

# Affin Hwang Aiiman Select Income Fund

Interim Report

30 September 2019

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**

HSBC (Malaysia) Trustee Berhad  
193701000084 (1281-T)

# **AFFIN HWANG AIIMAN SELECT INCOME FUND**

## **Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 September 2019**

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## FUND INFORMATION

Fund Name	Affin Hwang Aiman Select Income Fund
Fund Type	Income
Fund Category	Mixed Asset (Conservative)
Investment Objective	The Fund seeks to provide investors with regular income stream through Shariah-compliant investments
Benchmark	The benchmark will be a combination of the current Maybank 12-month Maybank General Investment Account (GIA) weighing at 70% and FTSE Bursa Malaysia EMAS Shariah Index performance (FBMSHA) weighing at 30%
Distribution Policy	The Fund will distribute income on a semi-annual basis (subject to income availability), after end of its first financial year

## BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 SEPTEMBER 2019

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	25	72
5,001 to 10,000	21	180
10,001 to 50,000	58	1,406
50,001 to 500,000	33	5,138
500,001 and above	10	70,345
<b>Total</b>	<b>147</b>	<b>77,141</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 30 Sep 2019 (%)	As at 30 Sep 2018 (%)	As at 30 Sep 2017 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	-	-	4.32
- Consumer products & services	-	1.00	-
- Energy	2.72	2.14	-
- Financials	0.94	-	0.56
- Industrial products & services	1.47	5.28	4.12
- Infrastructure	-	-	0.99
- Preference share	0.33	0.41	0.43
- Properties	-	2.42	1.95
- REITs	1.40	1.01	2.56
- Technology	2.57	1.81	3.58
- Telecommunications & media	-	1.15	-
- Trading / services	-	-	4.24
- Utilities	2.38	1.28	-
<b>Total quoted equities – local</b>	<b>11.81</b>	<b>16.50</b>	<b>22.75</b>
<b>Quoted equities – foreign</b>			
- Consumer goods	2.03	1.12	1.72
- Consumer services	2.08	-	-
- Industrial products	-	1.54	3.41
- Oil & gas	-	2.37	-
- Technology	5.30	1.58	2.26
- Telecommunications	3.93	0.28	1.10
- Utilities	1.03	0.56	-
<b>Total quoted equities – foreign</b>	<b>14.37</b>	<b>7.45</b>	<b>8.49</b>
<b>Unquoted sukuk - local</b>	<b>69.11</b>	<b>68.15</b>	<b>64.69</b>
<b>Cash &amp; cash equivalent</b>	<b>4.71</b>	<b>7.90</b>	<b>4.07</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	39.632	35.483	37.482
NAV per Unit (RM)	0.5137	0.5163	0.5392
Unit in Circulation (million)	77.143	68.731	69.512
Highest NAV	0.5166	0.5288	0.5417
Lowest NAV	0.5054	0.5032	0.5254
Return of the Fund (%) <sup>iii</sup>	2.88	0.28	4.26
- Capital Growth (%) <sup>i</sup>	1.88	-1.64	2.31
- Income Distribution (%) <sup>ii</sup>	0.98	1.96	1.90
Gross Distribution per Unit (sen)	0.50	1.00	1.00
Net Distribution per Unit (sen)	0.50	1.00	1.00
Management Expense Ratio (%) <sup>1</sup>	0.79	0.75	0.77
Portfolio Turnover Ratio (times) <sup>2</sup>	0.52	0.53	0.30

### **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.

<sup>1</sup>The MER of the Fund was higher than previous period under review due to higher expenses incurred for the Fund.

<sup>2</sup>The PTR of the Fund was slightly lower than previous year due to lower average sum of total acquisition and disposal for the financial period under review.

An illustration of the above would be as follow:-

Capital return = NAV per Unit end / NAV per Unit begin – 1  
Income return = Income distribution per Unit / NAV per Unit ex-date  
Total return = (1+Capital return) x (1+Income return) – 1

**Capital Return<sup>i</sup>** = (NAV per Unit @ 30/9/19 ÷ NAV per Unit @ 31/3/19\* - 1) x 100  
= (0.5137 ÷ 0.5042 – 1) x 100  
= **1.88%**

Income Return @ ex-date = {Income distribution per Unit ÷ NAV per Unit on ex- date} + 1  
= {0.0050 ÷ 0.5103 @ 19/06/19} + 1 = 1.0098

**Total Income Return<sup>ii</sup>** = {Income distribution per Unit ÷ NAV per Unit on ex-date} x 100  
= {1.0098} – 1 x 100  
= **0.98%**

**Return of the Fund<sup>iii</sup>** = [{(1 + Capital Return) x (1 + Income Return)} – 1] x 100  
= [{(1 + 1.88%) x (1 + 0.98%)} – 1] x 100  
= **2.88%**

\*Source – HSBC Trustee

Table 1: Performance of the Fund

	<b>6 Months</b> <b>(1/4/19 - 30/9/19)</b>	<b>1 Year</b> <b>(1/10/18 - 30/9/19)</b>	<b>3 Years</b> <b>(1/10/16 - 30/9/19)</b>	<b>5 Years</b> <b>(1/10/14 - 30/9/19)</b>	<b>Since Commencement</b> <b>(22/3/13 - 30/9/19)</b>
<b>Fund</b>	<b>2.88%</b>	<b>3.53%</b>	<b>11.19%</b>	<b>17.25%</b>	<b>31.78%</b>
<b>Benchmark</b>	<b>1.44%</b>	<b>0.29%</b>	<b>6.17%</b>	<b>9.91%</b>	<b>19.57%</b>
<b>Outperformance</b>	<b>1.44%</b>	<b>3.24%</b>	<b>5.02%</b>	<b>7.34%</b>	<b>12.21%</b>

Source of Benchmark: Bursa Malaysia & Maybank

Table 2: Average Total Return

	<b>1 Year</b> <b>(1/10/18 - 30/9/19)</b>	<b>3 Years</b> <b>(1/10/16 - 30/9/19)</b>	<b>5 Years</b> <b>(1/10/14 - 30/9/19)</b>	<b>Since Commencement</b> <b>(22/3/13 - 30/9/19)</b>
<b>Fund</b>	<b>3.53%</b>	<b>3.60%</b>	<b>3.23%</b>	<b>4.32%</b>
<b>Benchmark</b>	<b>0.29%</b>	<b>2.01%</b>	<b>1.91%</b>	<b>2.77%</b>
<b>Outperformance</b>	<b>3.24%</b>	<b>1.59%</b>	<b>1.32%</b>	<b>1.55%</b>

Source of Benchmark: Bursa Malaysia & Maybank

Table 3: Annual Total Return

	<b>FYE 2019</b> <b>(01/4/18 -</b> <b>31/3/19)</b>	<b>FYE 2018</b> <b>(01/4/17 -</b> <b>31/3/18)</b>	<b>FYE 2017</b> <b>(01/4/16 -</b> <b>31/3/17)</b>	<b>FYE 2016</b> <b>(01/4/15 -</b> <b>31/3/16)</b>	<b>FYE 2015</b> <b>(01/4/14 -</b> <b>31/3/15)</b>
<b>Fund</b>	<b>0.92%</b>	<b>4.39%</b>	<b>7.53%</b>	<b>0.56%</b>	<b>3.56%</b>
<b>Benchmark</b>	<b>(1.09%)</b>	<b>3.37%</b>	<b>3.51%</b>	<b>1.29%</b>	<b>2.31%</b>
<b>Outperformance /</b> <b>(Underperformance)</b>	<b>2.01%</b>	<b>1.02%</b>	<b>4.02%</b>	<b>(0.73%)</b>	<b>1.25%</b>

Source of Benchmark: Bursa Malaysia & Maybank

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

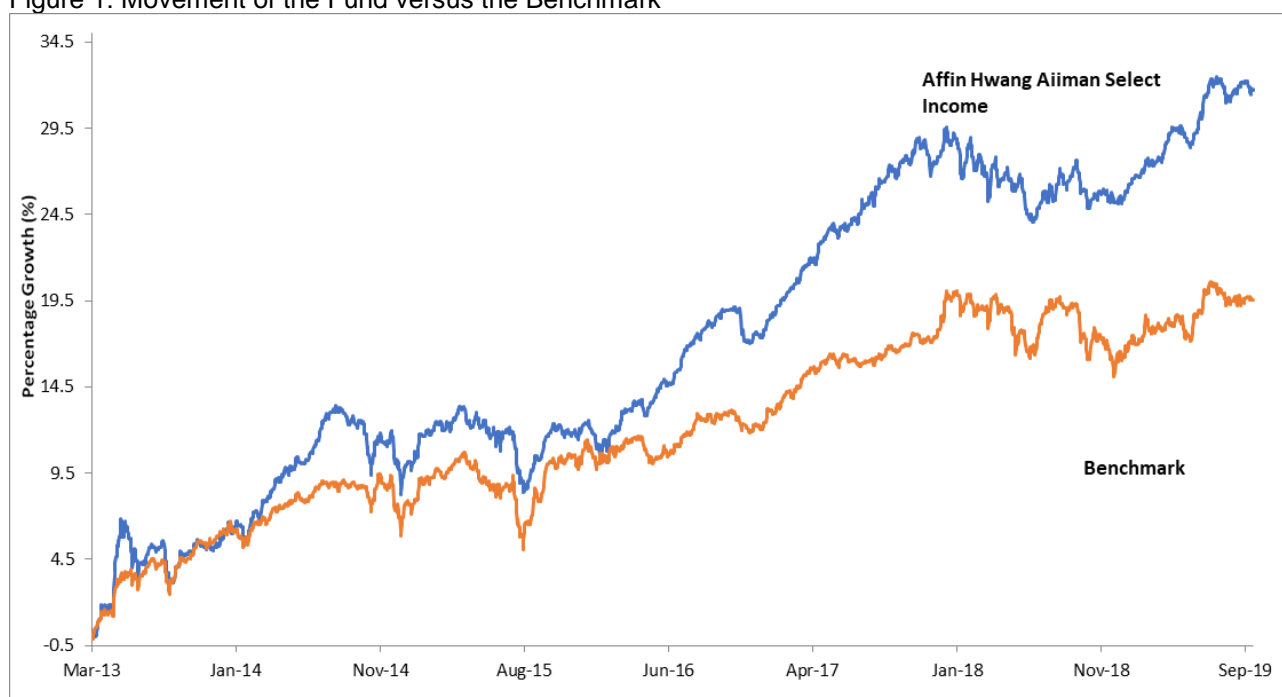
## MANAGER'S REPORT

### Performance Review

For the period 1 April 2019 to 30 September 2019, the Fund has registered a 2.88% return as compared to the benchmark return of 1.44%. The Fund thus outperformed the benchmark by 1.44 percentage points. The Net Asset Value (NAV) per unit of the Fund as at 30 September 2019 was RM 0.5137 while the NAV per unit as at 31 March 2019 was RM 0.5042. During the same period under review, the Fund has declared a total income distribution of RM0.005 per unit by way of reinvestment in the form of additional units.

Since commencement, the Fund has outperformed the benchmark by 12.21 percentage points with returns of 31.78% compared to the benchmark return of 19.57%. The Fund has declared a total gross income distribution of RM0.13 per unit to date. As such, the objective of the Fund which is to provide investors with a mixture of income and capital growth is being met.

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 of 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: 70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index performance (FBMSHA)*

### Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of RM0.0050 per Unit for investors of the Affin Hwang Aiiman Select Income Fund over the period under review.

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
18 Jun 2019	19 Jun 2019	0.5134	0.0050	0.5103

No unit split were declared for the financial year ended 30 September 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

	<b><u>30 Sep 2019</u></b>	<b><u>30 Sep 2018</u></b>	<b><u>30 Sep 2017</u></b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Quoted equities – local	11.81	16.50	22.75
Quoted equities – foreign	14.37	7.45	8.49
Unquoted sukuk – local	69.11	68.15	64.69
Cash & cash equivalent	4.71	7.90	4.07
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

As at 30 September 2019, the asset allocation of the Fund stood at 26.18% in Shariah-compliant equities, 69.11% in Sukuk while the balance was held in cash and cash equivalent.

During the period under review, the Manager had decreased exposures within the domestic portfolio mainly in industrials product and services sectors. Meanwhile, the Fund's foreign equity's exposure was almost doubled. Sukuk's exposure remained relative unchanged compared to previous period under review. Cash level on the other hand was lower than previous period under review as the Manager deployed more into the foreign equities space.

## **Strategies Employed**

Over the period under review, we focus on domestic-driven sectors that are less directly impacted from trade tariffs. As the sell-down accelerated, we took a view that the correction was overdone and a recession was not imminent, where we then redeployed into the market with a focus on quality.

## **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 which would bring down its benchmark overnight lending rate to a target range of 1.75% to 2.0%.

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.

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. Structural issues and more challenging areas in negotiations such as intellectual property and technology transfer has not been addressed yet. 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 biggest risks (both upside and downside) to my view would be ongoing trade negotiations and US inflation.

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.

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN SELECT INCOME FUND**

We have acted as Trustee of Affin Hwang Aiiman Select Income Fund ("the Fund") for the financial period ended 30 September 2019. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial period, a total distribution of 0.50 sen per unit (gross) has been distributed to the unitholders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
15 November 2019

## **SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN SELECT INCOME FUND**

We have acted as the Shariah Adviser of Affin Hwang Aiiman Select Income Fund. Our responsibility is to ensure that the procedures and processes employed by Hwang Investment Management Berhad and the provisions of the Deed dated 24 April 2012, Supplemental Deed dated 27 June 2014 and Second Supplemental Deed dated 19 December 2016 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management Berhad has managed and administered Affin Hwang Aiiman Select Income 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 September 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  
15 November 2019

# AFFIN HWANG AIIAN SELECT INCOME FUND

## UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019

	Note	6 months financial period ended 30.9.2019 RM	6 months financial period ended 30.9.2018 RM
<b>INVESTMENT INCOME</b>			
Dividend income		253,611	202,560
Profit income from financial assets at amortised cost		27,715	24,551
Profit income from financial asset through profit and loss		598,353	621,630
Net gain on foreign currency exchange		25,177	31,761
Net gain/(loss) on financial assets at fair value through profit or loss	8	527,703	(441,173)
		<u>1,432,559</u>	<u>439,329</u>
<b>EXPENSES</b>			
Management fee	4	(226,201)	(219,125)
Trustee fee	5	(13,419)	(13,261)
Auditors' remuneration		(4,512)	(3,013)
Tax agent's fee		(7,094)	(14,445)
Transaction cost		(65,647)	(92,994)
Other expenses		(35,408)	(34,322)
		<u>(352,281)</u>	<u>(377,160)</u>
<b>NET PROFIT BEFORE TAXATION</b>		1,080,278	62,169
<b>TAXATION</b>	6	-	(10,142)
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>1,080,278</u>	<u>52,027</u>
Net profit after taxation is made up of the following:			
Realised amount		528,893	286,380
Unrealised amount		551,385	(234,353)
		<u>1,080,278</u>	<u>52,027</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 SELECT INCOME FUND

## UNAUDITED INTERIM FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	2,155,340	2,434,568
Dividend receivables		36,919	49,609
Amount due from brokers		-	267,049
Amount due from Manager			
- creation of units		72,347	251,783
Financial assets at fair value through loss or profit	8	37,763,954	32,678,957
<b>TOTAL ASSETS</b>		<u>40,028,560</u>	<u>35,681,966</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		39,066	34,774
Amount due to Trustee		2,279	2,028
Amount due to brokers		311,748	111,630
Auditors' remuneration		4,512	4,513
Tax agent's fee		1,757	9,555
Other payables and accruals		37,472	36,213
<b>TOTAL LIABILITIES</b>		<u>396,834</u>	<u>198,713</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>39,631,726</u>	<u>35,483,253</u>
<b>EQUITY</b>			
Unitholders' capital		34,874,547	30,596,686
Retained earnings		4,757,179	4,886,567
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>39,631,726</u>	<u>35,483,253</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>77,143,000</u>	<u>68,731,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5137</u>	<u>0.5163</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 SELECT INCOME FUND

## UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2019	33,083,550	4,049,371	37,132,921
Total comprehensive income for the financial period	-	1,080,278	1,080,278
Distribution (Note 7)	-	(372,470)	(372,470)
Movement in unitholders' capital:			
Creation of units arising from applications	5,931,231	-	5,931,231
Creation of units arising from distributions	371,547	-	371,547
Cancellation of units	(4,511,781)	-	(4,511,781)
Balance as at 30 September 2019	<u>34,874,547</u>	<u>4,757,179</u>	<u>39,631,726</u>
Balance as at 1 April 2018	35,947,585	5,531,010	41,478,595
Total comprehensive income for the financial period	-	52,027	52,027
Distribution (Note 7)	-	(696,470)	(696,470)
Movement in unitholders' capital:			
Creation of units arising from applications	2,790,251	-	2,790,251
Creation of units arising from distributions	694,625	-	694,625
Cancellation of units	(8,835,775)	-	(8,835,775)
Balance as at 30 September 2018	<u>30,596,686</u>	<u>4,886,567</u>	<u>35,483,253</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 SELECT INCOME FUND

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

	Note	6 months financial period ended 30.9.2019 RM	6 months financial period ended 30.9.2018 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		17,521,352	23,689,627
Purchase of Shariah-compliant investments		(22,853,558)	(16,762,599)
Dividends received		252,368	192,533
Profit from short term Shariah-based deposits		623,959	704,737
Management fee paid		(224,770)	(226,558)
Trustee fee paid		(13,335)	(13,695)
Payment for other fees and expenses		(122,141)	(150,330)
Net realised gain on foreign currency exchange		28,962	13,259
Net cash (used in)/generated from operating activities		<u>(4,787,163)</u>	<u>7,446,974</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		5,947,889	2,619,688
Payments for cancellation of units		(4,606,754)	(9,012,301)
Payment for distributions		(923)	(1,845)
Net cash generated from/(used in) financing activities		<u>1,340,212</u>	<u>(6,394,458)</u>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>		(3,446,951)	1,052,516
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		36,095	42,316
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>5,566,196</u>	<u>1,339,736</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9	<u><u>2,155,340</u></u>	<u><u>2,434,568</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 SELECT INCOME FUND**

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

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

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

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial 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 M.

- (a) New standards, amendments and interpretations effective after 1 January 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 income from short-term Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals basis.

##### Dividend Income

Dividend income from Shariah-compliant investments is recognised on the ex-dividend date, when the right to receive the dividend has been established.

##### Realised gains and losses on sale of investments

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

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

## **AFFIN HWANG AIIMAN SELECT INCOME FUND**

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

#### **C TRANSACTION COSTS**

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

#### **D DISTRIBUTION**

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

#### **E 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.

#### **F FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **G 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 the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

## **AFFIN HWANG AIIMAN SELECT INCOME FUND**

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

#### **H FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

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

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

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

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, dividend receivable 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 brokers, amount due to Trustee, auditors' remuneration, tax agent's fee and other payables and accruals as financial liabilities measured at amortised cost.

## **AFFIN HWANG AIIMAN SELECT INCOME FUND**

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

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

##### **(ii) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope 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.

Gain 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 or loss' in the financial period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

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

Unquoted sukuk securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the SC as per the SC Guidelines on Unit Trust Funds. 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 securities 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 a week by reference to the mid price quoted in Bloomberg. We use the Composite Bloomberg Bond Trader (CBBT) which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

## AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

##### (ii) Recognition and measurement (continued)

The valuation of money market instruments are based on the amortisation cost. The valuation of Ringgit denominated money market instruments will be done using the price quoted by a BPA registered with the SC. For foreign money market instruments, valuation will be done using the average indicative yield quoted by 3 independent and reputable 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 deposits.

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

##### (iii) Impairment

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

##### Significant increase in credit risk

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

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

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

##### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

#### I CASH AND CASH EQUIVALENTS

For the purpose of statement 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 SELECT INCOME FUND**

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

#### **J AMOUNT DUE FROM/(TO) BROKERS**

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

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

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

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

#### **K UNITHOLDERS' CAPITAL**

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

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

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

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

#### **L SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

## **AFFIN HWANG AIIMAN SELECT INCOME FUND**

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

#### **M 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 content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

In undertaking any of the Fund's Shariah-compliant 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.

## **AFFIN HWANG AIIMAN SELECT INCOME FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019**

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

The Unit Trust Fund was constituted under the name Hwang AIIMAN Select Income Fund (the “Fund”) pursuant to the execution of a Master Deed dated 24 April 2012 and modified by First Supplemental Deed dated 27 June 2014, Second Supplemental Deed dated 19 December 2016 and Third Supplemental Deed on 5 October 2018 (the “Deeds”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund has changed its name from Hwang Aiiman Select Income Fund to Affin Hwang Aiiman Select Income Fund as stated in the Deed dated 27 June 2014.

The Fund was launched on 1 March 2013 and will continue its operations until being terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in any of the followings investment:

- (a) Shariah-compliant securities of companies listed on the recognised Malaysian stock exchange or any other market where the regulatory authority is a member of the International Organisation of SC (IOSCO);
- (b) Unlisted Shariah-compliant securities;
- (c) Shariah-compliant warrants;
- (d) Government investment issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposits (INID), Cagamas mudharabah bonds and any other government Islamic papers;
- (e) Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- (f) Sukuk;
- (g) Shariah-based deposits with financial institutions, and placements of money with investment banks;
- (h) Islamic money market instruments and sukuks traded in the Islamic capital market;
- (i) Other Shariah-based collective investment schemes;
- (j) Shariah-compliant derivatives including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes only; and
- (k) Any other Shariah-compliant investment instruments permitted by the Shariah Advisory Council of the SC and/or the Shariah Adviser from time to time.

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

The main objective of the Fund is to seek regular income stream through Shariah-compliant investments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchanged-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 November 2019.



## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

Financial instruments are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
<u>2019</u>				
Shariah-compliant quoted equities	9	-	10,374,568	10,374,568
Unquoted sukuk	9	-	27,389,386	27,389,386
Cash and cash equivalents	10	2,155,340	-	2,155,340
Dividend receivables		36,919	-	36,919
Amount due from Manager - creation of units		72,347	-	72,347
Total		<u>2,264,606</u>	<u>37,763,954</u>	<u>40,028,560</u>
<u>2018</u>				
Shariah-compliant quoted equities	9	-	8,497,096	8,497,096
Unquoted sukuk	9	-	24,181,861	24,181,861
Cash and cash equivalents	10	2,434,568	-	2,434,568
Dividend receivables		49,609	-	49,609
Amount due from Manager - creation of units		251,783	-	251,783
Amount due from brokers		267,049	-	267,049
Total		<u>3,003,009</u>	<u>32,678,957</u>	<u>35,681,966</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include market risk (including price risk, profit rate risk, currency risk), liquidity risk, credit 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 SELECT INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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> RM	<u>2018</u> RM
<b>Shariah-compliant quoted investments</b>		
Quoted equities designated at fair value through profit or loss	10,374,568	8,497,096
<b>Shariah-compliant unquoted investments</b>		
Unquoted sukuk designated at fair value through profit or loss*	27,389,386	24,181,861

\*Include profit receivable RM353,031 (2018: RM332,066)

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 quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on profit after tax/NAV RM
<u>2019</u>		
-5%	35,540,377	(1,870,546)
0%	37,410,923	-
+5%	39,281,469	1,870,546
<u>2018</u>		
-5%	30,729,546	(1,617,345)
0%	32,346,891	-
+5%	33,964,236	1,617,345

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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 interest 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 interest 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 interest 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 interest rate movements. Prices of unquoted sukuk move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower profit coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted sukuk and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest 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 interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of unquoted sukuk held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest 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>
	RM	RM
+ 1%	(78,927)	(74,866)
- 1%	79,273	75,226

The Fund's exposure to interest rate risk associated with Shariah-based deposits with a licensed financial institution is not material as the carrying value of the deposit is a reasonable estimate of fair value as the deposits are held on a short term basis.

## AFFIN HWANG AIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as profit 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:

	Shariah compliant quoted equities RM	Cash and cash equivalents RM	Other assets*/ (payables)** RM	Total RM
<u>2019</u>				
Hong Kong Dollar	1,486,709	734,844	(105,568)	2,115,985
Indonesia Rupiah	1,244,254	-	-	1,244,254
Korean Won	801,323	-	(206,180)	595,143
Singapore Dollar	1,137,485	534,699	-	1,672,184
Taiwan Dollar	1,023,770	-	3,624	1,027,394
United States Dollar	-	60,099	-	60,099
	<u>5,693,541</u>	<u>1,329,642</u>	<u>(308,124)</u>	<u>6,715,059</u>
<u>2018</u>				
Hong Kong Dollar	2,150,989	710,267	15,848	2,877,104
Indonesia Rupiah	100,914	1	-	100,915
Singapore Dollar	-	217,024	-	217,024
Taiwan Dollar	390,223	-	-	390,223
United States Dollar	-	1,259,397	-	1,259,397
	<u>2,642,126</u>	<u>2,186,689</u>	<u>15,848</u>	<u>4,844,663</u>

\* Other assets consist of dividend receivable.

\*\* Other payables consist of amount due to brokers.

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

##### Market risk (continued)

##### (c) Currency risk (continued)

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 remain 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 in price %	Impact on profit after tax/ NAV RM
<u>2019</u>		
Hong Kong Dollar	+/-5	+/- 105,799
Indonesia Rupiah	+/-5	+/- 62,213
Korean Won	+/-5	+/- 29,757
Singapore Dollar	+/-5	+/- 83,609
Taiwan Dollar	+/-5	+/- 51,370
United States Dollar	+/-5	+/- 3,005
<u>2018</u>		
Hong Kong Dollar	+/-5	+/- 143,855
Indonesia Rupiah	+/-5	+/- 5,046
Singapore Dollar	+/-5	+/-10,851
Taiwan Dollar	+/-5	+/- 19,511
United States Dollar	+/-5	+/- 62,970

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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 liquid assets to meet anticipated payment and cancellations of unit by unitholders, liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

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

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2019</u>			
Amount due to Manager			
- management fee	39,066	-	39,066
Amount due to Trustee	2,279	-	2,279
Amount due to broker	311,748	-	311,748
Auditors' remuneration	-	4,512	4,512
Tax agent's fee	-	1,757	1,757
Other payables and accruals	-	37,472	37,472
	<u>353,093</u>	<u>43,741</u>	<u>396,834</u>
<u>2018</u>			
Amount due to Manager			
- management fee	34,774	-	34,774
Amount due to Trustee	2,028	-	2,028
Amount due to broker	111,630	-	111,630
Auditors' remuneration	-	4,513	4,513
Tax agent's fee	-	9,555	9,555
Other payables and accruals	-	36,213	36,213
	<u>148,432</u>	<u>50,281</u>	<u>198,713</u>

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVE 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.

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

Credit risk arising from placements 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 rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and Securities Commission's Guidelines on Unit Trust Funds.

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

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

	Unquoted sukuk RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2019</u>				
Consumer Products & Services				
- A1	862,248	-	-	862,248
- NR				
Financials				
- AA	532,238	-	-	532,238
- AA-	3,928,574	-	-	3,928,574
- AA3	1,054,314	-	-	1,054,314
- AAA	207,634	2,155,340		2,362,974
- NR				
Industrials Products & Services				
- A1	2,032,154	-	-	2,032,154
- AA+	1,590,753	-	-	1,590,753
- AA-	3,874,905	-	-	3,874,905
- AA3	1,068,468	-	-	1,068,468
- AAA	1,060,227	-	-	1,060,227
- A	2,001,251	-	-	2,001,251
- NR	-	-	6,803	6,803
Oil & Gas				
- AA-	554,680	-	-	554,680
Telecommunications				
- AA+	558,915	-	-	558,915
- AAA	1,068,440	-	-	1,068,440

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted <u>sukuk</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2019</u> (continued)				
Technology				
- NR	-	-	3,624	3,624
Utilities				
- AA-	2,757,423	-	-	2,757,423
- AA1	2,658,483	-	-	2,658,483
- AA3	1,578,679	-	-	1,578,679
- NR	-	-	20,850	20,850
REITs				
- NR	-	-	5,642	5,642
Others				
- NR	-	-	72,347	72,347
	<u>27,389,386</u>	<u>2,155,340</u>	<u>109,266</u>	<u>29,653,992</u>

##### 2018

Consumer Products & Services				
- A1	535,126	-	-	535,126
- NR	-	-	267,049	267,049
Industrial Products & Services				
- A1	1,005,631	-	-	1,005,631
- AA-	4,482,365	-	-	4,482,365
- AA+	1,517,112	-	-	1,517,112
- AA3	1,024,324	-	-	1,024,324
- AAA	1,020,257	-	-	1,020,257
- NR	-	-	9,730	9,730
Financials				
- A1	1,013,482	-	-	1,013,482
- AA	502,075	-	-	502,075
- AA-	3,223,266	-	-	3,223,266
- AA3	1,017,947	-	-	1,017,947
- AAA	1,019,161	2,434,568	-	3,453,729
Oil & Gas				
- AA-	527,639	-	-	527,639
- NR	-	-	15,848	15,848
Telecommunications				
- AA+	527,383	-	-	527,383
- AAA	1,031,025	-	-	1,031,025



## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted <u>sukuk</u> RM	Cash and cash <u>equivalents</u> RM	Other <u>assets*</u> RM	<u>Total</u> RM
<u>2018 (continued)</u>				
Utilities				
- AA-	2,141,709	-	-	2,141,709
- AA1	2,049,157	-	-	2,049,157
- AA3	1,544,202	-	-	1,544,202
Properties				
- NR	-	-	11,368	11,368
Technology				
- NR	-	-	3,733	3,733
Utilities				
- NR	-	-	8,930	8,930
Others				
- NR	-	-	251,783	251,783
	<u>24,181,861</u>	<u>2,434,568</u>	<u>568,441</u>	<u>27,184,870</u>

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

\* Other assets consist of dividend receivables and amount due from Manager.

##### 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 SC 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.

# AFFIN HWANG AIIMAN SELECT INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

#### (i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2019</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	10,374,568	-	-	10,374,568
- unquoted sukuk	-	27,389,386	-	27,389,386
	<u>10,374,568</u>	<u>27,389,386</u>	<u>-</u>	<u>37,763,954</u>

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2018</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	8,497,096	-	-	8,497,096
- unquoted sukuk	-	24,181,861	-	24,181,861
	<u>8,497,096</u>	<u>24,181,861</u>	<u>-</u>	<u>32,678,957</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted sukuk. 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, dividends receivable, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 4 MANAGEMENT FEE AND MANAGEMENT FEE REBATE

	<u>2019</u> RM	<u>2018</u> RM
Gross management fee	230,036	227,324
Management fee rebate - interest income earned on collection accounts	(3,835)	(8,199)
Net management fee	<u>226,201</u>	<u>219,125</u>

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

For the 6 months financial period ended 30 September 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 Prospectus.

The interest 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 Deed, the Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.20% per annum on the NAV of the Fund.

For the 6 months financial period ended 30 September 2019, the Trustee's fee is recognised at a rate of 0.07% (2018: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on daily basis as stated in the Prospectus.

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

#### 6 TAXATION

	6 months financial period ended <u>30.9.2019</u> RM	6 months financial period ended <u>30.9.2018</u> RM
Current taxation:		
- local	-	-
- foreign	-	10,142
	<u>-</u>	<u>10,142</u>

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 6 TAXATION (CONTINUED)

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 30.9.2019 RM	6 months financial period ended 30.9.2018 RM
Net profit before taxation	1,080,278	62,169
Tax at Malaysian statutory rate of 24% (2018: 24%)	259,267	14,921
Tax effects of:		
Investment loss exempt from tax	(343,813)	(105,439)
Expenses not deductible for tax purposes	27,371	35,400
Restriction on tax deductible expenses for Unit Trust Funds	57,175	55,118
Local income subject to difference tax rate	-	-
Foreign income subject to foreign tax rate	-	10,142
Tax expense	-	10,142

#### 7 DISTRIBUTION

	6 months financial period ended 30.9.2019 RM	6 months financial period ended 30.9.2018 RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	372,470	696,470
Gross realised income	372,470	696,470
Less: Expenses	-	-
Net distribution amount	372,470	696,470
Gross/net distribution per unit (sen)	0.50	1.00
Ex-date	19.06.2019	13.6.2018

## AFFIN HWANG AIIAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 7 DISTRIBUTION (CONTINUED)

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 period is an amount of RM372,470 (2018: RM696,470) made from previous year's realised income.

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

	<u>2019</u> RM	<u>2018</u> RM
Designated at fair value through profit or loss at inception		
- Shariah-compliant quoted equities – local	4,681,027	5,854,970
- Shariah-compliant quoted equities – foreign	5,693,541	2,642,126
- unquoted sukuk – local	27,389,386	24,181,861
	<u>37,763,954</u>	<u>32,678,957</u>
Net gain/(loss) on assets at fair value through profit or loss		
- realised loss on sale of investments	(9,239)	(187,061)
- unrealised gain/(loss) on changes in fair value	536,942	(254,112)
	<u>527,703</u>	<u>(441,173)</u>

##### (a) Shariah-compliant quoted equities - local

##### (i) Shariah-compliant quoted equities - local as at 30 September 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Energy</u>				
Dialog Group Bhd	160,000	527,796	544,000	1.37
Velesto Energy Bhd	1,650,000	521,250	536,250	1.35
	<u>1,810,000</u>	<u>1,049,046</u>	<u>1,080,250</u>	<u>2.72</u>
<u>Financial Services</u>				
Syarikat Takaful Malaysia	64,000	398,989	371,200	0.94

## AFFIN HWANG AIIAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(a) Shariah-compliant quoted equities - local (continued)

(i) Shariah-compliant quoted equities - local as at 30 September 2019 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Industrial Products &amp; Services</u>				
Scientex Bhd	22,400	93,821	200,256	0.51
Sunway Bhd	226,780	374,907	381,671	0.96
	<u>249,180</u>	<u>468,728</u>	<u>581,927</u>	<u>1.47</u>
<u>REITs</u>				
KLCCP Stapled Group Stapled Security	69,000	530,609	555,450	1.40
<u>Technology</u>				
Globetronics Technology Berhad	220,000	395,670	451,000	1.14
My EG Services Bhd	405,000	589,541	567,000	1.43
	<u>625,000</u>	<u>985,211</u>	<u>1,018,000</u>	<u>2.57</u>
<u>Utilities</u>				
Tenaga Nasional Bhd	69,500	958,374	945,200	2.38
<u>Preferred Shares</u>				
SP Setia Bhd Group -PA	150,000	150,000	129,000	0.33
Total Shariah-compliant quoted equities - local	<u>3,036,680</u>	<u>4,540,957</u>	<u>4,681,027</u>	<u>11.81</u>
Unrealised gain on Shariah - compliant quoted equities - local		<u>140,070</u>		
Total Shariah-compliant quoted equities - local		<u>4,681,027</u>		

## AFFIN HWANG AIIAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(a) Shariah-compliant quoted equities - local (continued)

(ii) Shariah-compliant quoted equities - local as at 30 September 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Consumer products &amp; services</u>				
Petronas Dagangan Bhd	13,500	362,423	353,970	1.00
<u>Energy</u>				
Dayang Enterprise Holdings Bhd	470,300	351,823	355,077	1.00
Dialog Group Bhd	116,000	241,612	403,680	1.14
	586,300	593,435	758,757	2.14
<u>Industrial Products &amp; Services</u>				
ATA IMS Bhd	233,300	361,615	382,612	1.08
Petronas Chemicals Group Bhd	38,500	317,362	360,360	1.01
Scientex Bhd	51,900	217,380	456,720	1.29
Sunway Bhd	278,000	464,179	419,780	1.18
V.S. Industry Bhd	147,575	289,025	253,829	0.72
	749,275	1,649,561	1,873,301	5.28
<u>Properties</u>				
UOA Development Bhd	193,000	479,187	443,900	1.25
Matrix Concepts Holdings Bhd	200,000	408,876	416,000	1.17
	393,000	888,063	859,900	2.42
<u>REITs</u>				
KLCCP Stapled Group Stapled Security	47,000	361,345	356,730	1.01
<u>Technology</u>				
Inari Amertron Bhd	186,650	411,716	425,562	1.20
Malaysian Pac Industries Bhd	18,000	204,450	218,520	0.61
	204,650	616,166	644,082	1.81



## AFFIN HWANG AIIAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(a) Shariah-compliant quoted equities - local (continued)

(ii) Shariah-compliant quoted equities - local as at 30 September 2018 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication &amp; Media</u>				
Digi.Com Bhd	85,000	387,768	408,000	1.15
<u>Utilities</u>				
Tenaga Nasional Bhd	29,500	431,434	455,480	1.28
<u>Preference Shares</u>				
SP Setia Bhd Group -PA	150,000	150,000	144,750	0.41
Total Shariah-compliant quoted equities - local	<u>2,258,225</u>	<u>5,440,195</u>	<u>5,854,970</u>	<u>16.50</u>
Unrealised gain on Shariah - compliant quoted equities - local		<u>414,775</u>		
Total Shariah-compliant quoted equities - local		<u>5,854,970</u>		

# AFFIN HWANG AIIMAN SELECT INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(b) Shariah-compliant quoted equities - foreign

(i) Shariah-compliant quoted equities - foreign as at 30 September 2019 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	26,000	424,760	407,495	1.03
<u>Technology</u>				
Tencent Holdings Ltd	3,800	708,657	669,636	1.69
<u>Utilities</u>				
Guangdong Investment Ltd	50,000	387,315	409,578	1.03
<u>Indonesia</u>				
<u>Consumer Services</u>				
ACE Hardware Indonesia Tbk PT	800,000	408,453	416,540	1.05
<u>Telecommunication</u>				
Telekomunikasi Indonesia Tbk	651,000	753,816	827,714	2.09
<u>Republic of Korea</u>				
<u>Technology</u>				
SK Hynix Inc	1,420	408,993	407,423	1.03
<u>Consumer Goods</u>				
Samsung Electronics Co Ltd - Pref Shares	2,850	407,945	393,900	1.00

# AFFIN HWANG AIIAN SELECT INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities - foreign as at 30 September 2019 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u>				
<u>Consumer Services</u>				
ComfortDelGro Corporation Ltd	56,000	414,396	407,219	1.03
<u>Telecommunications</u>				
Singapore Telecom Ltd	78,000	772,161	730,266	1.84
<u>Taiwan</u>				
<u>Technology</u>				
ASE Technology Holding Co Ltd	42,000	408,500	401,139	1.01
Taiwan Semiconductor Manufacture	17,000	537,787	622,631	1.57
	59,000	946,287	1,023,770	2.58
Total Shariah-compliant quoted equities - foreign	1,728,070	5,632,783	5,693,541	14.37
Accumulated unrealised gain - on Shariah compliant quoted equities- foreign		60,758		
Total Shariah-compliant quoted equities - foreign		5,693,541		

# AFFIN HWANG AIIAN SELECT INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(ii) Shariah-compliant quoted equities - foreign as at 30 September 2018 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
<u>Consumer Goods</u>				
China Mengniu Dairy Co Ltd	29,000	371,707	398,564	1.12
<u>Industrial</u>				
Pentamaster International Ltd	920,000	538,474	544,669	1.54
<u>Oil &amp; Gas</u>				
PetroChina Company Ltd	114,000	338,533	381,448	1.08
Cnooc Ltd	56,000	369,218	458,825	1.29
	170,000	707,751	840,273	2.37
<u>Technology</u>				
Tencent Holdings Ltd	1,000	171,150	170,844	0.48
<u>Utilities</u>				
CK Infrastructure Holdings Ltd	6,000	197,019	196,639	0.56
<u>Indonesia</u>				
<u>Telecommunication &amp; Media</u>				
Telekomunikasi Indonesia Tbk	100,000	98,085	100,914	0.28

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(b) Shariah-compliant quoted equities – foreign (continued)

(i) Shariah-compliant quoted equities - foreign as at 30 September 2018 are as follows:  
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufacturing	11,000	323,162	390,223	1.10
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Shariah-compliant quoted equities - foreign	1,237,000	2,407,348	2,642,126	7.45
	<u>                    </u>		<u>                    </u>	<u>                    </u>
Accumulated unrealised gain - on Shariah compliant quoted equities- foreign		234,778		
		<u>                    </u>		
Total Shariah-compliant quoted equities - foreign		2,642,126		
		<u>                    </u>		

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(c) Unquoted sukuk - local

(i) Unquoted sukuk - local as at 30 September 2019 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
5.28% Besraya Malaysia Sdn Bhd 28.07.2027 (AA3)	1,000,000	1,019,237	1,068,468	2.70
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	516,181	558,915	1.41
5.05% Fortune Premiere Sdn Bhd 05.09.2025 (AA)	500,000	501,453	532,238	1.34
5.10% GULF Investment Corp 20.06.2022 (AAA)	200,000	205,682	207,634	0.52
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	526,363	545,525	1.38
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	500,000	546,951	579,902	1.46
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	500,000	546,779	582,381	1.47
5.25% Konsortium Lebuhraya UT KL SB 02.12.2032 (AA-)	500,000	511,456	551,520	1.39
4.8% Lafarge Cement Sdn Bhd 13.01.2020 (A1)	1,000,000	1,008,850	1,011,868	2.55
5.06% Lafarge Cement Sdn Bhd (08.07.2022) (A1)	1,000,000	1,012,915	1,020,286	2.57
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,052,334	2,280,755	5.75
6.04% Lebuhraya DUKE Fasa 3 Sdn Bhd (23.08.2035) (AA-)	500,000	575,388	575,257	1.45
5.90% MEX II Sdn Bhd 27.04.2029 (AA-)	2,000,000	2,098,959	2,273,210	5.74
5.29% MMC Corp Berhad (26.04.2023) (AA-)	500,000	513,264	523,905	1.32
5.7% MMC Corp Berhad 24.03.2028 (AA-)	500,000	500,390	525,710	1.33
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	1,000,000	1,006,914	1,054,314	2.66
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,037,569	1,060,227	2.68
5.30% Tanjung Bin Energy Issuer Bhd 16.03.2023 (AA3)	1,500,000	1,534,188	1,578,679	3.98

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(c) Unquoted sukuk - local (continued)

(i) Unquoted sukuk - local as at 30 September 2019 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u> (continued)				
4.63% Teknologi Tenaga Perlis Conсор 30.07.2021 (AA1)	1,000,000	1,016,371	1,027,335	2.59
4.55% Telekom Malaysia Bhd 07.10.2024 (AAA)	1,000,000	1,040,403	1,068,440	2.70
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	500,000	509,995	528,908	1.34
5.15% UEM Sunrise Bhd (31.10.2025) (AA-)	500,000	512,129	543,654	1.37
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	516,599	554,680	1.40
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	750,000	785,176	862,248	2.18
5.17% WCT Holdings Bhd (23.10.2023) (AA-)	1,000,000	1,049,102	1,050,175	2.65
5.8% WCT Holdings Bhd (Call: 27.09.2024) (AA-)	2,000,000	2,001,271	2,001,251	5.05
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AA+)	1,500,000	1,535,482	1,590,753	4.01
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,500,000	1,581,491	1,631,148	4.12
Total unquoted sukuk - local	<u>25,450,000</u>	<u>26,262,892</u>	<u>27,389,386</u>	<u>69.11</u>
Accumulated unrealised gain on unquoted sukuk - local		<u>1,126,494</u>		
Total unquoted sukuk - local		<u>27,389,386</u>		

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

- (c) Unquoted sukuk - local (continued)  
(ii) Unquoted sukuk - local as at 30 September 2018 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
5.28% Besraya Malaysia Sdn Bhd 28.07.2027 (AA3)	1,000,000	1,020,115	1,024,324	2.89
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	516,684	527,383	1.49
5.05% Fortune Premiere Sdn Bhd 05.09.2025 (AA)	500,000	501,660	502,075	1.41
5.10% GULF Investment Corp 20.06.2022 (AAA)	1,000,000	1,033,091	1,019,161	2.87
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	529,003	529,770	1.49
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	500,000	549,412	553,697	1.56
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	500,000	549,081	554,841	1.56
4.75% Konsortium Lebuhraya UT KL SB 01.12.2028 (AA-)	1,750,000	1,751,696	1,768,771	4.98
5.25% Konsortium Lebuhraya UT KL SB 02.12.2032 (AA-)	500,000	511,534	522,588	1.47
4.8% Lafarge Cement Sdn Bhd 13.01.2020 (A1)	1,000,000	1,004,585	1,005,631	2.83
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,053,985	2,160,215	6.09
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	500,000	558,432	547,943	1.54
5.90% MEX II Sdn Bhd 27.04.2029 (AA-)	2,000,000	2,102,468	2,191,006	6.17
5.7% MMC Corp Berhad 24.03.2028 (AA-)	500,000	500,391	503,401	1.42
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	1,000,000	1,007,277	1,017,947	2.87
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,042,121	1,020,257	2.88
5.30% Tanjung Bin Energy Issuer Bhd 16.03.2023 (AA3)	1,500,000	1,542,106	1,544,202	4.35
4.63% Teknologi Tenaga Perlis Consor 30.07.2021 (AA1)	1,000,000	1,020,783	1,014,255	2.86
4.55% Telekom Malaysia Bhd 07.10.2024 (AAA)	1,000,000	1,043,524	1,031,025	2.91
6.00% TF Varlik Kiralama AS 28.06.2019 (A1)	1,000,000	1,017,263	1,013,482	2.86
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	500,000	510,637	515,108	1.45
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	517,021	527,639	1.49



## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

(c) Unquoted sukuk - local (continued)

(i) Unquoted sukuk - local as at 30 September 2018 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u> (continued)				
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	500,000	514,266	535,126	1.51
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AA+)	1,500,000	1,535,452	1,517,112	4.28
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,000,000	1,031,119	1,034,902	2.92
Total unquoted sukuk - local	<u>23,250,000</u>	<u>23,963,706</u>	<u>24,181,861</u>	<u>68.15</u>
Accumulated unrealised gain on unquoted sukuk - local		<u>218,155</u>		
Total unquoted sukuk - local		<u>24,181,861</u>		

## AFFIN HWANG AIIAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS

	<u>2019</u> RM	<u>2018</u> RM
Cash and bank balances	1,355,491	2,243,830
Short term Shariah-based deposits with licensed financial institution	799,849	190,738
	<u>2,155,340</u>	<u>2,434,568</u>

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

	<u>2019</u> %	<u>2018</u> %
Shariah-based deposits with licensed financial institution	<u>2.90</u>	<u>3.20</u>

Short term Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2018: 1 day).

#### 10 NUMBER OF UNIT IN CIRCULATIONS

	<u>2019</u> No. of units	<u>2018</u> No. of units
As at the beginning of the financial period	73,648,000	79,015,000
Creation of units arising from applications	11,575,605	5,410,583
Creation of units arising from distribution	725,395	1,364,417
Cancellation of units during the financial period	<u>(8,806,000)</u>	<u>(17,059,000)</u>
As at the end of the financial period	<u>77,143,000</u>	<u>68,731,000</u>

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS AND DEALERS

- (i) Details of transactions with the top 10 brokers and dealers for the financial period ended 30 September 2019 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CLSA Ltd	7,069,715	18.31	4,727	11.53
Macquarie Bank Ltd Hong Kong	5,988,797	15.51	4,078	9.95
Affin Hwang Investment Bank Bhd#	5,336,384	13.82	8,667	21.14
Standard Chartered Bank Bhd	3,017,650	7.81	-	-
RHB Investment Bank Bhd	2,339,807	6.06	850	2.07
CLSA Sec Malaysia Sdn Bhd	1,668,948	4.32	1,994	4.86
CIMB Bank Bhd	1,501,000	3.89	-	-
Merrill Lynch Intl-Equity London	1,104,546	2.86	3,314	8.08
Credit Lyonnais Security (Asia) Taipei	999,997	2.59	891	2.17
Credit Lyonnais Security Singapore	932,355	2.41	1,008	2.46
Others	8,655,954	22.42	15,475	37.74
	<u>38,615,153</u>	<u>100.00</u>	<u>41,004</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 brokers and dealers for the financial period ended 30 September 2018 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CLSA Ltd	4,930,226	12.74	5,215	8.39
Bank Muamalat Malaysia Bhd#	4,046,356	10.45	-	-
Affin Hwang Investment Bank Bhd	3,626,533	9.37	7,361	11.84
Instinet Pacific Ltd	1,814,404	4.69	4,258	6.85
RHB Investment Bank Bhd	1,711,784	4.42	1,733	2.79
CIMB Bank Bhd	1,501,500	3.88	-	-
CCB International Securities Ltd	1,497,311	3.87	3,753	6.04
HLG Securities Sendirian Bhd	1,411,972	3.65	3,104	4.99
Masterlink Secs Co Ltd Taipei	1,252,301	3.23	3,137	5.04
CIMB Investment Bank Bhd	1,067,231	2.76	2,695	4.33
Others	15,845,122	40.94	30,915	49.73
	<u>38,704,740</u>	<u>100.00</u>	<u>62,171</u>	<u>100.00</u>

Included in transactions with brokers are trades conducted on normal terms in the stockbroking industry with Affin Hwang Investment Bank Bhd, companies related to the Manager amounting RM5,336,384 (2018: RM3,626,533). The Manager is at the opinion that all transaction with the related companies have been entered into the normal course of business at agreed terms between related parties.

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

#### 11 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

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

	<u>2019</u> RM	<u>2018</u> RM
Affin Hwang Investment Bank Bhd	1,328,500	-
Bank Muamalat Malaysia Bhd	-	4,019,300
	<u>1,328,500</u>	<u>4,019,300</u>

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

	<u>2019</u> RM	<u>2018</u> RM
Affin Hwang Aiiman Income Plus Fund	-	3,516,250
Private mandates managed by Manager	1,328,500	503,050
	<u>1,328,500</u>	<u>4,019,300</u>

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

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

<u>Related parties</u>	<u>Relationship</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Bank Berhad ("ABB")	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

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

	<u>2019</u> No. of units	<u>2019</u> RM	<u>2018</u> No. of units	<u>2018</u> RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	<u>2,614</u>	<u>1,343</u>	<u>11,603</u>	<u>5,991</u>

## AFFIN HWANG AIIMAN SELECT INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)

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

	6 months financial period ended <u>30.9.2019</u> %	6 months financial period ended <u>30.9.2018</u> %
MER	<u>0.79</u>	<u>0.75</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM38,209,104 (2018: RM37,780,833).

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

	6 months financial period ended <u>30.9.2019</u>	6 months financial period ended <u>30.9.2018</u>
PTR (times)	<u>0.52</u>	<u>0.53</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 = RM22,230,771 (2018: RM16,812,017)  
total disposal for the financial period = RM17,393,622 (2018: RM23,570,437)

## **AFFIN HWANG AIIAN SELECT INCOME FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2019 (CONTINUED)**

#### **15 SEGMENT INFORMATION**

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the fund. The Fund has determined the operating segments based on the reports reviewed by this committee that are used to make strategic decisions.

The committee considers the business as two sub-portfolio which are managed by separate specialists teams at the Investment Manager. These sub-portfolios consist of an equity portfolio which focus on equity securities; the second sub-portfolio consisting of debt and cash instruments.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of dividends, profit and gains on the appreciation in the value of investments derived from Shariah compliant quoted equities and unquoted sukuk in Malaysia, Indonesia, Hong Kong, Singapore, South Korea, and Taiwan.

There were no changes in the reportable segments during the financial period.

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

## **AFFIN HWANG AIIMAN SELECT INCOME 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 12 to 53 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 30 September 2019 and of its financial performance, changes in equity and cash flows for the financial period ended 30 September 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

15 November 2019

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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## **DIRECTORY OF SALES OFFICE (CONTINUED)**

### **SARAWAK**

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