Unquoted sukuk USD	Cash and cash equivalents USD	Other assets* USD	Total USD
<u>2019</u> (continued)					
Quasi-Gov					
- A3	-	211,682	-	-	211,682
- NR	-	403,795	-	-	403,795
Telecommunications					
- A1	-	214,409	-	-	214,409
- Baa2	-	418,453	-	-	418,453
Utilities					
- A2	-	439,381	-	-	439,381
Others					
- NR	-	-	-	8,147	8,147
	<u>15,902</u>	<u>7,735,521</u>	<u>414,695</u>	<u>8,147</u>	<u>8,174,265</u>

\*Other asset consist of amount due from manager and amount due from dealer.



## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (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 (continued):

	Unquoted <u>sukuk</u> USD	Cash and cash <u>equivalents</u> USD	<u>Total</u> USD
<u>2018</u>			
Basic Materials			
- Baa2	197,771	-	197,771
Consumer Services			
- A	201,721	-	201,721
Financials			
- AAA	-	505,317	505,317
- A-	199,539	-	199,539
- A2	201,870	-	201,870
- A3	776,432	-	776,432
- Baa2	399,426	-	399,426
- BBB-	200,137	-	200,137
- BBB	199,650	-	199,650
- NR	409,486	-	409,486
Government			
- A1	387,425	-	387,425
- Baa2	390,119	-	390,119
Industrials			
- Baa1	193,870	-	193,870
- Baa3	205,007	-	205,007
Quasi-Gov			
- Baa3	191,797	-	191,797
Telecommunications			
- Baa2	199,122	-	199,122
Utilities			
- A2	199,067	-	199,067
- A3	184,057	-	184,057
- AA3	49,696	-	49,696
	<u>4,786,192</u>	<u>505,317</u>	<u>5,291,509</u>

All financial assets of the fund are neither past due nor impaired.

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Liquidity risk

Liquidity risk is the risk the Fund will encounter difficulty in meeting its financial obligation. This will result in lower NAV of the Fund. 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, short term 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 USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>2019</u>			
Amount due to Manager			
- management fee	8,050	-	8,050
- cancellation of units	5,948	-	5,948
Amount due to Trustee	402	-	402
Auditors' remuneration	-	975	975
Tax agent's fee	-	2,504	2,504
Other payables and accruals	-	2,202	2,202
Net asset attributable to unitholders*	8,125,963	-	8,125,963
Forward foreign currency contract	-	28,221	28,221
	<u>8,140,363</u>	<u>33,902</u>	<u>8,174,265</u>
<u>2018</u>			
Amount due to Manager			
- management fee	5,105	-	5,105
- cancellation of units	949	-	949
Amount due to Trustee	255	-	255
Auditors' remuneration	-	978	978
Tax agent's fee	-	2,491	2,491
Other payables and accruals	-	2,048	2,048
Net asset attributable to unitholders*	5,279,683	-	5,279,683
	<u>5,285,992</u>	<u>5,517</u>	<u>5,291,509</u>

\*Outstanding units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

##### Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based 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 year end date.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fund utilises the current bid price for financial assets which falls within bid-ask spread.

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 AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (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> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2019</u>				
Financial assets at fair value through profit or loss at inception - unquoted sukuk	-	7,735,521	-	7,735,521
<u>2018</u>				
Financial assets at fair value through profit or loss at inception - unquoted sukuk	-	4,786,192	-	4,786,192

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 unquoted sukuk and forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents and all current liabilities except for forward foreign currency contract are a reasonable approximation of the fair values due their short term nature.

## **AFFIN HWANG AIIMAN GLOBAL SUKUK FUND**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)**

#### **4 MANAGEMENT FEE AND MANAGEMENT FEE REBATE**

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

For the 6 months financial period ended 30 November 2019, the management fee is recognised at a rate of 1.20% (2018: 1.20%) per annum on the NAV of the Fund calculated on daily basis as stated in the Fund's Prospectus.

The profit income earned by the Manager from the Fund's trust collection account maintained by the Manager is netted off against the gross management fee charged by the Manager.

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

#### **5 TRUSTEE FEE**

In accordance with the Deeds, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, exclusive of foreign custodian fees.

For the 6 months financial period ended 30 November 2019, the Trustee fee is recognised at a rate of 0.06% (2018: 0.06%) per annum on the NAV of the Fund, inclusive of local custodian fee, calculated on daily basis, exclusive of foreign custodian fees as stated in the Fund's Prospectus.

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

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

#### 6 TAXATION

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>30.11.2019</u> USD	6 months financial period ended <u>30.11.2018</u> USD
Net profit before taxation	285,709	34,150
Tax at Malaysian statutory rate of 24% (2018: 24%)	68,570	8,196
Tax effects of:		
Investment income not subject to	(81,803)	(16,540)
Expenses not deductible for tax purposes	1,348	809
Restriction on tax deductible expenses Unit Trust Funds	11,885	7,535
Tax expense	-	-

#### 7 DISTRIBUTION

	6 months financial period ended <u>30.11.2019</u> USD	6 months financial period ended <u>30.11.2019</u> USD
Distribution to unitholders is from the following sources:		
Previous year's realised income	100,310	-
Gross realised income	100,310	
Less: Expenses	-	-
Net distribution amount	100,310	-
Gross/net distribution per unit (sen)	1.00	-
Ex date	17.7.2019	-

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 distributions for the financial year is an amount of USD 100,310 (2018: USD Nil) made from previous year's realised income.

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

	<u>2019</u> USD	<u>2018</u> USD
Financial assets at fair value through profit or loss		
- unquoted sukuk - local	-	49,696
- unquoted sukuk - foreign	7,735,521	4,736,496
	<u>7,735,521</u>	<u>4,786,192</u>
Net gain/(loss) on financial assets at fair value through profit or loss		
- realised gain/(loss) on sale of investment	31,776	(6,284)
- unrealised gain/(loss) on changes in fair value	153,379	(19,516)
	<u>185,155</u>	<u>(25,800)</u>

#### (a) Unquoted sukuk – local

(i) There is no unquoted sukuk – local as at 30 November 2019.

(ii) Unquoted sukuk – local as at 30 November 2018 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> USD	<u>Adjusted cost</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
<u>Sukuk</u>				
5.4% Tadau Energy Sdn Bhd 28.07.2025 (AA3)	47,807	47,833	49,696	0.94
Total unquoted sukuk - local	<u>47,807</u>	<u>47,833</u>	<u>49,696</u>	<u>0.94</u>
Accumulated unrealised gain on unquoted sukuk - local		1,863		
Total unquoted sukuk - local		<u>49,696</u>		

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

(b) Unquoted sukuk – foreign

(i) Unquoted sukuk - foreign as at 30 November 2019 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
5% ICD Sukuk Co Ltd 01.02.2027 (NR)	200,000	209,901	214,433	2.64
3.664% DIB Sukuk Ltd 14.02.2022 (A3)	200,000	199,400	205,898	2.53
3.944% Equate Sukuk Spc Ltd 21.02.2024 (Baa2)	200,000	202,327	210,291	2.59
3.628% KSA Sukuk Ltd 20.04.2027 (A1)	200,000	200,621	211,966	2.61
4.15% Perusahaan Penerbit SBSN 29.03.2027 (Baa2)	200,000	203,402	215,669	2.65
4.231% SIB Sukuk Co III LTD 18.04.2023 (A3)	200,000	201,011	210,391	2.59
4.471% Noor Sukuk Co Ltd 24.04.2023 (A-)	200,000	200,919	211,299	2.60
4.375% AHB Sukuk Co 19.09.2023 (A1)	200,000	201,130	213,710	2.63
4.222% Saudi Electricity Global Sukuk 27.01.2024 (A2)	200,000	203,235	215,042	2.65
4.723% Saudi Electricity Global Skk 4 27.09.2028 (A2)	200,000	200,380	224,339	2.76
5.5% Tabreed Sukuk Spc Ltd 31.10.2025 (Baa3)	200,000	200,947	224,767	2.77
3.875% Fab Sukuk Co Ltd 22.01.2024 (Aa3)	200,000	202,803	212,877	2.62
4.311% Almarai Co JSC 05.03.2024 (Baa3)	200,000	202,060	212,160	2.61
4.264% QIIB Sukuk Funding Ltd 05.03.2024 (A2)	200,000	202,037	212,257	2.61
3.982% QIB Sukuk Ltd 26.03.2024 (A)	200,000	201,438	210,138	2.59
3.854% Sharjah Sukuk Program Ltd 03.04.2026 (A3)	200,000	201,418	211,682	2.61
3.875% DP World Crescent Ltd 18.07.2029 (Baa1)	200,000	201,015	206,483	2.54
3.508% ICD Sukuk Co Ltd 21.05.2020 (NR)	200,000	199,931	200,975	2.47
4.564% EMG Sukuk Ltd 18.06.2024 (Baa2)	200,000	209,144	213,733	2.63
4.325% DIFC Investments LLC 12.11.2024 (BBB-)	200,000	206,590	211,217	2.60
6.75% DIB Tier 1 Sukuk 2 Ltd 6.75% Call: 20.01.2021 (NR)	200,000	206,850	211,333	2.60
2.843% SIB Sukuk Co Ltd 17.03.2020 (A3)	200,000	200,581	201,169	2.48
2.788% Noor Sukuk Co Ltd 28.04.2020 (A-)	200,000	199,623	200,696	2.47
3.908% DP World Crescent Ltd 31.05.2023 (Baa1)	200,000	197,997	207,282	2.55



## AFFIN HWANG AIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(i) Unquoted sukuk - foreign as at 30 November 2019 are as follows: (continued)

<u>Name of issuer</u> (continued)	<u>Nominal value</u> USD	<u>Adjusted cost</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
<u>Sukuk</u> (continued)				
3.86% Unity 1 Sukuk Ltd 30.11.2021 (A)	200,000	201,743	204,721	2.52
3.875% Aldar Sukuk No 2 Ltd 22.10.2029 (Baa1)	200,000	199,939	201,779	2.48
3.9325% Maf Sukuk Ltd 28.02.2030 (BBB)	200,000	200,677	202,437	2.49
3.025% MAR Sukuk Ltd 13.11.2024 (A1)	200,000	200,380	200,503	2.47
3.89% Saudi Telecom Co 13.05.2029 (A1)	200,000	200,389	214,409	2.64
5.625% KIB Tier 1 Sukuk Ltd Call: 10.06.2024 (NR)	200,000	205,344	211,764	2.61
3.29% Sime Darby Global Bhd 29.01.2023 (Baa1)	200,000	199,344	203,390	2.50
2.707% Petronas Global Sukuk Limited 18.03.2020 (A2)	200,000	201,384	201,278	2.48
3.35% EXIM Sukuk Malaysia Bhd 06.05.2025 (A3)	200,000	192,705	203,185	2.50
4.357% Axiata SPV2 Bhd 24.03.2026 (Baa2)	200,000	209,573	216,382	2.66
3.035% Danga Capital Bhd 01.03.2021 (NR)	400,000	398,151	403,795	4.97
3.466% Axiata SPV2 Bhd 19.11.2020 (Baa2)	200,000	201,846	202,071	2.48
Total unquoted sukuk - foreign	<u>7,400,000</u>	<u>7,466,235</u>	<u>7,735,521</u>	<u>95.20</u>
Accumulated unrealised gain on unquoted sukuk - foreign		<u>269,286</u>		
Total unquoted sukuk - foreign		<u>7,735,521</u>		

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(ii) Unquoted sukuk - foreign as at 30 November 2018 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
4.375% AHB Sukuk Co 19.09.2023 (A2)	200,000	200,987	201,870	3.82
4.357% Axiata SPV2 Bhd 24.03.2026 (Baa2)	200,000	210,675	199,122	3.77
3.625% DIB Sukuk Ltd 06.02.2023 (A3)	200,000	201,609	195,976	3.71
3.664% DIB Sukuk Ltd 14.02.2022 (A3)	200,000	198,227	197,798	3.75
6.75% DIB Tier 1 Sukuk 2 Ltd Call: 20.01.2021 (NR)	200,000	208,469	208,653	3.95
4.325% DIFC Investments LLC 12.11.2024 (BB-)	200,000	207,703	200,137	3.79
4.564% EMG Sukuk Ltd 18.06.2024 (Baa2)	400,000	420,266	399,426	7.57
3.944% Equate Sukuk Spc Ltd 21.02.2024 (Baa2)	200,000	202,359	197,771	3.75
3.35% EXIM Sukuk Malaysia Bhd 06.05.2025 (A3)	200,000	191,441	183,207	3.47
5% ICD Sukuk Co Ltd 01.02.2027 (NR)	200,000	210,665	200,833	3.80
2.894% KSA Sukuk Ltd 20.04.2022 (A1)	200,000	196,129	195,279	3.70
3.628% KSA Sukuk Ltd 20.04.2027 (A1)	200,000	200,597	192,146	3.64
4.5% Maf Sukuk Ltd 03.11.2025 (BBB)	200,000	207,385	199,650	3.78
4.471% Noor Sukuk Co Ltd 24.04.2023 (A-)	200,000	200,919	199,539	3.78
4.397% Oman Sovereign Sukuk SAOC 01.06.2024 (Baa3)	200,000	204,054	191,797	3.63
4.15% Perusahaan Penerbit SBSN 29.03.2027 (Baa2)	200,000	203,631	191,270	3.62
4.35% Perusahaan Penerbit SBSN 10.09.2024 (Baa2)	200,000	213,048	198,849	3.77
4.222% Saudi Electricity Global Sukuk 27.01.2024 (A2)	200,000	201,882	199,067	3.77
4.231% SIB Sukuk Co III LTD 18.04.2023 (A3)	200,000	201,011	199,451	3.78
3.29% Sime Darby Global Bhd 29.01.2023 (Baa1)	200,000	198,502	193,870	3.67
5.5% Tabreed Sukuk Spc Ltd 31.10.2025 (Baa3)	200,000	200,947	205,007	3.88

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(ii) Unquoted sukuk - foreign as at 30 November 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
3.244% TNB Global Ventures Capital Bhd 19.10.2026 (A3)	200,000	200,757	184,057	3.49
3.86% Unity 1 Sukuk Ltd 30.11.2021 (A)	200,000	206,422	201,721	3.82
Total unquoted sukuk - foreign	<u>4,800,000</u>	<u>4,887,685</u>	<u>4,736,496</u>	<u>89.71</u>
Accumulated unrealised loss on unquoted sukuk - foreign		<u>(151,189)</u>		
Total unquoted sukuk - foreign		<u>4,736,496</u>		

#### 9 CASH AND CASH EQUIVALENTS

	<u>2019 USD</u>	<u>2018 USD</u>
Cash and bank balances	414,695	242,033
Short term Shariah-based deposits with licensed financial institutions	-	263,284
	<u>414,695</u>	<u>505,317</u>

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

	<u>2019 %</u>	<u>2018 %</u>
Shariah-based deposits with licensed financial institutions	-	3.20

Shariah-based deposits with licensed financial institutions have an average maturity of Nil days (2018: 3 days).

## AFFIN HWANG AIIAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

##### (a) MYR Class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	3,739,000	34,000
Created of units arising from application	4,997,000	2,293,000
Cancellations of units	(4,583,000)	(10,000)
At the end of the financial period	<u>4,153,000</u>	<u>2,317,000</u>

##### (b) MYR-Hedged Class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	15,812,000	91,000
Created of units arising from application	42,027,000	-
Cancellations of units	(79,000)	-
At the end of the financial period	<u>57,760,000</u>	<u>91,000</u>

##### (c) USD Class units in circulation

	<u>2019</u>	<u>2018</u>
	No. of units	No. of units
At the beginning of the financial period	10,026,000	9,728,000
Created of units arising from application	37,172	-
Created of units arising from distribution	185,828	-
Cancellations of units	(10,177,000)	-
At the end of the financial period	<u>72,000</u>	<u>9,728,000</u>

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

#### 11 SHARIAH INFORMATION OF THE FUND

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

- (a) Sukuk as per the list of approved sukuk issued by the Securities Commission; and
- (b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

#### 12 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the 6 months financial period ended 30 November 2019 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
National Bank of Abu Dhabi (M)	1,831,492	59.50
Standard Chartered Bank Bhd	797,840	25.92
Arqaam Capital	398,100	12.93
Affin Hwang Investment Bank Bhd	50,560	1.65
	<u>3,077,992</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 dealers for the 6 months financial period ended 30 November 2018 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
Noor Bank	796,800	33.34
Standard Chartered Bank Bhd	788,320	32.98
National Bank of Abu Dhabi (M)	398,750	16.68
Arqaam Capital	206,400	8.63
JP Morgan Chase Bank Bhd	200,000	8.37
	<u>2,390,270</u>	<u>100.00</u>

Included in transactions with brokers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM50,560 (2018 : Nil). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

#### 12 TRANSACTIONS WITH DEALERS (CONTINUED)

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

<u>Name of dealers</u>	<u>2019</u> USD	<u>2018</u> USD
Affin Hwang Investment Bank Bhd	50,560	-

The cross trades are conducted between the Fund and other fund managed by the Manager as follows:

	<u>2019</u> USD	<u>2018</u> USD
Affin Hwang Aiiman Income Plus Fund	50,560	-

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

The related parties of and their relationship 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 as at the end of the financial year are as follows:

	<u>2019</u>	<u>2018</u>
<u>The Manager:</u>	No. of Unit	No. of Unit
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)		
- MYR Class	2,777	2,734
- MYR-Hedged Class	3,309	91,000
- USD Class	3,238	1,356
	359	325
	432	11,038
	1,778	1,356

## AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

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

	<u>2019</u>		<u>2018</u>	
	No. of Unit	USD	No. of Unit	USD
<u>Parties related to the Manager</u>				
Bintang Capital Partner Bhd (The units are held beneficially).				
- MYR Hedge Class	31,098,114	4,064,523	9,656,047	4,956,449
Aiiman Asset Management Sdn Bhd (The units are held beneficially).				
- MYR Hedge Class	10,358,316	1,353,832	-	-
- USD Class	-	-	9,656,047	4,956,449

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

	<u>2019</u>	<u>2018</u>
	%	%
MER	<u>0.68</u>	<u>0.69</u>

MER is derived from the following calculation:

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

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 USD 8,103,164 (2018: USD5,036,728 ).

## AFFIN HWANG AIIAMAN GLOBAL SUKUK FUND

### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2019 (CONTINUED)

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

	<u>2019</u> %	<u>2018</u> %
PTR (times)	<u>0.19</u>	<u>0.24</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 = USD 1,603,995 (2018: USD1,394,220)  
total disposal for the financial period = USD 1,451,716 (2018: USD1,002,331)



## **AFFIN HWANG AIIMAN GLOBAL SUKUK FUND**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai, as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 14 to 47 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 November 2019 and of its financial performance, changes in equity and cash flows for the financial period ended 30 November 2019 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

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

Kuala Lumpur  
14 January 2020

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