



**ANNUAL REPORT**  
30 September 2022

# Affin Hwang Aiiman **Constant Cash** Fund 2

MANAGER  
AHAM Asset Management Berhad  
199701014290 (429786-T)

TRUSTEE  
Deutsche Trustees Malaysia  
Berhad (763590-H)

**Built On Trust**

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# AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

## Audited Annual Report and Financial Statements For The Financial Period 1 July 2022 to 30 September 2022 (Date of Winding Up)

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## FUND INFORMATION

Fund Name	Affin Hwang Aiman Constant Cash Fund 2
Fund Type	Income
Fund Category	Money Market (Shariah-compliant Wholesale)
Investment Objective	The Fund aims to provide investors with a regular income stream while aiming to maintain the NAV per Unit at RM1.00
Benchmark	The Fund shall benchmark itself against the Maybank Islamic Overnight Deposit Rate
Distribution Policy	Subject to the availability of income, the Fund will provide Unit Holders with monthly income

## FUND PERFORMANCE DATA

Category	As at 30 Sep 2022 (%)	As at 30 Jun 2022 (%)	As at 30 Jun 2021 (%)
Portfolio composition			
Short term deposits with licensed financial institution	0.00	100.27	-
Cash	100.00	-0.27	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	0.003	2.032	0.003
NAV per Unit (RM)	1.0000	1.0000	1.0000
Unit in Circulation (million)	0.003	2.032	0.003
Highest NAV	1.0000	1.0000	1.0000
Lowest NAV	1.0000	1.0000	1.0000
Return of the Fund (%)	0.29	1.11	0.00
- Capital Growth (%)	0.00	0.00	0.00
- Income Distribution (%)	0.29	1.11	0.00
Gross Distribution per Unit (sen)	Nil	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil	Nil
Total Expense Ratio (%) <sup>1</sup>	0.05	0.27	-
Portfolio Turnover Ratio (times) <sup>2</sup>	0.66	14.00	-

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

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

An illustration of the above would be as follow:-

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

<sup>1,2</sup>The TER and PTR of the Fund decreased as the Fund prepares for winding up during the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

Cum Date	Ex Date	Cum Distribution (MYR)	Distribution per Unit (MYR)	Ex-distribution (MYR)
30-Jun-22	1-Jul-22	1.0000	0.000038	1.0000
3-Jul-22	4-Jul-22	1.0000	0.000126	1.0000
4-Jul-22	5-Jul-22	1.0000	0.000042	1.0000
5-Jul-22	6-Jul-22	1.0000	0.000042	1.0000
6-Jul-22	7-Jul-22	1.0000	0.000042	1.0000
7-Jul-22	8-Jul-22	1.0000	0.000042	1.0000
11-Jul-22	12-Jul-22	1.0000	0.000167	1.0000
12-Jul-22	13-Jul-22	1.0000	0.000042	1.0000
13-Jul-22	14-Jul-22	1.0000	0.000042	1.0000
14-Jul-22	15-Jul-22	1.0000	0.000042	1.0000
17-Jul-22	18-Jul-22	1.0000	0.000127	1.0000
18-Jul-22	19-Jul-22	1.0000	0.000042	1.0000
19-Jul-22	20-Jul-22	1.0000	0.000042	1.0000
20-Jul-22	21-Jul-22	1.0000	0.000042	1.0000
21-Jul-22	22-Jul-22	1.0000	0.000042	1.0000
24-Jul-22	25-Jul-22	1.0000	0.000127	1.0000
25-Jul-22	26-Jul-22	1.0000	0.000042	1.0000
26-Jul-22	27-Jul-22	1.0000	0.000042	1.0000
27-Jul-22	28-Jul-22	1.0000	0.000042	1.0000
28-Jul-22	29-Jul-22	1.0000	0.000042	1.0000
30-Jul-22	31-Jul-22	1.0000	0.000093	1.0000
31-Jul-22	1-Aug-22	1.0000	0.000042	1.0000
1-Aug-22	2-Aug-22	1.0000	0.000042	1.0000
2-Aug-22	3-Aug-22	1.0000	0.000042	1.0000
3-Aug-22	4-Aug-22	1.0000	0.000042	1.0000
4-Aug-22	5-Aug-22	1.0000	0.000042	1.0000
7-Aug-22	8-Aug-22	1.0000	0.000127	1.0000
8-Aug-22	9-Aug-22	1.0000	0.000039	1.0000
9-Aug-22	10-Aug-22	1.0000	0.000042	1.0000
10-Aug-22	11-Aug-22	1.0000	0.000042	1.0000
11-Aug-22	12-Aug-22	1.0000	0.000042	1.0000
14-Aug-22	15-Aug-22	1.0000	0.000127	1.0000
15-Aug-22	16-Aug-22	1.0000	0.000042	1.0000
16-Aug-22	17-Aug-22	1.0000	0.000016	1.0000
17-Aug-22	18-Aug-22	1.0000	0.000042	1.0000
18-Aug-22	19-Aug-22	1.0000	0.000042	1.0000
21-Aug-22	22-Aug-22	1.0000	0.000127	1.0000
22-Aug-22	23-Aug-22	1.0000	0.000042	1.0000
23-Aug-22	24-Aug-22	1.0000	0.000042	1.0000
24-Aug-22	25-Aug-22	1.0000	0.000042	1.0000
25-Aug-22	26-Aug-22	1.0000	0.000042	1.0000
28-Aug-22	29-Aug-22	1.0000	0.000127	1.0000
29-Aug-22	30-Aug-22	1.0000	0.000046	1.0000
30-Aug-22	31-Aug-22	1.0000	0.000042	1.0000
31-Aug-22	1-Sep-22	1.0000	0.000042	1.0000
1-Sep-22	2-Sep-22	1.0000	0.000042	1.0000
4-Sep-22	5-Sep-22	1.0000	0.000127	1.0000

5-Sep-22	6-Sep-22	1.0000	0.000053	1.0000
6-Sep-22	7-Sep-22	1.0000	0.000000	1.0000

No unit splits were declared for the financial period ended 30 September 2022.

### **Performance Review (1 July 2022 to 30 September 2022)**

For the period 1 July 2022 to 30 September 2022, the Fund has registered a return of 0.29% as compared to the benchmark return of 0.17%. The Fund thus outperformed the benchmark by 0.12%. The Net Asset Value (NAV) per unit of the Fund as at 30 September 2022 was RM 1.0000 while the NAV per unit on 30 June 2022 was RM 1.0000. During the same period under review, the Fund has declared a total gross income distribution of RM0.0029 per unit.

Since commencement, the Fund has outperformed the benchmark by 8.35% with returns of 18.00% compared to the benchmark return of 9.65%.

Table 1: Performance of the Fund

	<b>Period Under Review (1/7/22 - 30/9/22)</b>	<b>1 Year (1/10/21 - 30/9/22)</b>	<b>3 Years (1/10/19 - 30/9/22)</b>	<b>5 Years (1/10/17 - 30/9/22)</b>	<b>Since Commencement (4/8/15 - 30/9/22)</b>
<b>Fund</b>	<b>0.29%</b>	<b>1.31%</b>	<b>2.10%</b>	<b>9.70%</b>	<b>18.00%</b>
<b>Benchmark</b>	<b>0.17%</b>	<b>0.39%</b>	<b>1.65%</b>	<b>5.37%</b>	<b>9.65%</b>
<b>Outperformance</b>	<b>0.12%</b>	<b>0.92%</b>	<b>0.45%</b>	<b>4.33%</b>	<b>8.35%</b>

Source of Benchmark: Maybank

Table 2: Average Total Return

	<b>1 Year (1/10/21 - 30/9/22)</b>	<b>3 Years (1/10/19 - 30/9/22)</b>	<b>5 Years (1/10/17 - 30/9/22)</b>	<b>Since Commencement (4/8/15 - 30/9/22)</b>
<b>Fund</b>	<b>1.31%</b>	<b>0.69%</b>	<b>1.87%</b>	<b>2.34%</b>
<b>Benchmark</b>	<b>0.39%</b>	<b>0.55%</b>	<b>1.05%</b>	<b>1.29%</b>
<b>Outperformance</b>	<b>0.92%</b>	<b>0.14%</b>	<b>0.82%</b>	<b>1.05%</b>

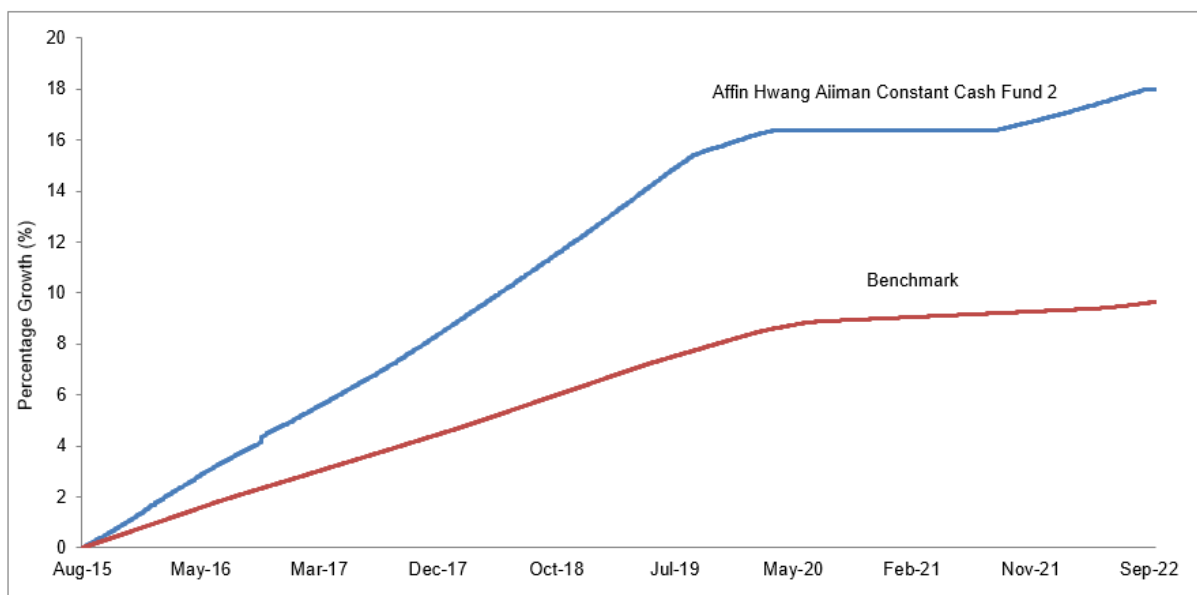
Source of Benchmark: Maybank

Table 3: Annual Total Return

	<b>FYE 2022 (1/7/21 - 30/6/22)</b>	<b>FYE 2021 (1/7/20 - 30/6/21)</b>	<b>FYE 2020 (1/7/19 - 30/6/20)</b>	<b>FYE 2019 (1/7/18 - 30/6/19)</b>	<b>FYE 2018 (1/7/17 - 30/6/18)</b>
<b>Fund</b>	<b>1.11%</b>	<b>0.00%</b>	<b>1.45%</b>	<b>3.81%</b>	<b>3.59%</b>
<b>Benchmark</b>	<b>0.28%</b>	<b>0.25%</b>	<b>1.33%</b>	<b>1.86%</b>	<b>1.81%</b>
<b>Outperformance</b>	<b>0.83%</b>	<b>(0.25%)</b>	<b>0.12%</b>	<b>1.95%</b>	<b>1.78%</b>

Source of Benchmark: 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 Maybank."*

Benchmark: Maybank Islamic Overnight Deposit Rate

**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 2022, the Fund is only held cash as the Fund winds up.

### **Strategies Employed**

The Manager remained invested in short-dated MYR fixed deposits until the Fund's termination.

### **Market Review**

Sustained inflationary pressures as well as central bank tightening continues to present a headwind to financial markets. Geopolitical instability also contributes to market concerns as friction between Russia and Ukraine persists, causing supply chain disruptions. At the start of the year, investment markets started to take seriously the potential implications of a change in monetary policy direction as inflationary pressures showed little signs of abating. As the last quarter of 2022 draws closer, we have seen numerous interest rates hikes over the year. The US Federal Reserve (Fed) has raised the fed funds rate by three percentage points within the span of 6 months to address inflationary pressures.

Global markets continue to slump lower in September month-on-month as the Fed signalled that there will be no let-up in its quest to quell inflation by tightening monetary policy. As a result, the Standard & Poor (S&P) 500 index fell 9.3% as hopes that the Fed would pivot anytime soon to loosen monetary policy is dampened. At the annual Jackson Hole economic symposium in August this year, Fed Chair Jerome Powell reiterated that the Fed is committed to raising interest rates until it is confident that inflation is sufficiently brought under control. Powell acknowledged that a tighter monetary policy may adversely affect US consumers and businesses due to higher borrowing costs but added that a premature loosening policy could lead to a much worse outcome if inflation continued unchecked.

The euro area annual inflation rate was 9.1% in August, a considerable increase compared to 3.0% a year ago. The highest contributor to the annual inflation rate is the energy sector, followed by food, alcohol and tobacco. The energy crisis across Europe was exacerbated as Russia said it would halt the Nord Stream 1 pipeline. Russia has already cut its gas supplies to European Union (EU) states by 88% over the year.

In Asia the broader Morgan Stanley Capital International (MSCI) Asia ex-Japan index plunged 12.9% in September, 35.18% year to date (YTD) on slowdown fears, Taiwan and Korea being among the worst performers in the region as the two export-driven countries saw waning demand for technology goods on the back of a global slowdown. Indonesia on the other hand was the best-performing major Asia-Pacific index for the year, with the Jakarta composite index up 6.51% (11.10% YTD) since the start of the year.

According to state media, China plans to launch a real estate fund of up to 300.0 billion yuan (US\$44.0 billion) to help developers complete stalled projects. The People's Bank of China (PBoC) is also said to be issuing 1.0 trillion yuan (US\$148.2 billion) to ease a liquidity crunch in the sector. China went through a sharp slowdown in April and May this year due to strict lockdown in major cities in the country. However, despite having relaxed Covid-19 restrictions as the number of new cases decline, and the government's effort in stimulating the economy from both monetary and fiscal perspective, the path to economic recovery seems rocky and non-linear. The Shanghai Shenzhen CSI300 Index is down 27.42% YTD as the region continue to reel from a property slump.

Bond yields continue to rise as central banks maintained hawkishness and were active in raising monetary policy rates, resulting in further negative returns in an environment of continued high inflation. The US 10-year Treasury rose from 1.63% at the start of the year to 3.82% in September, with the two-year rising from 0.73% to 4.21%. The UK gilt market performed relatively worse than most government bond markets as inflation in UK hit 10% in July, surprising markets and raised expectations of a faster pace of rate hikes.

In the domestic market, the Kuala Lumpur Composite Index (KLCI) dipped 7.77% in September 2022 in tandem with other markets. Commodity and plantation stocks were amongst the biggest losers on the back of recessionary risks.

On local fixed income, the 10-year MGS yield rose 43 basis points (bps) to end the month at 4.42%. As widely expected by markets, Bank Negara Malaysia (BNM) raised rates by 25 bps, effectively pushing the Overnight Policy Rate (OPR) to 2.75%, a 100 bps increase compared to 1.75% at the start of the year.

### **Soft Commissions received from Brokers**

As per the requirements of the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

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

During the financial period under review, no soft commission has been received by the Fund manager on behalf of the Fund.

### **Cross Trade**

No cross trade transactions have been carried out during the reported period.

### **Securities Financing Transactions**

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

### **Changes Made To the Fund's Information Memorandum**

No changes were made to the Fund's Information Memorandum during the period under review.



## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN CONSTANT CASH FUND 2 ("Fund")**

We have acted as the Trustee of the Fund for the financial period ended 30 September 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Affin Hwang Asset Management Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
2. Valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
3. Creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

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

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**  
Senior Manager, Trustee Operations

**Jiva Munusamy**  
Head, Client Management

Kuala Lumpur  
Date: 15 November 2022

**SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

**TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN CONSTANT CASH FUND 2 (“Fund”)**

We hereby confirm the following:

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

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar  
Executive Chairman

Kuala Lumpur  
Date: 15 November 2022

**AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 1 JULY 2022  
TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)**

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022  
(DATE OF TERMINATION)**

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## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)

	<u>Note</u>	Financial period from 1.7.2022 to 30.9.2022 (date of <u>termination</u> ) RM	Financial year ended <u>30.6.2022</u> RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets at fair value through profit or loss		8,570	99,453
		<u>8,570</u>	<u>99,453</u>
<b>EXPENSES</b>			
Management fee	4	(569)	(12,290)
Trustee fee	5	(76)	(984)
Other expenses		(68)	(150)
		<u>(713)</u>	<u>(13,424)</u>
<b>NET PROFIT BEFORE TAXATION</b>		7,857	86,029
Taxation	7	(2,023)	(23,584)
		<u>(2,023)</u>	<u>(23,584)</u>
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>		<u>5,834</u>	<u>62,445</u>
Net profit after taxation is made up of the following:			
Realised amount		<u>5,834</u>	<u>62,445</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 CONSTANT CASH FUND 2

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (DATE OF TERMINATION)

	<u>Note</u>	As at 30.9.2022 (date of termination) RM	As at 30.6.2022 RM
<b>ASSETS</b>			
Cash and cash equivalents		28,119	20,487
Financial assets at fair value through profit or loss	9	-	2,037,430
Tax recoverable		63,559	11,402
Prepaid tax		-	54,180
<b>TOTAL ASSETS</b>		<u>91,678</u>	<u>2,123,499</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- other payables		88,621	88,630
- management fee		50	418
Amount due to Trustee		7	33
Distribution payable		-	2,418
<b>TOTAL LIABILITIES</b>		<u>88,678</u>	<u>91,499</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>3,000</u>	<u>2,032,000</u>
<b>EQUITY</b>			
Unitholders' capital		3,000	2,032,000
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>3,000</u>	<u>2,032,000</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	<u>3,000</u>	<u>2,032,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.00</u>	<u>1.00</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 CONSTANT CASH FUND 2

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)

	<u>Note</u>	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 July 2022		2,032,000	-	2,032,000
Total comprehensive income for the financial period		-	5,834	5,834
Distributions	8	-	(5,834)	(5,834)
Movement in unitholders' capital:				
Creation of units arising from applications		1,165	-	1,165
Creation of units arising from distributions		8,252	-	8,252
Cancellation of units		<u>(2,038,417)</u>	-	<u>(2,038,417)</u>
Balance as at 30 September 2022 (date of termination)		<u>3,000</u>	<u>-</u>	<u>3,000</u>
Balance as at 1 July 2021		3,000	-	3,000
Total comprehensive income for the financial year		-	62,445	62,445
Distributions	8	-	(62,445)	(62,445)
Movement in unitholders' capital:				
Creation of units arising from applications		10,067,870	-	10,067,870
Creation of units arising from distributions		60,027	-	60,027
Cancellation of units		<u>(8,098,897)</u>	-	<u>(8,098,897)</u>
Balance as at 30 June 2022		<u>2,032,000</u>	<u>-</u>	<u>2,032,000</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 CONSTANT CASH FUND 2

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)

	Financial period from 1.7.2022 to 30.9.2022 (date of <u>termination</u> ) RM	Financial year ended <u>30.6.2022</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from maturity of deposits with licensed financial institutions	2,000,000	68,018,453
Placement of deposits with licensed financial institutions	-	(70,018,453)
Profit income received	46,000	62,023
Management fee paid	(937)	(11,872)
Trustee fee paid	(102)	(951)
Payment for other fees and expenses	(77)	(18,880)
	<hr/>	<hr/>
Net cash flows generated from/(used in) operating activities	2,044,884	(1,969,680)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,165	10,067,870
Payments for cancellation of units	(2,038,417)	(8,098,897)
	<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities	(2,037,252)	1,968,973
	<hr/>	<hr/>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,632	(707)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>	20,487	21,194
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR</b>	28,119	20,487
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents as at 30 September 2022 (date of termination) and 30 June 2022 comprise of bank balances.

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



## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)**

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

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

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

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

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

The Fund commenced operations on 3 August 2015 and was terminated on 30 September 2022. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a liquidation basis of accounting. The net proceeds have been distributed pro rata to the unitholder on 3 October 2022 according to the number of units held in the Fund as at 30 September 2022 (date of termination). The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 30 September 2022.

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

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark (IBOR) Reform – Phase 2’ (effective 1 January 2021) provide practical expedient allowing Fund to update the effective profit rate to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

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

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

(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.

#### **B INCOME RECOGNITION**

##### Profit income

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

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

#### **C 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/year.

#### **D DISTRIBUTION**

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

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

#### **E FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **F 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 flows 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 Shariah-compliant deposits with licensed financial institutions are solely payments of principal and interest<sup>1</sup> (“SPPI”). However, these investments 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 as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee and distribution payable as financial liabilities measured at amortised cost.

<sup>1</sup> For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

(ii) Recognition and measurement

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

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

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant 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.

Shariah-compliant deposits with licensed Islamic financial institutions are stated at fair value. Due to the short-term nature of the deposits, the cost plus accrued profit calculated based on the effective profit rate method over the period from the date of placement to the date of maturity of the respective deposits is a reasonable estimate of fair value.

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

(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.

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

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

(iii) Impairment (continued)

##### Definition of default and credit-impaired financial assets (continued)

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/year.

#### **G CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which are subject to insignificant risk of change in value.

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

#### **H UNITHOLDERS' CAPITAL**

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

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

The outstanding units are carried at the redemption amount that is payable at each financial period/year if unitholder 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 unitholders with the total number of outstanding units.

#### **I CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Product under the Lodge and Launch Framework.

#### **J REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

The analysis of realised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION)**

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

The Wholesale Fund was constituted under the name Affin Hwang Constant Cash Fund (the “Fund”) pursuant to the execution of a Deed dated 27 July 2015. The Fund changed its name from Affin Hwang Constant Cash Fund to Affin Hwang Aiiman Constant Cash Fund 2 and converting into a Shariah Fund as amended by Supplemental Deed (the “Deeds”) dated 20 May 2021 entered into between Affin Hwang Asset Management Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund commenced operations on 3 August 2015 and was terminated on 30 September 2022. As such, the going concern assumption can no longer be used for the preparation of financial statements. The financial statements have therefore been prepared using a liquidation basis of accounting. The net proceeds have been distributed pro rata to the unitholder on 3 October 2022 according to the number of units held in the Fund as at 30 September 2022 (date of termination). The Manager and the Trustee of the Fund hereby authorised the termination of the trust in respect of the Fund on 30 September 2022.

The Fund may invest in any of the following investments:

- (a) Islamic money market instruments; and
- (b) Islamic deposits;

All investments will be subjected to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deeds and the objective of the Fund.

The main objective of the Fund is to provide investor with a regular income stream while aiming to maintain the NAV per unit at RM1.00.

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 2022.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

Financial instruments are as follows:

	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>As at 30.9.2022 (date of termination)</u>			
<u>Financial assets</u>			
Cash and cash equivalents	28,119	-	28,119
Total	<u>28,119</u>	<u>-</u>	<u>28,119</u>
<u>Financial liabilities</u>			
Amount due to Manager			
- other payables	88,621	-	88,621
- management fee	50	-	50
Amount due to Trustee	7	-	7
Total	<u>88,678</u>	<u>-</u>	<u>88,678</u>
<u>As at 30.6.2022</u>			
<u>Financial assets</u>			
Shariah-compliant deposits with licensed financial institutions	-	2,037,430	2,037,430
Cash and cash equivalents	20,487	-	20,487
Total	<u>20,487</u>	<u>2,037,430</u>	<u>2,057,917</u>
<u>Financial liabilities</u>			
Amount due to Manager			
- other payables	88,630	-	88,630
- management fee	418	-	418
Amount due to Trustee	33	-	33
Distribution payable	2,418	-	2,418
Total	<u>91,499</u>	<u>-</u>	<u>91,499</u>



## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

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

The Fund is exposed to a variety of risks which include market risk (including profit rate 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 Unlisted Capital Market Products under the Lodge and Launch Framework.

##### Market risk

###### (a) Profit rate risk

Profit rate risk arises from the effects of fluctuations in the prevailing levels of market profit rates on the fair value of assets and liabilities and future cash flows.

The Fund's exposure to the profit rate risk is mainly confined to short-term Islamic deposits with licensed financial institutions.

As at 30 June 2022, the Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the carrying value of the deposits are held on a short-term basis. As at 30 September 2022 (date of termination), the Fund is not exposed to any profit rate risk.

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of return, principals and proceeds from realisation of 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.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

##### Credit risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Total</u> RM
<u>As at 30.9.2022 (date of termination)</u>		
Financial services		
- AA1	28,119	28,119
	<u>28,119</u>	<u>28,119</u>
	<u>Cash and cash equivalents</u> RM	<u>Shariah- compliant deposits with licensed financial institutions</u> RM
		<u>Total</u> RM
<u>As at 30.6.2022</u>		
Financial services		
- AA1	20,487	20,487
- AA2	-	2,037,430
	<u>20,487</u>	<u>2,037,430</u>
	<u>20,487</u>	<u>2,057,917</u>

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unitholders. Shariah-based liquid assets comprise cash at bank, Shariah-compliant deposits with licensed financial institutions and other Shariah-compliant 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 CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (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.

	<u>Within one month</u> RM	<u>Between one month to one year</u> RM	<u>Total</u> RM
<u>As at 30.9.2022 (date of termination)</u>			
Amount due to Manager			
- other payable	-	88,621	88,621
- management fee	50	-	50
Amount due to Trustee	7	-	7
	<u>57</u>	<u>88,621</u>	<u>88,678</u>
<u>As at 30.6.2022</u>			
Amount due to Manager			
- other payable	-	88,630	88,630
- management fee	418	-	418
Amount due to Trustee	33	-	33
Distribution payable	2,418	-	2,418
	<u>2,869</u>	<u>88,630</u>	<u>91,499</u>

##### Capital risk

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

##### Reclassification of Shariah status risk

The risk 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 Securities Commission performed twice yearly. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the Shariah Advisory Council's advice.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (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 markets (such as trading securities) is based on quoted market prices at the close of trading on the financial period/year end date. The Fund utilises the current bid price for financial assets which fall within the bid-ask spread.

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

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

##### (i) Fair value hierarchy

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

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

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.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (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:

The Fund does not hold any financial instruments at fair value through profit or loss as at 30 September 2022 (date of termination).

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>As at 30.6.2022</u>				
Financial assets at fair value through profit or loss				
- Shariah-compliant deposits with licensed financial institutions	-	2,037,430	-	2,037,430

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. This includes deposits with licensed financial institutions. 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 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 Deed, the Manager is entitled to a management fee at a rate not exceeding 5.00% per annum on the NAV of the Fund, calculated on a daily basis.

For the financial period ended from 1 July 2022 to 30 September 2022 (date of termination), management fee is recognised at 0.15% per annum (30.6.2022: 0.25%) on the NAV of the Fund, calculated on a daily basis.

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

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, subject to a minimum fee of RM12,000 per annum.

For the financial period ended from 1 July 2022 to 30 September 2022 (date of termination) and for the financial year ended 30 June 2022, the Trustee's fee is recognised at the following tiered rate:

<b>Net Asset Value (NAV)</b>	<b>% of NAV of the Fund</b>
Up to RM500 million	0.020% per annum
Above RM500 million to RM1billion	0.015% per annum
Above RM1billion	0.010% per annum

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

#### 6 AUDITORS' REMUNERATION AND TAX AGENT'S FEE

For the financial period ended from 1 July 2022 to 30 September 2022 (date of termination), auditors' remuneration of RM3,500 (30.6.2022: RM7,500) and tax agent's fee of RM3,500 (30.6.2022: RM3,500) was borne by the Manager.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 7 TAXATION

	Financial period from 1.7.2022 to 30.9.2022 (date of <u>termination</u> ) RM	Financial year ended <u>30.6.2022</u> RM
Current taxation	<u>2,023</u>	<u>23,584</u>

The Manager has paid tax instalments of RMNil (30.6.2022: RM24,894) during the period/year on behalf of the Fund.

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

	Financial period from 1.7.2022 to 30.9.2022 (date of <u>termination</u> ) RM	Financial year ended <u>30.6.2022</u> RM
Net profit before taxation	<u>7,857</u>	<u>86,029</u>
Tax at Malaysian statutory rate of 24% (30.6.2022: 24%)	1,886	20,647
Tax effects of:		
Expenses not deductible for tax purposes	35	272
Restriction on tax deductible expenses for Wholesale Funds	102	2,665
Tax expense	<u>2,023</u>	<u>23,584</u>

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 8 DISTRIBUTIONS

	Financial period from 1.7.2022 to 30.9.2022 (date of <u>termination</u> ) RM	Financial year ended <u>30.6.2022</u> RM
Distribution to unitholders is from the following sources:		
Profit income	8,570	99,453
Less: Expenses	(2,736)	(37,008)
Net distribution amount	<u>5,834</u>	<u>62,445</u>

During the financial period from 1 July 2022 to 30 September 2022 (date of termination) distributions were made as follows:

<u>Ex-date</u>	Gross/Net distribution <u>per unit</u> sen
31.07.2022	0.131430
31.08.2022	0.128700
07.09.2022	0.026460
	<u>0.286590</u>



## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 8 DISTRIBUTIONS (CONTINUED)

During the financial year ended 30 June 2022 distributions were made as follows:

<u>Ex-date</u>	Gross/Net distribution per unit sen
30.09.2021	0.091960
31.10.2021	0.103640
30.11.2021	0.103410
31.12.2021	0.107840
31.01.2022	0.108010
28.02.2022	0.101090
31.03.2022	0.126400
30.04.2022	0.118350
31.05.2022	0.123360
30.06.2022	0.118930
	<hr/>
	1.102990
	<hr/> <hr/>

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.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

	As at 30.9.2022 (date of termination) RM	As at 30.6.2022 RM
Financial assets at fair value through profit or loss:		
- Shariah-based deposits with licensed financial institutions*	-	2,037,430

\*Includes profit receivable of RMNil (2022: RM37,430).

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

	As at 30.9.2022 %	As at 30.6.2022 %
Shariah-based deposits with licensed financial institutions	-	2.30

The Shariah-based deposits with licensed financial institutions have an average maturity of Nil (2021: 68 days).

#### 10 SHARIAH INFORMATION OF THE FUND

The Shariah Advisor confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 11 NUMBER OF UNITS IN CIRCULATION

	As at 30.9.2022 (date of termination) No. of units	As at 30.6.2022 No. of units
At the beginning of the financial period/year	2,032,000	3,000
Creation of units arising from applications during the financial period/year	1,165	10,067,870
Creation of units arising from distributions during the financial period/year	8,252	60,027
Cancellation of units during the financial period/year	(2,038,417)	(8,098,897)
At the end of the financial period/year	<u>3,000</u>	<u>2,032,000</u>

#### 12 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

- a) There were no transactions with financial institutions for the financial period from 1 July 2022 to 30 September 2022 (date of termination).
- b) Details of transactions with financial institutions for the financial year 30 June 2022 are as follows:

<u>Name of financial institutions</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Public Islamic Bank Berhad	24,516,049	35.01
CIMB Islamic Bank Berhad	14,999,317	21.42
Bank Islam Malaysia Berhad	9,501,232	13.57
Hong Leong Islamic Bank Berhad	8,000,904	11.43
RHB Islamic Bank Berhad	8,000,000	11.43
Affin Islamic Bank Berhad #	3,000,951	4.29
Maybank Islamic Berhad	2,000,000	2.85
	<u>70,018,453</u>	<u>100.00</u>

# Included in transactions with financial institutions are placement conducted with Affin Islamic Bank Berhad, a former related company to the Manager amounting to RMNil (30.6.2022: RM3,000,951) respectively. The Manager is of the opinion that all transactions with the related companies have been entered into at agreed terms between the related parties.

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P., CVC Capital Partners Investment Asia L.P. and CVC Capital Partners Asia V Associates L.P. (collectively known as "CVC Asia V")	Ultimate holding companies of the Manager
CVC Capital Partners Asia V Limited	General Partner of the ultimate holding companies
Lembaga Tabung Angkatan Tentera ("LTAT")	Former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Intermediate holding company of the Manager
Starlight Asset Sdn Bhd	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAM")	Substantial shareholder of the Manager
Affin Hwang Asset Management Berhad ("AHAM")	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding companies of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

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

The number of units held by the Manager and its related party as at the end of financial period/year are as follows:

	<u>As at 30.9.2022 (date of termination)</u>		<u>As at 30.6.2022</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)	3,000	3,000	1,797	1,797
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Subsidiary of the Manager:</u>				
Aiiman Asset Management Sdn. Bhd. (The units are held beneficially)	-	-	2,030,183	2,030,183
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

## AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)

#### 14 TOTAL EXPENSE RATIO (“TER”)

	Financial period from 1.7.2022 to 30.9.2022 (date of termination) %	Financial year ended 30.6.2022 %
TER	0.05	0.27

TER is derived from the following calculation:

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

- A = Management fee
- B = Trustee fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period/year calculated on a daily basis is RM1,505,457 (2022: RM4,927,112).

#### 15 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 1.7.2022 to 30.9.2022 (date of termination)	Financial year ended 30.6.2022
PTR (times)	0.66	14.00

PTR is derived from the following calculation:

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

Where: total acquisition for the financial period/year = RMNil (30.6.2022: RM70,018,453)  
total disposal for the financial period/year = RM2,000,000 (30.6.2022: RM68,018,453)

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 (DATE OF TERMINATION) (CONTINUED)**

#### **16 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD/YEAR**

##### Change in corporate shareholding of Affin Hwang Asset Management Berhad

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in Affin Hwang Asset Management Berhad. The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, Affin Hwang Asset Management Berhad has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

#### **17 SUBSEQUENT EVENT**

On 10 November 2022, the Manager, Affin Hwang Asset Management Berhad changed its name to AHAM Asset Management Berhad.

## **AFFIN HWANG AIIMAN CONSTANT CASH FUND 2**

### **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 27 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 September 2022 and of its financial performance, changes in equity and cash flows for the financial period from 1 July 2022 to 30 September 2022 (date of termination) 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 2022



# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN CONSTANT CASH FUND 2

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Affin Hwang Aiiman Constant Cash Fund 2 (“the Fund”) give a true and fair view of the financial position as at 30 September 2022 (date of termination), and of its financial performance and its cash flows for the financial period from 1 July 2022 to 30 September 2022 (date of termination) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 27.

### Basis for opinion

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

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

### *Independence and other ethical responsibilities*

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

### Emphasis of matter

We draw attention to Note A of basis of preparation of the financial statements, which states that the Fund has been terminated on 30 September 2022 (date of termination). These financial statements have therefore been prepared using a liquidation basis of accounting. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN CONSTANT CASH FUND 2  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN CONSTANT CASH FUND 2  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN CONSTANT CASH FUND 2  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
AFFIN HWANG AIIMAN CONSTANT CASH FUND 2  
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
15 November 2022

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**AHAM Asset Management Berhad**

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