

Affin Hwang Aiiman

Global Sukuk Fund

Annual Report
31 May 2022

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 2022

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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

FUND PERFORMANCE DATA

Category	As at 31 May 2022 (%)			As at 31 May 2021 (%)			As at 31 May 2020 (%)		
Portfolio Composition									
Unquoted sukuk - local	10.64			11.63			7.42		
Unquoted sukuk - foreign	89.23			89.01			86.89		
Total unquoted sukuk	99.87			100.64*			94.31		
Cash & cash equivalent	0.13			(0.64)			5.69		
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)	0.077	3.978	58.992	2.362	3.240	54.724	1.736	3.600	31.831
NAV per unit (in respective currencies)	0.5211	0.5381	0.5528	0.5630	0.5481	0.5846	0.5431	0.5569	0.5511
Unit in Circulation (million)	0.147	7.392	106.709	4.195	5.911	93.608	3.196	6.464	57.762
Highest NAV	0.5653	0.5631	0.5875	0.5659	0.5574	0.5860	0.5517	0.5578	0.5592
Lowest NAV	0.5183	0.5272	0.5497	0.5416	0.5323	0.5514	0.5130	0.5172	0.5202
Return of the Fund (%) ⁱⁱⁱ	-4.92	0.86	-3.80	5.58	-1.58	6.55	4.43	8.71	3.24
- Capital Return (%) ⁱ	-7.44	-1.82	-5.44	3.66	-1.58	6.08	0.67	6.69	3.24
- Income Return (%) ⁱⁱ	2.73	2.73	1.73	1.85	Nil	0.45	3.74	1.90	Nil
Gross Distribution per Unit (sen)	1.50	1.50	1.00	1.00	Nil	0.25	2.00	1.00	Nil
Net Distribution per Unit (sen)	1.50	1.50	1.00	1.00	Nil	0.25	2.00	1.00	Nil
Total Expense Ratio (%) ¹		1.32			1.33			1.37	
Portfolio Turnover Ratio (times) ²		0.23			0.39			0.54	

*More than 100% due to timing of settlement.

¹ The Fund's TER 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 lower trading activities during 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)
20-Jul-21	21-Jul-21	0.5647	0.0150	0.5500

MYR Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
20-Jul-21	21-Jul-21	0.5631	0.0150	0.5494

MYR-Hedged Class

Cum Date	Ex-Date	Cum-distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
20-Jul-21	21-Jul-21	0.5875	0.0100	0.5778

No unit splits were declared for the financial year ended 31 May 2022.

Fund Performance**USD Class**

For the period 1 June 2021 to 31 May 2022, the Fund registered a -4.92% return compared to the benchmark return of -8.48%. The Fund thus outperformed the Benchmark by 3.56%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2022 was USD0.5211 while the NAV as at 31 May 2021 was USD0.5630. During the same period under review, the Fund has declared a gross income distribution of USD0.0150 per unit.

Since commencement, the Fund has registered a return of 13.68% compared to the benchmark return of -0.90%, outperforming by 14.58%.

Table 1: Performance of the Fund

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (30/12/15 - 31/5/22)
Fund	(4.92%)	4.83%	9.44%	13.68%
Benchmark	(8.48%)	(2.75%)	(3.20%)	(0.90%)
Outperformance	3.56%	7.58%	12.64%	14.58%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (30/12/15 - 31/5/22)
Fund	(4.92%)	1.58%	1.82%	2.02%
Benchmark	(8.48%)	(0.93%)	(0.65%)	(0.14%)
Outperformance	3.56%	2.51%	2.47%	2.16%

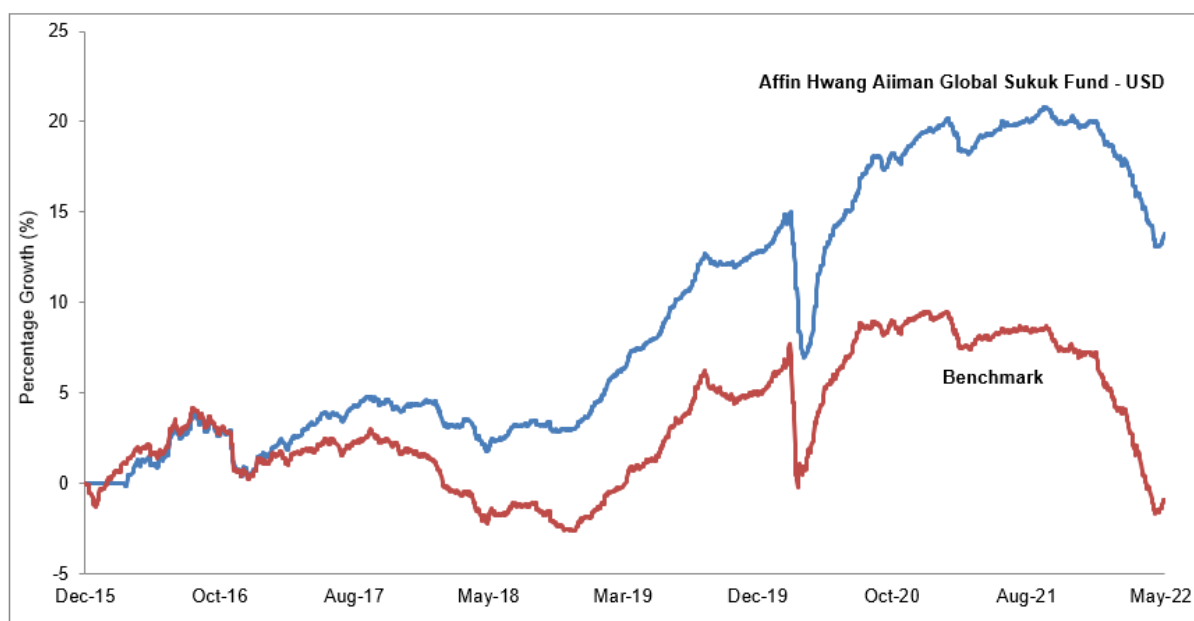
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/6/21 - 31/5/22)	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)
Fund	(4.92%)	5.58%	4.43%	5.81%	(1.34%)
Benchmark	(8.48%)	2.63%	3.54%	3.40%	(3.73%)
Outperformance	3.56%	2.95%	0.89%	2.41%	2.39%

Source of Benchmark: Bloomberg

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



MYR Class

For the period 1 June 2021 to 31 May 2022, the Fund registered a 0.86% return compared to the benchmark return of -2.83%. The Fund thus outperformed the Benchmark by 3.69%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2022 was MYR0.5381 while the NAV as at 31 May 2021 was MYR0.5481. During the same period under review, the Fund has declared a gross income distribution of MYR0.0150 per unit.

Since commencement, the Fund has registered a return of 14.73% compared to the benchmark return of 1.25%, outperforming by 13.48%.

Table 1: Performance of the Fund

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (30/12/15 - 31/5/22)
Fund	0.86%	9.89%	10.61%	14.73%
Benchmark	(2.83%)	1.82%	(1.22%)	1.25%
Outperformance	3.69%	8.07%	11.83%	13.48%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	5 Years (1/6/17 - 31/5/22)	Since Commencement (30/12/15 - 31/5/22)
Fund	0.86%	3.19%	2.04%	2.16%
Benchmark	(2.83%)	0.60%	(0.25%)	0.19%
Outperformance	3.69%	2.59%	2.29%	1.97%

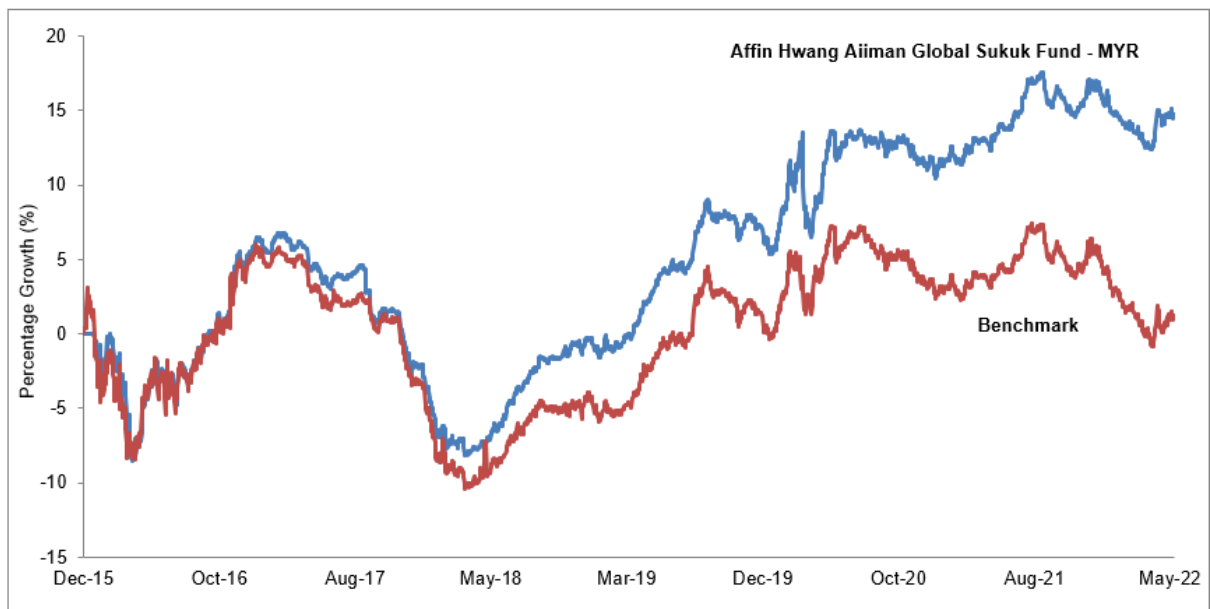
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/6/21 - 31/5/22)	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)
Fund	0.86%	0.23%	8.71%	11.30%	(9.56%)
Benchmark	(2.83%)	(2.72%)	7.72%	8.63%	(10.70%)
Outperformance	3.69%	2.95%	0.99%	2.67%	1.14%

Source of Benchmark: Bloomberg

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



MYR Hedged-Class

For the period 1 June 2021 to 31 May 2022, the Fund registered a -3.80% return compared to the benchmark return of -2.83%. The Fund thus underperformed the Benchmark by 0.97%. The Net Asset Value per unit ("NAV") of the Fund as at 31 May 2022 was MYR0.5528 while the NAV as at 31 May 2021 was MYR0.5846. 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 12.98% compared to the benchmark return of 4.38%, outperforming by 8.60%.

Table 1: Performance of the Fund

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	Since Commencement (15/12/17 - 31/5/22)
Fund	(3.80%)	5.82%	12.98%
Benchmark	(2.83%)	1.82%	4.38%
Outperformance	(0.97%)	4.00%	8.60%

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/6/21 - 31/5/22)	3 Years (1/6/19 - 31/5/22)	Since Commencement (15/12/17 - 31/5/22)
Fund	(3.80%)	1.90%	2.77%
Benchmark	(2.83%)	0.60%	0.97%
Outperformance	(0.97%)	1.30%	1.80%

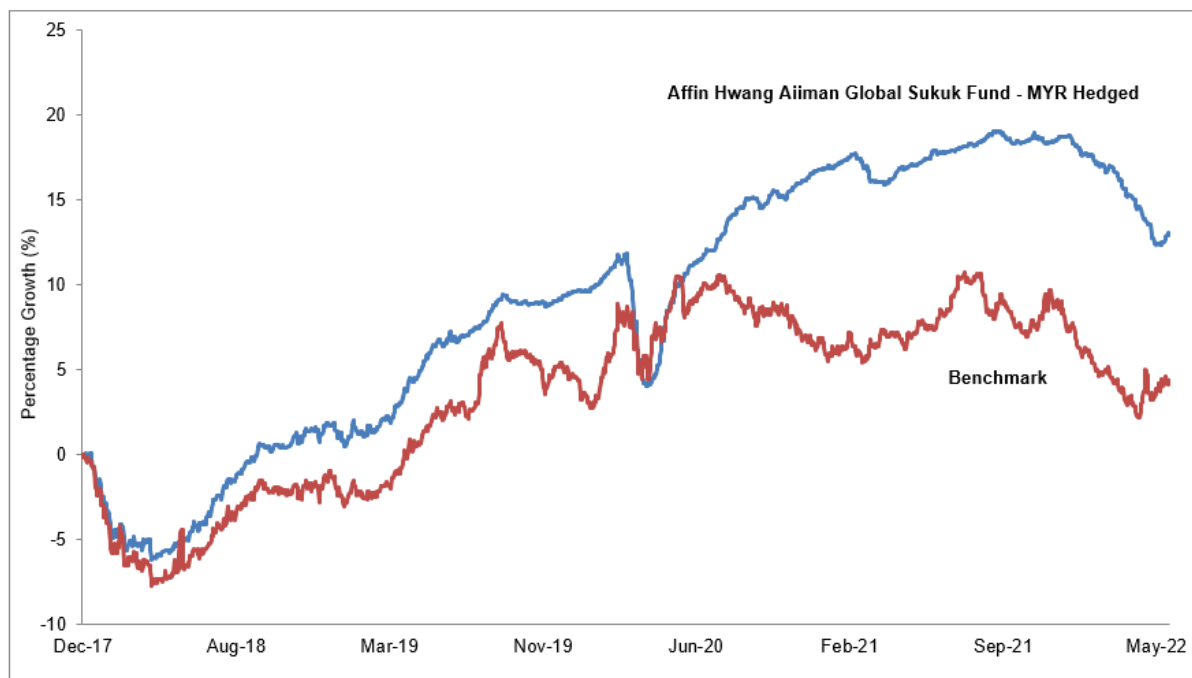
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/6/21 - 31/5/22)	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	(3.80%)	6.55%	3.24%	11.37%	(4.14%)
Benchmark	(2.83%)	(2.72%)	7.72%	8.63%	(5.63%)
Outperformance	(0.97%)	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 99.87% (2021: 100.64%) of the Fund's NAV invested in Sukuk, while the balance was held in cash and cash equivalent.

Strategies Employed

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

Market Review

Uncertainty has been an ongoing theme in economies and markets. While global equities started on a strong note at the start of 2021 due to policy easing and optimism surrounding vaccination rollout, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook. For the most of the second half of 2021, expensive valuations in both fixed income and equities loomed over investors. However, the challenging market conditions in the first quarter of 2022 addressed some of these concerns as Chinese equities both onshore and offshore traded below their 15-year average and the Standard & Poor's ("S&P") plummeted 8.7% in April 2022.

Real Gross Domestic Product (“GDP”) growth for US in the first quarter of 2022 was weaker than expected, falling 1.4% on an annualised basis. The weakness can be largely attributed to a decline in the real trade deficit, lower government spending and a decrease in fiscal stimulus that was initiated to improve spending during the pandemic. Economic data showed sign of weakening while inflationary pressures continued to prompt the Federal Reserve into a more aggressive stance on interest rate hikes. However, domestic demand continues to be resilient, with personal consumption expenditures up 2.7% on an annualised basis.

In the Eurozone, equities continue to decline as the conflict between Ukraine and Russia persist, further placing upward pressure on inflation – annual eurozone inflation reached 8.1% in May, an increase from 7.4% in April. The sectors that performed best included energy due to continued strong demand and communication services given their defensive profile. Information technology, consumer discretionary and industrials fared weaker as these sectors tend to be affected by supply chain disruptions and concerns over consumer confidence the most.

In China, although first quarter 2022 GDP has shown that the Chinese economy began to rebound in January and February, the impact the pandemic had on consumption, investment and production overshadowed the growth as Covid-19 continued to put downward pressure on the Chinese economy. The tightened credit conditions that persisted until early 2022 and regulatory policies in place as a result of the government’s common prosperity initiative have slowed growth.

However, a decline in new Covid infection numbers as cases in China have seemingly peaked out as we approach the second half of the year could be the first step in restoring market confidence. We saw ease in lockdown measures in various cities, including Shanghai’s reopening on 1 June. Manufacturing Purchasing Managers’ Index (“PMI”) rose in May, signalling a production and sentiment recovery. The Chinese Yuan experienced some sharp depreciation during the quarter as the 2-year US Treasury yield rose above its Chinese equivalent.

Asia equities were lower in the first half of 2022 as China fought hard to contain its worst outbreak of Covid-19, implementing measures that affected the market adversely. Expectations of higher interest rates and the still ongoing conflict between Russia and Ukraine also weakened investor sentiment. Taiwan performed worst in terms of index market as major electronics manufacturers and chip slumped due to supply chain disruptions brought upon by lockdowns in Shanghai and neighbouring cities.

Bond yields continued to rise in April 2022 and the curve steepened, resulting in further negative returns in an environment of continued high inflation and expectations of significant interest rate hikes. US consumer price inflation accelerated to 8.5% year on year in March though the core personal consumption expenditure index fell slightly to an annualised 5.2% from 5.3%. Corporate bonds garnered negative total returns and underperformed government bonds in general.

The S&P GSCI Index reported a positive return in May 2022. Higher prices in agricultural and energy components supported weaker prices for livestock, industrial and precious metals. Energy was the top performing component of the index as the global economy normalises after the Covid-19 pandemic and supplies are disrupted due to geopolitical unrest.

On the domestic front, Bank Negara Malaysia (“BNM”) raised the Overnight Policy Rate by 25 basis points (“bps”) to 2% on 11 May 2022, signalling further policy tightening ahead. May exports jumped 30.5% year on year, exceeding consensus estimates amid increasing commodity prices. The growth was largely attributed to electrical & electronic and commodities-based products such as palm oil. In the local bond market, Malaysia’s sovereign bonds’ trading volume declined to RM48.1billion in May 2022, a 14.4% reduction since April 2022. A decline in trading volume of corporate bonds from RM5.7billion in April to in RM4.1billion in May was also recorded.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalisation of growth rates and monetary policy tightening. Both equities and bonds are down year-to-date as uncertain policy outlooks, an energy shock and weak growth outlook in China continue to stir markets. With the most impactful effects of the pandemic likely behind us, peak policy support and with its peak GDP growth during the pandemic era also likely realized in 2021. We expect to see a lot of crosswinds and periods of transition especially with regards to policy.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures and it is no surprise that commodities are on track to outperform equities for the second consecutive year. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs. Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this is much less likely this time as battling inflation is seen as a more pressing matter.

Back home, we believe that it will be a stock picker's market for local investors as Bursa languishes behind other regional peers. With foreign shareholding at an all-time low, much of the exuberance have faded especially on the back of a strong US dollar environment which makes emerging markets like Malaysia unattractive. Though, we view that domestic market will not be susceptible to sudden foreign outflows and that the direction of the market will be influenced more by local players that have grown massively in size and are looking for opportunities to deploy.

Against a volatile backdrop, we are cautiously positioned for 2022. On inflection points, we see retreating inflation and an easing of Russia-Ukraine tension as potential turnarounds for the market to improve.

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, no soft commissions were received by the management company on behalf 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.

Changes Made To The Fund's Prospectus

A First Supplemental Prospectus was issued to investors with effect from 8 October 2021. This First Supplemental Prospectus is issued to inform investors of the updates to the information relating to switching, changes in the board of directors of the Manager, removal of goods and services tax and other updates which are general in nature.

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN GLOBAL SUKUK FUND (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 31 May 2022 and we hereby confirm 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deed; and
3. Any creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of
CIMB Islamic Trustee Berhad

Ezreen Eliza Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
18 July 2022

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

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
18 July 2022

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

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AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
INVESTMENT (LOSS)/INCOME			
Profit income from financial assets at fair value through profit or loss		506,200	451,111
Profit income from financial assets at amortised cost		12,284	9,826
Net loss on foreign currency exchange		(698)	(9,653)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss	10	(576,842)	433,222
Net (loss)/gain on financial assets at fair value through profit or loss	8	(1,160,381)	449,642
		<u>(1,219,437)</u>	<u>1,334,148</u>
EXPENSES			
Management fee	4	(196,732)	(173,714)
Trustee fee	5	(9,845)	(8,726)
Auditors' remuneration		(2,061)	(2,094)
Tax agent's fee		(848)	(862)
Other expenses		(6,831)	(6,902)
		<u>(216,317)</u>	<u>(192,298)</u>
NET (LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(1,435,754)	1,141,850
FINANCE COST			
Distributions	6	(278,154)	(94,666)
NET (LOSS)/PROFIT BEFORE TAXATION		<u>(1,713,908)</u>	<u>1,047,184</u>
Taxation	7	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u><u>(1,713,908)</u></u>	<u><u>1,047,184</u></u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
(Decrease)/increase in net asset attributable to unitholders comprise the following:			
Realised amount		(193,238)	568,690
Unrealised amount		(1,520,670)	478,494
		<u>(1,713,908)</u>	<u>1,047,184</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 2022

	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
ASSETS			
Cash and cash equivalents	9	326,217	1,281,426
Amount due from Manager			
- creation of units		-	933
Financial assets at fair value through profit or loss	8	14,447,201	16,523,930
Forward foreign currency contracts at fair value through profit or loss	10	46,938	18,717
TOTAL ASSETS		<u>14,820,356</u>	<u>17,825,006</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	10	329,036	64,877
Amount due to dealers		-	103,024
Amount due to Manager			
- management fee		14,659	17,689
- cancellation of units		736	1,212,556
Amount due to Trustee		735	884
Auditors' remuneration		2,062	2,112
Tax agent's fee		2,133	2,120
Other payables and accruals		2,829	2,880
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>352,190</u>	<u>1,406,142</u>
NET ASSET VALUE OF THE FUND		<u>14,468,166</u>	<u>16,418,864</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>14,468,166</u>	<u>16,418,864</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022 (CONTINUED)

REPRESENTED BY:	<u>Note</u>	<u>2022</u> USD	<u>2021</u> USD
FAIR VALUE OF OUTSTANDING UNITS			
- MYR Class		909,150	785,668
- MYR-Hedged Class		13,482,419	13,271,265
- USD Class		76,597	2,361,931
		<u>14,468,166</u>	<u>16,418,864</u>
NUMBER OF UNITS IN CIRCULATION			
- MYR Class	11(a)	7,392,000	5,911,000
- MYR-Hedged Class	11(b)	106,709,000	93,608,000
- USD Class	11(c)	147,000	4,195,000
		<u>114,248,000</u>	<u>103,714,000</u>
NET ASSET VALUE PER UNIT (USD)			
- MYR Class		0.1230	0.1329
- MYR-Hedged Class		0.1263	0.1418
- USD Class		0.5211	0.5630
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR Class		RM0.5382	RM0.5481
- MYR-Hedged Class		RM0.5526	RM0.5846
- USD Class		USD0.5211	USD0.5630

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 2022

	<u>2022</u> USD	<u>2021</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	16,418,864	9,889,983
Movement due to units created and cancelled during the financial year		
Creation of units arising from applications	5,442,878	10,975,753
- MYR class	1,201,995	1,394,009
- MYR-Hedged class	3,728,446	8,668,115
- USD class	512,437	913,629
Creation of units arising from distributions	278,154	94,368
- MYR class	22,224	23,323
- MYR-Hedged class	223,095	30,835
- USD class	32,835	40,210
Cancellation of units	(5,957,822)	(5,588,424)
- MYR class	(1,029,725)	(1,488,221)
- MYR-Hedged class	(2,144,306)	(3,698,732)
- USD class	(2,783,791)	(401,471)
Net (decrease)/increase in net assets attributable to unitholders during the financial year	(1,713,908)	1,047,184
- MYR class	(71,012)	28,073
- MYR-Hedged class	(1,596,081)	945,204
- USD class	(46,815)	73,907
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u>14,468,166</u>	<u>16,418,864</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 2022

	<u>2022</u> USD	<u>2021</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of unquoted sukuk	3,750,425	1,998,904
Proceeds from redemption of unquoted sukuk	400,000	400,000
Purchase of unquoted sukuk	(3,439,642)	(9,021,095)
Profit income from Shariah-based deposits with Islamic financial institutions	12,284	9,826
Profit income from unquoted sukuk	610,901	447,745
Management fee paid	(199,762)	(165,964)
Trustee fee paid	(9,994)	(8,339)
Payment for other fees and expenses	(9,828)	(9,175)
Realised (loss)/gain on forward foreign currency contracts	(340,903)	328,181
Net realised foreign currency exchange loss	(1,836)	(29,009)
Net cash flows generated from/(used in) in operating activities	<u>771,645</u>	<u>(6,048,926)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	5,443,812	10,978,285
Payments for cancellation of units	(7,169,643)	(4,378,307)
Payments for distribution	-	(298)
Net cash flows (used in)/generated from financing activities	<u>(1,725,831)</u>	<u>6,599,680</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(959,417)	550,754
EFFECTS OF FOREIGN CURRENCY EXCHANGE	(1,023)	1,022
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>1,281,426</u>	<u>729,650</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>326,217</u></u>	<u><u>1,281,426</u></u>

9

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 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark (IBOR) Reform – Phase 2' (effective 1 January 2021) provide practical expedient allowing Funds to update the effective interest rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.
- The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

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

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 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.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

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 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.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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.

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, except when deferred in other comprehensive income as qualifying cash flow hedges.

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 payments of principal and interest ⁽¹⁾ (“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.

⁽¹⁾ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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.

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 2022 (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 2022 (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 with original maturities of three months or less 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.

Significant financial difficulties of the dealer, probability that the dealer will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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 entity and a financial liability or equity instrument of another entity.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 positive fair value and a negative fair value are presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively.

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 United States Dollar ("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 2022 (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 2022

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 18 July 2022.

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost USD	At fair value through profit or loss USD	<u>Total USD</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	326,217	-	326,217
Unquoted sukuk	8	-	14,447,201	14,447,201
Forward foreign currency contracts	10	-	46,938	46,938
Total		<u>326,217</u>	<u>14,494,139</u>	<u>14,820,356</u>
<u>Financial liabilities</u>				
Forward foreign currency contracts	10	-	329,036	329,036
Amount due to Manager				
- management fee		14,659	-	14,659
- cancellation of units		736	-	736
Amount due to Trustee		735	-	735
Auditors' remuneration		2,062	-	2,062
Tax agent's fee		2,133	-	2,133
Other payables and accruals		2,829	-	2,829
Total		<u>23,154</u>	<u>329,036</u>	<u>352,190</u>
<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>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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>2021</u> (continued)				
<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>

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, 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>2022</u> USD	<u>2021</u> USD
Shariah-compliant unquoted investments		
Unquoted sukuk *	<u>14,447,201</u>	<u>16,523,930</u>

* Includes profit receivable of USD122,274 (2021: USD142,763)

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 (loss)/profit after taxation and net asset value to price risk movement. The analysis is based on the assumptions that the market price increased by 1% and decreased by 1% (2021: 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 (loss)/profit after tax/NAV USD
<u>2022</u>		
-1%	14,181,678	(143,249)
0%	14,324,927	-
+1%	14,468,176	143,249
	<u> </u>	<u> </u>
<u>2021</u>		
-5%	15,562,109	(819,058)
0%	16,381,167	-
+5%	17,200,225	819,058
	<u> </u>	<u> </u>

(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 2022 (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 profit income and principal, especially if the issuers are highly leveraged. An increase in profit rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's (loss)/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 profit rate increased and decreased by 2% (2021: 2%) with all other variables held constant.

<u>% Change in profit rate</u>	<u>Impact on (loss)/profit after tax/ NAV</u>	
	<u>2022</u> USD	<u>2021</u> USD
+ 2%	(54,291)	(40,180)
- 2%	54,699	37,105

The Fund's exposure to profit rate risk associated with shariah-based deposit with a licensed financial institution is not material as the shariah-based 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>Total</u> USD
<u>2022</u>				
<u>Financial assets</u>				
Malaysian Ringgit	1,537,892	46,938	301,918	1,886,748

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

Market risk (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>2022</u> (continued)				
<u>Financial liabilities</u>				
Malaysian Ringgit	329,036	7,760	14,391,569	14,728,365

* 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>2021</u>					
<u>Financial assets</u>					
Malaysian Ringgit	1,909,170	18,717	1,217,479	933	3,146,299

	Forward foreign currency contracts USD	Other payables* USD	Net assets attributable to unitholders USD	Total USD
<u>2021</u>				
<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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 (loss)/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 constant. 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 (loss)/profit after tax/NAV USD
<u>2022</u>		
Malaysian Ringgit	+/- 3.42	-/+ 439,082
<u>2021</u>		
Malaysian Ringgit	+/- 3.72	-/+ 454,078

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 2022 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted sukuk USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Total USD
<u>2022</u>				
Basic Materials				
- Baa2	202,891	-	-	202,891
Energy				
- A1	186,336	-	-	186,336
- AA-	464,844	-	-	464,844
Financial services				
- AAA	-	46,938	326,217	373,155
- AA2	153,921	-	-	153,921
- A	393,992	-	-	393,992
- A-	788,105	-	-	788,105
- A+	189,590	-	-	189,590
- A1	389,595	-	-	389,595
- A2	205,017	-	-	205,017
- A3	624,138	-	-	624,138
- BBB+	380,096	-	-	380,096
- B1	240,891	-	-	240,891
- B2	211,090	-	-	211,090
- Baa3	798,899	-	-	798,899
- NR	1,673,654	-	-	1,673,654
Government				
- A1	1,002,335	-	-	1,002,335
- B+	208,148	-	-	208,148
- Baa2	409,760	-	-	409,760
Industrials				
- AA3	225,318	-	-	225,318
- AA-	231,574	-	-	231,574
- A	232,252	-	-	232,252
- Baa2	378,662	-	-	378,662
- Baa3	608,961	-	-	608,961
Quasi-Gov				
- Ba3	413,457	-	-	413,457
- Baa3	972,705	-	-	972,705
- NR	182,019	-	-	182,019
Real Estate				
- BBB	602,546	-	-	602,546
- Baa1	595,695	-	-	595,695
- Baa2	205,533	-	-	205,533
- Baa3	391,768	-	-	391,768

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

Credit risk (continued)

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

	Unquoted sukuk USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Total USD
<u>2022</u> (continued)				
Telecommunications				
- A1	416,706	-	-	416,706
- Baa2	205,942	-	-	205,942
Utilities				
- A1	-	-	-	-
- A3	260,761	-	-	260,761
	<u>14,447,201</u>	<u>46,938</u>	<u>326,217</u>	<u>14,820,356</u>

	Unquoted sukuk USD	Forward foreign currency contracts USD	Cash and cash equivalents USD	Amount due from Manager USD	Total 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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

Credit risk (continued)

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

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 2022 (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>2022</u>			
Forward foreign currency contracts	260,146	68,890	329,036
Amount due to Manager			
- management fee	14,659	-	14,659
- cancellation of units	736	-	736
Amount due to Trustee	735	-	735
Auditors' remuneration	-	2,062	2,062
Tax agent's fee	-	2,133	2,133
Other payables and accruals	-	2,829	2,829
Net assets attributable to unitholders*	14,468,166	-	14,468,166
	<u>14,744,442</u>	<u>75,914</u>	<u>14,820,356</u>
<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>

*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 2022 (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 utilises 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 and financial liabilities 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 2022 (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 and financial liabilities (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>2022</u>				
Financial assets at fair value through profit or loss				
- unquoted sukuk	-	14,447,201	-	14,447,201
- forward foreign currency contracts	-	46,938	-	46,938
	-	14,494,139	-	14,494,139
Financial liabilities at fair value through profit or loss				
- forward foreign currency contracts	-	329,036	-	329,036
<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

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 2022, the management fee is recognised at a rate of 1.20% (2021: 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 2022, the Trustee fee is recognised at a rate of 0.06% (2021: 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 2022 (CONTINUED)

6 DISTRIBUTIONS

	<u>2022</u> USD	<u>2021</u> USD
<u>Distributions to unitholders are from the following sources:</u>		
Previous year's realised income	278,154	94,666
Net distribution amount	<u>278,154</u>	<u>94,666</u>

During the financial year ended 31 May 2022, distributions were made as follows:

	<u>Gross/Net distribution per unit (sen/cent)</u>		
<u>Ex-date</u>	MYR-Hedged Class USD	MYR Class USD	USD Class USD
21.07.2021	<u>1.00</u>	<u>1.50</u>	<u>1.50</u>

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

	<u>Gross/Net distribution per unit (sen/cent)</u>		
<u>Ex-date</u>	MYR-Hedged Class USD	MYR Class USD	USD Class USD
15.07.2020	<u>0.25</u>	<u>1.00</u>	<u>1.00</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 USD278,154 (2021: USD94,666) made from previous financial year's realised income.

During the financial year ended 31 May 2022, the Fund incurred unrealised loss of USD1,520,670 (2021: USDNil)

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

7 TAXATION

	<u>2022</u> USD	<u>2021</u> USD
Current taxation	-	-

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

	<u>2022</u> USD	<u>2021</u> USD
Net profit before finance cost and taxation	(1,435,754)	1,141,850
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(344,581)	274,044
Tax effects of:		
Investment loss not brought to tax/ (Investment income not subject to tax)	292,665	(320,195)
Expenses not deductible for tax purposes	4,206	3,839
Restrictions on tax deductible expenses for Unit Trust Funds	47,710	42,312
Tax expense	-	-

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- Unquoted sukuk - local	1,537,892	1,909,170
- Unquoted sukuk - foreign	12,909,309	14,614,760
	<u>14,447,201</u>	<u>16,523,930</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- realised gain on sale of investments	44,348	12,693
- unrealised (loss)/gain on changes in fair value	(1,204,729)	436,949
	<u>(1,160,381)</u>	<u>449,642</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

(a) Unquoted sukuk – local

(i) Unquoted sukuk – local as at 31 May 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value USD</u>	<u>Adjusted cost USD</u>	<u>Fair value USD</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
4.5% Bank Muamalat Malaysia 15.06.2026 (A3)	228,545	248,234	229,983	1.59
4.117% Gamuda Bhd 18.11.2026 (AA3)	228,545	242,108	225,318	1.56
3.9% Imtiaz Sukuk II Bhd 19.04.2028 (AA2s)	159,982	167,654	153,921	1.06
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	457,091	538,791	464,844	3.21
5.65% WCT Holdings Bhd 20.04.2026 (AA-)	228,545	256,126	231,574	1.61
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	228,545	252,069	232,252	1.61
Total unquoted sukuk – local	<u>1,531,253</u>	<u>1,704,982</u>	<u>1,537,892</u>	<u>10.64</u>
Accumulated unrealised loss on unquoted sukuk – local		<u>(167,090)</u>		
Total unquoted sukuk – local		<u>1,537,892</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

(a) Unquoted sukuk – local

(ii) 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 sukuk – 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 sukuk – local		<u>(19,781)</u>		
Total unquoted sukuk – local		<u>1,909,170</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

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

(b) Unquoted sukuk – foreign

(i) Unquoted sukuk – foreign as at 31 May 2022 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	244,379	240,891	1.66
4.75% Aldar Sukuk Ltd 29.09.2025 (Baa1)	200,000	221,200	206,376	1.43
3.875% Aldar Sukuk No 2 Ltd 22.10.2029 (Baa1)	400,000	414,807	389,319	2.69
2.694% ARAMCO 17/06/2031 (A1)	200,000	202,454	186,334	1.29
4.357% Axiata SPV2 Bhd 24.03.2026 (Baa2)	200,000	206,636	205,942	1.42
2.593% Boubyan Sukuk Ltd 18.02.2025 (A+)	200,000	201,484	196,584	1.36
3.95% Boubyan Sukuk Ltd Call: 01.10.2026 (NR)	300,000	302,566	287,575	1.99
6.25% CBB International Sukuk 14.11.2024 (B+)	200,000	210,613	208,148	1.44
2.95% DIB Sukuk Ltd 16.01.2026 (A3)	200,000	202,174	196,616	1.36
2.95% DIB Sukuk Ltd 20.02.2025 (A3)	200,000	204,255	197,539	1.37
6.25% DIB Tier 1 Sukuk 3 Ltd Call: 22.01.2025 (B2)	200,000	210,325	211,090	1.46
4.325% DIFC Investments LLC 12.11.2024 (Baa3)	400,000	413,679	406,113	2.81
3.875% DP World Crescent Ltd 18.07.2029 (Baa3)	200,000	201,428	193,203	1.34
4.848% DP World Crescent Ltd 26.09.2028 (Baa3)	200,000	217,061	204,511	1.41
2.763% Dubai DOF Sukuk Ltd 09.09.2030 (NR)	200,000	200,235	182,019	1.26
1.827% EI Sukuk Co Ltd 23.09.2025 (A+)	200,000	202,685	189,590	1.31
3.635% Emaar Sukuk Ltd 15.09.2026 (Baa3)	200,000	202,538	196,495	1.36
3.875% Emaar Sukuk Ltd 17.09.2029 (Baa3)	200,000	202,378	195,273	1.35
4.564% EMG Sukuk Ltd 18.06.2024 (Baa2)	200,000	208,001	205,533	1.42
3.944% Equate Sukuk Spc Ltd 21.02.2024 (Baa2)	200,000	204,214	202,891	1.40
5% ICD Sukuk Co Ltd 01.02.2027 (NR)	200,000	207,837	206,153	1.42

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 2022 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>				
3.6% KFH Tier 1 Sukuk Call: 30.06.2025 (NR)	400,000	403,003	387,800	2.68
2.375% KIB Tier 1 Sukuk Ltd Call: 30.11.2025 (BBB+)	400,000	402,644	380,096	2.63
5.625% KIB Tier 1 Sukuk Ltd Call: 10.06.2024 (NR)	200,000	205,344	205,124	1.42
2.969% KSA Sukuk Ltd 29.10.2029 (A1)	400,000	425,448	389,656	2.69
3.628% KSA Sukuk Ltd 20.04.2027 (A1)	600,000	637,769	612,679	4.23
3.9325% Maf Sukuk Ltd 28.02.2030 (BBB)	200,000	201,988	196,008	1.35
4.5% Maf Sukuk Ltd 03.11.2025 (BBB)	200,000	212,119	202,820	1.40
4.638% Maf Sukuk Ltd 14.05.2029 (BBB)	200,000	214,833	203,718	1.41
2.21% MAR Sukuk Ltd 02.09.2025 (A1)	200,000	202,272	191,913	1.33
3.025% MAR Sukuk Ltd 13.11.2024 (A1)	200,000	202,446	197,682	1.37
3.5% NCB Tier 1 Sukuk Ltd Call: 26.07.2026 (NR)	200,000	202,238	191,670	1.32
4.875% Oman Sovereign Sukuk SAOC 15.06.2030 (Ba3)	200,000	204,496	204,076	1.41
5.932% Oman Sovereign Sukuk SAOC 31.10.2025 (Ba3)	200,000	219,628	209,382	1.45
4.4% Perusahaan Penerbit SBSN 01.03.2028 (Baa2)	400,000	443,522	409,760	2.83
1.95% QIB Sukuk Ltd 27.10.2025 (A-)	200,000	200,262	189,948	1.31
3.982% QIB Sukuk Ltd 26.03.2024 (A-)	200,000	201,394	203,514	1.41
4.875% QIIB Senior Sukuk Ltd 20.11.2024 (A2)	200,000	207,643	200,398	1.39
4.264% QIIB Sukuk Funding Ltd 05.03.2024 (A2)	200,000	202,037	205,017	1.42
3.094% RAK Capital 31.03.2025 (A)	200,000	203,150	197,408	1.36
3.174% Riyad Sukuk Limited Call: 25.02.2025 (Baa3)	400,000	404,885	392,786	2.71

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 2022 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% Riyadh Sukuk Limited Call: 16.02.2027 (NR)	200,000	202,333	194,933	1.35
2.413% Saudi Electricity Global Sukuk 17.09.2030 (A1)	200,000	200,904	177,832	1.23
4.723% Saudi Electricity Global Sukuk 27.09.2028 (A1)	400,000	431,389	416,707	2.88
2.942% Sharjah Sukuk Program Ltd 10.06.2027 (Baa3)	200,000	202,795	191,755	1.32
3.854% Sharjah Sukuk Program Ltd 03.04.2026 (Baa3)	200,000	207,766	200,582	1.39
3.234% Sharjah Sukuk Program Ltd 23.10.2029 (Baa3)	200,000	203,556	185,803	1.28
2.85% SIB Sukuk Co III LTD 23.06.2025 (A-)	400,000	417,576	394,643	2.73
3.29% Sime Darby Global Bhd 29.01.2023 (Baa2)	200,000	201,593	200,830	1.39
3.89% STC Sukuk Co Ltd 13.05.2029 (Baa2)	200,000	200,389	199,069	1.38
5.5% Tabreed Sukuk Spc Ltd 31.10.2025 (Baa3)	200,000	200,947	211,247	1.46
3.244% TNB Global Ventures Capital Bhd 19.10.2026 (A3)	200,000	207,077	195,497	1.35
4.851% TNB Global Ventures Capital Bhd 01.11.2028 (A3)	250,000	274,024	260,761	1.80
Total unquoted sukuk – foreign	<u>12,980,000</u>	<u>13,428,419</u>	<u>12,909,309</u>	<u>89.23</u>
Accumulated unrealised loss on unquoted sukuk – foreign		(519,110)		
Total unquoted sukuk – foreign		<u>12,909,309</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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 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 2022 (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 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</u> (continued)				
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 2022 (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 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% Riyad 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 sukuk – 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 sukuk – foreign		538,311		
Total unquoted sukuk – foreign		<u>14,614,760</u>		

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2022</u> USD	<u>2021</u> USD
Cash and bank balances	43,924	919,127
Shariah-based deposits with licensed financial institution	282,293	362,299
	<u>326,217</u>	<u>1,281,426</u>

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

	<u>2022</u> %	<u>2021</u> %
Deposit with a licensed financial institution	<u>1.90</u>	<u>1.65</u>

Deposit with a licensed financial institution has an average maturity of 1 day (2021: 1 day).

10 FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of the statement of financial position, there are 6 (2021: 7) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to USD14,912,208 (2021: USD14,502,579). 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.

	<u>2022</u> USD	<u>2021</u> USD
Financial assets at fair value through profit or loss:		
- forward foreign currency contracts	<u>46,938</u>	<u>18,717</u>
Financial liabilities at fair value through profit or loss:		
- forward foreign currency contracts	<u>329,036</u>	<u>64,877</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

10 FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

	<u>2022</u> USD	<u>2021</u> USD
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss:		
- realised (loss)/gain on forward foreign currency contracts	(340,902)	328,180
- unrealised (loss)/gain on forward foreign currency contracts	(235,940)	105,042
	<u>(576,842)</u>	<u>433,222</u>

(a) Forward foreign currency contracts

(i) Forward foreign currency contracts as at 31 May 2022 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Islamic Bank Bhd	2,757,355	2,824,100	(66,746)	(0.46)
Hong Leong Islamic Bank Bhd	11,872,755	12,088,108	(215,352)	(1.49)
Total forward foreign currency contracts	<u>14,630,110</u>	<u>14,912,208</u>	<u>(282,098)</u>	<u>(1.95)</u>

(i) Forward foreign currency contracts as at 31 May 2021 are as follows:

<u>Name of issuer</u>	<u>Receivables</u> USD	<u>Payables</u> USD	<u>Fair value</u> USD	<u>Percentage of NAV</u> %
CIMB Islamic Bank Bhd	678,377	678,689	(312)	(0.00)
Hong Leong Islamic Bank Bhd	13,778,042	13,823,890	(45,848)	(0.28)
Total forward foreign currency contracts	<u>14,456,419</u>	<u>14,502,579</u>	<u>(46,160)</u>	<u>(0.28)</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION

(a) MYR Class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At beginning of the financial year	5,911,000	6,464,000
Creation of units arising from applications	9,276,532	10,649,741
Creation of units arising from distribution	171,468	182,259
Cancellation of units	(7,967,000)	(11,385,000)
At the end of the financial year	<u>7,392,000</u>	<u>5,911,000</u>

(b) MYR-Hedged Class units in circulation

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At beginning of the financial year	93,608,000	57,762,000
Creation of units arising from applications	27,099,974	62,262,396
Creation of units arising from distributions	1,634,026	235,604
Cancellation of units	(15,633,000)	(26,652,000)
At the end of the financial year	<u>106,709,000</u>	<u>93,608,000</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(c) USD Class units in circulation	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
At beginning of the financial year	4,195,000	3,196,000
Creation of units arising from applications	951,289	1,644,000
Creation of units arising from distributions	59,711	74,202
Cancellation of units	(5,059,000)	(719,202)
At the end of the financial year	<u>147,000</u>	<u>4,195,000</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 2022, 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 2022 (CONTINUED)

13 TRANSACTIONS WITH DEALERS

(i) Detail of transactions with dealers for the financial year ended 31 May 2022 is as follows:

<u>Name of dealers</u>	<u>Value of trade</u> USD	Percentage of <u>total trade</u> %
First Abu Dhabi Bank	2,672,408	37.71
Standard Chartered Bank Bhd	1,426,810	20.13
RHB Investment Bank Bhd	733,675	10.35
Mitsubishi USJ Trust Int Ltd	417,650	5.89
Arqaam Capital Ltd	403,750	5.70
Affin Hwang Investment Bank Bhd#	367,572	5.19
Hong Leong Bank Bhd	241,886	3.41
Kotak Mahindra (UK) Ltd	223,700	3.16
BNP Paribas Sec SIN Pte Ltd	219,900	3.10
Malayan Banking Bhd	213,000	3.01
Others	166,795	2.35
	<u>7,087,146</u>	<u>100.00</u>

(ii) 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 Capital Ltd	925,100	8.33
Bank Muamalat Malaysia Bhd	918,330	8.27
RHB Investment Bank 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>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

13 TRANSACTIONS WITH DEALERS (CONTINUED)

Included in the transactions with dealers are trades in the stockbroking industry with Affin Hwang Investment Bank Bhd, holding company of the Manager amounting to USD367,572 (2021 USD251,574) respectively. The Manager is of the opinion that all transactions with the holding company of the Manager have been entered in the normal course of business at agreed terms between the 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>2022</u> USD	<u>2021</u> USD
<u>Name of dealers</u>		
Affin Hwang Investment Bank Bhd	367,661	252,280
Bank Muamalat Malaysia Bhd	-	918,882
Malayan Banking Bhd	213,000	-
RHB Investment Bank Bhd	490,070	490,999
	<u>1,070,731</u>	<u>1,662,161</u>

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

	<u>2022</u> USD	<u>2021</u> USD
Affin Hwang Aiiman Income Plus Fund	367,661	1,662,161
Affin Hwang Bond Fund	490,070	-
Private mandates managed by the Manager	213,000	-
	<u>1,070,731</u>	<u>1,662,161</u>

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (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>2022</u>		<u>2021</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	3,010	370	3,054	406
- MYR-Hedged class	2,379	301	2,683	380
- USD class	3,898	2,031	3,057	1,721
	<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	2,236,027	282,410	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 2022 (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>2022</u>		<u>2021</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	10,153,571	1,282,396	18,488,821	2,621,715

Other than above, there were no other units held by Directors or parties related to the Manager.

15 TOTAL EXPENSE RATIO ("TER")

	<u>2022</u>	<u>2021</u>
	%	%
TER	1.32	1.33

TER is derived from the following calculation:

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

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 USD16,404,670 (2021: USD14,563,092).

AFFIN HWANG AIIMAN GLOBAL SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022 (CONTINUED)

16 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2022</u>	<u>2021</u>
PTR (times)	<u>0.23</u>	<u>0.39</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 = USD3,336,618 (2021: USD9,124,119)

total disposal for the financial year = USD4,103,919 (2021: USD2,367,877)

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 47 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 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 May 2022 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
18 July 2022

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 2022, 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 47.

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 (including International Independence Standards) (“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 and 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
18 July 2022

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