

Affin Hwang Aiiman Select Income Fund

Annual Report
31 March 2022

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



AFFIN HWANG
CAPITAL

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

TRUSTEE
HSBC (Malaysia) Trustee Berhad
193701000084 (001281T)

AFFIN HWANG AIIMAN SELECT INCOME FUND

Annual Report and Audited Financial Statements For The Financial Year Ended 31 March 2022

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FUND INFORMATION

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

FUND PERFORMANCE DATA

Category	As at 31 Mar 2022 (%)	As at 31 Mar 2021 (%)	As at 31 Mar 2020 (%)
Portfolio composition			
Quoted equities – local			
- Consumer staples	0.99	-	-
- Financial services	0.51	-	-
- Industrial product & services	-	1.11	-
- Properties	0.27	-	-
- REITs	-	-	1.11
- Preference shares	-	0.22	0.28
- Telecommunication & media	-	2.01	-
Total quoted equities – local	1.77	3.34	1.39
Quoted equities – foreign			
- Basic Materials	4.44	-	-
- Consumer goods	-	-	0.49
- Consumer services	-	-	2.11
- Consumer discretionary	2.78	8.80	-
- Consumer staples	0.95	1.08	-
- Energy	1.47	1.05	-
- Financial services	1.46	-	5.01
- Health Care	1.13	-	-
- Industrials	2.62	1.11	2.99
- Preference shares	-	2.12	-
- Real estate	1.34	2.85	-
- Technology	10.52	7.24	7.02
- Telecommunications	5.61	3.20	1.12
- Basic materials	-	1.11	-
- Utilities	-	-	-
Total quoted equities – foreign	32.32	28.56	18.74
Unquoted fixed income securities – local			
- Sukuk	59.98	61.27	70.17
Total unquoted fixed income securities – local	59.98	61.27	70.17
Cash and cash equivalent	5.93	6.83	9.70
Total	100.00	100.00	100.00
Total NAV (RM'million)	49.780	52.801	39.653
NAV per Unit (RM)	0.4641	0.5046	0.4768
Unit in Circulation (million)	107.259	104.642	83.173
Highest NAV	0.5137	0.5310	0.5247
Lowest NAV	0.4603	0.4753	0.4723
Return of the Fund (%) ⁱⁱⁱ	-4.64	10.04	-0.73
- Capital Growth (%) ⁱ	-8.03	5.83	-5.43
- Income Distribution (%) ⁱⁱ	3.68	3.97	4.98
Gross Distribution per Unit (sen)	1.80	2.00	2.50
Net Distribution per Unit (sen)	1.80	2.00	2.50
Total Expense Ratio (%) ¹	1.47	1.46	1.43
Portfolio Turnover Ratio (times) ²	1.29	1.00	1.26

¹The Fund's TER was higher than previous year due to higher expenses incurred for the Fund for the financial year.

²The Fund recorded a higher PTR due to higher trading activities of the Fund 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 distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15-Jun-21	16-Jun-21	0.5113	0.0090	0.5020
14-Dec-21	15-Dec-21	0.4944	0.0090	0.4855

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

Performance Review

For the period 1 April 2021 to 31 March 2022, the Fund registered a -4.64% return compared to the benchmark return of -0.71%. The Fund thus underperformed the Benchmark by 3.93%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2022 was RM0.4641 while the NAV as at 31 March 2021 was RM0.5046. During the period under review, the Fund has declared a total gross income distribution of RM0.0180 per unit.

Since commencement, the Fund has registered a return of 33.42% compared to the benchmark return of 25.70%, outperforming by 7.72%.

Table 1: Performance of the Fund

	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (22/3/13 - 31/3/22)
Fund	(4.64%)	4.17%	9.74%	33.42%
Benchmark	(0.71%)	6.64%	9.03%	25.70%
Outperformance	(3.93%)	(2.47%)	0.71%	7.72%

Source of Benchmark: Bloomberg & Maybank

Table 2: Average Total Return

	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (22/3/13 - 31/3/22)
Fund	(4.64%)	1.37%	1.87%	3.24%
Benchmark	(0.71%)	2.16%	1.74%	2.56%
Outperformance	(3.93%)	(0.79%)	0.13%	0.68%

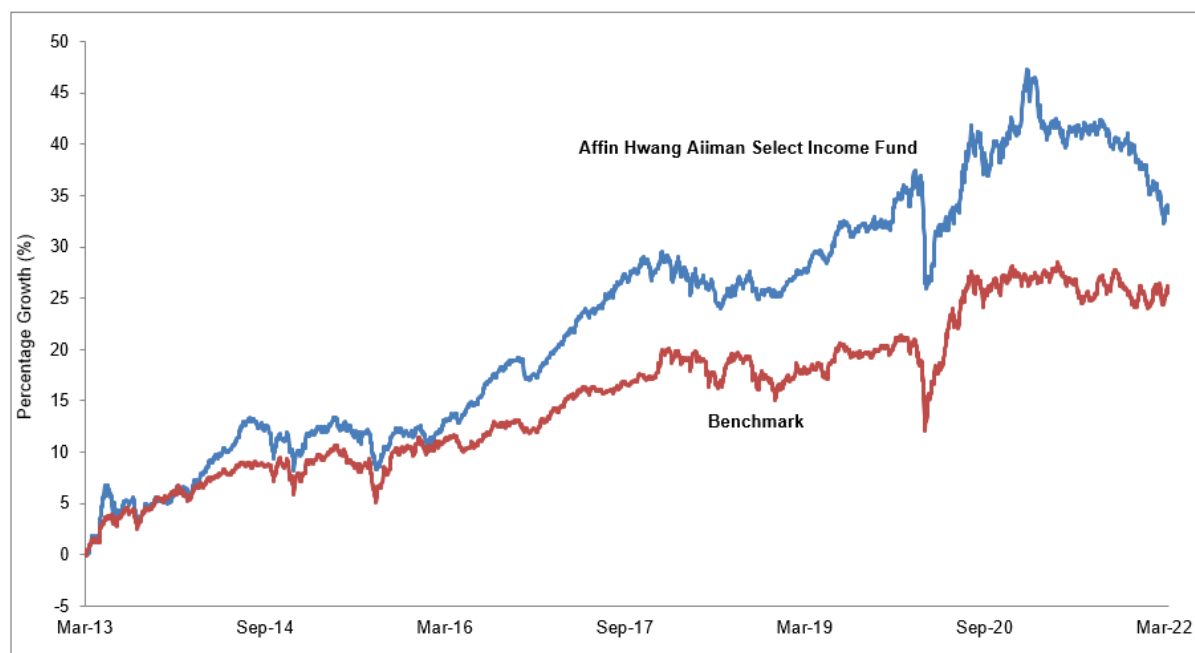
Source of Benchmark: Bloomberg & Maybank

Table 3: Annual Total Return

	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)
Fund	(4.64%)	10.93%	(0.73%)	0.92%	4.39%
Benchmark	(0.71%)	9.35%	(1.79%)	(1.09%)	3.37%
Outperformance	(3.93%)	1.58%	1.06%	2.01%	1.02%

Source of Benchmark: Bloomberg & Maybank

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



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

Benchmark: 70% Maybank 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah 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 year under review, please refer to Fund Performance Data.

As at 31 March 2022, the Shariah equities exposure of the Fund in the portfolio stood at 34.09%, Sukuk exposure stood at 59.98%, while the balance was held in cash and cash equivalent. During the year under review, the Manager had decreased its domestic equity exposure to 1.77% from 3.34% a year ago. Within the foreign equity space, the Manager had increased allocation in several sectors such as basic materials and technology, while reduced consumer discretionary exposures. On the other hand, the Fund's Sukuk exposure was lower at 59.98% compared with the previous year of 61.27%. The cash level of the fund reduced slightly to 5.93% from 6.83% a year ago.

Strategies Employed

With the extreme volatility in markets, we were selective with our equity holdings and had a strong focus on quality. We continue to keep close monitor on market development amidst the rare event of global pandemic and geo-political uncertainty.

Market Review

At the start of 2021, global equities started on a strong note due to policy easing and optimism surrounding vaccination rollout. However, 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.

The S&P 500 index pierced new highs in the year underpinned by strong earnings rebound as businesses clambered to meet renewed demand. However, although markets were initially soothed by dovish comments from the US Federal Reserve, a change in tone by the Fed to a more hawkish stance spooked markets as the S&P 500 closed 1.3% lower at the end of the year.

With inflation proving to be stickier than expected, the Fed signalled that it would start accelerating its tapering programme of bond purchases to tame inflation, paving the way for 3 rate hikes in 2022.

Meanwhile in Asia, the broader MSCI Asia ex-Japan index ended the year down as the region reeled from the Delta variant that led to fresh lockdowns being imposed and a surge in hospitalization rates. The same trend can be seen continuing through the first quarter of 2022 as weak earnings and renewed delisting fears halted gains. US-listed Chinese companies are locked in a dispute with US regulators for not complying with US accounting and transparency guidelines.

On the domestic front, the local market mirrored regional losses with the benchmark KLCI closing lower in the year. A myriad of concerns sent the stock market on a volatile path. Although the KLCI rose 0.8% in the first quarter of 2022 buoyed by the slated international border reopening, tightening monetary conditions can cause further volatility.

Following the announcement of Prime Minister Datuk Seri Ismail Sabri Yaakob that the minimum wage could be increased to RM1,500 starting in May, sectors that are reliant on low-skilled labour could be vulnerable to higher labour costs.

Other notable news in March 2022 includes an announcement by the government to allow a special Employees Provident Fund ("EPF") withdrawal of up to RM10,000. This is the fourth round of withdrawal of EPF contribution since the pandemic first hit the country back in 2020. In addition to the EPF withdrawals, a hawkish FOMC meeting saw the local bond market traded cautiously for the most part with yields trending slightly higher.

The local bond market endured a relatively softer session at the end of 1Q2022 amid evident selling pressures from foreign investors as well as tighter liquidity conditions in general. On a week-on-week basis, MGS yields rose by some 7-8 bps across the curve.

Investment Outlook

2022 is set to be a year of transition for markets as investors continue to contend with normalization of growth rates and monetary policy tightening. We expect to see a lot of crosswinds and periods of transition especially with regards to policy. Market environment is challenging given rising rates, slowing growth and uncertain earnings.

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures. 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 seems 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.

In terms of sector opportunities, we see banks as positive, benefit from a rising interest rate cycle as well as improvement in asset quality. Valuations of the sector is also attractive with banking stocks trading at a discount to its book value. Though seeing a lot of pressure now due to ESG headwinds especially pertaining to the welfare of foreign workers, technology and exporters are another key segment that could see potential upside underpinned by strong earnings visibility driven by secular growth trends such as 5G, electric vehicles (EV) and solar energy.

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

Cross Trade

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

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN SELECT INCOME FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 March 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 Deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
17 May 2022

SHARIAH ADVISER'S REPORT

To the Unit Holders of Affin Hwang Aiiman Select 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
17 May 2022

AFFIN HWANG AIIMAN SELECT INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

AFFIN HWANG AIIMAN SELECT INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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AFFIN HWANG AIIMAN SELECT INCOME FUND

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

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
INVESTMENT (LOSS)/INCOME			
Dividend income		502,861	464,907
Profit income from financial assets at amortised cost		10,122	16,107
Profit income from financial assets at fair value through profit or loss		1,363,864	1,350,560
Net loss on foreign currency exchange		(100,364)	(56,539)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(3,050,137)	3,428,210
		<u>(1,273,654)</u>	<u>5,203,245</u>
EXPENSES			
Management fee	4	(641,416)	(584,972)
Trustee fee	5	(37,439)	(34,299)
Auditors' remuneration		(9,000)	(9,000)
Tax agent's fee		(31,458)	(21,025)
Transaction costs		(321,635)	(220,274)
Other expenses		(105,948)	(99,970)
		<u>(1,146,896)</u>	<u>(969,540)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(2,420,550)	4,233,705
Taxation	6	-	-
NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		<u>(2,420,550)</u>	<u>4,233,705</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		(443,344)	4,085,078
Unrealised amount		(1,977,206)	148,627
		<u>(2,420,550)</u>	<u>4,233,705</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents	9	3,330,557	4,540,988
Amount due from brokers		-	1,300,255
Amount due from Manager			
- creation of units		101,576	91,699
Dividends receivable		25,625	64,552
Financial assets at fair value through profit or loss	8	46,829,755	49,196,185
TOTAL ASSETS		<u>50,287,513</u>	<u>55,193,679</u>
LIABILITIES			
Amount due to brokers		399,525	2,265,129
Amount due to Manager			
- management fee		50,819	54,114
- cancellation of units		-	17,296
Amount due to Trustee		2,964	3,157
Auditors' remuneration		9,011	9,025
Tax agent's fee		3,078	3,500
Other payables and accruals		41,709	40,379
TOTAL LIABILITIES		<u>507,106</u>	<u>2,392,600</u>
NET ASSET VALUE OF THE FUND		<u>49,780,407</u>	<u>52,801,079</u>
EQUITY			
Unitholders' capital		50,144,853	48,800,192
(Accumulated losses)/Retained earnings		(364,446)	4,000,887
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>49,780,407</u>	<u>52,801,079</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>107,259,000</u>	<u>104,642,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4641</u>	<u>0.5046</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Unitholders' <u>capital</u> RM	(Accumulated losses)/ Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2021	48,800,192	4,000,887	52,801,079
Total comprehensive loss for the financial year	-	(2,420,550)	(2,420,550)
Distributions (Note 7)	-	(1,944,783)	(1,944,783)
Movement in unitholders' capital:			
Creation of units arising from applications	7,265,185	-	7,265,185
Creation of units arising from distributions	1,830,975	-	1,830,975
Cancellation of units	(7,751,499)	-	(7,751,499)
Balance as at 31 March 2022	<u>50,144,853</u>	<u>(364,446)</u>	<u>49,780,407</u>
Balance as at 1 April 2020	37,907,392	1,746,052	39,653,444
Total comprehensive income for the financial year	-	4,233,705	4,233,705
Distributions (Note 7)	-	(1,978,870)	(1,978,870)
Movement in unitholders' capital:			
Creation of units arising from applications	19,700,578	-	19,700,578
Creation of units arising from distributions	1,888,489	-	1,888,489
Cancellation of units	(10,696,267)	-	(10,696,267)
Balance as at 31 March 2021	<u>48,800,192</u>	<u>4,000,887</u>	<u>52,801,079</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		68,917,267	44,111,671
Purchase of Shariah-compliant investments		(70,691,340)	(54,191,330)
Dividends received		541,788	422,412
Profit income received		1,577,368	1,450,935
Management fee paid		(644,711)	(572,131)
Trustee fee paid		(37,632)	(33,550)
Payments for other fees and expenses		(145,512)	(124,661)
Net realised loss on foreign currency exchange		(98,221)	(61,200)
Net cash flows used in operating activities		<u>(580,993)</u>	<u>(8,997,854)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		7,255,308	19,805,227
Payments for cancellation of units		(7,768,795)	(10,678,971)
Payments for distributions		(113,808)	(90,381)
Net cash flows (used in)/generated from financing activities		<u>(627,295)</u>	<u>9,035,875</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,208,288)</u>	<u>38,021</u>
EFFECTS OF FOREIGN CURRENCY EXCHANGE		<u>(2,143)</u>	<u>4,661</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>4,540,988</u>	<u>4,498,306</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u><u>3,330,557</u></u>	<u><u>4,540,988</u></u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

(a) 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 SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 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

Dividend income

Dividend income for financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend date, when the right to receive the dividend has been established.

Profit income

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

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

Realised gains and losses on sale of investments

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

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

C TRANSACTION COSTS

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

D TAXATION

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

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

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

E DISTRIBUTION

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

F FUNCTIONAL AND PRESENTATION CURRENCY

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

G FOREIGN CURRENCY TRANSLATION

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

H 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.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

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

The contractual cash flows of the Fund's debt securities are solely principal and interest* ("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, amount due from brokers, dividends receivable and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to brokers, 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.

* For the purpose of this Fund, interest refers to profits earned from Shariah-compliant investments.

(ii) Recognition and measurement

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

Financial liabilities, within the scope 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.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

Unquoted sukuk securities including money market instruments 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 ("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 securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

Unquoted sukuk securities including money market instruments denominated in foreign currencies are revalued at least twice a week by reference to the mid-price quoted in Bloomberg using 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 the other financial liabilities are subsequently carried at amortised cost using the effective profit method.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

H 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 months 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 SELECT INCOME FUND

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

I CASH AND CASH EQUIVALENTS

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

J AMOUNTS DUE FROM/(TO) BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note H 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 brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

K UNITHOLDERS' CAPITAL

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

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

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

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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

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

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name Hwang AIIMAN Select Income Fund (the "Fund") pursuant to the execution of a Deed dated 24 April 2012 as modified by First Supplemental Deed dated 27 June 2014, Second Supplemental Deed dated 19 Dec 2016 and the Third Supplemental Deed dated 05 October 2018 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad (the "Trustee"). The Fund has changed its name from Hwang AIIMAN Select Income Fund to Affin Hwang Aiiman Select Income Fund as amended by the Supplemental Deed dated 27 June 2014.

The Fund was launched on 12 December 2012 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed.

The Fund may invest in any of the followings investment:

- (a) Sukuk;
- (b) Shariah-compliant securities of companies listed on the recognised Malaysian stock exchange or any other market where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO);
- (c) Unlisted Shariah-compliant securities, including without limitation Shariah-compliant securities that have been approved by the relevant regulatory authorities for the listing of and quotation of such Shariah-compliant securities;
- (d) Islamic money market instruments;
- (e) Islamic deposits;
- (f) Unit or shares in Shariah-based collective investment schemes;
- (g) Shariah-compliant warrants;
- (h) Shariah-compliant derivatives and
- (i) Any other form of Shariah-compliant investment 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 subjected to SC's Guidelines on Unit Trust Funds, the Deeds and the objective of the Fund.

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

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, 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 17 May 2022.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	3,330,557	-	3,330,557
Amount due from Manager				
- creation of units		101,576	-	101,576
Dividends receivable		25,625	-	25,625
Shariah-compliant quoted equities	8	-	16,971,543	16,971,543
Unquoted sukuk	8	-	29,858,212	29,858,212
Total		<u>3,457,758</u>	<u>46,829,755</u>	<u>50,287,513</u>
<u>Financial liabilities</u>				
Amount due to brokers		399,525	-	399,525
Amount due to Manager				
- management fee		50,819	-	50,819
Amount due to Trustee		2,964	-	2,964
Auditors' remuneration		9,011	-	9,011
Tax agent's fee		3,078	-	3,078
Other payables and accruals		41,709	-	41,709
Total		<u>507,106</u>	<u>-</u>	<u>507,106</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	4,540,988	-	4,540,988
Amount due from brokers		1,300,255	-	1,300,255
Amount due from Manager				
- creation of units		91,699	-	91,699
Dividends receivable		64,552	-	64,552
Shariah-compliant quoted equities	8	-	16,843,700	16,843,700
Unquoted sukuk	8	-	32,352,485	32,352,485
Total		<u>5,997,494</u>	<u>49,196,185</u>	<u>55,193,679</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u> (continued)				
<u>Financial liabilities</u>				
Amount due to brokers		2,265,129	-	2,265,129
Amount due to Manager				
- management fee		54,114	-	54,114
- cancellation of units		17,296	-	17,296
Amount due to Trustee		3,157	-	3,157
Auditors' remuneration		9,025	-	9,025
Tax agent's fee		3,500	-	3,500
Other payables and accruals		40,379	-	40,379
Total		<u>2,392,600</u>	<u>-</u>	<u>2,392,600</u>

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

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Market risk

(a) Price risk

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

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

	<u>2022</u> RM	2021 RM
Shariah-compliant quoted investments		
Quoted equities	16,971,543	16,843,700
Shariah-compliant unquoted investments		
Unquoted sukuk*	29,858,212	32,352,485

* Includes profit receivable of RM367,874 (2021: RM413,348)

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value ("NAV") to price risk movements. The analysis is based on the assumptions that the market price increased by 2% (2021: 7.5%) and decreased by 2% (2021: 7.5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted and unquoted securities.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/profit after tax/NAV RM
<u>2022</u>		
-2%	45,532,643	(929,238)
0%	46,461,881	-
+2%	47,391,119	929,238
<u>2021</u>		
-7.5%	45,124,124	(3,658,713)
0%	48,782,837	-
+7.5%	52,441,550	3,658,713

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Market risk (continued)

(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 sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

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

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

The table below summarises the sensitivity of the Fund's net asset value and (loss)/profit after tax to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rates. The analysis is based on the assumptions that the profit rate increased and decreased by 2% (200 basis points) (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> RM	<u>2021</u> RM
+ 2%	(149,442)	(182,145)
- 2%	150,968	184,260

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Market risk (continued)

(c) Currency risk

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

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

	Shariah-compliant quoted equities RM	Cash and cash equivalents RM	Dividends receivable RM	Total RM
<u>2022</u>				
<u>Financial assets</u>				
Australian Dollar	2,406,544	15,263	-	2,421,807
Hong Kong Dollar	2,683,365	6,683	-	2,690,048
Indonesian Rupiah	2,126,814	1	-	2,126,815
Korean Won	1,699,940	-	5,389	1,705,329
Singapore Dollar	1,758,243	1,035,966	-	2,794,209
Taiwan Dollar	3,158,402	155,686	2,870	3,316,958
Thailand Baht	1,757,423	-	12,499	1,769,922
United States Dollar	498,462	1,255,680	-	1,754,142
	<u>16,089,193</u>	<u>2,469,279</u>	<u>20,758</u>	<u>18,579,230</u>
			Amount due to brokers RM	Total RM
<u>Financial liabilities</u>				
Taiwan Dollar			155,686	155,686
United States Dollar			243,839	243,839
			<u>399,525</u>	<u>399,525</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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)

	Shariah-compliant quoted equities RM	Cash and cash equivalents RM	Dividends receivable RM	Amount due from broker RM	Total RM
<u>2021</u>					
<u>Financial assets</u>					
Australian Dollar	1,193,443	24,463	-	-	1,217,906
Hong Kong Dollar	4,812,639	294,880	-	709,158	5,816,677
Indonesian Rupiah	864,946	1	-	-	864,947
Korean Won	3,077,474	-	54,011	591,097	3,722,582
Singapore Dollar	2,668,769	5,221	-	-	2,673,990
Taiwan Dollar	1,908,734	281,421	5,452	-	2,195,607
Thailand Baht	554,592	-	5,089	-	559,681
United States Dollar	-	2,342,854	-	-	2,342,854
	<u>15,080,597</u>	<u>2,948,840</u>	<u>64,552</u>	<u>1,300,255</u>	<u>19,394,244</u>
				Amount due to brokers RM	Total RM
<u>Financial liabilities</u>					
Hong Kong Dollar				289,916	289,916
Korean Won				591,097	591,097
Taiwan Dollar				281,421	281,421
United States Dollar				592,063	592,063
				<u>1,754,497</u>	<u>1,754,497</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 NAV 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 held 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 to unitholders by each currency's respective historical volatility.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on (loss)/profit after tax/NAV RM
<u>2022</u>		
Australian Dollar	+/- 7.50	+/- 181,636
Hong Kong Dollar	+/- 2.97	+/- 79,894
Indonesian Rupiah	+/- 4.10	+/- 87,199
Korean Won	+/- 5.87	+/- 100,103
Singapore Dollar	+/- 2.76	+/- 77,120
Taiwan Dollar	+/- 3.50	+/- 110,645
Thailand Baht	+/- 5.68	+/- 100,532
United States Dollar	+/- 3.04	+/- 45,913
<u>2021</u>		
Australian Dollar	+/- 9.26	+/- 112,778
Hong Kong Dollar	+/- 5.07	+/- 280,207
Indonesian Rupiah	+/- 9.30	+/- 80,440
Korean Won	+/- 5.67	+/- 177,555
Singapore Dollar	+/- 3.73	+/- 99,740
Taiwan Dollar	+/- 5.26	+/- 29,436
Thailand Baht	+/- 4.95	+/- 94,752
United States Dollar	+/- 5.12	+/- 89,640

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Liquidity risk

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

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

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2022</u>			
Amount due to brokers	399,525	-	399,525
Amount due to Manager			
- management fee	50,819	-	50,819
Amount due to Trustee	2,964	-	2,964
Auditors' remuneration	-	9,011	9,011
Tax agent's fee	-	3,078	3,078
Other payables and accruals	-	41,709	41,709
	<u>453,308</u>	<u>53,798</u>	<u>507,106</u>

2021

Amount due to brokers	2,265,129	-	2,265,129
Amount due to Manager			
- management fee	54,114	-	54,114
- cancellation of units	17,296	-	17,296
Amount due to Trustee	3,157	-	3,157
Auditors' remuneration	-	9,025	9,025
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	40,379	40,379
	<u>2,339,696</u>	<u>52,904</u>	<u>2,392,600</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Credit risk

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

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

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

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

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

	Unquoted sukuk RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2022</u>				
Consumer Discretionary				
- AA-	834,268	-	-	834,268
Consumer Staples				
- AA	530,604	-	-	530,604
- AA1	473,246	-	-	473,246
Energy				
- AA-	1,603,239	-	-	1,603,239
- NR	-	-	12,499	12,499
Financial services				
- A3	506,034	-	-	506,034
- AA3	985,405	-	-	985,405
- AAA	1,186,221	3,330,557	-	4,516,778
- NR	1,036,775	-	101,576	1,138,351
Government				
- SOV	515,611	-	-	515,611

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted sukuk RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2022</u> (continued)				
Industrials				
- A	2,025,411	-	-	2,025,411
- AA-	3,638,444	-	-	3,638,444
- AA1	1,631,582	-	-	1,631,582
- AA3	1,023,050	-	-	1,023,050
- AAA	2,616,018	-	-	2,616,018
- NR	998,381	-	-	998,381
Property				
- NR	-	-	4,867	4,867
Real Estate				
- AA-	1,023,315	-	-	1,023,315
- AA3	1,029,173	-	-	1,029,173
Technology				
- NR	-	-	8,259	8,259
Telecommunications				
- AA+	539,345	-	-	539,345
- AAA	317,249	-	-	317,249
Utilities				
- AA-	2,133,703	-	-	2,133,703
- AA1	1,544,378	-	-	1,544,378
- AA3	3,666,760	-	-	3,666,760
	<u>29,858,212</u>	<u>3,330,557</u>	<u>127,201</u>	<u>33,315,970</u>

* Other assets consist of amount due from Manager and dividends receivable.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Credit risk (continued)

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

	Unquoted sukuk RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2021</u>				
Consumer goods				
- A1	465,052	-	-	465,052
- NR	-	-	12,337	12,337
Consumer services				
- A1	864,425	-	-	864,425
Energy				
- AA-	1,633,438	-	-	1,633,438
Financial services				
- AAA	1,176,057	4,540,988	591,097	6,308,142
- AA3	997,645	-	-	997,645
- A1	509,847	-	-	509,847
- NR	1,013,553	-	800,857	1,814,410
Government				
- SOV	1,018,873	-	-	1,018,873
Industrials				
- AAA	2,674,380	-	-	2,674,380
- AA3	1,535,748	-	-	1,535,748
- AA	545,664	-	-	545,664
- AA-	3,699,162	-	-	3,699,162
- A	2,028,893	-	-	2,028,893
- C	948,403	-	-	948,403
- NR	985,469	-	-	985,469
Technology				
- NR	-	-	52,215	52,215
Telecommunications				
- AA+	553,145	-	-	553,145
Real estate				
- AA1	1,124,021	-	-	1,124,021
- AA3	1,040,225	-	-	1,040,225
- AA-	1,548,714	-	-	1,548,714
Utilities				
- AA1	2,113,115	-	-	2,113,115
- AA3	3,707,995	-	-	3,707,995
- AA-	2,168,661	-	-	2,168,661
	<u>32,352,485</u>	<u>4,540,988</u>	<u>1,456,506</u>	<u>38,349,979</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

Credit risk (continued)

* Other assets consist of amount due from brokers, amount due from Manager and dividends receivable.

Capital risk

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

Reclassification of Shariah status risk

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

3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy

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

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

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial assets at fair value through profit or loss				
- quoted equities	16,971,543	-	-	16,971,543
- unquoted sukuk	-	29,858,212	-	29,858,212
	<u>16,971,543</u>	<u>29,858,212</u>	<u>-</u>	<u>46,829,755</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- quoted equities	16,843,700	-	-	16,843,700
- unquoted sukuk	-	32,352,485	-	32,352,485
	<u>16,843,700</u>	<u>32,352,485</u>	<u>-</u>	<u>49,196,185</u>

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

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

- (ii) The carrying amount of cash and cash equivalents, amount due from Manager, amount due from brokers and dividends receivable and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

4 MANAGEMENT FEE

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

For the financial year ended 31 March 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 Deeds, the Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.20% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 March 2022, the Trustee fee is recognised at a rate of 0.07% per annum (2021: 0.07%) per annum on the 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 amount recognised above.

6 TAXATION

	<u>2022</u> RM	<u>2021</u> RM
Taxation	-	-

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

	<u>2022</u> RM	<u>2021</u> RM
Net (loss)/profit before taxation	(2,420,550)	4,233,705
Tax at Malaysian statutory rate of 24% (2021: 24%)	(580,932)	1,016,089
Tax effects of:		
Investment loss disallowed from tax/(Investment income not subject to tax)	305,677	(1,248,779)
Expenses not deductible for tax purposes	118,915	88,697
Restriction on tax deductible expenses for Unit Trust Funds	156,340	143,993
Tax expense	-	-

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

7 DISTRIBUTIONS

	<u>2022</u> RM	<u>2021</u> RM
Distributions to unitholders are from the following sources:		
Profit income	-	189,930
Previous years' realised income	1,944,783	1,788,940
Gross realised income	1,944,783	1,978,870
Less: Expenses	-	-
Net distribution amount	<u>1,944,783</u>	<u>1,978,870</u>

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

<u>Ex-date</u>	Gross/Net distribution per unit (sen)
16.06.2021	0.90
15.12.2021	0.90
	1.80

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

<u>Ex-date</u>	Gross/Net distribution per unit (sen)
17.06.2020	0.50
16.12.2020	1.50
	2.00

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distributions for the financial year of RM1,944,783 (2021: RM1,788,940) is made from previous financial years' realised income.

The Fund has incurred an unrealised loss of RM1,977,206 (2021: RMNil) for the financial year ended 31 March 2022.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted equities – local	882,350	1,763,103
- Shariah-compliant quoted equities – foreign	16,089,193	15,080,597
- unquoted sukuk – local	29,858,212	32,352,485
	<u>46,829,755</u>	<u>49,196,185</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(1,232,982)	3,173,141
- unrealised (loss)/gain on changes in fair value	(1,817,155)	255,069
	<u>(3,050,137)</u>	<u>3,428,210</u>

(a) Shariah-compliant quoted equities – local

(i) Shariah-compliant quoted equities – local as at 31 March 2022 are as follows:

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Financial Services</u>				
Syarikat Takaful Malaysia	70,000	255,780	254,100	0.51
<u>Consumer Staples</u>				
Sime Darby Plantation Bhd	100,000	529,870	494,000	0.99
<u>Property</u>				
SP Setia Bhd Group -PA	150,000	150,000	134,250	0.27
Total Shariah-compliant quoted equities – local	<u>320,000</u>	<u>935,650</u>	<u>882,350</u>	<u>1.77</u>
Accumulated unrealised loss on Shariah-compliant quoted equities – local		(53,300)		
Total Shariah-compliant quoted equities – local		<u>882,350</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(ii) Shariah-compliant quoted equities – local as at 31 March 2021 are as follows:

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Telecommunication & Media</u> Telekom Malaysia Bhd	173,100	1,141,365	1,061,103	2.01
<u>Industrial Products & Services</u> V.S. Industry Bhd	205,000	553,902	584,250	1.11
<u>Preference Shares</u> SP Setia Bhd Group - PA	150,000	150,000	117,750	0.22
Total Shariah-compliant quoted equities – local	528,100	1,845,267	1,763,103	3.34
Accumulated unrealised loss on Shariah-compliant quoted equities – local		(82,164)		
Total Shariah-compliant quoted equities – local		1,763,103		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(b) Shariah-compliant quoted equities – foreign

(i) Shariah-compliant quoted equities – foreign as at 31 March 2022 are as follows:

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Basic Materials</u>				
BHP Group Ltd	6,450	976,695	1,049,084	2.11
Pilbara Minerals Ltd	79,000	702,786	795,157	1.60
	<u>85,450</u>	<u>1,679,481</u>	<u>1,844,241</u>	<u>3.71</u>
<u>Health Care</u>				
Sonic Healthcare Ltd	5,050	524,462	562,303	1.13
<u>Hong Kong</u>				
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	4,300	256,113	258,657	0.52
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	21,000	514,495	474,972	0.95
<u>Industrials</u>				
Swire Pacific Limited - CL A	30,500	800,166	783,128	1.57
<u>Real Estate</u>				
Link REIT	18,500	627,612	664,619	1.34
<u>Technology</u>				
Tencent Holdings Ltd	2,500	531,244	501,989	1.01

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(i) Shariah-compliant quoted equities – foreign as at 31 March 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Indonesia</u>				
<u>Basic Materials</u>				
Aneka Tambang Tbk	510,000	372,996	364,609	0.73
<u>Financial Services</u>				
Bank Syariah Indonesia Tbk PT	1,550,000	757,593	728,911	1.46
<u>Telecommunications</u>				
Telkom Indonesia Persero TbkPT	770,000	881,651	1,033,294	2.08
<u>South Korea</u>				
<u>Consumer Discretionary</u>				
Hyundai Department Store Co Lt	2,400	652,218	629,053	1.26
<u>Technology</u>				
Samsung Electronics Co Ltd	2,200	532,999	530,867	1.07
SK Hynix Inc	1,320	546,883	540,020	1.08
	3,520	1,079,882	1,070,887	2.15
<u>Singapore</u>				
<u>Telecommunications</u>				
Singapore Telecom Ltd	214,500	1,655,094	1,758,243	3.53
<u>Thailand</u>				
<u>Consumer Discretionary</u>				
Home Product Center PCL	250,000	482,293	498,703	1.00

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(i) Shariah-compliant quoted equities – foreign as at 31 March 2022 are as follows:
(continued)

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Thailand</u> (continued)				
<u>Energy</u>				
PTT Exploration & Production	40,500	743,832	733,756	1.47
<u>Industrials</u>				
Airports of Thailand PCL	63,000	515,456	524,964	1.05
<u>Taiwan</u>				
<u>Technology</u>				
Global Unichip Corp	7,000	518,088	518,938	1.04
Globalwafers Co Ltd	6,000	617,457	590,136	1.19
Nan Ya Printed Circuit Board	8,000	615,001	615,386	1.24
Taiwan Semiconductor Manufacturing	13,000	1,063,443	1,137,406	2.29
Wiwynn Corp	2,000	298,759	296,536	0.60
	36,000	3,112,748	3,158,402	6.36
<u>United States of America</u>				
<u>Technology</u>				
Microsoft Corporation	385	494,828	498,462	1.00
Total Shariah-compliant quoted equities – foreign	3,607,605	15,682,164	16,089,193	32.32
Accumulated unrealised gain on Shariah-compliant quoted equities – foreign		407,029		
Total Shariah-compliant quoted equities – foreign		16,089,193		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(ii) Shariah-compliant quoted equities – foreign as at 31 March 2021 are as follows:

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Australia</u>				
<u>Consumer Discretionary</u>				
Bapcor Ltd	26,000	581,799	607,445	1.15
<u>Basic Materials</u>				
BHP Group Ltd	4,100	585,663	585,998	1.11
<u>Hong Kong</u>				
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	24,000	579,196	569,244	1.08
<u>Consumer Discretionary</u>				
Alibaba Group Holding Ltd	6,800	853,827	797,368	1.51
MTR Corp Ltd	43,000	989,548	1,009,582	1.91
Techtronic Industries Co	11,500	691,751	814,611	1.54
	61,300	2,535,126	2,621,561	4.96
<u>Real Estate</u>				
Link REIT	22,300	846,049	841,522	1.59
<u>Technology</u>				
Tencent Holdings Ltd	2,400	736,067	780,312	1.48
<u>Singapore</u>				
<u>Consumer Discretionary</u>				
ComfortDelGro Corporation Ltd	112,000	547,707	590,380	1.12
<u>Real Estate</u>				
Fraser's Centrepoint Trust	88,001	630,320	667,329	1.26

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(ii) Shariah-compliant quoted equities – foreign as at 31 March 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u> (continued)				
<u>Industrials</u>				
Venture Corp Ltd	9,500	568,150	587,451	1.11
<u>Telecommunications</u>				
Singapore Telecom Ltd	109,500	898,228	823,609	1.56
<u>Indonesia</u>				
<u>Telecommunications</u>				
Telekomunikasi Indonesia	890,000	826,932	864,946	1.64
<u>South Korea</u>				
<u>Consumer Discretionary</u>				
Hyundai Department Store Co Lt	2,500	766,642	828,990	1.57
<u>Technology</u>				
NAVER Corp	400	551,450	551,928	1.05
SK Hynix Inc	1,200	590,478	579,744	1.10
	1,600	1,141,928	1,131,672	2.15
<u>Preference Shares</u>				
Samsung Electronics Co Ltd	4,180	693,862	1,116,812	2.12
<u>Thailand</u>				
<u>Energy</u>				
PTT PCL	102,000	559,540	554,592	1.05

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

(ii) Shariah-compliant quoted equities – foreign as at 31 March 2021 are as follows:
(continued)

<u>Name of issuer</u>	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Taiwan</u>				
<u>Technology</u>				
ASE Technology Holding Co Ltd	37,000	378,384	577,931	1.09
MediaTek Inc	4,000	549,571	563,183	1.07
Taiwan Semiconductor Manufacturing	9,000	524,158	767,620	1.45
	<u>50,000</u>	<u>1,452,113</u>	<u>1,908,734</u>	<u>3.61</u>
Total Shariah-compliant quoted equities – foreign	<u>1,509,381</u>	<u>13,949,322</u>	<u>15,080,597</u>	<u>28.56</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – foreign		<u>1,131,275</u>		
Total Shariah-compliant quoted equities – foreign		<u>15,080,597</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
3.8% Aeon Credit Service M Bhd 10.02.2027 (AA3)	1,000,000	1,005,193	985,405	1.98
4.5% Bank Muamalat Malaysia Bhd Call: 15.06.2026 (A3)	500,000	506,584	506,034	1.02
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	500,000	577,278	533,166	1.07
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	514,610	539,345	1.08
3.42% Danum Capital Bhd 21.02.2035 (AAA)	500,000	501,905	449,147	0.90
6.43% Edra Energy Sdn Bhd 05.07.2034 (AA3)	500,000	616,842	582,770	1.17
4.263% Gamuda Bhd 16.11.2029 (AA3)	500,000	508,203	501,970	1.01
4.638% GII 15.11.2049 (SOV)	500,000	587,943	515,611	1.04
5.10% GULF Investment Corp 20.06.2022 (AAA)	200,000	203,073	203,908	0.41
4.76% IJM Corporation Bhd 10.04.2029 (AA3)	500,000	544,402	521,080	1.05
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	518,974	530,613	1.07
5.79% Jimah East Power Sdn Bhd 04.06.2030 (AA-)	500,000	590,791	544,726	1.09
3.95% Kuala Lumpur Kepong Bhd 27.09.2034 (AA1)	500,000	524,187	473,246	0.95
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,047,129	2,078,783	4.18
6.04% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2035 (AA-)	500,000	567,120	522,421	1.05
4.9% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	500,000	600,520	517,248	1.04
4.11% Malaysia Rail Link Sdn Bhd 06.07.2045 (NR)	500,000	504,760	462,956	0.93
5.90% MEX II Sdn Bhd 27.04.2029 (D)	2,000,000	2,038,433	-	-
5.29% MMC Corp Berhad 26.04.2023 (AA-)	500,000	511,942	523,702	1.05

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local (continued)

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u> (continued)				
5.7% MMC Corp Berhad 24.03.2028 (AA-)	500,000	500,310	534,662	1.07
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	1,000,000	1,007,073	1,029,173	2.07
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,025,093	1,042,443	2.09
5.23% Prasarana Malaysia Bhd 13.09.2047 (NR)	500,000	629,594	535,425	1.07
4.85% PTPTN 26.07.2041 (NR)	500,000	592,104	519,527	1.04
5.65% Sime Darby Plantation Bhd Call: 24.03.2026 (AA)	500,000	559,839	530,604	1.07
4.18% Solar Management Seremban 21.10.2027 (AA3)	500,000	512,489	488,251	0.98
5.2% Tadau Energy Sdn Bhd 27.07.2023 (AA3)	1,500,000	1,549,703	1,548,462	3.11
5.8% Tadau Energy Sdn Bhd 27.07.2029 (AA3)	500,000	551,831	535,810	1.08
5.30% Tanjung Bin Energy Sdn Bhd 16.03.2023 (AA3)	500,000	506,329	511,467	1.03
4.68% Telekom Malaysia Bhd 31.10.2028 (AAA)	300,000	324,844	317,249	0.64
4.75% UEM Sunrise Bhd 22.03.2024 (AA-)	500,000	510,603	507,016	1.02
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	500,000	511,649	516,299	1.04
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	515,966	533,948	1.07
6.1% UiTM Solar Power Sdn Bhd 25.04.2031 (AA-)	1,000,000	1,140,255	1,069,291	2.15
6.35% UMW Holdings Bhd Call: 20.04.2028 (AA-)	750,000	784,876	834,268	1.68
5.59% UniTapah Sdn Bhd 12.12.2024 (AA1)	500,000	540,058	534,412	1.07
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	1,000,000	1,129,223	1,097,170	2.20
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	1,000,000	1,033,029	1,037,240	2.08
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	2,000,000	2,001,273	2,025,411	4.07

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local (continued)

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

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AAA)	1,500,000	1,534,969	1,573,575	3.16
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,500,000	1,566,371	1,544,378	3.10
Total unquoted sukuk – local	30,750,000	32,497,370	29,858,212	59.98
Accumulated unrealised loss on unquoted sukuk – local		(2,639,158)		
Total unquoted sukuk – local		29,858,212		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local (continued)

(ii) Unquoted sukuk – local as at 31 March 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
3.8% Aeon Credit Service M Bhd 10.02.2027 (AA3)	1,000,000	1,005,189	997,645	1.89
5.2% AmBank Islamic Bhd Call: 15.03.2022 (A1)	500,000	510,632	509,847	0.97
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	500,000	581,033	522,256	0.99
4.80% Besraya Malaysia Sdn Bhd 28.07.2021 (AA3)	500,000	507,776	507,353	0.96
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	515,263	553,145	1.05
3.42% Danum Capital Bhd 21.02.2035 (AAA)	500,000	501,863	445,715	0.84
6.43% Edra Energy Sdn Bhd 05.07.2034 (AA3)	500,000	623,566	581,130	1.10
4.263% Gamuda Bhd 16.11.2029 (AA3)	500,000	508,247	504,065	0.96
3.422% GII 30.09.2027 (SOV)	500,000	526,543	511,047	0.97
4.638% GII 15.11.2049 (SOV)	500,000	589,565	507,826	0.96
5.10% GULF Investment Corp 20.06.2022 (AAA)	200,000	204,174	208,086	0.39
4.76% IJM Corporation Bhd 10.04.2029 (AA3)	500,000	548,409	524,330	0.99
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	522,090	544,271	1.03
5.79% Jimah East Power Sdn Bhd 04.06.2030 (AA-)	500,000	599,444	561,809	1.06
3.95% Kuala Lumpur Kepong Bhd 27.09.2034 (AA1)	500,000	525,643	465,052	0.88
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,049,032	2,121,363	4.02
6.04% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2035 (AA-)	500,000	570,480	533,226	1.01
4.9% Lembaga Pembiayaan Perumahan SA 21.09.2046 (NR)	500,000	602,941	504,296	0.96
4.11% Malaysia Rail Link Sdn Bhd 06.07.2045 (NR)	500,000	504,760	454,886	0.86
5.90% MEX II Sdn Bhd 27.04.2029 (C)	2,000,000	2,092,235	948,403	1.80

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local (continued)

(ii) Unquoted sukuk – local as at 31 March 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u> (continued)				
5.29% MMC Corp Bhd 26.04.2023 (AA-)	500,000	512,461	527,267	1.00
5.7% MMC Corp Bhd 24.03.2028 (AA-)	500,000	500,468	535,314	1.01
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	1,000,000	1,007,032	1,040,225	1.97
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,030,134	1,063,263	2.01
5.23% Prasarana Malaysia Bhd 13.09.2047 (NR)	500,000	632,531	530,583	1.01
4.85% PTPTN 26.07.2041 (NR)	500,000	595,214	509,257	0.96
5.65% Sime Darby Bhd Call: 24.03.2026 (AA)	500,000	560,833	545,664	1.03
4.18% Solar Management Seremban 21.10.2027 (AA3)	500,000	512,996	494,136	0.94
5.2% Tadau Energy Sdn Bhd 27.07.2023 (AA3)	1,500,000	1,575,958	1,568,532	2.97
5.8% Tadau Energy Sdn Bhd 27.07.2029 (AA3)	500,000	557,162	540,870	1.03
5.30% Tanjung Bin Energy Issuer Bhd 16.03.2023 (AA1)	500,000	507,230	523,327	0.99
4.63% Teknologi Tenaga Perlis Consort 30.07.2021 (AA1)	500,000	504,706	507,597	0.96
4.75% UEM Sunrise Bhd 22.03.2024 (AA-)	500,000	515,382	508,171	0.96
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	500,000	508,904	516,959	0.98
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	500,000	511,778	523,584	0.99
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	516,264	544,157	1.03
6.1% UiTM Solar Power Sdn Bhd 25.04.2031 (AA-)	1,000,000	1,150,233	1,089,281	2.06
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	750,000	785,055	864,425	1.64
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	1,000,000	1,148,414	1,124,021	2.13
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	1,000,000	1,039,779	1,044,573	1.98

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

(c) Unquoted sukuk – local (continued)

(ii) Unquoted sukuk – local as at 31 March 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	2,000,000	2,000,953	2,028,893	3.84
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AAA)	1,500,000	1,535,050	1,611,117	3.05
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,500,000	1,572,448	1,605,518	3.04
Total unquoted sukuk – local	<u>31,950,000</u>	<u>33,869,870</u>	<u>32,352,485</u>	<u>61.27</u>
Accumulated unrealised loss on unquoted sukuk – local		<u>(1,517,385)</u>		
Total unquoted sukuk – local		<u>32,352,485</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

9 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	2,629,820	3,080,507
Shariah-based deposits with licensed financial institutions	700,737	1,460,481
	<u>3,330,557</u>	<u>4,540,988</u>

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

	<u>2022</u> %	<u>2021</u> %
Shariah-based deposits with licensed financial institutions	<u>1.65</u>	<u>1.65</u>

Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2021: 1 day).

10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	104,642,000	83,173,000
Creation of units arising from applications	14,608,909	38,403,423
Creation of units arising from distributions	3,719,091	3,722,577
Cancellation of units	(15,711,000)	(20,657,000)
At the end of the financial year	<u>107,259,000</u>	<u>104,642,000</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

11 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant as at 31 March 2022, which comprises:

- a) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the SC;
- b) Equities securities listed in foreign markets which have been approved by the local Shariah governing bodies of the respective countries or listed under the list of Shariah-compliant securities issued by the Shariah indices recognised internationally;
- c) Sukuk as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- d) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investment and/or instruments.

12 TRANSACTIONS WITH BROKERS AND DEALERS

- (i) Details of transactions with the top 10 brokers and dealers for the financial year ended 31 March 2022 are as follows:

<u>Name of broker/dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
CLSA Ltd	16,466,292	12.84	22,294	10.81
Macquarie(M)Sdn Bhd, Malaysia	13,562,935	10.58	9,444	4.58
Grand Cathay Securities (HK)Ltd	10,677,078	8.33	26,694	12.95
Robert W.Baird & Co.Inc. Ny	9,286,804	7.24	1,883	0.91
Sanford C. Bernstein and Co., Llc	6,070,390	4.73	5,846	2.84
Affin Investment Bank Bhd #*	5,930,414	4.62	11,405	5.53
Macquarie Securities Ltd Seoul	5,829,296	4.55	5,021	2.44
Credit Lyonnais Secs Seoul	5,758,826	4.49	6,731	3.26
Pt.Mandiri Sekuritas	5,709,320	4.45	24,760	12.01
Macquarie Bank Ltd Sydney	4,115,838	3.21	5,779	2.80
Others	44,824,461	34.96	86,324	41.87
	<u>128,231,654</u>	<u>100.00</u>	<u>206,181</u>	<u>100.00</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

- (ii) Details of transactions with the top 10 brokers and dealers for the financial year ended 31 March 2021 are as follows:

<u>Name of broker/dealers</u>	<u>Value of trade</u> RM	Percentage of <u>total trade</u> %	Brokerage <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd #*	9,210,400	9.13	-	0.00
CLSA Ltd	7,768,910	7.70	7,633	5.47
Macquarie Securities Ltd Seoul	6,135,287	6.08	5,635	4.04
Grand Cathay Securities (HK)Ltd	5,577,950	5.53	13,945	10.00
Macquarie Bank LTd Hong Kong	5,382,740	5.33	5,301	3.80
Instinet Pacific Ltd	5,233,414	5.19	4,194	3.01
JP Morgan Secs (Asia Pac) Ltd Hk	4,805,119	4.76	9,532	6.83
Macquarie Securities (Australia) Ltd	4,561,778	4.52	6,373	4.57
Sanford C. Bernstein and Co., Llc	4,430,241	4.39	5,652	4.05
CIMB-GK Securities Pte Ltd	3,731,645	3.70	2,317	1.66
Others*	44,072,222	43.67	78,892	56.56
	<u>100,909,706</u>	<u>100.00</u>	<u>139,474</u>	<u>100.00</u>

Included in transactions with brokers and dealers are trades conducted with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM5,930,414 (2021: RM9,210,400). The Manager is of the opinion that the transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

12 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

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

	<u>2022</u> RM	<u>2021</u> RM
<u>Name of broker/dealers</u>		
Affin Hwang Investment Bank Bhd	1,368,390	4,871,300
RHB Investment Bank Bhd	-	509,350
	<u>1,368,390</u>	<u>5,380,650</u>

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

	<u>2022</u> RM	<u>2021</u> RM
Affin Hwang Aiiman Balanced Fund	506,150	-
Affin Hwang Aiiman Income Plus Fund	862,240	5,380,650
	<u>1,368,390</u>	<u>5,380,650</u>

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

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

<u>Related parties</u>	<u>Relationship</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

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

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

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

	<u>2022</u>		<u>2021</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	3,316	1,539	12,111	6,111
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	108,211	50,221	-	-

14 TOTAL EXPENSE RATIO ("TER")

	<u>2022</u>	<u>2021</u>
	%	%
TER	1.47	1.46

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on daily basis is RM53,482,757 (2021: RM48,971,432).

AFFIN HWANG AIIMAN SELECT INCOME FUND

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

15 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2022</u>	<u>2021</u>
PTR (times)	<u>1.29</u>	<u>1.00</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM68,689,012 (2021: RM55,577,057)
total disposal for the financial year = RM69,034,904 (2021: RM42,360,347)

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic environment as a result of Covid-19, both domestically and globally, has resulted in the deterioration of the Fund's Net Asset Value/unit as of the date of this report. This is mainly due to the decrease in the fair value of the Fund's investments at fair value through profit or loss.

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

AFFIN HWANG AIIMAN SELECT INCOME 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 49 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 March 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 31 March 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
17 May 2022

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN SELECT INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman Select Income Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and 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 March 2022, and the statement of comprehensive income, statement of changes in equity 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 49.

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’ International 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 SELECT INCOME 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 SELECT INCOME 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 SELECT INCOME 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
17 May 2022

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