

Affin Hwang Aiiman Global Sukuk Fund

Annual Report
31 May 2021

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
CIMB Islamic Trustee Berhad (167913-M)

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 May 2021

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FUND INFORMATION

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

BREAKDOWN OF UNITHOLDERS BY SIZE MYR CLASS AS AT 31 MAY 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	1	2
5,001 to 10,000	3	24
10,001 to 50,000	0	0
50,001 to 500,000	3	472
500,001 and above	3	5,410
Total	10	5,908

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE MYR-HEDGE CLASS AS AT 31 MAY 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	4	9
5,001 to 10,000	1	9
10,001 to 50,000	3	103
50,001 to 500,000	7	1,194
500,001 and above	9	92,290
Total	24	93,605

* Note: Excluding Manager's stock

BREAKDOWN OF UNITHOLDERS BY SIZE USD CLASS AS AT 31 MAY 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	0	0
5,001 to 10,000	0	0
10,001 to 50,000	2	41
50,001 to 500,000	0	0
500,001 and above	2	4,151
Total	4	4,192

** Note: Excluding Manager's stock*

FUND PERFORMANCE DATA

Category	As at 31 May 2021 (%)			As at 31 May 2020 (%)			As at 31 May 2019 (%)		
Portfolio Composition									
Unquoted sukuk - local	11.63			7.42			0.64		
Unquoted sukuk - foreign	89.01			86.89			93.42		
Total unquoted sukuk	100.64*			94.31			94.06		
Cash & cash equivalent	(0.64)			5.69			5.94		
Total	100.00			100.00			100.00		
Currency class	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYR-</u> <u>Hedged</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYR-</u> <u>Hedged</u> <u>Class</u>	<u>USD</u> <u>Class</u>	<u>MYR</u> <u>Class</u>	<u>MYR-</u> <u>Hedged</u> <u>Class</u>
Total NAV (in million)	2.362	3.240	54.724	1.736	3.600	31.831	5.409	1.952	8.441
NAV per unit (in respective currencies)	0.5630	0.5481	0.5846	0.5431	0.5569	0.5511	0.5395	0.5220	0.5338
Unit in Circulation (million)	4.195	5.911	93.608	3.196	6.464	57.762	10.026	3.739	15.812
Highest NAV	0.5659	0.5574	0.5860	0.5517	0.5578	0.5592	0.5395	0.5220	0.5338
Lowest NAV	0.5416	0.5323	0.5514	0.5130	0.5172	0.5202	0.5090	0.4673	0.4776
Return of the Fund (%) ⁱⁱⁱ	5.58	-1.58	6.55	4.43	8.71	3.24	5.81	11.30	11.37
- Capital Return (%) ⁱ	3.66	-1.58	6.08	0.67	6.69	3.24	5.81	11.30	11.37
- Income Return (%) ⁱⁱ	1.85	Nil	0.45	3.74	1.90	Nil	Nil	Nil	Nil
Gross Distribution per Unit (sen)	1.00	Nil	0.25	2.00	1.00	Nil	Nil	Nil	Nil
Net Distribution per Unit (sen)	1.00	Nil	0.25	2.00	1.00	Nil	Nil	Nil	Nil
Management Expenses Ratio (%) ¹		1.33			1.37			1.37	
Portfolio Turnover Ratio (times) ²		0.39			0.54			0.54	

*More than 100% due to timing of settlement.

¹ The Fund's MER was lower than previous year due to higher average NAV of the Fund for the financial year.

²The Fund's PTR was lower than previous year due to higher average NAV of the Fund for the financial year.

Basis of calculation and assumption made in calculating the returns:-

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

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

MANAGER'S REPORT**Income Distribution / Unit Split**

The NAV per Unit prior and subsequent to the distribution was as follows:-

USD Class

Cum Date	Ex-Date	Cum-distribution (USD)	Distribution per Unit (USD)	Ex-distribution (USD)
14-Jul-20	15-Jul-20	0.5516	0.0100	0.5416

MYR-Hedged Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
14-Jul-20	15-Jul-20	0.5600	0.0025	0.5575

No unit splits were declared for the financial year ended 31 May 2021.

Performance Review**USD Class**

For the period 1 June 2020 to 31 May 2021, the Fund registered a 5.58% return compared to the benchmark return of 2.63%. The Fund thus outperformed the Benchmark by 2.95%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2021 was USD0.5630 while the NAV as at 31 May 2020 was USD0.5431. During the same period under review, the Fund has declared a gross income distribution of USD0.0100 per unit.

Since commencement, the Fund has registered a return of 19.56% compared to the benchmark return of 8.28%, outperforming by 11.28%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (30/12/15 31/5/21)
Fund	5.58%	16.66%	18.47%	19.56%
Benchmark	2.63%	9.87%	6.63%	8.28%
Outperformance	2.95%	6.79%	11.84%	11.28%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (30/12/15 - 31/5/21)
Fund	5.58%	5.26%	3.45%	3.35%
Benchmark	2.63%	3.18%	1.29%	1.48%
Outperformance	2.95%	2.08%	2.16%	1.87%

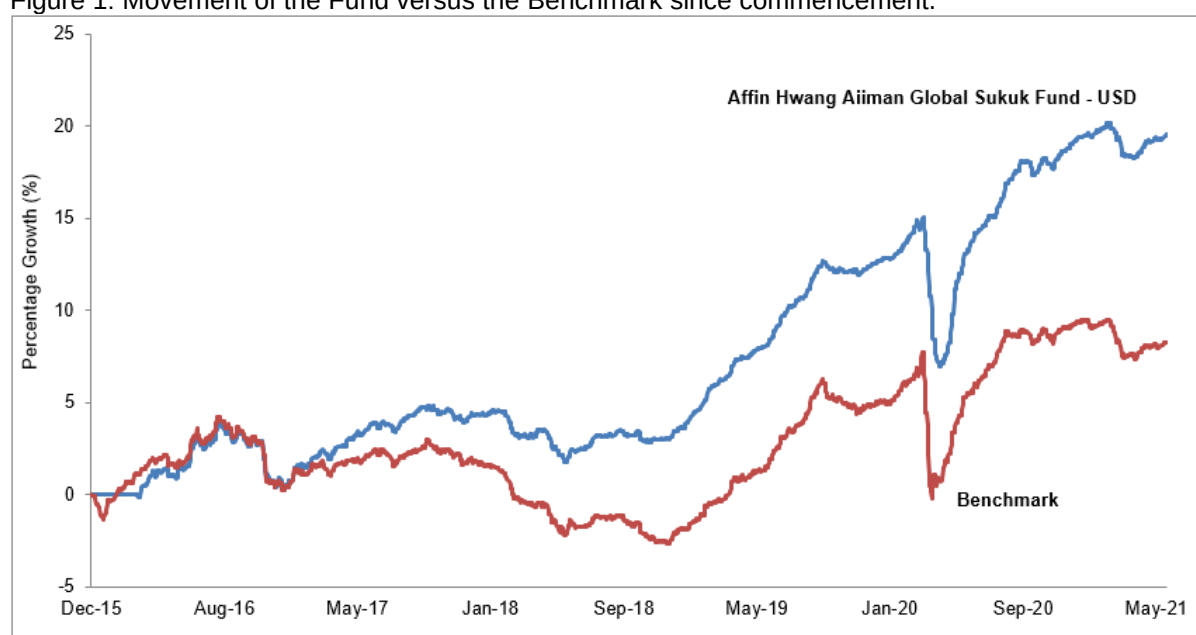
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/6/20 - 31/5/21)	FYE 2020 (1/6/19 - 31/5/20)	FYE 2019 (1/6/18 - 31/5/19)	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (1/6/16 - 31/5/17)
Fund	5.58%	4.43%	5.81%	(1.34%)	2.93%
Benchmark	2.63%	3.54%	3.40%	(3.73%)	0.81%
Outperformance	2.95%	0.89%	2.41%	2.39%	2.12%

Source of Benchmark: Bloomberg

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



MYR Class

For the period 1 June 2020 to 31 May 2021, the Fund registered a 0.23% return compared to the benchmark return of -2.72%. The Fund thus outperformed the Benchmark by 2.95%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2021 was MYR0.5481 while the NAV as at 31 May 2020 was MYR0.5569. During the same period under review, the Fund has declared a gross income distribution of MYR0.0100 per unit.

Since commencement, the Fund has registered a return of 13.75% compared to the benchmark return of 4.21%, outperforming by 9.54%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (30/12/15 - 31/5/21)
Fund	0.23%	21.27%	16.41%	13.75%
Benchmark	(2.72%)	13.84%	6.97%	4.21%
Outperformance	2.95%	7.43%	9.44%	9.54%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	5 Years (1/6/16 - 31/5/21)	Since Commencement (30/12/15 - 31/5/21)
Fund	0.23%	6.63%	3.08%	2.40%
Benchmark	(2.72%)	4.41%	1.36%	0.76%
Outperformance	2.95%	2.22%	1.72%	1.64%

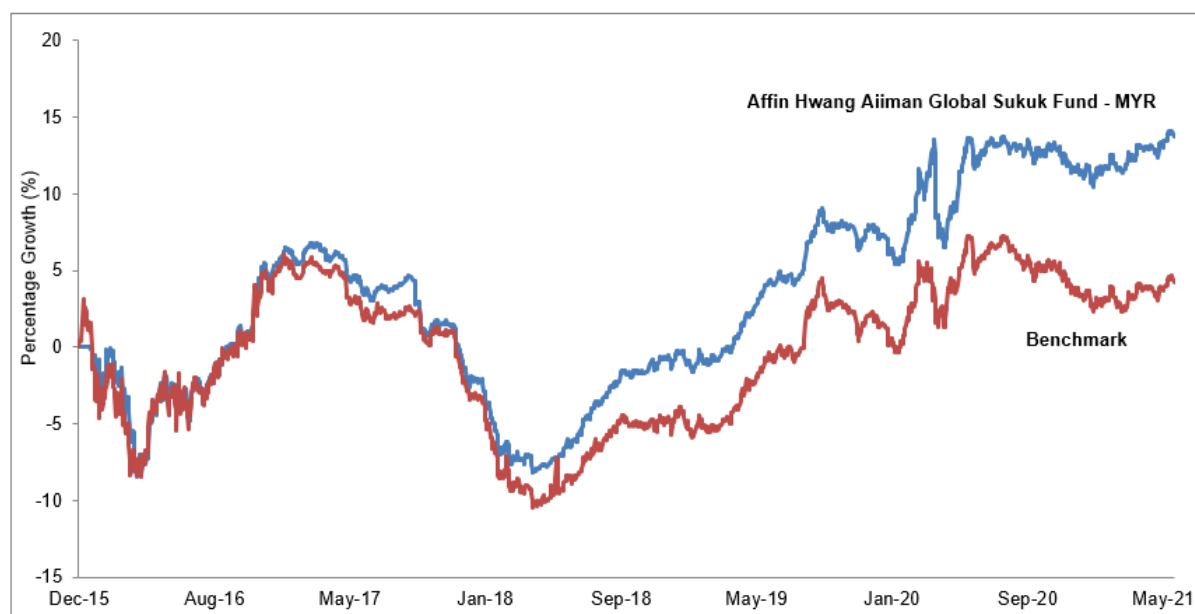
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/6/20 - 31/5/21)	FYE 2020 (1/6/19 - 31/5/20)	FYE 2019 (1/6/18 - 31/5/19)	FYE 2018 (1/6/17 - 31/5/18)	FYE 2017 (1/6/16 - 31/5/17)
Fund	0.23%	8.71%	11.30%	(9.56%)	6.14%
Benchmark	(2.72%)	7.72%	8.63%	(10.70%)	5.23%
Outperformance	2.95%	0.99%	2.67%	1.14%	0.91%

Source of Benchmark: Bloomberg

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



MYR Hedged-Class

For the period 1 June 2020 to 31 May 2021, the Fund registered a 6.55% return compared to the benchmark return of -2.72%. The Fund thus outperformed the Benchmark by 9.27%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2021 was MYR0.5846 while the NAV as at 31 May 2020 was MYR0.5511. During the same period under review, the Fund has declared a gross income distribution of MYR0.0025 per unit.

Since commencement, the Fund has registered a return of 17.44% compared to the benchmark return of 7.43%, outperforming by 10.01%. The fund has met its investment objective.

Table 1: Performance of the Fund

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	Since Commencement (15/12/17 - 31/5/21)
Fund	6.55%	22.52%	17.44%
Benchmark	(2.72%)	13.84%	7.43%
Outperformance	9.27%	8.68%	10.01%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/20 - 31/5/21)	3 Years (1/6/18 - 31/5/21)	Since Commencement (15/12/17 - 31/5/21)
Fund	6.55%	7.00%	4.75%
Benchmark	(2.72%)	4.41%	2.09%
Outperformance	9.27%	2.59%	2.66%

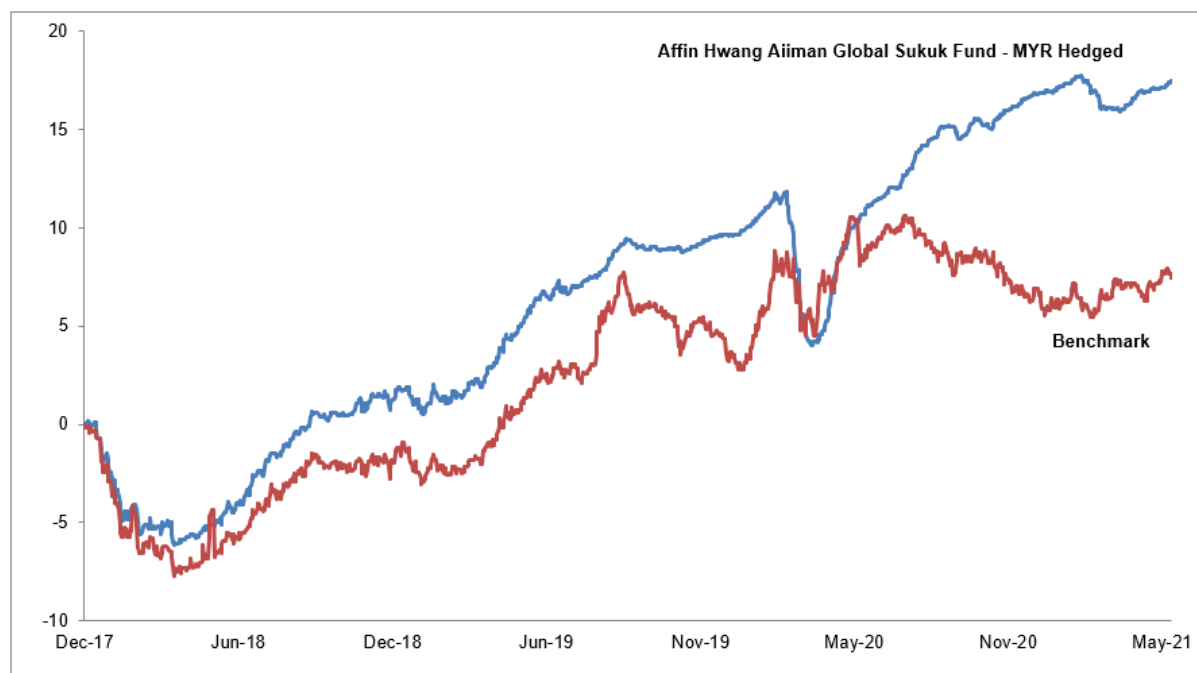
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2021 (1/6/20 - 31/5/21)	FYE 2020 (1/6/19 - 31/5/20)	FYE 2019 (1/6/18 - 31/5/19)	FYE 2018 (15/12/17 - 31/5/18)
Fund	6.55%	3.24%	11.37%	(4.14%)
Benchmark	(2.72%)	7.72%	8.63%	(5.63%)
Outperformance	9.27%	(4.48%)	2.74%	1.49%

Source of Benchmark: Bloomberg

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



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

Benchmark: Dow Jones Sukuk Index

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

Asset Allocation

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

During the period under review, the Fund remained highly invested with 100.64% of the Fund's NAV invested in Sukuk while cash level of the Fund stood at -0.64% over the same period. The invested level was more than 100% due to timing of settlement.

Strategies Employed

Over the period under review, the Manager maintained a focus on high conviction Sukuk within domestic space. To date, the Fund's bond holdings have continued to meet their respective financial obligations in respect of their outstanding debt.

Market Review

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric stocks and "stay at home" trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. The S&P 500 index rose 4.4% higher as the latest US labour data showed signs of a rebound. In Asia, the MSCI Asia ex-Japan index fell 2.5% as increased regulatory scrutiny prompted a selloff in Chinese technology stocks. The Hong Kong Hang Seng index dropped 1.8% in March. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Earnings season continues with technology and banking stocks leading way in terms of results. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress.

US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven ("G7") nations and North Atlantic Treaty Organisation ("NATO") held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

The commodity market saw multiple consecutive periods of increased market inflow, particularly across crude oil, grain & oilseed, and livestock markets in January. This rally continued in February, as copper saw its largest monthly gain in over four years and oil prices hitting new one-year highs. The S&P GSCI posted a return on 14.15% in the quarter. Overall, the commodities saw strong return in 1H2021, buoyed by vaccination programs and normalization of the economy.

In February and March, the local equity market's performance was muted relative to regional peers, gaining by 0.8% and 1.0% in the respective months. February was also results season in the local market, with the tech sector largely reporting earnings beat on the back of robust demand. Meanwhile, Finance Minister Tengku Zafrul clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government is mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of "rate cut" bets at the end of January following BNM's announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, we were seeing some demand returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan ("NRP"), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold.

To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed's meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia's GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown.

With that, fiscal deficit is expected to breach above the government's target of 6.0%. With the newly unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia's sovereign rating.

On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate ("OPR") to cushion the economic impact of COVID-19. Malaysia's inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

Investment Outlook

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. We have already seen the rotation from growth to value take place in the start of 2021.

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

Back home, economic recovery continues to be delayed by Covid-19 as cases surge throughout the country. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

State of Affairs of the Fund

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

Soft Commissions received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the :-

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

Cross Trade

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

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

We, **CIMB Islamic Trustee Berhad** (“the Trustee”), being the Trustee for **Affin Hwang Aiiman Global Sukuk Fund** (“the Fund”) are of the opinion that **Affin Hwang Asset Management Berhad** (“the Manager”), acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 May 2021.

In our opinion:

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

For and on behalf of
CIMB Islamic Trustee Berhad

Lee Kooi Yoke
Chief Executive Officer

Kuala Lumpur, Malaysia
15 July 2021

SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF

To the Unit Holders of Affin Hwang Aiiman Global Sukuk Fund ("Fund")

We hereby confirm the following:

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

For Amanie Advisors Sdn Bhd

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
15 July 2021

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

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AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
INVESTMENT INCOME			
Profit income from financial assets at fair value through profit or loss		451,111	314,262
Profit income from financial assets at amortised cost		9,826	4,560
Net (loss)/gain on foreign currency exchange		(9,653)	6,565
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss		433,222	(136,439)
Net gain on financial assets at fair value through profit or loss	8	449,642	9,193
		<u>1,334,148</u>	<u>198,141</u>
EXPENSES			
Management fee	4	(173,714)	(105,993)
Trustee fee	5	(8,726)	(5,331)
Auditors' remuneration		(2,094)	(1,985)
Tax agent's fee		(862)	(850)
Other expenses		(6,902)	(6,633)
		<u>(192,298)</u>	<u>(120,792)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		1,141,850	77,349
FINANCE COST			
Distributions	6	(94,666)	(111,325)
NET PROFIT/(LOSS) BEFORE TAXATION		1,047,184	(33,976)
Taxation	7	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,047,184</u>	<u>(33,976)</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Increase/(decrease) in net asset attributable to unitholders comprise the following:			
Realised amount		568,690	160,793
Unrealised amount		478,494	(194,769)
		<u>1,047,184</u>	<u>(33,976)</u>

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
ASSETS			
Cash and cash equivalents	9	1,281,426	729,650
Amount due from Manager			
- creation of units		933	3,465
Financial assets at fair value through profit or loss	8	16,523,930	9,327,373
Forward foreign currency contracts at fair value through profit or loss	10	18,717	6,237
TOTAL ASSETS		<u>17,825,006</u>	<u>10,066,725</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	64,877	157,438
Amount due to dealers		103,024	-
Amount due to Manager			
- management fee		17,689	9,939
- cancellation of units		1,212,556	2,439
Amount due to Trustee		884	497
Auditors' remuneration		2,112	2,024
Tax agent's fee		2,120	2,124
Other payables and accruals		2,880	2,281
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,406,142</u>	<u>176,742</u>
NET ASSET VALUE OF THE FUND		<u>16,418,864</u>	<u>9,889,983</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>16,418,864</u>	<u>9,889,983</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021 (CONTINUED)

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- MYR class		785,668	828,484
- MYR-Hedged class		13,271,265	7,325,843
- USD class		2,361,931	1,735,656
		<u>16,418,864</u>	<u>9,889,983</u>
NUMBER OF UNITS IN CIRCULATION			
- MYR class	11(a)	5,911,000	6,464,000
- MYR-Hedged class	11(b)	93,608,000	57,762,000
- USD class	11(c)	4,195,000	3,196,000
		<u>103,714,000</u>	<u>67,422,000</u>
NET ASSET VALUE PER UNIT (USD)			
- MYR class		0.1329	0.1282
- MYR-Hedged class		0.1418	0.1268
- USD class		0.5630	0.5431
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR class		RM0.5481	RM0.5569
- MYR-Hedged class		RM0.5846	RM0.5511
- USD class		USD0.5630	USD0.5431

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	<u>2021</u> USD	<u>2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	9,889,983	7,889,655
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	10,975,753	9,602,690
- MYR class	1,394,009	1,818,991
- MYR-Hedged class	8,668,115	5,598,265
- USD class	913,629	2,185,434
Creation of units arising from distributions	94,368	111,325
- MYR class	23,323	10,295
- MYR-Hedged class	30,835	-
- USD class	40,210	101,030
Cancellation of units	(5,588,424)	(7,679,711)
- MYR class	(1,488,221)	(1,478,032)
- MYR-Hedged class	(3,698,732)	(178,349)
- USD class	(401,471)	(6,023,330)
Net increase/(decrease) in net assets attributable to unitholders during the financial year	1,047,184	(33,976)
- MYR class	28,073	11,276
- MYR-Hedged class	945,204	(109,003)
- USD class	73,907	63,751
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>16,418,864</u>	<u>9,889,983</u>

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	<u>2021</u> USD	<u>2020</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of unquoted sukuk	2,398,904	3,883,459
Purchase of unquoted sukuk	(9,021,095)	(6,162,218)
Profit income from Shariah-based deposits with Islamic financial institutions	9,826	4,560
Profit income from unquoted sukuk	447,745	295,579
Management fee paid	(165,964)	(103,788)
Trustee fee paid	(8,339)	(5,221)
Payment for other fees and expenses	(9,175)	(8,853)
Realised gain on forward foreign currency contracts	328,181	14,762
Net realised foreign currency exchange (loss)/gain	(23,451)	6,505
Net cash flows used in operating activities	(6,043,368)	(2,075,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	10,978,285	9,599,971
Payments for cancellation of units	(4,378,307)	(7,677,272)
Payments for distribution	(298)	-
Net cash flows generated from financing activities	6,599,680	1,922,699
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	556,312	(152,516)
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(4,536)	61
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	729,650	882,105
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9 1,281,426	729,650

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'

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

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

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'onerous contracts – cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

B INCOME RECOGNITION

Profit income

Profit income from short term deposits with licensed financial institutions and unquoted sukuk are recognised based on effective profit rate method on an accrual basis.

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

Realised gains and losses on sale of investments

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

C DISTRIBUTIONS

A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.

D TAXATION

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

E FUNCTIONAL AND PRESENTATION CURRENCY

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

F FOREIGN CURRENCY TRANSLATION

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

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any securities as fair value through other comprehensive income.

The contractual cash flows of the Fund's debt securities are solely principal and profit ("SPPI"). 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 and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of currency transactions are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit or loss' in the year which they arise.

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

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission's ("SC") as per the SC's 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 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 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.

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

H 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 change in value.

I AMOUNTS DUE FROM/(TO) DEALERS

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

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

J CREATION AND CANCELLATION

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

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

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

K INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

L DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

L DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the statements of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

Functional currency

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

- i) Significant portion of the Fund's investment is in unquoted sukuk denominated in USD.
- ii) Significant portion of the Fund's expenses are denominated in USD.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

N REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised amounts in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

1 INFORMATION ON THE FUND

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

The Fund commenced operations on 11 January 2016 and will continue its operations until terminated by the Trustee as provided under Clause 12.3 of the Deed.

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

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

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

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 15 July 2021.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Note	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	1,281,426	-	1,281,426
Amount due from Manager				
- creation of units		933	-	933
Unquoted sukuk	8	-	16,523,930	16,523,930
Forward foreign currency contracts	10	-	18,717	18,717
Total		<u>1,282,359</u>	<u>16,542,647</u>	<u>17,825,006</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	64,877	64,877
Amount due to Manager				
- management fee		17,689	-	17,689
- cancellation of units		1,212,556	-	1,212,556
Amount due to dealers		103,024	-	103,024
Amount due to Trustee		884	-	884
Auditors' remuneration		2,112	-	2,112
Tax agent's fee		2,120	-	2,120
Other payables and accruals		2,880	-	2,880
Total		<u>1,341,265</u>	<u>64,877</u>	<u>1,406,142</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	729,650	-	729,650
Amount due from Manager				
- creation of units		3,465	-	3,465
Unquoted sukuk	8	-	9,327,373	9,327,373
Forward foreign currency contracts	10	-	6,237	6,237
Total		<u>733,115</u>	<u>9,333,610</u>	<u>10,066,725</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total</u> USD
<u>2020 (continued)</u>				
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	157,438	157,438
Amount due to Manager				
- management fee		9,939	-	9,939
- cancellation of units		2,439	-	2,439
Amount due to Trustee		497	-	497
Auditors' remuneration		2,024	-	2,024
Tax agent's fee		2,124	-	2,124
Other payables and accruals		2,281	-	2,281
Total		<u>19,304</u>	<u>157,438</u>	<u>176,742</u>

The Fund is exposed to a variety of risks which include market risk (including price risk, profit rate risk, currency risk), credit risk, liquidity risk and capital risk and reclassification of Shariah status risk.

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

Market risk

(a) 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 are as follows:

	<u>2021</u> USD	<u>2020</u> USD
Shariah-compliant unquoted investments		
Unquoted sukuk *	<u>16,523,930</u>	<u>9,327,373</u>

* Includes interest receivable of USD142,763 (2020: USD80,436)

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movement. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% (2020: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the Fund's investments.

<u>% Change in price</u>	<u>Market value</u> USD	Impact on profit after tax/NAV USD
<u>2021</u>		
-5%	15,562,109	(819,058)
0%	16,381,167	-
+5%	17,200,225	819,058
<u>2020</u>		
-5%	8,784,590	(462,347)
0%	9,246,937	-
+5%	9,709,284	462,347

(b) Profit rate risk

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

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Market risk (continued)

(b) Profit rate risk (continued)

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

The table below summarises the sensitivity of the Fund's profit after taxation and NAV to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% (2020: 2%) with all other variables held constant.

<u>% Change in profit rate</u>	<u>Impact on profit after tax/ NAV</u>	
	<u>2021</u> USD	<u>2020</u> USD
+ 2%	(40,180)	(29,859)
- 2%	37,105	30,005

The Fund's exposure to profit rate risk associated with deposit with a licensed financial institution is not material as the deposit is held on a short-term basis.

(c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the foreign currency versus United States Dollar 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:

	<u>Unquoted sukuk</u> USD	<u>Forward foreign currency contracts</u> USD	<u>Cash and cash equivalents</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2021</u>					
<u>Financial assets</u>					
Malaysian Ringgit	1,909,170	18,717	1,217,479	933	3,146,299

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(c) Currency risk (continued)

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

	Forward foreign currency contracts USD	Other payables* USD	Net assets attributable to unitholders USD	Total USD
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Malaysian Ringgit	64,877	1,219,668	14,056,933	15,341,478

* Other payables consist of amount due to Manager, auditors' remuneration, tax agent's fee and other payables and accruals.

	Unquoted sukuk USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total USD
<u>2020</u>					
<u>Financial assets</u>					
Malaysian Ringgit	733,572	6,237	381,383	3,465	1,124,657

	Forward foreign currency contracts USD	Other payables* USD	Net assets attributable to unitholders USD	Total USD
<u>2020</u>				
<u>Financial liabilities</u>				
Malaysian Ringgit	157,438	8,868	8,154,327	8,320,633

* Other payables consist of amount due to manager, auditors' remuneration, tax agent's fee and other payables and accruals

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES 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 based on each currency's respective historical volatility, 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 by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/NAV USD
<u>2021</u>		
Malaysian Ringgit	+/- 3.72	<u>-/+ 454,078</u>
<u>2020</u>		
Malaysian Ringgit	+/- 6.25	<u>-/+ 449,749</u>

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 investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from placements of short term Shariah-based deposits in licensed Islamic 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 SC's Guidelines on Unit Trust Funds.

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted <u>sukuk</u> USD	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2021</u>					
Basic Materials					
- Baa2	216,851	-	-	-	216,851
Consumer Discretionary					
- A	207,301	-	-	-	207,301
Energy					
- AA-	527,121	-	-	-	527,121
Financial services					
- AAA	-	18,717	1,281,426	-	1,300,143
- A	1,054,203	-	-	-	1,054,203
- A-	824,762	-	-	-	824,762
- A+	517,779	-	-	-	517,779
- A1	1,118,464	-	-	-	1,118,464
- A2	218,577	-	-	-	218,577
- A3	1,074,188	-	-	-	1,074,188
- B1	255,473	-	-	-	255,473
- Baa3	1,072,712	-	-	-	1,072,712
Government					
- A1	867,069	-	-	-	867,069
- A3	200,719	-	-	-	200,719
- B+	220,994	-	-	-	220,994
- B2	206,366	-	-	-	206,366
- Baa2	913,674	-	-	-	913,674
Industrials					
- AA-	255,686	-	-	-	255,686
- A	248,652	-	-	-	248,652
- Baa2	206,930	-	-	-	206,930
- Baa3	678,101	-	-	-	678,101
Quasi-Gov					
- Ba3	213,277	-	-	-	213,277
- Baa3	645,439	-	-	-	645,439
- NR	201,879	-	-	-	201,879
Real Estate					
- AA-	379,773	-	-	-	379,773
- Baa1	434,239	-	-	-	434,239
- Baa2	438,626	-	-	-	438,626
- Baa3	412,688	-	-	-	412,688

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted <u>sukuk</u> USD	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2021</u> (continued)					
Real Estate (continued)					
- BBB	665,933	-	-	-	665,933
Telecommunications					
- A1	221,709	-	-	-	221,709
- Baa2	618,613	-	-	-	618,613
Utilities					
- A1	898,714	-	-	-	898,714
- A3	507,418	-	-	-	507,418
Others					
- NR	-	-	-	933	933
	<u>16,523,930</u>	<u>18,717</u>	<u>1,281,426</u>	<u>933</u>	<u>17,825,006</u>

	Unquoted <u>sukuk</u> USD	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2020</u>					
Basic Materials					
- Baa2	418,302	-	-	-	418,302
Consumer Products					
- A	199,821	-	-	-	199,821
Financial services					
- AAA	-	6,237	729,650	-	735,887
- A1	201,923	-	-	-	201,923
- A+	399,128	-	-	-	399,128
- A2	210,717	-	-	-	210,717
- A	627,752	-	-	-	627,752
- A3	819,847	-	-	-	819,847
- Baa1	204,360	-	-	-	204,360
- Baa2	420,946	-	-	-	420,946
- BBB	394,890	-	-	-	394,890
- Baa3	587,001	-	-	-	587,001
- BBB-	203,777	-	-	-	203,777

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted <u>sukuk</u> USD	Forward foreign currency <u>contracts</u> USD	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2020</u> (continued)					
Government					
- A1	217,166	-	-	-	217,166
- A	206,668	-	-	-	206,668
- Baa2	441,017	-	-	-	441,017
Industrials					
- AA-	248,677	-	-	-	248,677
- A	235,042	-	-	-	235,042
- Baa2	208,250	-	-	-	208,250
- Baa3	830,223	-	-	-	830,223
Utilities					
- AA-	249,853	-	-	-	249,853
- A2	445,784	-	-	-	445,784
- A3	506,508	-	-	-	506,508
Telecommunications					
- A1	217,909	-	-	-	217,909
- Baa2	423,433	-	-	-	423,433
Quasi-Gov					
- Baa2	213,562	-	-	-	213,562
- Ba2	194,817	-	-	-	194,817
Others					
- NR	-	-	-	3,465	3,465
	<u>9,327,373</u>	<u>6,237</u>	<u>729,650</u>	<u>3,465</u>	<u>10,066,725</u>

Liquidity risk

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Liquidity risk (continued)

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 <u>one month</u> USD	Between <u>one month</u> <u>to one year</u> USD	<u>Total</u> USD
<u>2021</u>			
Forward foreign currency contracts	49,828	15,049	64,877
Amount due to Manager			
- management fee	17,689	-	17,689
- cancellation of units	1,212,556	-	1,212,556
Amount due to Trustee	884	-	884
Amount due to dealers	103,024	-	103,024
Auditors' remuneration	-	2,112	2,112
Tax agent's fee	-	2,120	2,120
Other payables and accruals	-	2,880	2,880
Net assets attributable to unitholders*	16,418,864	-	16,418,864
	<u>17,802,845</u>	<u>22,161</u>	<u>17,825,006</u>
<u>2020</u>			
Forward foreign currency contracts	156,028	1,410	157,438
Amount due to Manager			
- management fee	9,939	-	9,939
- cancellation of units	2,439	-	2,439
Amount due to Trustee	497	-	497
Auditors' remuneration	-	2,024	2,024
Tax agent's fee	-	2,124	2,124
Other payables and accruals	-	2,281	2,281
Net assets attributable to unitholders*	9,889,983	-	9,889,983
	<u>10,058,886</u>	<u>7,839</u>	<u>10,066,725</u>

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

Capital risk

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

Reclassification of Shariah status risk

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

3 FAIR VALUE ESTIMATION

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 values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilizes the current bid price for the financial assets which fall within the bid-ask spread.

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

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

(i) Fair value hierarchy

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

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2021</u>				
Financial assets at fair value through profit or loss				
- unquoted sukuk	-	16,523,930	-	16,523,930
- forward foreign currency contracts	-	18,717	-	18,717
	-	16,542,647	-	16,542,647
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	64,877	-	64,877
<u>2020</u>				
Financial assets at fair value through profit or loss				
- unquoted sukuk	-	9,327,373	-	9,327,373
- forward foreign currency contracts	-	6,237	-	6,237
	-	9,333,610	-	9,333,610
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	157,438	-	157,438

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted sukuk and forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE

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 a daily basis.

For the financial year ended 31 May 2021, the management fee is recognised at a rate of 1.20% (2020: 1.20%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.10% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 May 2021, the Trustee fee is recognised at a rate of 0.06% (2020: 0.06%) per annum on the net NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee calculated on a daily basis as stated in the Fund's Prospectus.

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

6 DISTRIBUTIONS

	<u>2021</u> USD	<u>2020</u> USD
<u>Distributions to unitholders are from the following sources:</u>		
Previous year's realised income	94,666	111,325
Net distribution amount	<u>94,666</u>	<u>111,325</u>

During the financial year ended 31 May 2021, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit (sen/cent)</u>		
	MYR-Hedged class MYR	MYR class MYR	USD class USD
15.07.2020	0.25	1.00	1.00

During the financial year ended 31 May 2020, distributions were made as follows:

<u>Ex-date</u>	<u>Gross/Net distribution per unit (sen/cent)</u>	
	MYR class MYR	USD class USD
17.07.2019	-	1.00
18.12.2019	1.00	1.00
	<u>1.00</u>	<u>2.00</u>

Gross distribution per unit is derived from gross realised income less expense 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 distribution for the financial year is an amount of USD94,666 (2020: USD111,325) made from previous financial year's realised income.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

7 TAXATION

	<u>2021</u> USD	<u>2020</u> USD
Current taxation	-	-

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

	<u>2021</u> USD	<u>2020</u> USD
Net profit before finance cost and taxation	1,141,850	77,349
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	274,044	18,564
Tax effects of:		
Investment income not subject to tax	(320,195)	(47,554)
Expenses not deductible for tax purposes	3,839	3,016
Restrictions on tax deductible expenses for Unit Trust Funds	42,312	25,974
Tax expense	-	-

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> USD	<u>2020</u> USD
Financial assets at fair value through profit or loss:		
- Unquoted sukuk - local	1,909,170	733,572
- Unquoted sukuk - foreign	14,614,760	8,593,801
	<u>16,523,930</u>	<u>9,327,373</u>
	<u>2021</u> USD	<u>2020</u> USD
Net gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	12,693	43,519
- unrealised gain/(loss) on changes in fair value	436,949	(34,326)
	<u>449,642</u>	<u>9,193</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(a) Unquoted sukuk – local

(i) Unquoted sukuk – local as at 31 May 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
5.2% AmBank Islamic Bhd Call: 15.03.2022 (A1)	485,025	495,589	497,938	3.03
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	363,769	378,153	379,773	2.31
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	485,025	544,662	527,121	3.21
5.65% WCT Holdings Bhd 20.04.2026 (AA-)	242,512	258,331	255,686	1.56
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	242,512	252,216	248,652	1.52
Total unquoted fixed income securities – local	<u>1,818,843</u>	<u>1,928,951</u>	<u>1,909,170</u>	<u>11.63</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(19,781)</u>		
Total unquoted fixed income securities – local		<u>1,909,170</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(a) Unquoted sukuk– local (continued)

(ii) Unquoted sukuk – local as at 31 May 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
5.64% MMC Corp Bhd 27.04.2027	230,150	259,320	249,853	2.53
5.65% WCT Holdings Bhd 20.04.2026	230,150	260,271	248,677	2.51
5.80% WCT Holdings Bhd 5.8% Call: 27.09.2024	230,150	252,088	235,042	2.38
Total unquoted fixed income securities – local	<u>690,450</u>	<u>771,679</u>	<u>733,572</u>	<u>7.42</u>
Accumulated unrealised loss on unquoted fixed income securities – local		<u>(38,107)</u>		
Total unquoted fixed income securities – local		<u>733,572</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign

(i) Unquoted sukuk – foreign as at 31 May 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
7.125% Adib Capital Invest 2 Ltd Call: 20.09.2023 (B1)	230,000	252,631	255,473	1.56
3.875% Aldar Sukuk No 2 Ltd 22.10.2029 (Baa1)	400,000	416,388	434,239	2.65
2.163% Axiata SPV2 Bhd Call: 19.05.2030 (Baa2)	400,000	400,572	391,891	2.39
4.357% Axiata SPV2 Bhd 24.03.2026 (Baa2)	200,000	207,843	226,722	1.38
2.593% Boubyan Sukuk Ltd 18.02.2025 (A+)	200,000	201,484	210,044	1.28
3.95% Boubyan Sukuk Ltd Call: 01.10.2026 (NR)	300,000	302,692	307,735	1.87
3.95% CBB International Sukuk 16.09.2027 (B2)	200,000	201,646	206,366	1.26
6.25% CBB International Sukuk 14.11.2024 (B+)	200,000	214,427	220,994	1.35
2.95% DIB Sukuk Ltd 16.01.2026 (A3)	200,000	202,153	212,320	1.29
2.95% DIB Sukuk Ltd 20.02.2025 (A3)	400,000	410,332	423,285	2.58
6.25% DIB Tier 1 Sukuk 3 Ltd Call: 22.01.2025 (B2)	200,000	212,443	223,919	1.36
4.325% DIFC Investments LLC 12.11.2024 (Baa3)	400,000	418,668	431,073	2.63
3.875% DP World Crescent Ltd 18.07.2029 (Baa3)	200,000	201,258	216,903	1.32
4.848% DP World Crescent Ltd 26.09.2028 (Baa3)	200,000	219,193	229,111	1.40
2.763% Dubai DOF Sukuk Ltd 09.09.2030 (NR)	200,000	200,127	201,879	1.23
3.635% Emaar Sukuk Ltd 15.09.2026 (Baa3)	200,000	202,751	207,335	1.26
3.875% Emaar Sukuk Ltd 17.09.2029 (Baa3)	200,000	202,471	205,353	1.25
4.564% EMG Sukuk Ltd 18.06.2024 (Baa2)	400,000	419,593	438,626	2.67
3.944% Equate Sukuk Spc Ltd 21.02.2024 (Baa2)	200,000	205,350	216,851	1.32
3.35% EXIM Sukuk Malaysia Bhd 06.05.2025 (A3)	200,000	194,693	214,664	1.31

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(i) Unquoted sukuk – foreign as at 31 May 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
5% ICD Sukuk Co Ltd 01.02.2027 (NR)	200,000	208,690	227,893	1.39
2.375% KIB Tier 1 Sukuk Ltd Call: 30.11.2025 (A-)	400,000	402,071	398,096	2.42
5.625% KIB Tier 1 Sukuk Ltd Call: 10.06.2024 (NR)	200,000	205,344	215,564	1.31
2.969% KSA Sukuk Ltd 29.10.2029 (A1)	400,000	428,464	424,696	2.59
3.628% KSA Sukuk Ltd 20.04.2027 (A1)	400,000	421,621	442,373	2.69
3.9325% Maf Sukuk Ltd 28.02.2030 (BBB)	200,000	202,075	218,075	1.33
4.5% Maf Sukuk Ltd 03.11.2025 (BBB)	200,000	215,261	222,200	1.35
4.638% Maf Sukuk Ltd 14.05.2029 (BBB)	200,000	216,636	225,658	1.37
2.07% Malaysia Wakala Sukuk 28.04.2031 (A3)	200,000	200,379	200,719	1.22
2.21% MAR Sukuk Ltd 02.09.2025 (A1)	200,000	202,620	205,693	1.25
3.025% MAR Sukuk Ltd 13.11.2024 (A1)	200,000	203,290	211,402	1.29
3.5% NCB Tier 1 Sukuk Ltd Call: 26.07.2026 (NR)	200,000	202,198	203,431	1.24
4.471% Noor Sukuk Co Ltd 24.04.2023 (A)	200,000	200,919	213,939	1.30
6.25% Noor Tier 1 Sukuk Ltd Call: 01.06.2021 (NR)	200,000	206,250	206,950	1.26
4.397% Oman Sovereign Sukuk SAOC 01.06.2024 (Ba3)	200,000	212,046	213,277	1.30
4.35% Perusahaan Penerbit SBSN 10.09.2024 (Baa2)	200,000	210,047	223,037	1.36
4.4% Perusahaan Penerbit SBSN 01.03.2028 (Baa2)	400,000	449,776	459,360	2.80
4.45% Perusahaan Penerbit SBSN IND 3 20.02.2029 (Baa2)	200,000	225,194	231,277	1.41
1.95% QIB Sukuk Ltd 27.10.2025 (A)	200,000	200,232	202,088	1.23
3.982% QIB Sukuk Ltd 26.03.2024 (A)	200,000	201,438	216,838	1.32
4.264% QIIB Sukuk Funding Ltd 05.03.2024 (A2)	200,000	202,037	218,577	1.33

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(i) Unquoted sukuk – foreign as at 31 May 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
3.094% RAK Capital 31.03.2025 (A)	200,000	203,862	214,388	1.31
3.174% Riyadh Sukuk Limited Call: 25.02.2025 (Baa3)	400,000	405,056	413,746	2.52
2.413% Saudi Electricity Global Sukuk 17.09.2030 (A1)	200,000	200,895	203,412	1.24
4.222% Saudi Electricity Global Sukuk 27.01.2024 (A1)	200,000	203,134	220,448	1.34
4.723% Saudi Electricity Global Sukuk 27.09.2028 (A1)	400,000	435,443	474,854	2.89
3.89% Saudi Telecom Co 13.05.2029 (A1)	200,000	200,389	221,709	1.35
2.942% Sharjah Sukuk Program Ltd 10.06.2027 (Baa3)	200,000	202,795	210,075	1.28
3.854% Sharjah Sukuk Program Ltd 03.04.2026 (Baa3)	400,000	418,766	435,364	2.65
2.85% SIB Sukuk Co III LTD 23.06.2025 (A-)	200,000	211,244	211,102	1.29
3.29% Sime Darby Global Bhd 29.01.2023 (Baa2)	200,000	200,668	206,930	1.26
5.5% Tabreed Sukuk Spc Ltd 31.10.2025 (Baa3)	200,000	200,947	232,087	1.41
3.244% TNB Global Ventures Capital Bhd 19.10.2026 (A3)	200,000	208,426	215,257	1.31
4.851% TNB Global Ventures Capital Bhd 01.11.2028 (A3)	250,000	277,201	292,161	1.78
3.86% Unity 1 Sukuk Ltd 30.11.2021 (A)	200,000	204,320	207,301	1.26
Total unquoted fixed income securities – foreign	<u>13,580,000</u>	<u>14,076,449</u>	<u>14,614,760</u>	<u>89.01</u>
Accumulated unrealised gain on unquoted fixed income securities – foreign		<u>538,311</u>		
Total unquoted fixed income securities – foreign		<u>14,614,760</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(ii) Unquoted sukuk – foreign as at 31 May 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
3.875% Aldar Sukuk No 2 Ltd 22.10.2029 (Baa1)	200,000	199,977	204,360	2.07
3.466% Axiata SPV2 Bhd 19.11.2020 (Baa2)	200,000	201,015	201,711	2.04
4.357% Axiata SPV2 Bhd 24.03.2026 (Baa2)	200,000	209,007	221,722	2.24
2.593% Boubyan Sukuk Ltd 18.02.2025 (A+)	200,000	201,484	202,524	2.05
2.95% DIB Sukuk Ltd 20.02.2025 (A3)	200,000	200,554	199,220	2.01
6.75% DIB Tier 1 Sukuk 2 Ltd Call: 20.01.2021 (NR)	200,000	206,004	201,392	2.04
4.325% DIFC Investments LLC 12.11.2024 (BBB-)	200,000	206,018	203,777	2.06
3.875% DP World Crescent Ltd 18.07.2029 (Baa3)	200,000	201,095	195,123	1.97
3.908% DP World Crescent Ltd 31.05.2023 (Baa3)	200,000	198,265	205,162	2.07
4.848% DP World Crescent Ltd 26.09.2028 (Baa3)	200,000	221,253	207,691	2.10
3.635% Emaar Sukuk Ltd 15.09.2026 (Baa3)	200,000	202,958	192,515	1.95
3.875% Emaar Sukuk Ltd 17.09.2029 (Baa3)	200,000	202,561	185,753	1.88
4.564% EMG Sukuk Ltd 18.06.2024 (Baa2)	400,000	423,064	420,946	4.26
3.944% Equate Sukuk Spc Ltd 21.02.2024 (Baa2)	400,000	412,911	418,302	4.23
3.35% EXIM Sukuk Malaysia Bhd 06.05.2025 (A3)	200,000	193,367	210,004	2.12
5.00% ICD Sukuk Co Ltd 01.02.2027 (NR)	200,000	209,506	208,733	2.11
5.625% KIB Tier 1 Sukuk Ltd Call: 10.06.2024 (NR)	200,000	205,344	196,604	1.99
3.628% KSA Sukuk Ltd 20.04.2027 (A1)	200,000	200,632	217,166	2.20

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(ii) Unquoted sukuk – foreign as at 31 May 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
3.9325% Maf Sukuk Ltd 28.02.2030 (BBB)	200,000	202,032	191,832	1.94
4.638% Maf Sukuk Ltd 14.05.2029 (BBB)	200,000	218,372	203,058	2.05
3.025% MAR Sukuk Ltd 13.11.2024 (A1)	200,000	200,373	201,923	2.04
4.471% Noor Sukuk Co Ltd 24.04.2023 (A)	200,000	200,919	208,919	2.11
6.25% Noor Tier 1 Sukuk Ltd Call: 01.06.2021 (NR)	200,000	206,215	208,295	2.11
4.397% Oman Sovereign Sukuk SAOC 01.06.2024 (Ba2)	200,000	209,100	194,817	1.97
4.35% Perusahaan Penerbit SBSN 10.09.2024 (Baa2)	200,000	212,364	217,117	2.19
4.40% Perusahaan Penerbit SBSN 01.03.2028 (Baa2)	200,000	223,170	223,900	2.26
3.982% QIB Sukuk Ltd 26.03.2024 (A)	200,000	201,438	210,538	2.13
4.264% QIIB Sukuk Funding Ltd 05.03.2024 (A2)	200,000	202,037	210,717	2.13
3.094% RAK Capital 31.03.2025 (A)	200,000	204,555	206,668	2.09
4.222% Saudi Electricity Global Sukuk 27.01.2024 (A2)	200,000	203,210	216,485	2.19
4.723% Saudi Electricity Global Sukuk 27.09.2028 (A2)	200,000	200,440	229,299	2.32
3.89% Saudi Telecom Co 13.05.2029 (A1)	200,000	200,389	217,909	2.20
3.854% Sharjah Sukuk Program Ltd 03.04.2026 (Baa2)	200,000	201,405	213,562	2.16
4.231% SIB Sukuk Co III LTD 18.04.2023 (A3)	200,000	201,011	209,231	2.11
3.29% Sime Darby Global Bhd 29.01.2023 (Baa2)	200,000	199,777	208,250	2.11
5.50% Tabreed Sukuk Spc Ltd 31.10.2025 (Baa3)	200,000	200,947	222,247	2.25
3.244% TNB Global Ventures CapitalBhd 19.10.2026 (A3)	200,000	209,743	212,897	2.15

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

(b) Unquoted sukuk – foreign (continued)

(ii) Unquoted sukuk – foreign as at 31 May 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
4.851% TNB Global Ventures CapitalBhd 01.11.2028 (A3)	250,000	280,278	293,611	2.97
3.86% Unity 1 Sukuk Ltd 30.11.2021 (A)	200,000	201,323	199,821	2.02
Total unquoted fixed income securities – foreign	8,250,000	8,474,113	8,593,801	86.89
Accumulated unrealised gain on unquoted fixed income securities – foreign		119,688		
Total unquoted fixed income securities – foreign		8,593,801		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> USD	<u>2020</u> USD
Cash and bank balances	919,127	355,003
Shariah-based deposits with licensed financial institution	362,299	374,647
	<u>1,281,426</u>	<u>729,650</u>

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

	<u>2021</u> %	<u>2020</u> %
Deposit with a licensed financial institution	<u>1.65</u>	<u>1.90</u>

Deposit with a licensed financial institution has an average maturity of 1 day (2020: 1 day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 7 (2020: 5) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD14,502,579 (2020: USD8,098,089). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign unquoted sukuk denominated in Malaysian Ringgit. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

11 NUMBER OF UNITS IN CIRCULATION

(a) MYR class units in circulation

	<u>2021</u> No. of units	<u>2020</u> No. of units
At beginning of the financial year	6,464,000	3,739,000
Creation of units arising from applications	10,649,741	14,319,000
Creation of units arising from distribution	182,259	80,912
Cancellation of units	<u>(11,385,000)</u>	<u>(11,674,912)</u>
At the end of the financial year	<u>5,911,000</u>	<u>6,464,000</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) MYR-Hedged class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	57,762,000	15,812,000
Creation of units arising from applications	62,262,396	43,291,000
Creation of units arising from distributions	235,604	-
Cancellation of units	(26,652,000)	(1,341,000)
At the end of the financial year	<u>93,608,000</u>	<u>57,762,000</u>

(c) USD class units in circulation

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At beginning of the financial year	3,196,000	10,026,000
Creation of units arising from applications	1,644,000	4,038,172
Creation of units arising from distributions	74,202	187,160
Cancellation of units	(719,202)	(11,055,332)
At the end of the financial year	<u>4,195,000</u>	<u>3,196,000</u>

12 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant as at 31 May 2021, which comprises:

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

13 TRANSACTIONS WITH DEALERS

(i) Detail of transactions with dealers for the financial year ended 31 May 2021 is as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
First Abu Dhabi Bank	2,814,460	25.33
Kotak Mahindra (UK) Ltd	2,040,400	18.37
Standard Chartered Bank Bhd	1,631,474	14.68
National Bank of Abu Dhabi (M)	1,021,350	9.19
Arqaam	925,100	8.33
Bank Muamalat Malaysia Bhd	918,330	8.27
RHB Investment BK Bhd	491,769	4.43
CIMB Bank Bhd	400,000	3.60
Affin Hwang Investment Bank Bhd#	251,574	2.26
Mitsubishi USJ Trust Int Ltd	208,000	1.87
Others	407,336	3.67
	<u>11,109,793</u>	<u>100.00</u>

(ii) Detail of transactions with dealers for the financial year ended 31 May 2020 is as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
National Bank of Abu Dhabi (M)	2,859,392	30.93
Standard Chartered Bank Bhd	1,605,620	17.37
Noor Bank	1,051,295	11.37
Arqaam	992,850	10.74
Affin Hwang Investment Bank Bhd#	818,331	8.85
Kotak Mahindra (UK) Ltd	817,330	8.84
RHB Investment BK Bhd	401,600	4.34
Malayan Banking Bhd	279,500	3.02
Mitsubishi USJ Trust Int Ltd	210,560	2.28
JP Morgan Chase Bank Bhd	209,200	2.26
	<u>9,245,678</u>	<u>100.00</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

13 TRANSACTIONS WITH DEALERS (CONTINUED)

Included in the transactions with dealers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to USD251,574 (2020 USD818,331) respectively. The Manager is of the opinion that all transactions with the related company have been entered into agreed terms between the related parties.

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

	<u>2021</u> USD	<u>2020</u> USD
<u>Name of dealers</u>		
Affin Hwang Investment Bank Bhd	252,280	818,331
Bank Muamalat Malaysia Bhd	918,882	-
RHB Investment Bank Bhd	490,999	-
	<u>1,662,161</u>	<u>818,331</u>

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

	<u>2021</u> USD	<u>2020</u> USD
Affin Hwang Aiiman Income Plus Fund	1,662,161	568,657
Affin Hwang Select Bond Fund	-	249,674
	<u>1,662,161</u>	<u>818,331</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
Lembaga Tabung Angkatan Tentera ("LTAT")	Ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

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

	<u>2021</u>		<u>2020</u>	
	No. of units	USD	No. of units	USD
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held for booking purposes)				
- MYR class	3,054	406	2,279	292
- MYR-Hedged class	2,683	380	2,680	340
- USD class	3,057	1,721	2,394	1,300
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Parties related to the Manager:</u>				
Directors of Affin Hwang Asset Management Berhad (The units are held beneficially)				
- MYR-Hedged class	2,213,626	313,892	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

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

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

	<u>2021</u>		<u>2020</u>	
	No. of units	USD	No. of units	USD
<u>Subsidiaries of the Manager:</u>				
Aiiman Asset Management Sdn Bhd (The units are held beneficially)				
- MYR-Hedged class	<u>18,488,821</u>	<u>2,621,715</u>	<u>10,358,316</u>	<u>1,313,434</u>
Bintang Capital Partners Berhad (The units are held beneficially)				
- MYR-Hedged class	<u>-</u>	<u>-</u>	<u>31,098,114</u>	<u>3,943,241</u>

15 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u>	<u>2020</u>
	%	%
MER	<u>1.33</u>	<u>1.37</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 rebates
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD14,563,092 (2020: USD8,872,210).

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2021 (CONTINUED)

16 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2021</u>	<u>2020</u>
PTR (times)	<u>0.39</u>	<u>0.54</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = USD9,124,119 (2020: USD5,762,218)

total disposal for the financial year = USD2,367,877 (2020: USD3,796,421)

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT BY THE MANAGER

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 45 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 31 May 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 May 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 July 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman Global Sukuk Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 May 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 45.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN GLOBAL SUKUK FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG AIIMAN GLOBAL SUKUK FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
AFFIN HWANG AIIMAN GLOBAL SUKUK FUND (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
15 July 2021

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