

Affin Hwang Aiiman Select Income Fund

Interim Report

30 September 2021

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



AFFIN HWANG
CAPITAL

MANAGER

Affin Hwang Asset Management Berhad
199701014290 (429786-T)

TRUSTEE

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 30 September 2021

Content	Page
FUND INFORMATION	III
FUND PERFORMANCE DATA.....	IV
MANAGER'S REPORT	V
TRUSTEE'S REPORT	X
SHARIAH ADVISER'S REPORT	XI
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

FUND INFORMATION

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

BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 SEPTEMBER 2021

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	29	78
5,001 to 10,000	26	209
10,001 to 50,000	66	1,662
50,001 to 500,000	33	4,993
500,001 and above	10	101,474
Total	164	108,416

* Note: Excluding Manager's stock

FUND PERFORMANCE DATA

Category	As at 30 Sep 2021 (%)	As at 30 Sep 2020 (%)	As at 30 Sep 2019 (%)
Portfolio composition			
Quoted equities – local			
- Consumer products & services	-	-	-
- Energy	-	-	2.72
- Financials	-	-	0.94
- Industrial products & services	3.90	-	1.47
- Preference share	-	0.21	0.33
- Properties	0.23	-	-
- REITs	-	1.05	1.40
- Technology	-	1.95	2.57
- Telecommunications & media	2.99	-	-
- Utilities	-	-	2.38
Total quoted equities – local	7.12	3.21	11.81
Quoted equities – foreign			
- Basic materials	1.82	-	2.03
- Consumer discretionary	6.57	-	-
- Consumer staples	3.20	-	-
- Consumer goods	-	-	2.03
- Consumer services	-	11.84	2.08
- Financials	-	4.85	-
- Industrials	3.11	1.09	-
- Preference shares	-	3.61	-
- Real estate	3.80	-	-
- Technology	3.77	7.20	5.30
- Telecommunications	4.44	2.27	3.93
- Utilities	-	-	1.03
Total quoted equities – foreign	26.71	30.86	14.37
Unquoted sukuk - local	62.61	60.77	69.11
Cash & cash equivalent	3.56	5.16	4.71
Total	100.00	100.00	100.00
Total NAV (RM'million)	53.856	49.423	39.632
NAV per Unit (RM)	0.4967	0.5109	0.5137
Unit in Circulation (million)	108.419	96.729	77.143
Highest NAV	0.5137	0.5268	0.5166
Lowest NAV	0.4967	0.4753	0.5054
Return of the Fund (%) ⁱⁱⁱ	-0.61	8.23	2.88
- Capital Growth (%) ⁱ	-2.36	7.15	1.88
- Income Distribution (%) ⁱⁱ	1.79	1.01	0.98
Gross Distribution per Unit (sen)	0.90	0.50	0.50
Net Distribution per Unit (sen)	0.90	0.50	0.50
Management Expense Ratio (%) ¹	0.73	0.75	0.79
Portfolio Turnover Ratio (times) ²	0.50	0.46	0.52

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.

¹The MER of the Fund was lower than previous period under review due to higher average net asset value of the Fund.

²The PTR of the Fund was higher than previous period under review due to higher trading activities for the Fund.

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

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
15 Jun 2021	16 Jun 2021	0.5113	0.0090	0.5020

No unit split were declared for the financial period ended 30 September 2021.

Performance Review

For the period 1 April 2021 to 30 September 2021, the Fund registered a -0.61% return compared to the benchmark return of -0.43%. The Fund thus underperformed the Benchmark by 0.18%. The Net Asset Value per unit ("NAV") of the Fund as at 30 September 2021 was RM0.4967 while the NAV as at 31 March 2021 was RM0.5087. During the period under review, the Fund has declared a gross income distribution of RM0.0090 per unit.

Since commencement, the Fund has registered a return of 40.20% compared to the benchmark return of 26.05%, outperforming by 14.15%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	6 Months (1/4/21 - 30/9/21)	1 Year (1/10/20 - 30/9/21)	3 Years (1/10/18 - 30/9/21)	5 Years (1/10/16 - 30/9/21)	Since Commencement (22/3/13 - 30/9/21)
Fund	(0.61%)	1.87%	10.15%	18.30%	40.20%
Benchmark	(0.43%)	0.21%	5.73%	11.92%	26.05%
Outperformance	(0.18%)	1.66%	4.42%	6.38%	14.15%

Source of Benchmark: Bloomberg & Maybank

Table 2: Average Total Return

	1 Year (1/10/20 - 30/9/21)	3 Years (1/10/18 - 30/9/21)	5 Years (1/10/16 - 30/9/21)	Since Commencement (22/3/13 - 30/9/21)
Fund	1.87%	3.27%	3.42%	4.04%
Benchmark	0.21%	1.87%	2.28%	2.75%
Outperformance	1.66%	1.40%	1.14%	1.29%

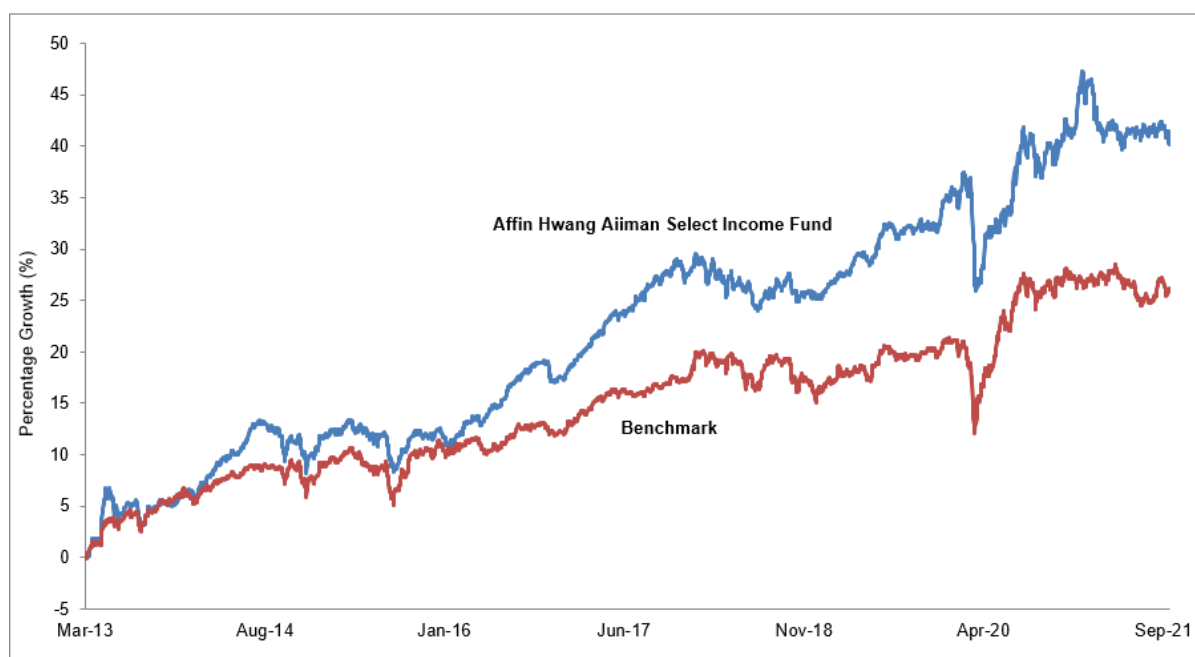
Source of Benchmark: Bloomberg & Maybank

Table 3: Annual Total Return

	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)	FYE 2017 (1/4/16 - 31/3/17)
Fund	10.93%	(0.73%)	0.92%	4.39%	7.53%
Benchmark	9.35%	(1.79%)	(1.09%)	3.37%	3.51%
Outperformance	1.58%	1.06%	2.01%	1.02%	4.02%

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 period under review, please refer to Fund Performance Data.

As at 30 September 2021, the asset allocation of the Fund stood at 33.83% in Shariah-compliant equities, 62.61% in Sukuk while the balance was held in cash and cash equivalent.

During the period under review, the Manager had increased exposures within the domestic portfolio by adding exposures towards industrials and telecommunications and media sectors. Meanwhile, the Fund's foreign equity's exposure was reduced, due to reduced exposure towards consumers and technology sectors. Sukuk's exposure was slightly higher compared to previous period under review. Cash level on the other hand was relatively unchanged compared to previous period under review.

Strategies Employed

Over the period under review, we focus on domestic-driven sectors that are less directly impacted from trade tensions. With the extreme volatility in markets, we raised our cash holdings and went into a defensive stance in our allocation. As the sell-down accelerated, we then slowly deployed back into the market with a focus on quality. We continue to keep close monitor on market development amidst the rare double whammy of global pandemic and oil price collapse. We also kept a moderate cash level as we seek for potential opportunities in the market to deploy.

Market Review

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

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

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed’s dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank’s view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

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

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

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

The local equity market’s performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

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

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-

Lestari programme. However, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

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

On the monetary policy side, Bank Negara Malaysia ("BNM") kept Overnight Policy Rates ("OPR") at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia's growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.

Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The next Parliament sitting is slated in September which Datuk Seri Ismail Sabri will face a test of majority support through a vote of confidence. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of August with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

Investment Outlook

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

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

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

State of Affairs of the Fund

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

Soft Commissions received from Brokers

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

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

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

Cross Trade

Cross trade transactions have been carried out during the reported period and that the Investment Committee of the fund has reviewed that such transactions are in the best interest of the fund and transacted on an arm's length and fair value basis.

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN SELECT INCOME FUND

We have acted as Trustee of Affin Hwang Aiiman Select Income Fund ("the Fund") for the financial period ended 30 September 2021. To the best of our knowledge, Affin Hwang Asset Management Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

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

During this financial period, a total distribution of 0.90 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
15 November 2021

SHARIAH ADVISER'S REPORT

To the Unit Holders of Affin Hwang Aiiman Select Income Fund ("Fund")

We hereby confirm the following:

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

For **Amanie Advisors Sdn Bhd**

Datuk Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur
15 November 2021

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

CONTENTS	PAGE(S)
UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME	1
UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION	2
UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY	3
UNAUDITED INTERIM STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 11
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS	12 - 42
STATEMENT BY THE MANAGER	43

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

		6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
	Note		
INVESTMENT INCOME			
Dividend income		339,779	227,510
Profit income from financial assets at amortised cost		4,807	9,303
Profit income from financial asset through profit and loss		773,791	631,942
Net loss on foreign currency exchange		(12,577)	(3,201)
Net (loss)/gain on financial assets at fair value through profit or loss	8	(451,723)	2,881,355
		<u>654,077</u>	<u>3,746,909</u>
EXPENSES			
Management fee	4	(332,596)	(266,886)
Trustee fee	5	(19,419)	(15,707)
Auditors' remuneration		(4,513)	(4,513)
Tax agent's fee		(15,679)	(15,780)
Transaction cost		(122,702)	(80,193)
Other expenses		(54,646)	(46,851)
		<u>(549,555)</u>	<u>(429,930)</u>
NET PROFIT BEFORE TAXATION		104,522	3,316,979
Taxation	6	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>104,522</u>	<u>3,316,979</u>
Net profit after taxation is made up of the following:			
Realised amount		506,956	867,030
Unrealised amount		(402,434)	2,449,949
		<u>104,522</u>	<u>3,316,979</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Cash and cash equivalents	9	2,838,650	3,376,025
Amount due from brokers		1,495,522	263,983
Amount due from Manager			
- creation of units		-	155,388
Dividend receivables		37,350	9,596
Financial assets at fair value through loss or profit	8	51,939,404	46,875,049
TOTAL ASSETS		<u>56,310,926</u>	<u>50,680,041</u>
LIABILITIES			
Amount due to brokers		1,386,906	322,322
Amount due to Manager			
- management fee		54,768	48,623
- cancellation of units		959,896	839,025
Amount due to Trustee		3,195	2,836
Auditors' remuneration		4,523	4,537
Tax agent's fee		5,255	1,755
Other payables and accruals		40,448	37,782
TOTAL LIABILITIES		<u>2,454,991</u>	<u>1,256,880</u>
NET ASSET VALUE OF THE FUND		<u>53,855,935</u>	<u>49,423,161</u>
EQUITY			
Unitholders' capital		50,738,591	44,792,545
Retained earnings		3,117,344	4,630,616
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>53,855,935</u>	<u>49,423,161</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>108,419,000</u>	<u>96,729,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4967</u>	<u>0.5109</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

	Unitholders' <u>capital</u> RM	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 income for the financial period	-	104,522	104,522
Distribution (Note 7)	-	(988,065)	(988,065)
Movement in unitholders' capital:			
Creation of units arising from applications	4,583,528	-	4,583,528
Creation of units arising from distribution	929,725	-	929,725
Cancellation of units	(3,574,854)	-	(3,574,854)
Balance as at 30 September 2021	<u>50,738,591</u>	<u>3,117,344</u>	<u>53,855,935</u>
Balance as at 1 April 2020	37,907,392	1,746,052	39,653,444
Total comprehensive income for the financial period	-	3,316,979	3,316,979
Distribution (Note 7)	-	(432,415)	(432,415)
Movement in unitholders' capital:			
Creation of units arising from applications	11,333,511	-	11,333,511
Creation of units arising from distribution	431,048	-	431,048
Cancellation of units	(4,879,406)	-	(4,879,406)
Balance as at 30 September 2020	<u>44,792,545</u>	<u>4,630,616</u>	<u>49,423,161</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

	Note	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		25,531,723	16,482,416
Purchase of Shariah-compliant investments		(29,938,923)	(25,397,787)
Dividends received		366,981	239,971
Profit income from short term Shariah-based deposits		778,793	688,956
Management fee paid		(331,942)	(259,536)
Trustee fee paid		(19,381)	(15,279)
Payment for other fees and expenses		(200,218)	(150,833)
Net realised gain/(loss) on foreign currency exchange		105,796	(59,365)
Net cash flows used in operating activities		(3,707,171)	(8,471,457)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		4,675,227	11,374,471
Payments for cancellation of units		(2,632,254)	(4,040,381)
Payment for distribution		(58,340)	(1,367)
Net cash flows generated from financing activities		1,984,633	7,332,723
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,722,538)	(1,138,734)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		20,200	16,453
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		4,540,988	4,498,306
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	2,838,650	3,376,025

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

B INCOME RECOGNITION

Dividend income

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

Profit income

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

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

Realised gains and losses on sale of investments

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

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

C TRANSACTION COSTS

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

D TAXATION

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

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

E DIVIDEND 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.

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

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.

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, amount due from Manager and dividends receivable 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 purposes 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.

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

H FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

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 is 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. We use the Composite Bloomberg Bond Trader (CBBT) which is a weighted average bid and ask of price contributions submitted by Bloomberg Dealers. However, if such quotations are not available, the fair value shall be determined by reference to the bid and offer prices quoted by independent and reputable financial institutions.

Financial assets and other 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 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

Qualitative criteria:

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

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

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

Write-off

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

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

I CASH AND CASH EQUIVALENTS

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

J AMOUNT DUE FROM/(TO) BROKERS

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

K UNITHOLDERS' CAPITAL

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

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

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

Units are created and cancelled at the unitholder's 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 unit holders with the total number of outstanding units.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021

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 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 12.3 of the Deed.

The Fund may invest in any of the following 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 15 November 2021.

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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 RM</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	2,838,650	-	2,838,650
Amount due from brokers		1,495,522	-	1,495,522
Dividend receivables		37,350	-	37,350
Shariah-compliant quoted equities	9	-	18,219,297	18,219,297
Unquoted sukuk	9	-	33,720,107	33,720,107
Total		<u>4,371,522</u>	<u>51,939,404</u>	<u>56,310,926</u>
<u>Financial liabilities</u>				
Amount due to brokers		1,386,906	-	1,386,906
Amount due to Manager				
- management fee		54,768	-	54,768
- cancellation of units		959,896	-	959,896
Amount due to Trustee		3,195	-	3,195
Auditors' remuneration		4,523	-	4,523
Tax agent's fee		5,255	-	5,255
Other payables and accruals		40,448	-	40,448
Total		<u>2,454,991</u>	<u>-</u>	<u>2,454,991</u>
<u>2020</u>				
<u>Financial assets</u>				
Cash and cash equivalents	10	3,376,025	-	3,376,025
Amount due from brokers		263,983	-	263,983
Amount due from Manager				
- creation of units		155,388	-	155,388
Dividend receivables		9,596	-	9,596
Shariah-compliant quoted equities	9	-	16,841,891	16,841,891
Unquoted sukuk	9	-	30,033,158	30,033,158
Total		<u>3,804,992</u>	<u>46,875,049</u>	<u>50,680,041</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Amount due to brokers		322,322	-	322,322
Amount due to Manager				
- management fee		48,623	-	48,623
- cancellation of units		839,025	-	839,025
Amount due to Trustee		2,836	-	2,836
Auditors' remuneration		4,537	-	4,537
Tax agent's fee		1,755	-	1,755
Other payables and accruals		37,782	-	37,782
Total		<u>1,256,880</u>	<u>-</u>	<u>1,256,880</u>

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

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

Market risk

(a) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Shariah-compliant quoted investments		
Quoted equities	<u>18,219,297</u>	<u>16,841,891</u>
Shariah-compliant unquoted investments		
Unquoted sukuk*	<u>33,720,107</u>	<u>30,033,158</u>

*Include profit receivable RM490,755 (2020: RM381,518)

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 7.5% (2020:7.5%) and decreased by 7.5% (2020:7.5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2021</u>		
-7.5%	47,590,000	(3,858,649)
0%	51,448,649	-
+7.5%	55,307,298	3,858,649
	<u> </u>	<u> </u>
<u>2020</u>		
-7.5%	43,006,516	(3,487,015)
0%	46,493,531	-
+7.5%	49,980,546	3,487,015
	<u> </u>	<u> </u>

(b) Profit rate risk

In general, when profit rates rise, unquoted sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted 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 rate 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 depend on forecasting profit rate movements. Prices of unquoted sukuk move inversely to profit rate movements, therefore as profit rates rise, the prices of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Market risk (continued)

(b) Profit rate risk (continued)

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

<u>% Change in profit rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2021</u> RM	<u>2020</u> RM
+ 2% (2020: 2%)	(220,336)	(162,160)
+ 2% (2020: 2%)	223,485	163,715

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

(c) Currency risk

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

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

	<u>Shariah compliant quoted equities</u> RM	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	976,980	9,597	-	986,577
Hong Kong Dollar	3,653,024	1,090,228	30,950	4,774,202
Indonesia Rupiah	1,797,552	-	118,318	1,915,870
Korean Won	796,188	-	-	796,188
Singapore Dollar	2,594,314	29,314	-	2,623,628
Taiwan Dollar	1,134,016	-	643,521	1,777,537
United States Dollar	3,430,623	965,622	640,083	5,036,328
	<u>14,382,697</u>	<u>2,094,761</u>	<u>1,432,872</u>	<u>17,910,330</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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)

	Amount due to <u>brokers</u> RM	<u>Total</u> RM
<u>2021</u> (continued)		
<u>Financial liabilities</u>		
Hong Kong Dollar	388,101	388,101
Indonesia Rupiah	118,318	118,318
Taiwan Dollar	639,274	639,274
United States Dollar	118,646	118,646
	<u>1,264,339</u>	<u>1,264,339</u>

	Shariah compliant quoted equities RM	Cash and cash equivalents RM	Other assets* RM	<u>Total</u> RM
<u>2020</u>				
<u>Financial assets</u>				
Hong Kong Dollar	8,163,327	780,282	263,983	9,207,592
Indonesia Rupiah	442,829	1	-	442,830
Korean Won	1,782,780	-	-	1,782,780
Singapore Dollar	2,822,405	337,395	-	3,159,800
Taiwan Dollar	2,042,184	-	4,798	2,046,982
United States Dollar	-	181,802	-	181,802
	<u>15,253,525</u>	<u>1,299,480</u>	<u>268,781</u>	<u>16,821,786</u>

	Amount due to <u>broker</u> RM	<u>Total</u> RM
<u>Financial liabilities</u>		
Singapore Dollar	<u>322,322</u>	<u>322,322</u>

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 10% (2020:10%), with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 10% (2020:10%). Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit after tax/ NAV RM
<u>2021</u>		
Australian Dollar	+/- 10	+/- 98,658
Hong Kong Dollar	+/- 10	+/- 438,610
Indonesia Rupiah	+/- 10	+/- 179,755
Korean Won	+/- 10	+/- 79,619
Singapore Dollar	+/- 10	+/- 262,363
Taiwan Dollar	+/- 10	+/- 113,826
United States Dollar	+/- 10	+/- 491,768
<u>2020</u>		
Hong Kong Dollar	+/- 10	+/- 920,759
Indonesia Rupiah	+/- 10	+/- 44,283
Korean Won	+/- 10	+/- 178,278
Singapore Dollar	+/- 10	+/- 283,748
Taiwan Dollar	+/- 10	+/- 204,698
United States Dollar	+/- 10	+/- 18,180

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Credit risk

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

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

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

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

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

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 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>2021</u>				
Basic Materials				
- NR	-	-	327,355	327,355
Consumer goods				
- AA1	485,457	-	-	485,457
- AA	544,057	-	-	544,057
- NR	-	-	2,153	2,153
Consumer services				
- A1	857,259	-	-	857,259
- NR	-	-	639,274	639,274
Energy				
- AA-	1,664,777	-	-	1,664,777
Financials				
- AAA	1,215,549	2,838,650	-	4,054,199
- AA3	1,002,680	-	-	1,002,680
- AA-	2,710,522	-	-	2,710,522
- A1	1,011,728	-	-	1,011,728
- A3	508,124	-	-	508,124
- NR	1,058,926	-	-	1,058,926
Government				
- SOV	1,023,556	-	-	1,023,556

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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> (continued)				
Industrials				
- AAA	2,678,902	-	-	2,678,902
- AA3	1,049,042	-	-	1,049,042
- A2,029,391	-	-	2,029,391	
- AA-	1,042,015	-	-	1,042,015
- C	1,172,844	-	-	1,172,844
- NR	1,028,986	-	149,268	1,178,254
Industrial Products & Services				
- NR	-	-	122,567	122,567
Real Estate				
- AA1	1,672,027	-	-	1,672,027
- AA3	1,039,887	-	-	1,039,887
- AA-	1,551,548	-	-	1,551,548
- NR	-	-	288,008	288,008
Technology				
- NR	-	-	4,247	4,247
Telecommunications				
- AAA	324,059	-	-	324,059
- AA+	554,017	-	-	554,017
Utilities				
- AA1	1,588,503	-	-	1,588,503
- AA3	3,728,335	-	-	3,728,335
- AA-	2,177,916	-	-	2,177,916
	<u>33,720,107</u>	<u>2,838,650</u>	<u>1,532,872</u>	<u>38,091,629</u>

2020

Consumer Products & Services				
- AA1	517,757	-	-	517,757
- A1	874,952	-	-	874,952
Financials				
- AAA	1,293,428	3,376,025	-	4,669,453
- AA1	1,173,989	-	-	1,173,989
- AA3	2,090,131	-	-	2,090,131
- AA-	4,424,806	-	-	4,424,806
- NR	1,153,136	-	268,781	1,421,917
Government				
- SOV	558,759	-	-	558,759

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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>2020</u> (continued)				
Industrials				
- AAA	1,088,720	-	-	1,088,720
- AA3	1,084,288	-	-	1,084,288
- A	4,024,084	-	-	4,024,084
- AA-	1,069,145	-	-	1,069,145
- AA+	1,672,113	-	-	1,672,113
- NR	1,111,621	-	-	1,111,621
Oil & Gas				
- AA-	1,744,452	-	-	1,744,452
Telecommunications				
- AA+	574,397	-	-	574,397
Technology				
- NR	-	-	4,798	4,798
Utilities				
- AA1	2,188,736	-	-	2,188,736
- AA3	1,104,351	-	-	1,104,351
- AA-	2,284,293	-	-	2,284,293
Others				
- NR	-	-	155,388	155,388
	<u>30,033,158</u>	<u>3,376,025</u>	<u>428,967</u>	<u>33,838,150</u>

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

Liquidity risk

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

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

Liquidity risk (continued)

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>2021</u>			
Amount due to brokers	1,386,906	-	1,386,906
Amount due to Manager			
- management fee	54,768	-	54,768
- cancellation of units	959,896	-	959,896
Amount due to Trustee	3,195	-	3,195
Auditors' remuneration	-	4,523	4,523
Tax agent's fee	-	5,255	5,255
Other payables and accruals	-	40,448	40,448
	<u>2,404,765</u>	<u>50,226</u>	<u>2,454,991</u>
<u>2020</u>			
Amount due to brokers	322,322	-	322,322
Amount due to Manager			
- management fee	48,623	-	48,623
- cancellation of units	839,025	-	839,025
Amount due to Trustee	2,836	-	2,836
Auditors' remuneration	-	4,537	4,537
Tax agent's fee	-	1,755	1,755
Other payables and accruals	-	37,782	37,782
	<u>1,212,806</u>	<u>44,074</u>	<u>1,256,880</u>

Capital risk

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

Reclassification of Shariah status risk

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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 market (such as trading securities) is based on quoted market prices at the close of trading on the 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

(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>2021</u>				
Financial assets at fair value through profit or loss:				
- quoted equities	18,219,297	-	-	18,219,297
- unquoted sukuk	-	33,720,107	-	33,720,107
	<u>18,219,297</u>	<u>33,720,107</u>	<u>-</u>	<u>51,939,404</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (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>2020</u>				
Financial assets at fair value through profit or loss at inception				
- quoted equities	16,841,891	-	-	16,841,891
- unquoted sukuk	-	30,033,158	-	30,033,158
	<u>16,841,891</u>	<u>30,033,158</u>	<u>-</u>	<u>46,875,049</u>

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

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

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

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 daily basis.

For the 6 months financial period ended 30 September 2021, the management fee is recognised at a rate of 1.20% (2020: 1.20%) per annum on the NAV of the Fund, calculated on daily basis as stated in the Prospectus.

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

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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.

For the 6 months financial period ended 30 September 2021, the Trustee's fee is recognised at a rate of 0.07% (2020: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee but exclusive of foreign sub-custodian fee, calculated on daily basis as stated in the Prospectus.

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

6 TAXATION

	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
Current taxation	-	-

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

	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
Net profit before taxation	104,522	3,316,979
Tax at Malaysian statutory rate of 24% (2020: 24%)	25,085	796,075
Tax effects of:		
Investment income not subject to tax	(156,978)	(899,258)
Expenses not deductible for tax purposes	50,267	37,327
Restriction on tax deductible expenses for Unit Trust Funds	81,626	65,856
Tax expense	-	-

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

7 DISTRIBUTIONS

	6 months financial period ended 30.9.2021 RM	6 months financial period ended 30.9.2020 RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	988,065	432,415
Gross realised income	988,065	432,415
Less: Expenses	-	-
Gross/net distribution amount	988,065	432,415

During the financial period 30 September 2021, distribution was made as follows:

<u>Ex-date</u>	Gross/Net distribution per unit (sen) RM
16.6.2021	0.90

During the financial period 30 September 2020, distribution was made as follows:

<u>Ex-date</u>	Gross/Net distribution per unit (sen) RM
17.6.2020	0.50

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

Included in distributions for the financial period is an amount of RM988,065 (2020: RM432,415) made from previous year's realised income

There are unrealised losses of RM402,434 during the financial period (2020: RM Nil).

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted equities – local	3,836,600	1,588,366
- Shariah-compliant quoted equities – foreign	14,382,697	15,253,525
- unquoted sukuk – local	33,720,107	30,033,158
	<u>51,939,404</u>	<u>46,875,049</u>
Net (loss)/gain on assets at fair value through profit or loss		
- realised (loss)/gain on sale of investments	(106,691)	405,143
- unrealised (loss)/gain on changes in fair value	(345,032)	2,476,212
	<u>(451,723)</u>	<u>2,881,355</u>

(a) Shariah-compliant quoted equities - local

(i) Shariah-compliant quoted equities - local as at 30 September 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<u>Industrial Products & Services</u>				
Petronas Chemicals Group Bhd	48,000	416,732	416,160	0.77
V.S. Industry Bhd	992,600	1,428,302	1,578,234	2.93
V.S. Industry Bhd-Warrant	198,520	-	109,186	0.20
	<u>1,239,120</u>	<u>1,845,034</u>	<u>2,103,580</u>	<u>3.90</u>
<u>Telecommunications & Media</u>				
Axiata Group Bhd	160,000	597,580	625,600	1.16
Telekom Malaysia Bhd	173,100	1,141,365	986,670	1.83
	<u>333,100</u>	<u>1,738,945</u>	<u>1,612,270</u>	<u>2.99</u>
<u>Property</u>				
SP Setia Bhd Group -PA	150,000	150,000	120,750	0.23
Total Shariah-compliant quoted equities - local	<u>1,722,220</u>	<u>3,733,979</u>	<u>3,836,600</u>	<u>7.12</u>
Unrealised gain on Shariah – compliant quoted equities - local		<u>102,621</u>		
Total Shariah-compliant quoted equities - local		<u>3,836,600</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - local as at 30 September 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Preference shares</u>				
SP Setia Bhd Group -PA	150,000	150,000	102,000	0.21
<u>REITs</u>				
Axis Real Estate Investment Trust	241,580	432,239	521,813	1.05
<u>Technology</u>				
GHL Systems Bhd	484,700	934,663	964,553	1.95
Total Shariah-compliant quoted equities - local	876,280	1,516,902	1,588,366	3.21
Unrealised gain on Shariah – compliant quoted equities - local		71,464		
Total Shariah-compliant quoted equities - local		1,588,366		

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

(b) Shariah-compliant quoted equities - foreign

(i) Shariah-compliant quoted equities - foreign as at 30 September 2021 are as follows:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<u>Australia</u>				
<u>Basic Materials</u>				
IGO Limited	10,500	293,568	278,503	0.52
OZ Minerals Ltd	10,350	698,705	698,477	1.30
	<u>20,850</u>	<u>992,273</u>	<u>976,980</u>	<u>1.82</u>
<u>Hong Kong</u>				
<u>Consumer Discretionary</u>				
Luk Fook Holdings Int Ltd	49,000	608,516	526,419	0.98
Techtronic Industries Co	3,500	210,533	291,702	0.54
	<u>52,500</u>	<u>819,049</u>	<u>818,121</u>	<u>1.52</u>
<u>Consumer Staples</u>				
China Mengniu Dairy Co Ltd	24,000	567,257	645,240	1.20
<u>Industrials</u>				
MTR Corp Ltd	24,000	552,306	542,002	1.01
Swire Pacific Limited - CL A	22,500	723,437	560,149	1.04
	<u>46,500</u>	<u>1,275,743</u>	<u>1,102,151</u>	<u>2.05</u>
<u>Real Estate</u>				
Link REIT	30,300	1,133,410	1,087,512	2.02
<u>Indonesia</u>				
<u>Industrials</u>				
PT United Tractors Tbk	76,000	539,661	572,554	1.06
<u>Telecommunication</u>				
Telkom Indonesia Persero Tbk PT	1,140,000	1,082,399	1,224,998	2.27

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities - foreign as at 30 September 2021 are as follows:
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Korea</u>				
<u>Consumer Discretionary</u>				
Hyundai Department Store Co Lt	1,850	577,637	521,872	0.97
<u>Technology</u>				
NAVER Corp	200	294,083	274,316	0.51
<u>Singapore</u>				
<u>Consumer Discretionary</u>				
ComfortDelGro Corporation Ltd	100,300	506,356	465,869	0.87
<u>Telecommunications</u>				
Singapore Telecom Ltd	154,500	1,207,175	1,169,095	2.17
<u>Real Estate</u>				
Frasers Centrepoint Trust	138,001	997,630	959,350	1.78
<u>Taiwan</u>				
<u>Technology</u>				
Taiwan Semiconductor Manufac	13,000	872,297	1,134,016	2.11
<u>United States</u>				
<u>Consumer Discretionary</u>				
Estee Lauder Companies Inc	460	568,262	577,291	1.07
New York Times Company	3,050	561,821	628,970	1.17
Walmart Inc	900	571,914	524,811	0.97
	4,410	1,701,997	1,731,072	3.21

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

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

(i) Shariah-compliant quoted equities - foreign as at 30 September 2021 are as follows:
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>United States</u> (continued)				
<u>Consumer Staples</u>				
Mondelez International Inc-A	2,100	565,258	511,024	0.95
Procter & Gamble Co	970	568,396	567,457	1.05
	<u>3,070</u>	<u>1,133,654</u>	<u>1,078,481</u>	<u>2.00</u>
<u>Technology</u>				
Apple Inc.	1,050	580,050	621,070	1.15
	<u>1,806,531</u>	<u>14,280,671</u>	<u>14,382,697</u>	<u>26.71</u>
Total Shariah-compliant quoted equities - foreign				
Accumulated unrealised gain - on Shariah compliant quoted equities- foreign		102,026		
Total Shariah-compliant quoted equities - foreign		<u>14,382,697</u>		

AFFIN HWANG AIIAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - foreign as at 30 September 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Hong Kong</u>				
<u>Consumer Services</u>				
Alibaba Group Holding Ltd	17,600	2,037,081	2,598,983	5.26
China Yuhua Education Corp Ltd	198,000	772,186	702,829	1.42
Luk Fook Holdings Int Ltd	47,000	509,904	470,762	0.95
MTR Corp Ltd	12,000	258,762	245,794	0.50
Topsports International Holding	124,000	679,599	711,430	1.44
	<u>398,600</u>	<u>4,257,532</u>	<u>4,729,798</u>	<u>9.57</u>
<u>Financials</u>				
Link REIT	17,300	674,642	584,404	1.18
Longfor Group Holdings Ltd	34,000	719,019	792,128	1.60
	<u>51,300</u>	<u>1,393,661</u>	<u>1,376,532</u>	<u>2.78</u>
<u>Technology</u>				
Tencent Holdings Ltd	7,500	1,832,348	2,056,997	4.16
<u>Indonesia</u>				
<u>Telecommunication</u>				
Telekomunikasi Indonesia Tbk	620,000	568,774	442,829	0.90
<u>Korea</u>				
<u>Preference shares</u>				
LG Chem Ltd - Pref Shares	480	589,356	545,434	1.11
Samsung Electronics Co Ltd - Pref Shares	6,900	1,145,371	1,237,346	2.50
	<u>7,380</u>	<u>1,734,727</u>	<u>1,782,780</u>	<u>3.61</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

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

(ii) Shariah-compliant quoted equities - foreign as at 30 September 2020 are as follows:
(continued)

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Singapore</u>				
<u>Consumer Services</u>				
ComfortDelGro Corporation Ltd	161,000	766,170	688,476	1.39
Sheng Siong Group Ltd	89,000	321,307	434,570	0.88
	<u>250,000</u>	<u>1,087,477</u>	<u>1,123,046</u>	<u>2.27</u>
<u>Financial</u>				
Frasers Centrepoint Trust	141,900	993,496	1,024,243	2.07
<u>Telecommunications</u>				
Singapore Telecom Ltd	105,500	934,971	675,116	1.37
<u>Taiwan</u>				
<u>Industrials</u>				
Delta Electronics Inc	20,000	409,040	540,162	1.09
<u>Technology</u>				
Parade Technologies Ltd	3,000	478,540	450,135	0.91
Taiwan Semiconductor Manufacture	17,000	814,835	1,051,887	2.13
	<u>20,000</u>	<u>1,293,375</u>	<u>1,502,022</u>	<u>3.04</u>
Total Shariah-compliant quoted equities - foreign	<u>1,622,180</u>	<u>14,505,401</u>	<u>15,253,525</u>	<u>30.86</u>
Accumulated unrealised gain - on Shariah compliant quoted equities- foreign		<u>748,124</u>		
Total Shariah-compliant quoted equities - foreign		<u>15,253,525</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

(c) Unquoted sukuk - local

(i) Unquoted sukuk - local as at 30 September 2021 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
3.80% Aeon Credit Service M Bhd 10.02.2027 (AA3)	1,000,000	1,005,296	1,002,680	1.86
5.20% Amlslamic Bank Bhd Call: 15.03.2022 (A1)	1,000,000	1,017,003	1,011,728	1.88
4.50% Bank Muamalat Malaysia Bhd Call: 15.06.2026 (A3)	500,000	506,609	508,124	0.94
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	500,000	579,312	545,266	1.01
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	515,012	554,017	1.03
3.42% Danum Capital Bhd 21.02.2035 (AAA)	500,000	501,907	463,927	0.86
6.43% Edra Energy Sdn Bhd 05.07.2034 (AA3)	500,000	620,404	602,811	1.11
4.263% Gamuda Bhd 16.11.2029 (AA3)	500,000	508,342	515,302	0.96
3.422% GII 30.09.2027 (SOV)	500,000	524,654	504,797	0.94
4.638% GII 15.11.2049 (SOV)	500,000	588,745	518,759	0.96
5.10% GULF Investment Corp 20.06.2022 (AAA)	200,000	203,684	206,356	0.38
4.76% IJM Corporation Bhd 10.04.2029 (AA3)	500,000	546,456	533,740	0.99
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	520,695	541,745	1.01
5.79% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	595,305	562,604	1.04
3.95% Kuala Lumpur Kepong Bhd 27.09.2034 (AA1)	500,000	524,954	485,457	0.89
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,048,735	2,167,275	4.02
6.04% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2035 (AA-)	500,000	568,972	543,247	1.01
4.90% Lembaga Pembiayaan Perumahan SA 21.09.2046 (NR)	500,000	601,715	525,701	0.98
4.11% Malaysia Rail Link Sdn Bhd 06.07.2045 (NR)	500,000	504,872	477,843	0.89
5.90% MEX II Sdn Bhd 27.04.2029 (C)	2,000,000	2,149,255	1,172,844	2.18
5.29% MMC Corp Berhad 26.04.2023 (AA-)	500,000	512,277	528,430	0.98
5.70% MMC Corp Berhad 24.03.2028 (AA-)	500,000	500,311	545,137	1.01
5.15% Perbadanan Kemajuan N Selangor 10.08.2023 (AA3)	1,000,000	1,007,244	1,039,887	1.93
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,027,883	1,062,007	1.97
5.23% Prasarana Malaysia Bhd 13.09.2047 (NR)	500,000	631,046	551,143	1.02

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

(c) Unquoted sukuk - local (continued)

(i) Unquoted sukuk - local as at 30 September 2021 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
4.85% PTPTN 26.07.2041 (NR)	500,000	593,797	533,225	0.99
5.65% Sime Darby Plantation Bhd Call: 24.03.2026 (AA)	500,000	560,268	544,057	1.01
4.18% Solar Management Seremban 21.10.2027 (AA3)	500,000	512,803	499,059	0.93
5.20% Tadau Energy Sdn Bhd 27.07.2023 (AA3)	1,500,000	1,563,299	1,561,504	2.90
5.80% Tadau Energy Sdn Bhd 27.07.2029 (AA3)	500,000	554,670	548,824	1.02
5.30% Tanjung Bin Energy Sdn Bhd 16.03.2023 (AA3)	500,000	508,821	516,137	0.96
4.68% Telekom Malaysia Bhd 31.10.2028 (AAA)	300,000	326,108	324,059	0.61
4.75% UEM Sunrise Bhd 22.03.2024 (AA-)	500,000	512,961	509,796	0.95
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	500,000	508,614	516,593	0.96
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	500,000	511,750	525,159	0.98
6.00% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	516,199	552,639	1.03
6.10% UiTM Solar Power Sdn Bhd 25.04.2031 (AA-)	1,000,000	1,145,463	1,112,138	2.07
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	750,000	785,097	857,259	1.59
5.59% UniTapah Sdn Bhd 12.12.2024 (AA1)	500,000	545,642	544,557	1.01
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	1,000,000	1,138,960	1,127,470	2.09
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	1,000,000	1,036,721	1,042,015	1.94
5.80% WCT Holdings Bhd Call:27.09.2024 (A)	2,000,000	2,001,276	2,029,391	3.77
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AA+)	1,500,000	1,535,057	1,616,895	3.00
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,500,000	1,569,866	1,588,503	2.95
Total unquoted sukuk - local	<u>32,750,000</u>	<u>34,738,060</u>	<u>33,720,107</u>	<u>62.61</u>
Accumulated unrealised loss on unquoted sukuk - local		(1,017,953)		
Total unquoted sukuk - local		<u>33,720,107</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

(c) Unquoted sukuk - local (continued)

(ii) Unquoted sukuk - local as at 30 September 2020 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
3.8% Aeon Credit Service M Bhd 10.02.2027 (AA3)	1,000,000	1,005,397	1,032,174	2.09
4.95% Bank Pembangunan Malaysia Bhd 02.11.2035 (AAA)	500,000	582,999	583,106	1.18
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	500,000	515,648	574,397	1.16
3.42% Danum Capital Bhd 21.02.2035 (AAA)	500,000	502,007	499,546	1.01
4.263% Gamuda Bhd 16.11.2029 (AA3)	500,000	508,385	533,707	1.08
4.638% GII 15.11.2049 (SOV)	500,000	590,338	558,759	1.13
5.10% GULF Investment Corp 20.06.2022 (AAA)	200,000	204,706	210,776	0.43
4.76% IJM Corporation Bhd 10.04.2029 (AA3)	500,000	550,585	550,581	1.11
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	500,000	523,595	559,155	1.13
6.24% Jimah East Power Sdn Bhd 04.06.2032 (AA-)	500,000	596,072	631,752	1.28
3.95% Kuala Lumpur Kepong Bhd 27.09.2034 (AA1)	500,000	526,383	517,757	1.05
5.95% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2034 (AA-)	2,000,000	2,050,260	2,267,629	4.59
6.04% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2035 (AA-)	500,000	572,172	570,094	1.15
4.9% Lembaga Pembiayaan Perumahan SA 21.09.2046 (NR)	500,000	604,157	571,366	1.16
4.11% Malaysia Rail Link Sdn Bhd 06.07.2045 (NR)	500,000	504,872	514,178	1.04
5.90% MEX II Sdn Bhd 27.04.2029 (A)	2,000,000	2,094,963	1,995,070	4.04
5.29% MMC Corp Bhd 26.04.2023 (AA-)	500,000	512,710	534,422	1.08
5.7% MMC Corp Bhd 24.03.2028 (AA-)	500,000	500,234	558,964	1.13
5.15% Perbadanan Kemajuan Negeri Selangor 10.08.2023 (AA3)	1,000,000	1,007,321	1,057,957	2.14
4.64% Plus Bhd 10.01.2025 (AAA)	1,000,000	1,032,696	1,088,720	2.20
5.23% Prasarana Malaysia Bhd 13.09.2047 (NR)	500,000	634,001	597,443	1.22
4.85% PTPTN 26.07.2041 (NR)	500,000	596,853	581,770	1.18
5.8% Tadau Energy Sdn Bhd 27.07.2029 (AA3)	500,000	559,889	572,419	1.16

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

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

(c) Unquoted sukuk - local (continued)

(ii) Unquoted sukuk - local as at 30 September 2020 are as follows: (continued)

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk (continued)</u>				
5.30% Tanjung Bin Energy Issuer Bhd 16.03.2023 (AA3)	500,000	508,559	531,932	1.08
4.63% Teknologi Tenaga Perlis Consor 30.07.2021 (AA1)	500,000	505,949	512,976	1.04
4.75% UEM Sunrise Bhd 22.03.2024 (AA-)	500,000	517,653	519,111	1.05
5.06% UEM Sunrise Bhd 09.12.2022 (AA1-)	500,000	509,322	524,243	1.06
5.15% UEM Sunrise Bhd 31.10.2025 (AA-)	500,000	511,944	543,729	1.10
6% UiTM Solar Power Sdn Bhd 26.04.2030 (AA-)	500,000	516,489	579,054	1.17
6.1% UiTM Solar Power Sdn Bhd 25.04.2031 (AA-)	1,000,000	1,155,220	1,165,398	2.36
6.35% UMW Holdings Bhd Call: 20.04.2028 (A1)	750,000	785,272	874,952	1.77
5.82% UniTapah Sdn Bhd 11.06.2027 (AA1)	1,000,000	1,158,302	1,173,989	2.37
5.17% WCT Holdings Bhd 23.10.2023 (AA-)	1,000,000	1,043,048	1,069,145	2.16
5.8% WCT Holdings Bhd Call: 27.09.2024 (A)	2,000,000	2,000,956	2,029,014	4.10
4.53% Westports Malaysia Sdn Bhd 01.04.2027 (AA+)	1,500,000	1,535,320	1,672,113	3.38
5.05% YTL Power International Bhd 03.05.2027 (AA1)	1,500,000	1,575,600	1,675,760	3.39
Total unquoted sukuk - local	<u>27,450,000</u>	<u>29,099,877</u>	<u>30,033,158</u>	<u>60.77</u>
Accumulated unrealised gain on unquoted sukuk - local		<u>933,281</u>		
Total unquoted sukuk - local		<u>30,033,158</u>		

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	2,138,618	1,323,552
Short term Shariah-based deposits with licensed financial institution	700,032	2,052,473
	<u>2,838,650</u>	<u>3,376,025</u>

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

	<u>2021</u> %	<u>2020</u>
Shariah-based deposits with licensed financial institution	<u>1.65</u>	<u>1.65</u>

Short term Shariah-based deposits with licensed financial institutions have an average maturity of 1 day (2020: 1 day).

10 NUMBER OF UNIT IN CIRCULATIONS

	<u>2021</u> No. of units	<u>2020</u> No. of units
As at the beginning of the financial period	104,642,000	83,173,000
Creation of units arising from applications	9,045,851	22,236,351
Creation of units arising from distribution	1,853,149	867,649
Cancellation of units	<u>(7,122,000)</u>	<u>(9,548,000)</u>
As at the end of the financial period	<u>108,419,000</u>	<u>96,729,000</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

11 TRANSACTIONS WITH BROKERS AND DEALERS

- (i) Details of transactions with the top 10 brokers and dealers for the 6 months financial period ended 30 September 2021 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u>	<u>Percentage of total trade</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage</u>
	RM	%	RM	%
CLSA Ltd	8,553,649	16.17	5,330	7.64
Grand Cathay Securities (HK) Ltd	6,743,948	12.75	16,860	24.16
Macquarie(M)Sdn Bhd	5,693,679	10.76	3,546	5.08
Macquarie Securities Ltd Seoul	4,413,260	8.34	3,326	4.77
Robert W.Baird & Co.Inc. NY	3,415,702	6.46	710	1.02
Credit Lyonnais Secs Seoul	2,226,980	4.21	1,646	2.36
RBS Morgans Ltd	2,122,544	4.01	5,306	7.60
Samsung Securities Co Ltd	1,941,027	3.67	4,852	6.95
Sanford C. Bernstein and Co., Llc	1,870,997	3.54	1,210	1.73
Affin Hwang Investment Bank Bhd#	1,853,314	3.50	4,633	6.64
Others	14,060,887	26.59	22,355	32.05
	<u>52,895,987</u>	<u>100.00</u>	<u>69,774</u>	<u>100.00</u>

- (ii) Details of transactions with the top 10 brokers and dealers for the 6 months financial period ended 30 September 2020 are as follows:

<u>Name of brokers/dealers</u>	<u>Value of trade</u>	<u>Percentage of total trade</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage</u>
	RM	%	RM	%
Affin Hwang Investment Bank Bhd#	8,236,371	19.78	-	-
Macquarie Bank Ltd Hong Kong	4,585,033	11.01	4,423	8.13
CLSA Ltd	3,371,095	8.09	3,054	5.61
JP Morgan Secs (Asia Pac) Ltd Hk	2,440,015	5.86	4,696	8.63
DBS Securities (S) Pte Ltd	2,304,258	5.53	6,563	12.06
Standard Chartered Bank Malaysia Bhd	2,291,300	5.50	-	-
Citigroup Global Mkts Ltd Ldn	2,051,857	4.93	5,478	10.07
Sanford C. Bernstein And Co., Llc	1,964,189	4.72	2,599	4.78
Macquarie Securities Ltd Seoul	1,928,327	4.62	2,565	4.70
Instinet Pacific Ltd	1,808,277	4.34	1,467	2.70
Others	10,665,384	25.62	23,580	43.32
	<u>41,646,106</u>	<u>100.00</u>	<u>54,425</u>	<u>100.00</u>

Included in transactions with brokers are trades conducted on normal terms in the stockbroking industry with Affin Hwang Investment Bank Bhd, companies related to the Manager amounting RM1,853,314 (2020: RM8,236,371). The Manager is at the opinion that all transaction with the related companies have been entered into the normal course of business at agreed terms between related parties.

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

11 TRANSACTIONS WITH BROKERS AND DEALERS (CONTINUED)

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

<u>2021</u> RM	<u>2020</u> RM	
Affin Hwang Investment Bank Bhd	1,368,390	2,793,150

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

<u>2021</u> RM	<u>2020</u> RM	
Affin Hwang Aiiman Income Plus Fund	862,240	2,793,150
Affin Hwang Aiiman Balanced Fund	506,150	-
	<u>1,368,390</u>	<u>2,793,150</u>

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

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

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

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

	<u>2021</u>		<u>2020</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)	3,123	1,551	3,039
	<u>3,123</u>	<u>1,551</u>	<u>3,039</u>

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

13 MANAGEMENT EXPENSE RATIO ("MER")

	6 months financial period ended 30.9.2021 %	6 months financial period ended 30.9.2020 %
MER	0.73	0.75

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM55,334,640 (2020: RM44,732,249).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	6 months financial period ended 30.9.2021	6 months financial period ended 30.9.2020
PTR (times)	0.50	0.46

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM29,060,700 (2020: RM24,939,419)
total disposal for the financial period = RM25,972,254 (2020: RM16,301,545)

AFFIN HWANG AIIMAN SELECT INCOME FUND

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD 30 SEPTEMBER 2021 (CONTINUED)

15 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The worsening macro-economic outlook 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 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 42 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2021 and of its financial performance, changes in equity and cash flows for the financial period ended 30 September 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

DATO' TENG CHEE WAI
EXECUTIVE DIRECTOR/MANAGING DIRECTOR

Kuala Lumpur
15 November 2021

DIRECTORY OF SALES OFFICE

HEAD OFFICE

Affin Hwang Asset Management Berhad
Ground Floor
Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll free no : 1-800-88-7080
Email: customercare@affinhwangam.com

PENANG

Affin Hwang Asset Management Berhad
No. 10-C-24 Precinct 10
Jalan Tanjung Tokong
10470 Penang

Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK

Affin Hwang Asset Management Berhad
1, Persiaran Greentown 6
Greentown Business Centre
30450 Ipoh Perak

Tel : 05 – 241 0668
Fax : 05 – 255 9696

MELAKA

Affin Hwang Asset Management Berhad
Ground Floor, No. 584, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

Tel : 06 – 281 2890 / 3269
Fax : 06 – 281 2937

JOHOR

Affin Hwang Asset Management Berhad
Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor Darul Takzim

Tel : 07 – 227 8999
Fax : 07 – 223 8998

SABAH

Affin Hwang Asset Management Berhad
Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah

Tel : 088 – 252 881
Fax : 088 – 288 803

DIRECTORY OF SALES OFFICE (CONTINUED)

SARAWAK

Affin Hwang Asset Management Berhad
Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching
Sarawak

Tel : 082 – 233 320
Fax : 082 – 233 663

Affin Hwang Asset Management Berhad
1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri
Sarawak

Tel : 085 – 418 403
Fax : 085 – 418 372

www.affinhwangam.com

Affin Hwang Asset Management Berhad
199701014290 (429786-T)