

# Affin Hwang Aiiman Income Plus Fund

Interim Report  
28 February 2018

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



**AFFIN HWANG**  
CAPITAL

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

**TRUSTEE**  
HSBC (Malaysia) Trustee Berhad (1281-T)

# AFFIN HWANG AIIMAN INCOME PLUS FUND

## Interim Report and Unaudited Financial Statements For the 6 Months Financial Period Ended 28 February 2018

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## FUND INFORMATION

Fund Name	Affin Hwang Aiman Income Plus Fund
Fund Type	Income
Fund Category	Sukuk
Investment Objective	To provide steady income stream over the medium to long-term period through investments primarily in Sukuk
Benchmark	The performance benchmark to be used by the Manager in measuring the performance of the Fund will be 12-month Maybank General Investment Account rate (GIA) which is readily available at any Maybank's branches.
Distribution Policy	The Fund will distribute income, if any, on a quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

## BREAKDOWN OF UNITHOLDERS BY SIZE RM CLASS AS AT 28 FEBRUARY 2018

Size of holdings (units)	No. of unitholders	No. of units held * ('000)
5,000 and below	48	128
5,001 to 10,000	45	348
10,001 to 50,000	108	2,375
50,001 to 500,000	57	10,671
500,001 and above	51	1,475,271
<b>Total</b>	<b>309</b>	<b>1,488,793</b>

\* Note: Excluding Manager's stock

## FUND PERFORMANCE DATA

Category	As at 28 Feb 2018 (%)	As at 28 Feb 2017 (%)	As at 29 Feb 2016 (%)
Portfolio composition			
Unquoted Sukuk	89.44	89.83	88.12
Cash & cash equivalent	10.56	10.17	11.88
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	848.132	763.678	341.808
NAV per Unit (RM)	0.5697	0.5701	0.5620
Unit in Circulation (million)	1,448.815	1,339.595	608.149
Highest NAV	0.5745	0.5763	0.5627
Lowest NAV	0.5651	0.5611	0.5520
Return of the Fund (%) <sup>iii</sup>	1.49	0.90	2.71
- Capital Growth (%) <sup>i</sup>	-0.57	-0.73	0.16
- Income Distribution (%) <sup>ii</sup>	2.07	1.65	2.54
Gross Distribution per Unit (sen)	1.17	0.93	1.40
Net Distribution per Unit (sen)	1.17	0.93	1.40
Management Expense Ratio (%) <sup>1</sup>	0.56	0.56	0.57
Portfolio Turnover Ratio (times) <sup>2</sup>	0.33	0.50	0.37

### **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
<b>Capital Return<sup>i</sup></b>	= (NAV per Unit @ 28/02/18 ÷ NAV per Unit @ 31/8/17* - 1) x 100 = (0.5697 ÷ 0.5730 - 1) x 100 = <b>-0.57%</b>
Income Return @ ex-date	= {Income distribution per Unit ÷ NAV per Unit on ex-date} + 1 = {0.0040 ÷ 0.5707 @ 18/09/17} + 1 = 1.0070 = {0.0077 ÷ 0.5651 @ 12/12/17} + 1 = 1.0136
<b>Total Income Return<sup>ii</sup></b>	= [{Income Return @ ex-date x Income Return @ ex-date} – 1] x 100 = [{1.0070 x 1.0136} – 1] x 100 = <b>2.07%</b>
<b>Return of the Fund<sup>iii</sup></b>	= [(1 + Capital Return) x (1 + Income Return)] – 1 x 100 = [(1 + (-0.57%)) x (1 + 2.07%)] – 1 x 100 = <b>1.49%</b>

\* Source –HSBC Trustee

<sup>1</sup>The MER of the Fund remained unchanged during the period under review.

<sup>2</sup>The decrease in the Fund's PTR was due to lower average sum of acquisition and disposal during the period under review.

Table 1: Performance of the Fund

	<b>6 Months (1/9/17 - 28/2/18)</b>	<b>1 Year (1/3/17 - 28/2/18)</b>	<b>3 Years (1/3/15 - 28/2/18)</b>	<b>5 Years (1/3/13 - 28/2/18)</b>	<b>Since Commencement (17/7/04 - 28/2/18)</b>
<b>Fund</b>	<b>1.49%</b>	<b>3.36%</b>	<b>12.71%</b>	<b>19.01%</b>	<b>107.51%</b>
<b>Benchmark</b>	<b>1.61%</b>	<b>3.32%</b>	<b>11.25%</b>	<b>18.54%</b>	<b>78.57%</b>
<b>Outperformance / (Underperformance)</b>	<b>(0.12%)</b>	<b>0.04%</b>	<b>1.46%</b>	<b>0.47%</b>	<b>28.94%</b>

Source of Benchmark: Bursa Malaysia & Maybank

Table 2: Average Total Return

	<b>1 Year (1/3/17 - 28/2/18)</b>	<b>3 Years (1/3/15 - 28/2/18)</b>	<b>5 Years (1/3/13 - 28/2/18)</b>	<b>Since Commencement (17/7/04 - 28/2/18)</b>
<b>Fund</b>	<b>3.36%</b>	<b>4.07%</b>	<b>3.54%</b>	<b>5.50%</b>
<b>Benchmark</b>	<b>3.32%</b>	<b>3.61%</b>	<b>3.46%</b>	<b>4.35%</b>
<b>Outperformance / (Underperformance)</b>	<b>0.04%</b>	<b>0.46%</b>	<b>0.08%</b>	<b>1.15%</b>

Source of Benchmark: Bursa Malaysia & Maybank

Table 3: Annual Total Return

	<b>FYE 2017 (01/9/16 - 31/8/17)</b>	<b>FYE 2016 (01/9/15 - 31/8/16)</b>	<b>FYE 2015 (01/9/14 - 31/8/15)</b>	<b>FYE 2014 (01/9/13 - 31/8/14)</b>	<b>FYE 2013 (01/9/12 - 31/8/13)</b>
<b>Fund</b>	<b>2.76%</b>	<b>6.83%</b>	<b>2.89%</b>	<b>3.09%</b>	<b>2.36%</b>
<b>Benchmark</b>	<b>3.46%</b>	<b>4.01%</b>	<b>3.39%</b>	<b>3.20%</b>	<b>3.19%</b>
<b>Outperformance / (Underperformance)</b>	<b>(0.70%)</b>	<b>2.82%</b>	<b>(0.50%)</b>	<b>(0.11%)</b>	<b>(0.83%)</b>

Source of Benchmark: Bursa Malaysia & Maybank

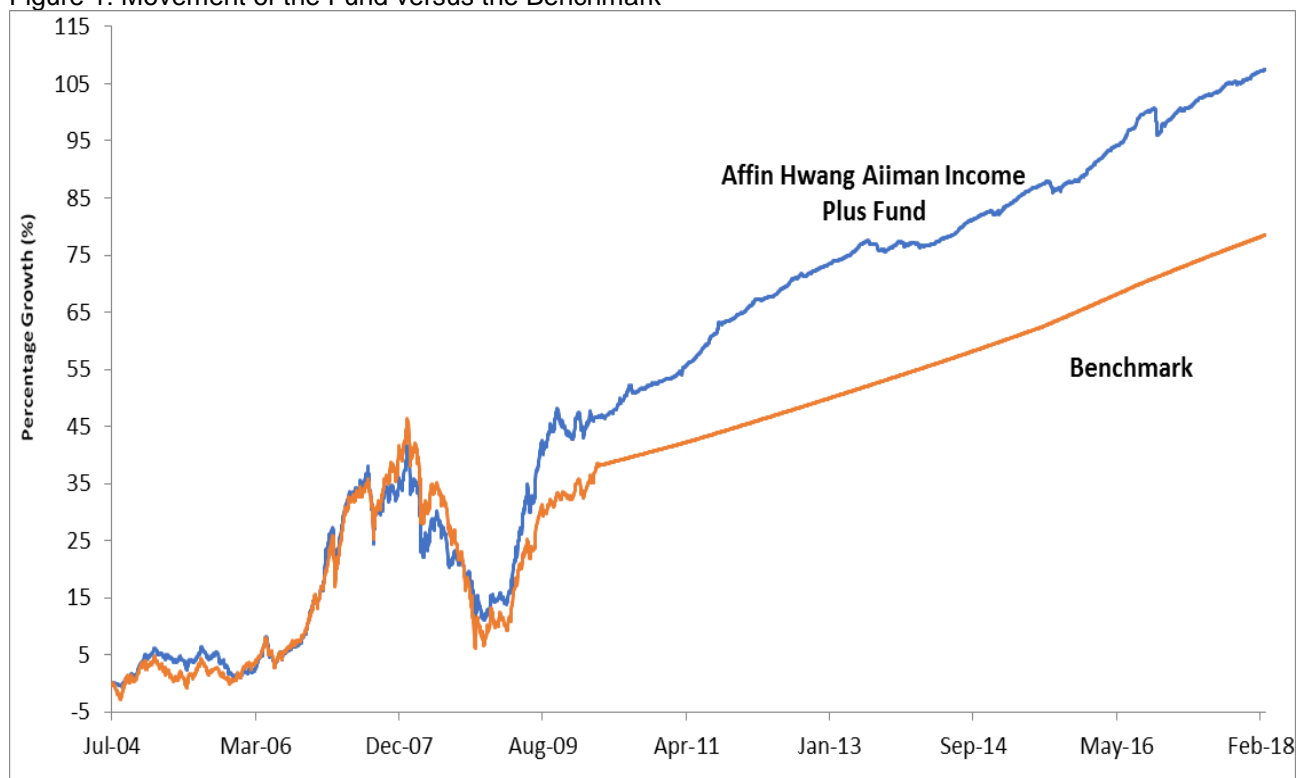
**Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.**

## MANAGER'S REPORT

### Performance Review

For the period 1 September 2017 to 28 February 2018, the Fund has registered a 1.49% return as compared to the benchmark return of 1.61%. The Fund underperformed the benchmark by 0.12 percentage points. The Net Asset Value (NAV) per unit as at 28 February 2018 was RM0.5697 while the NAV per unit 31 August 2017 was RM0.5730. The Fund has declared a gross income distribution of RM0.0117 per unit during the period under review. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Figure 1: Movement of the Fund versus the Benchmark



*"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 Bursa Malaysia."*

*Benchmark: 12-month Maybank General Investment Account rate (GIA)*

### Income Distribution / Unit Split

Affin Hwang Asset Management Berhad recently declared a gross distribution of RM0.0117 per Unit for investors of the Affin Hwang Aiiman Income Plus Fund during the period under review.

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)
17 Sep 2017	18 Sep 2017	0.5745	0.0040	0.5707
11 Dec 2017	12 Dec 2017	0.5728	0.0077	0.5651

No unit splits were declared for the financial period ended 28 February 2018.

## **Asset Allocation**

For a snapshot of the Fund's asset mix during the period under review, please refer to Figure 2.

Figure 2: Asset allocation of the Fund

	<b><u>28 Feb 2018</u></b>	<b><u>28 Feb 2017</u></b>	<b><u>29 Feb 2016</u></b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Quoted Sukuk	89.44	89.83	88.12
Cash & cash equivalent	10.56	10.17	11.88
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

As at 28 February 2018, the Sukuk exposure of the Fund in the portfolio stood at 89.44%, while the balance was held in cash and cash equivalent. During the period under review, the Fund remained invested mostly in AA rated Sukuk within the range of 85% - 95%.

## **Strategies Employed**

On the back of a relatively robust domestic outlook, the Manager maintained a moderately high exposure throughout the period under review; focusing on high conviction Sukuk names within the AA and AAA segment. Cash buffer for the Fund was gradually raised in light of the extended market rally, as well as rising market uncertainty and jitters seen in February 2018.

To date, the Fund's holdings have continued to meet their respective financial obligations in respect of their outstanding debt.

## **Market Review**

It was mostly smooth sailing for markets throughout the period under review – as the strong global growth seen in 2017 continued its path towards a more broad-based and synchronised expansion in January 2018. The “Goldilocks” environment remained much in play, where steady growth rate and still relatively benign inflation has permitted the preservation of a supportive stance across global central banks amid the normalisation of monetary policies.

Following earlier interest rate hikes in March and June 2017 respectively, the US Federal Reserve pushed through for another 25-basis point hike in December; referencing a healthy labour market and steady growth outlook. The move brought up the US benchmark rate to a new range of 1.25-1.50%. In addition, the US central bank has also begun its gradual unwind of its bulky balance sheet since October 2017; reducing at a pace of USD6 billion in Treasury securities and USD4 billion in mortgage-backed securities per month. The European Central Bank has also embarked on a similar programme to normalise its monetary policy in January 2018 despite moderate inflation figures for December 2017; which stood at 1.4%. The central bank plans to unwind its Quantitative Easing programme – at a rate of 60 billion Euros per month to 30 billion Euros per month – till September 2018.

The bullish sentiment subsequently took a breather in early February 2018, as markets entered correction territory following an overly-robust US labour report and inflation data for the month of January 2018 – which sparked concerns that the US Federal Reserve would accelerate the pace of interest rate hikes on top of its current withdrawal of monetary stimulus. Heightened uncertainty prompted a broad sell-off as a bond rout deepened which lifted the 10-year Treasury yield to a 4-year high of 2.87%.

Nonetheless, the Malaysian fixed income space remained relative stable despite the broad sell-off seen. Local bonds were insulated from the volatility on the back of the MYR strength, as well as stable demand from both foreign and local investors. Albeit a minor stall in February, the local currency still ended the period under review strongly at MYR3.90 to USD1.00 – sealing its place as one of the better performing currencies within the Asia Pacific region.

In addition, Bank Negara Malaysia (“BNM”) proceeded to raise its benchmark rate by 25 basis points to 3.25% during its policy meeting in January – citing healthy economic growth, reaffirmed strength in exports, as well as strong domestic demand underpinned by favourable income and labour market conditions. Yields for the 3- and 10-year MGS benchmark closed the period under review at 3.40% and 4.03% respectively. Foreign reserves for the nation also rose to USD103.6 billion as at mid-February – which is sufficient to finance 7.1 months of retained imports and is 1.1 times the short-term external debt.

For 2017, Malaysia recorded a strong year-on-year GDP growth of 5.9%; exceeding economists’ expectation of 5.8%. The economic growth was among the fastest in the region, only behind China and Philippines which recorded 6.9% and 6.7% respectively.

### **Investment Outlook**

The recent correction would likely presage a new cycle of volatility in markets after relatively calm and tranquil market conditions seen in 2017. With the impending withdrawal of monetary stimulus globally, inflation data as well as the US Federal Reserve’s dot plot guidance – which is a projection of its rate hike cycle – would be the key data points to monitor moving forward; as an aggressive rise in inflation numbers could potentially lead to an acceleration in rate hikes. But based on the US Federal Reserve’s guidance throughout 2017, it is more likely for the central bank to remain on its gradual rate hike path as opposed to being disruptive.

As for the domestic central bank, Bank Negara Malaysia (“BNM”) is expected to keep rates steady for the rest of 2018 – given the economy’s sound footing, steady MYR strength, as well as a relatively subdued inflation. While the bond market however is expected to trade range bound for the near-term in the lead-up to the 14<sup>th</sup> General Election (“GE14”), we are of the view that the local market is still relatively stable and the strengthening-biased MYR should keep the domestic bond space well buoyed in terms of liquidity.

Treading ahead, the Managers focus will be placed on corporate Sukuks in the interim, especially in the AA rating segment for yield pick-up amid supportive technical.

### **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.



## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN INCOME PLUS FUND**

We have acted as Trustee of **Affin Hwang Aiiman Income Plus Fund** ("the Fund") for the financial period ended 28 February 2018. 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 1.17 sen per unit (gross) has been distributed to the unitholders 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

**Tan Bee Nie**  
Head, Trustee Operations

Kuala Lumpur  
18 April 2018

## **SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN INCOME PLUS FUND**

We have acted as the Shariah Adviser of **Affin Hwang Aiiman Income Plus Fund**. Our responsibility is to ensure that the procedures and processes employed by **Affin Hwang Asset Management Berhad** and the provisions of the Deed dated 5 May 2004 as amended by the First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008, Fourth Supplemental Deed dated 20 November 2008, Fifth Supplemental Deed dated 26 March 2010, Sixth Supplemental Deed dated 18 January 2012, Seventh Supplemental Deed dated 27 June 2014 and Eighth Supplemental Deed dated 30 November 2017 are in accordance with Shariah principles.

In our opinion, Affin Hwang Asset Management has managed and administered Affin Hwang Aiiman Income Plus Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period ended 28 February 2018.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For **Amanie Advisors Sdn Bhd**

**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

Kuala Lumpur  
18 April 2018

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

	<u>Note</u> RM	6 months financial period ended <u>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u>
<b>INVESTMENT INCOME</b>			
Profit income	4	18,769,147	14,209,147
Net loss on financial assets at fair value through profit or loss	9	(1,864,993)	(3,958,879)
		<u>16,904,154</u>	<u>10,250,268</u>
<b>EXPENSES</b>			
Management fee	5	(4,066,004)	(3,246,674)
Trustee fee	6	(287,705)	(231,186)
Auditors' remuneration		(3,967)	(3,273)
Tax agent's fee		(1,985)	(1,985)
Other expenses		(259,713)	(215,087)
		<u>(4,619,374)</u>	<u>(3,698,205)</u>
<b>NET PROFIT BEFORE TAXATION</b>		12,284,780	6,552,063
<b>TAXATION</b>	7	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u><u>12,284,780</u></u>	<u><u>6,552,063</u></u>
Net profit after taxation is made up of the following:			
Realised amount		15,530,270	13,614,644
Unrealised amount		(3,245,490)	(7,062,581)
		<u><u>12,284,780</u></u>	<u><u>6,552,063</u></u>

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

**STATEMENT OF FINANCIAL POSITION  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

<b>ASSETS</b>	<u>Note</u>	<u>2018</u> RM	<u>2017</u> RM
Financial assets at fair value through profit or loss	9	758,590,708	686,038,067
Cash and cash equivalents	10	73,739,349	72,236,116
Amount due from Manager			
- creation of units		7,960,160	12,743,401
Amount due from dealers		18,345,826	-
<b>TOTAL ASSETS</b>		<u>858,636,043</u>	<u>771,017,584</u>
<b>LIABILITIES</b>			
Auditors' remuneration		3,967	3,273
Amount due to trustee		45,149	40,637
Amount due to dealers		9,709,942	6,662,129
Amount due to Manager			
- management fee		644,987	580,530
- cancellation of units		39,879	-
Tax agent's fee		8,085	7,935
Other payables and accruals		52,169	44,738
<b>TOTAL LIABILITIES</b>		<u>10,504,178</u>	<u>7,339,242</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>848,131,865</u>	<u>763,678,342</u>
<b>EQUITY</b>			
Unitholders' capital		835,288,184	750,725,670
Retained earnings		12,843,681	12,952,672
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>848,131,865</u>	<u>763,678,342</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	<u>1,488,815,000</u>	<u>1,339,595,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5697</u>	<u>0.5701</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 September 2017	779,535,907	17,410,537	796,946,444
Total comprehensive income for the financial period	-	12,284,780	12,284,780
Distributions (Note 8)	-	(16,851,636)	(16,851,636)
Movement in unitholders' capital:			
Creation of units arising from applications	102,189,118	-	102,189,118
Creation of units arising from distribution	14,546,113	-	14,546,113
Cancellation of units	(60,982,954)	-	(60,982,954)
Balance as at 28 February 2018	<u>835,288,184</u>	<u>12,843,681</u>	<u>848,131,865</u>
Balance as at 1 September 2016	445,802,966	16,224,901	462,027,867
Total comprehensive income for the financial period	-	6,552,063	6,552,063
Distributions (Note 8)	-	(9,824,292)	(9,824,292)
Movement in unitholders' capital:			
Creation of units arising from applications	467,695,302	-	467,695,302
Creation of units arising from distribution	8,514,640	-	8,514,640
Cancellation of units	(171,287,238)	-	(171,287,238)
Balance as at 28 February 2017	<u>750,725,670</u>	<u>12,952,672</u>	<u>763,678,342</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

	<u>Note</u>	6 months financial period ended <u>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u> RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		257,730,402	207,686,050
Purchase of Shariah-compliant investments		(276,175,960)	(458,451,471)
Profit from short term Shariah-based deposits and unquoted sukuk		18,664,328	12,139,359
Management fee paid		(4,099,631)	(3,043,238)
Trustee fee paid		(290,059)	(216,946)
Payment for other fees and expenses		(270,978)	(211,773)
Net cash used in operating activities		<u>(4,441,898)</u>	<u>(242,098,019)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		94,478,110	455,683,163
Payments for cancellation of units		(60,943,075)	(171,287,238)
Payment for distributions		(2,305,523)	(1,309,652)
Net cash generated from financing activities		<u>31,229,512</u>	<u>283,086,273</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		26,787,614	40,988,254
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>46,951,735</u>	<u>31,247,862</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	10	<u><u>73,739,349</u></u>	<u><u>72,236,116</u></u>

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

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

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 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 K.

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

The Fund has applied the following amendments for the first time for the financial period beginning on 1 September 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'.

The adoption of these amendments did not have any impact on the current year and is not likely to affect future years.

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows:

(i) Financial year beginning on/after 1 September 2018

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".
- MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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

(b) The new standard and amendments to the published standard that is applicable to the Fund but not yet effective and has not been early adopted is as follows: (continued)

(i) Financial year beginning on/after 1 September 2018 (continued)

- A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund has reviewed its financial assets and liabilities and does not expect any impact from the adoption of the new standard on 1 September 2018.

There will be no impact on the Fund's accounting for financial assets as the Fund's equity investments currently measured at fair value through profit or loss will continue to be measured on the same basis under MFRS 9.

There will be no impact on the Fund's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Fund does not have any such liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments undertaken to date, the Fund does not expect any loss allowance to be recognised upon adoption of MFRS 9.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

### **B INCOME RECOGNITION**

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.

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

### **C 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.

### **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.

### **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, which is the Fund's functional and presentation currency.

### **F FINANCIAL ASSETS AND FINANCIAL LIABILITES**

#### **(i) Classification**

The Fund designates its investment in unquoted sukuk as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalents and amount due from Manager.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (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 139, 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 expires.

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

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA"). Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

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

Shariah-based deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the deposit.

Financing and receivables and other liabilities are subsequently carried at amortised cost using the effective profit method.

#### (iii) Impairment

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

#### (iii) Impairment (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'financing and receivables' or a 'held to maturity' investment has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

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

For the purposes of cash flows, cash and cash equivalents comprise cash and bank balances and 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.

### **H AMOUNTS DUE FROM/(TO) DEALERS**

Amounts due from and to dealers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from dealer. A provision for impairment of amounts due from dealer is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant dealer.

Significant financial difficulties of the dealer, probability that the dealer will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from dealer is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

### **H AMOUNTS DUE FROM/(TO) DEALERS (CONTINUED)**

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or loans expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts

### **I 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 period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled 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.

### **J SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes strategic decisions.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

### **K CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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

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

In undertaking any of the Fund's 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 Guidelines on Unit Trust Funds.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018

### 1 INFORMATION ON THE FUND

The Unit Trust Fund was constituted under the name HwangDBS Dana Fahim pursuant to the execution of a Deed dated 5 May 2004, First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007 and Third Supplemental Deed dated 23 September 2008 and eight Supplemental Deed dated 30 November 2017. The Fund has changed its name from HwangDBS Dana Fahim to HwangDBS AllMAN Balanced Fund (the "Fund") as amended by the Fourth Supplemental Deed dated 20 November 2008, from HwangDBS AllMAN Balanced Fund to HwangDBS AllMAN Income Plus Fund as amended by the Fifth Supplemental Deed dated 26 March 2010 and from HwangDBS AllMAN Income Plus Fund to Hwang AllMAN Income Plus Fund as amended by the Sixth Supplemental Deed dated 18 January 2012 and from Hwang AllMAN Income Plus Fund to Affin Hwang AllMAN Income Plus Fund as amended by the Seventh Supplemental Deed dated 27 June 2014 (the "Deeds") entered into between Affin Hwang Asset Management Berhad (the "Manager"), HSBC (Malaysia) Trustee Berhad (the "Trustee") and the registered unitholders of the Fund.

The Fund commenced operations on 28 June 2004 and will continue its operations until terminated by the Trustee as provided under Clause 3.1 of the Deed.

The Fund may invest in the following investments subject to the Shariah requirements, the Fund's objective and as approved by the Shariah Advisory Council of the SC and/or the Shariah Adviser:

- (i) Shariah-compliant securities of companies listed on the recognised Malaysian stock exchange or any other exchanges where the regulatory authority is a member of the International Organisation of Securities Commissions;
- (ii) Unlisted Shariah-compliant securities;
- (iii) Shariah-compliant warrants;
- (iv) Government Investment Issues, Islamic accepted bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate, Islamic negotiable instrument of deposit, Cagamas mudharabah bonds and any other government Islamic papers;
- (v) Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia, state governments and government-related agencies;
- (vi) Sukuk;
- (vii) Shariah-compliant deposits with financial institutions and placements of money with investment banks;
- (viii) Islamic money market instruments;
- (ix) Shariah-compliant collective investment schemes; and
- (x) Any other form of Shariah-compliant investments as may be permitted by Securities Commission Malaysia and/or Shariah adviser from time to time that is in line with the Fund's objectives.

The main objective of the Fund is to provide a steady income stream over the medium to long-term period through investments primarily in Sukuk.

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

The financial statements were authorised for issue by the Manager on 18 April 2018.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Financial instruments are as follows:

<u>2018</u>	<u>Note</u>	<u>Financing and receivables</u> RM	<u>Financial asset at fair value through profit or loss</u> RM	<u>Total</u> RM
Unquoted sukuk	9	-	758,590,708	758,590,708
Cash and cash equivalents	10	73,739,349	-	73,739,349
Amount due from Manager - creation of units		7,960,160	-	7,960,160
Amount due from dealers		18,345,826	-	18,345,826
Total		<u>100,045,335</u>	<u>758,590,708</u>	<u>858,636,043</u>
<u>2017</u>				
Unquoted sukuk	9	-	686,038,067	686,038,067
Cash and cash equivalents	10	72,236,116	-	72,236,116
Amount due from Manager - creation of units		12,743,401	-	12,743,401
Total		<u>84,979,517</u>	<u>686,038,067</u>	<u>771,017,584</u>

All current liabilities are financial liabilities which are carried at amortised cost.

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Market risk (continued)

(a) Price risk (continued)

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

	<u>2018</u> RM	<u>2017</u> RM
<b>Shariah-compliant unquoted investments</b>		
Unquoted sukuk designated at fair value through profit or loss*	758,590,708	686,038,067

\* Include profit receivable RM9,124,410 (2017: RM7,674,235)

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 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted 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>2018</u>		
-5%	711,992,983	(37,473,315)
0%	749,466,298	-
+5%	786,939,613	37,473,315
<u>2017</u>		
-5%	644,445,640	(33,918,192)
0%	678,363,832	-
+5%	712,282,024	33,918,192

(b) Interest rate risk

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(b) Interest rate risk (continued)

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

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

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted sukuk held by the Fund as a result of movement in profit rate. The analysis is based on the assumptions that the profit rate increased and decreased by 1% (100 basis points) with all other variables held constant.

<u>% movement in profit rate</u>	<u>Impact on profit after tax/NAV</u>	
	<u>2018</u> RM	<u>2017</u> RM
+ 1%	(2,568,991)	(2,138,879)
- 1%	2,582,535	2,150,017

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

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.

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

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.

For unquoted sukuk, the Manager regularly reviews the ratings assigned to the issuer so that necessary steps can be taken if the rating falls below those prescribed by the Deeds and SC's Guidelines on Unit Trust Funds.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Credit risk (continued)

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

<u>2018</u>	<u>Unquoted Sukuk RM</u>	<u>Cash and cash equivalent RM</u>	<u>Amount due from Manager RM</u>	<u>Amount due from dealers RM</u>	<u>Total RM</u>
Consumer Goods					
- AA2	18,006,975	-	-	-	18,006,975
- AA3	11,342,845	-	-	-	11,342,845
Financials					
- AAA	43,589,339	48,318,744	-	-	91,908,083
- AA1	14,187,127	25,420,605	-	-	39,607,732
- AA2	13,307,206	-	-	-	13,307,206
- AA3	27,016,524	-	-	-	27,016,524
- AA	4,036,631	-	-	-	4,036,631
- AA-	31,349,936	-	-	62,671	31,412,607
- NR	39,218,146	-	-	-	39,218,146
Government					
- AA+	8,173,520	-	-	-	8,173,520
- SOV	21,524,942	-	-	-	21,524,942
Healthcare					
- AA-	9,718,808	-	-	-	9,718,808
Industrials					
- AAA	46,484,455	-	-	130,060	46,614,515
- AA3	27,249,223	-	-	-	27,249,223
- AA1	15,452,053	-	-	-	15,452,053
- AA	5,144,964	-	-	-	5,144,964
- AA+	23,906,144	-	-	-	23,906,144
- AA-	65,255,315	-	-	3,956,121	69,211,436
- NR	34,837,963	-	-	-	34,837,963
Quasi-Gov					
- AAA	5,024,331	-	-	3,016,505	8,040,836
Telecommunications					
- AAA	3,073,938	-	-	-	3,073,938
- AA+	38,956,545	-	-	470,661	39,427,206
Utilities					
- AAA	49,146,848	-	-	-	49,146,848
- AA3	29,141,255	-	-	5,527,726	34,668,981
- AA2	26,378,399	-	-	-	26,378,399
- AA1	45,900,876	-	-	-	45,900,876
- AA+	10,112,062	-	-	-	10,112,062
- AA-	70,147,659	-	-	5,182,082	75,329,741
- AA	10,656,383	-	-	-	10,656,383
- NR	10,250,296	-	-	-	10,250,296
Others					
- NR	-	-	7,960,160	-	7,960,160
	<u>758,590,708</u>	<u>73,739,349</u>	<u>7,960,160</u>	<u>18,345,826</u>	<u>858,636,043</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Credit risk (continued)

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

	<u>Unquoted sukuk</u> RM	<u>Cash and cash equivalent</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2017</u>				
Consumer Goods				
- AA+	4,020,486	-	-	4,020,486
- AA1	2,010,235	-	-	2,010,235
- AA2	36,949,069	-	-	36,949,069
- AA3	16,533,906	-	-	16,533,906
Financials				
- AAA	38,773,596	15,017,657	-	53,791,253
- AA1	7,651,481	27,192,075	-	34,843,556
- AA2	5,071,742	10,013,151	-	15,084,893
- AA3	23,215,194	-	-	23,215,194
- AA-	18,581,623	-	-	18,581,623
- A1	-	20,013,233	-	20,013,233
- NR	26,323,026	-	-	26,323,026
Government				
- AAA	2,018,245	-	-	2,018,245
- SOV	54,680,739	-	-	54,680,739
Industrial				
- AAA	65,572,427	-	-	65,572,427
- AA+	25,861,740	-	-	25,861,740
- AA2	7,661,778	-	-	7,661,778
- AA	12,458,656	-	-	12,458,656
- AA3	28,468,606	-	-	28,468,606
- AA-	72,173,090	-	-	72,173,090
- NR	17,662,343	-	-	17,662,343
Oil & Gas				
- AAA	5,836,490	-	-	5,836,490
Real Estate				
- AAA	14,134,609	-	-	14,134,609
- AA2	18,276,772	-	-	18,276,772
- AA3	3,040,922	-	-	3,040,922
- AA-	4,290,801	-	-	4,290,801
Telecommunications				
- AAA	12,862,256	-	-	12,862,256
- AA+	22,638,943	-	-	22,638,943

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Credit risk (continued)

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

	<u>Unquoted sukuk</u> RM	<u>Cash and cash equivalent</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2017</u> (continued)				
Utilities				
- AAA	35,952,831	-	-	35,952,831
- AA1	3,062,838	-	-	3,062,838
- AA+	10,084,062	-	-	10,084,062
- AA2	17,148,802	-	-	17,148,802
- AA3	28,106,318	-	-	28,106,318
- AA-	34,540,479	-	-	34,540,479
- NR	10,373,962	-	-	10,373,962
Others				
- NR	-	-	12,743,401	12,743,401
	<u>686,038,067</u>	<u>72,236,116</u>	<u>12,743,401</u>	<u>771,017,584</u>

All financial assets of the fund are neither past due nor impaired.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower NAV of the Fund. The Manager manages this risk by maintaining sufficient level of Shariah-based liquid assets to meet anticipated payment and cancellations of unit by unitholders. Shariah-based liquid assets comprise cash, short term Shariah-based 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.

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>2018</u>			
Amount due to Manager			
- management fee	644,987	-	644,987
- cancellation of units	39,879	-	39,879
Amount due to Trustee	45,149	-	45,149
Amount due to brokers	9,709,942	-	9,709,942
Auditors' remuneration	-	3,967	3,967
Tax agent's fee	-	8,085	8,085
Other payables and accruals	41,408	10,761	52,169
	<u>10,481,365</u>	<u>22,813</u>	<u>10,504,178</u>
<u>2017</u>			
Amount due to Manager			
- management fee	580,530	-	580,530
Amount due to Trustee	40,637	-	40,637
Amount due to brokers	6,662,129	-	6,662,129
Auditors' remuneration	-	3,273	3,273
Tax agent's fee	-	7,935	7,935
Other payables and accruals	37,270	7,468	44,738
	<u>7,320,566</u>	<u>18,676</u>	<u>7,339,242</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)

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

#### 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 investment activities of the Fund.

#### Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based 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.

### 3 FAIR VALUE ESTIMATION

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

The fair 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 period end date.

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)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**3 FAIR VALUE ESTIMATION (CONTINUED)**

(i) Fair value hierarchy (continued)

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2018</u>				
Financial assets at fair value through profit or loss at inception				
- unquoted sukuk	-	758,590,708	-	758,590,708
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2017</u>				
Financial assets at fair value through profit or loss at inception				
- unquoted sukuk	-	686,038,067	-	686,038,067
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Financial instruments that trade in markets that are 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 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 Manager, amount due from dealers and all current liabilities are a reasonable approximation of the fair values due their short term nature.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**4 PROFIT INCOME**

	6 months financial period ended <u>28.2.2018</u> RM	6 months financial period ended <u>28.2.2017</u> RM
Profit from		
- short term Shariah-based deposits	637,736	1,193,123
- unquoted sukuk	<u>18,131,411</u>	<u>13,016,024</u>
	<u>18,769,147</u>	<u>14,209,147</u>

**5 MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum on the NAV of the Fund calculated on daily basis.

For the financial period ended 28 February 2018, the management fee is recognised at a rate of 1.00% (2017: 1.00%) per annum on the NAV of the Fund calculated on daily basis as stated in the Fund's Prospectus.

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

**6 TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.30% per annum on the NAV of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial period ended 28 February 2018, the Trustee fee is recognised at a rate of 0.07% (2017: 0.07%) per annum on the NAV of the Fund, inclusive of local custodian fee as stated in the Fund's Prospectus.

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**7 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 <u>28.02.2018</u> RM	6 months financial period ended <u>28.02.2017</u> RM
Net profit before taxation	<u>12,284,780</u>	<u>6,552,063</u>
Tax at Malaysian statutory rate of 24% (2017: 24%)	2,948,347	1,572,495
Tax effects of:		
Investment income exempt from tax	(4,056,997)	(2,460,064)
Expenses not deductible for tax purposes	131,500	107,225
Restriction on tax deductible expenses for Unit Trust Funds	<u>977,150</u>	<u>780,344</u>
Tax expense	<u>-</u>	<u>-</u>

**8 DISTRIBUTIONS**

	6 months financial period ended <u>28.02.2018</u> RM	6 months financial period ended <u>28.02.2017</u> RM
Distribution to unitholders is from the following sources:		
Previous year's realised income	<u>21,064,545</u>	<u>12,280,365</u>
Gross realised income	21,064,545	12,280,365
Less: Expenses	<u>(4,212,909)</u>	<u>(2,456,073)</u>
Net distribution amount	<u>16,851,636</u>	<u>9,824,292</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**8 DISTRIBUTIONS (CONTINUED)**

	<u>Gross/net distribution per unit</u> sen
<u>2018</u>	
18.09.2017	0.40
12.12.2017	0.77
	<hr style="width: 100%;"/>
	1.17
	<hr style="width: 100%;"/>
<u>2017</u>	
19.09.2016	0.50
21.12.2016	0.43
	<hr style="width: 100%;"/>
	0.93
	<hr style="width: 100%;"/>

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 distribution for the financial period is an amount of RM21,064,545 (2017: RM12,280,365) made from previous year's realised income.

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

	<u>2018</u> RM	<u>2017</u> RM
Designated at fair value through profit or loss at inception		
- unquoted sukuk	758,590,708	686,038,067
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Net loss on assets at fair value through profit or loss		
- realised gain on sale of investment	686,592	2,488,036
- unrealised loss on change in fair value loss	(2,551,585)	(6,446,915)
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	(1,864,993)	(3,958,879)
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk

(i) Unquoted sukuk as at 28 February 2018 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>SUKUK</u>				
4.35% Al-'Aqar Capital Sdn Bhd 06.05.2020 (AAA)	7,000,000	7,034,247	7,021,912	0.83
4.53% Al-'Aqar Capital Sdn Bhd 04.05.2018 (AA2)	500,000	507,292	506,801	0.06
4.10% Aman Sukuk Bhd 08.03.2023 (AAA)	5,000,000	5,098,169	5,027,426	0.59
4.47% Aman Sukuk Bhd 08.05.2025 (AAA)	4,000,000	4,063,134	4,037,395	0.48
4.78% Aman Sukuk Bhd 30.05.2024 (AAA)	7,250,000	7,490,217	7,451,385	0.88
5.35% AmBank Islamic Bhd Call: 21.12.2020 (AA3)	5,000,000	5,127,066	5,120,401	0.60
5.00% Anih Bhd 27.11.2020 (AA)	5,000,000	5,169,434	5,144,964	0.61
4.50% Axis REIT Sukuk Bhd Call: 13.07.2022 (AAA)	10,000,000	10,120,246	10,070,779	1.19
4.50% Bank Pembangunan Malaysia Bhd 4.11.2026 (NR)	15,000,000	15,212,671	15,047,371	1.77
4.75% Bank Pembangunan Malaysia Bhd 12.09.2029 (NR)	3,500,000	3,610,130	3,600,251	0.42
4.64% Besraya Malaysia Sdn Bhd 26.07.2019 (AA3)	1,000,000	1,008,819	1,005,681	0.12
4.72% Besraya Malaysia Sdn Bhd 28.07.2020 (AA3)	7,000,000	7,049,884	7,038,071	0.83
4.80% Besraya Malaysia Sdn Bhd 28.07.2021 (AA3)	2,500,000	2,510,192	2,510,392	0.30
5.04% Besraya Malaysia Sdn Bhd 26.07.2024 (AA3)	5,000,000	5,104,567	5,029,303	0.59
5.12% Besraya Malaysia Sdn Bhd 28.07.2025 (AA3)	5,000,000	5,127,567	5,037,692	0.59
5.28% Besraya Malaysia Sdn Bhd 28.07.2027 (AA3)	2,000,000	2,058,237	2,024,209	0.24
5.10% BEWG M Sdn Bhd 17.07.2020 (AA)	2,500,000	2,524,509	2,528,522	0.30
5.30% BEWG M Sdn Bhd 19.07.2022 (AA)	4,000,000	4,058,858	4,059,374	0.48
5.40% BEWG M Sdn Bhd 19.07.2023 (AA)	2,000,000	2,012,131	2,032,651	0.24
5.50% BEWG M Sdn Bhd 19.07.2024 (AA)	2,000,000	2,012,356	2,035,836	0.24
4.90 BGSM Management Sdn Bhd 27.12.2018 (AA3)	2,500,000	2,528,953	2,535,444	0.30

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<b>SUKUK (CONTINUED)</b>				
5.00% Bumitama Agri Ltd 02.09.2019 (AA3)	10,000,000	10,341,020	10,311,236	1.21
5.25% Bumitama Agri Ltd 18.03.2019 (AA3)	1,000,000	1,030,501	1,031,609	0.12
5.00% Cagamas Bhd Call: 28.10.2020 (AAA)	5,000,000	5,112,292	5,089,162	0.60
4.80% Cahya Mata Sarawak Bhd 05.05.2022 (AA3)	4,500,000	4,598,256	4,603,875	0.54
4.85% Celcom Networks Sdn Bhd 28.10.2021 (AA+)	4,500,000	4,590,150	4,604,584	0.54
5.05% Celcom Networks Sdn Bhd 29.08.2024 (AA+)	9,500,000	9,566,909	9,599,829	1.13
5.20% Celcom Networks Sdn Bhd 27.08.2027 (AA+)	4,500,000	4,534,358	4,556,801	0.54
5.27% Celcom Networks Sdn Bhd 28.10.2026 (AA+)	13,750,000	14,176,757	14,254,415	1.68
3.75% Celcom Transmission Malaysia 29.08.2019 (AA+)	6,000,000	5,955,395	5,940,916	0.70
4.27% Danalinfra Nasional Bhd 24.05.2024 (NR)	4,250,000	4,296,736	4,282,243	0.50
4.95% Danalinfra Nasional Bhd 19.03.2032 (NR)	4,000,000	4,128,163	4,130,897	0.49
4.95% Danalinfra Nasional Bhd 19.10.2046 (NR)	8,500,000	8,652,162	8,215,772	0.97
4.80% Danajamin Nasional Bhd Call: 06.10.2022 (AA+)	8,000,000	8,155,310	8,173,520	0.96
4.60% Danga Capital Bhd 23.02.2026 (AAA)	5,000,000	5,024,057	5,024,331	0.59
4.35% First Resources Ltd 05.06.2020 (AA2)	3,000,000	3,020,701	3,020,700	0.36
4.65% Fortune Premiere Sdn Bhd 21.12.2022 (AA)	4,000,000	4,030,279	4,036,631	0.48
3.699% GII 15.11.2022 (SOV)	7,000,000	7,139,124	7,009,809	0.83
4.258% GII 26.07.2027 (SOV)	7,000,000	7,135,351	7,046,895	0.83
4.943% GII 06.12.2028 (SOV)	7,000,000	7,655,489	7,468,238	0.88
4.88% GovCo Holdings Bhd 28.09.2032 (NR)	4,000,000	4,082,358	4,083,038	0.48
4.95% GovCo Holdings Bhd 20.02.2032 (NR)	3,500,000	3,503,323	3,541,683	0.42

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b><u>SUKUK (CONTINUED)</u></b>				
5.10% GULF Investment Corp 16.03.2021 (AAA)	6,200,000	6,379,457	6,360,115	0.75
4.80% Hong Leong Islamic Bank Bhd Call:17.06.2019 (AA1)	5,000,000	5,071,440	5,075,450	0.60
4.86% Jambatan Kedua Sdn Bhd 26.07.2041 (NR)	1,000,000	975,695	962,928	0.11
5.42% Jimah East Power Sdn Bhd 04.06.2025 (AA-)	5,000,000	5,238,388	5,281,638	0.62
5.82% Jimah East Power Sdn Bhd 04.12.2030 (AA-)	3,000,000	3,289,476	3,263,437	0.38
5.85% Jimah East Power Sdn Bhd 04.06.2031 (AA-)	10,000,000	11,007,318	10,894,038	1.28
6.20% Jimah East Power Sdn Bhd 04.12.2031 (AA-)	3,000,000	3,399,464	3,368,784	0.40
4.55% Kapar Energy Ventures Sdn Bhd 05.07.2021 (AA+)	10,000,000	10,117,356	10,112,062	1.19
4.85% Kimanis Power Sdn Bhd 14.06.2023 (AA-)	5,000,000	5,148,155	5,106,808	0.60
5.05% Kimanis Power Sdn Bhd 08.08.2023 (AA-)	5,000,000	5,158,192	5,117,527	0.60
5.25% Kimanis Power Sdn Bhd 08.08.2025 (AA-)	4,000,000	4,136,666	4,136,882	0.49
5.40% Kimanis Power Sdn Bhd 06.08.2027 (AA-)	3,000,000	3,141,073	3,132,291	0.37
4.75% Konsortium Lebuhraya UT KL SB 01.12.2028 (AA-)	7,750,000	7,820,188	7,737,073	0.91
4.75% Konsortium Lebuhraya UT KL SB 02.12.2024 (AA-)	5,000,000	5,152,002	5,066,010	0.60
4.75% Konsortium Lebuhraya UT KL SB 02.12.2027 (AA-)	8,500,000	8,577,856	8,527,556	1.01
4.75% Konsortium Lebuhraya UT KL SB 30.11.2029 (AA-)	5,000,000	4,977,101	4,967,460	0.59
5.25% Konsortium Lebuhraya UT KL SB 02.12.2032 (AA-)	4,000,000	4,095,265	4,096,495	0.48
5.24% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2027 (AA-)	1,500,000	1,530,033	1,552,247	0.18
5.77% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2032 (AA-)	2,000,000	2,150,018	2,144,077	0.25
5.86% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2033 (AA-)	3,000,000	3,252,026	3,234,910	0.38

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
6.23% Lebuhraya DUKE Fasa 3 Sdn Bhd 21.08.2037 (AA-)	5,000,000	5,559,665	5,494,971	0.65
6.33% Lebuhraya DUKE Fasa 3 Sdn Bhd 23.08.2038 (AA-)	500,000	556,522	552,965	0.06
4.62% Lembaga Pembiayaan Perumah SA 19.09.2036 (NR)	7,500,000	7,634,734	7,349,165	0.87
4.90% Lembaga Pembiayaan Perumah SA 21.09.2046 (NR)	3,750,000	3,825,448	3,632,001	0.43
4.80% Malaysia Building Society Bhd 09.12.2022 (AA1)	4,000,000	4,037,271	4,031,322	0.48
4.22% Manjung Island Energy Bhd 25.11.2022 (AAA)	10,500,000	10,675,675	10,537,463	1.24
5.10% MEX II Sdn Bhd 29.04.2021 (AA-)	5,000,000	5,168,471	5,150,683	0.61
5.80% MEX II Sdn Bhd 28.04.2028 (AA-)	5,000,000	5,441,422	5,373,831	0.63
6.20% MEX II Sdn Bhd 29.04.2032 (AA-)	7,000,000	7,589,758	7,688,823	0.91
6.30% MEX II Sdn Bhd 29.04.2033 (AA-)	10,000,000	10,676,141	11,070,475	1.31
6.40% MEX II Sdn Bhd 28.04.2034 (AA-)	5,000,000	5,567,966	5,576,909	0.66
4.16% Pengurusan Air SPV Bhd 11.11.2021 (AAA)	4,000,000	4,071,836	4,023,316	0.47
4.63% Pengurusan Air SPV Bhd 05.02.2026 (NR)	5,000,000	5,186,483	5,080,022	0.60
4.63% Pengurusan Air SPV Bhd 26.09.2025 (NR)	5,000,000	5,262,527	5,170,274	0.61
4.85% Perbadanan Kemajuan N Selangor 31.05.2020 (AA3)	10,000,000	10,145,554	10,156,718	1.20
4.64% Plus Bhd 10.01.2025 (AAA)	3,000,000	3,091,342	3,044,646	0.36
4.72% Plus Bhd 12.01.2026 (AAA)	5,000,000	5,083,634	5,089,786	0.60
4.56% Prasarana Malaysia Bhd 15.11.2028 (NR)	5,000,000	5,177,267	5,029,914	0.59
4.75% Prasarana Malaysia Bhd 26.02.2031 (NR)	3,000,000	3,008,796	2,988,781	0.35
5.01% Prasarana Malaysia Bhd 14.09.2037 (NR)	9,000,000	9,229,607	9,227,428	1.09
4.50% PTPTN 25.07.2031 (NR)	2,000,000	2,007,644	1,948,944	0.23
4.85% PTPTN 26.07.2041 (NR)	6,000,000	6,041,135	5,783,575	0.68
4.86% PTPTN 12.03.2032 (NR)	6,500,000	6,648,616	6,656,451	0.78
4.93% PTPTN 17.08.2032 (NR)	2,600,000	2,606,280	2,623,038	0.31

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b><u>SUKUK (CONTINUED)</u></b>				
4.75% Public Islamic Bank Bhd Call: 10.06.2019 (AA1)	5,000,000	5,066,599	5,080,355	0.60
4.40% Putrajaya Holdings Sdn Bhd 24.04.2025 (AAA)	5,000,000	5,053,157	5,053,251	0.60
4.50% Putrajaya Holdings Sdn Bhd 26.05.2025 (AAA)	4,000,000	4,058,841	4,050,036	0.48
4.55% Putrajaya Holdings Sdn Bhd 19.09.2023 (AAA)	2,500,000	2,576,560	2,569,398	0.30
4.58% Putrajaya Holdings Sdn Bhd 26.05.2026 (AAA)	5,000,000	5,063,361	5,073,975	0.60
4.88% RHB Islamic Bank Bhd Call: 27.04.2022 (AA3)	9,000,000	9,171,047	9,203,961	1.09
5.00% Sarawak Energy Bhd 04.07.2024 (AA1)	1,000,000	1,038,719	1,030,071	0.12
5.18% Sarawak Energy Bhd 25.04.2036 (AA1)	7,000,000	7,051,932	6,951,235	0.82
5.32% Sarawak Energy Bhd 03.12.2032 (AA1)	10,000,000	10,180,609	10,196,748	1.20
4.85% Southern Power Generation Sdn Bhd 31.10.2024 (AA-)	4,500,000	4,572,351	4,598,046	0.54
4.94% Southern Power Generation Sdn Bhd 30.04.2026 (AA-)	5,000,000	5,097,195	5,125,382	0.60
5.17% Southern Power Generation Sdn Bhd 30.04.2030 (AA-)	5,000,000	5,085,694	5,145,744	0.61
5.25% Southern Power Generation Sdn Bhd 30.04.2031 (AA-)	5,000,000	5,087,021	5,156,021	0.61
5.33% Southern Power Generation Sdn Bhd 30.04.2032 (AA-)	5,000,000	5,088,347	5,164,597	0.61
5.49% Southern Power Generation Sdn Bhd 28.04.2034 (AA-)	4,500,000	4,581,899	4,656,464	0.55
5.30% Tadau Energy Sdn Bhd 29.07.2024(AA3)	5,000,000	5,068,543	5,073,407	0.60
5.40% Tadau Energy Sdn Bhd 28.07.2025 (AA3)	1,500,000	1,515,902	1,523,874	0.18
5.50% Tadau Energy Sdn Bhd 27.07.2026 (AA3)	5,000,000	5,056,540	5,086,856	0.60
5.55% Tanjung Bin Energy Issuer Bhd 15.09.2025 (AA3)	7,000,000	7,404,516	7,539,959	0.89

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
5.70% Tanjung Bin Energy Issuer Bhd 16.03.2027 (AA3)	1,500,000	1,592,344	1,637,746	0.19
5.75% Tanjung Bin Energy Issuer Bhd 15.09.2027 (AA3)	5,000,000	5,482,966	5,482,966	0.65
6.00% Tanjung Bin Energy Issuer Bhd 15.03.2030 (AA3)	2,500,000	2,796,407	2,796,447	0.33
4.54% Tanjung Bin Power Sdn Bhd 16.08.2019 (AA2)	5,000,000	5,030,030	5,021,919	0.59
4.66% Tanjung Bin Power Sdn Bhd 14.08.2020 (AA2)	12,000,000	12,127,564	12,098,961	1.43
5.01% Tanjung Bin Power Sdn Bhd 16.08.2024 (AA2)	5,000,000	5,126,786	5,109,613	0.60
5.28% Tanjung Bin Power Sdn Bhd 16.08.2027 (AA2)	4,000,000	4,144,472	4,147,906	0.49
4.63% Teknologi Tenaga Perlis Consor 30.07.2021 (AA1)	2,000,000	2,038,498	2,021,671	0.24
4.55% Telekom Malaysia Bhd 07.10.2024 (AAA)	3,000,000	3,124,042	3,073,938	0.36
4.105% TNB Northern Energy Bhd 29.11.2024 (AAA)	5,000,000	4,946,925	4,927,384	0.58
4.28% TNB Northern Energy Bhd 29.05.2028 (AAA)	2,500,000	2,456,167	2,435,295	0.29
4.455% TNB Northern Energy Bhd 29.11.2030 (AAA)	4,000,000	3,899,693	3,895,356	0.46
5.10% TNB Western Energy Bhd 30.01.2025 (AAA)	9,000,000	9,366,720	9,318,616	1.10
5.14% TNB Western Energy Bhd 30.07.2025 (AAA)	13,500,000	14,095,717	14,009,418	1.65
5.00% TRIpIc Medical Sdn Bhd 23.10.2026 (AA1)	5,000,000	5,123,551	5,144,356	0.61
5.05% TRIpIc Medical Sdn Bhd 22.10.2027 (AA1)	5,000,000	5,145,974	5,138,740	0.61
5.15% TRIpIc Medical Sdn Bhd 23.10.2028 (AA1)	5,000,000	5,127,359	5,168,957	0.61
4.85% UEM Edgenta Bhd 26.04.2022 (AA-)	9,500,000	9,692,816	9,718,808	1.14
4.8% UEM Sunrise Bhd 08.04.2022 (AA-)	8,000,000	8,149,789	8,148,752	0.96
5.00% UEM Sunrise Bhd 19.05.2023 (AA-)	2,500,000	2,557,141	2,545,922	0.30
5.06% UEM Sunrise Bhd 09.12.2022 (AA-)	3,500,000	3,553,364	3,566,571	0.42



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(i) Unquoted sukuk as at 28 February 2018 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<b>SUKUK (CONTINUED)</b>				
5.32% UEM Sunrise Bhd 11.12.2024 (AA-)	4,000,000	4,062,273	4,109,521	0.48
4.83% UMW Holdings Bhd 22.06.2022 (AA2)	4,500,000	4,570,649	4,574,388	0.54
5.12% UMW Holdings Bhd 04.10.2023 (AA2)	6,000,000	6,239,763	6,240,783	0.74
5.22% UMW Holdings Bhd 02.10.2026 (AA2)	4,000,000	4,162,548	4,171,104	0.49
5.39% UniTapah Sdn Bhd 12.12.2022 (AA2)	5,000,000	5,214,547	5,260,880	0.62
5.59% UniTapah Sdn Bhd 12.12.2024 (AA2)	2,000,000	2,126,618	2,141,298	0.25
5.69% UniTapah Sdn Bhd 12.12.2025 (AA2)	5,000,000	5,384,429	5,398,227	0.64
5.16% West Coast Expressway Sdn Bhd 27.08.2032 (AAA)	5,000,000	5,057,445	5,087,157	0.60
4.43% Westports Holdings Bhd 01.04.2025 (AA+)	1,750,000	1,760,619	1,751,428	0.21
4.58% Westports Holdings Bhd 23.10.2024 (AA+)	3,000,000	3,073,041	3,028,881	0.36
4.68% Westports Holdings Bhd 01.04.2022 (AA+)	4,000,000	4,118,473	4,095,069	0.48
4.75% Westports Holdings Bhd 03.04.2023 (AA+)	2,500,000	2,558,834	2,565,359	0.30
4.84% Westports Holdings Bhd 22.10.2027 (AA+)	4,000,000	4,139,791	4,053,863	0.48
5.25% Westports Holdings Bhd 03.05.2024 (AA+)	5,000,000	5,276,832	5,240,163	0.62
5.38% Westports Malaysia Sdn Bhd 30.04.2026 (AA+)	3,000,000	3,202,129	3,171,381	0.37
5.05% YTL Power International Bhd 03.05.2027 (AA1)	25,000,000	25,521,535	25,701,151	3.03
Total unquoted sukuk	<u>740,300,000</u>	<u>760,935,017</u>	<u>758,590,708</u>	<u>89.44</u>
Accumulated unrealised loss on unquoted sukuk		<u>(2,344,309)</u>		
Total unquoted sukuk		<u>758,590,708</u>		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b><u>SUKUK</u></b>				
4.80% Lafarge Cement Sdn Bhd (13.01.2020) (AA2)	1,500,000	1,509,271	1,515,736	0.20
5.25% Bumitama Agri Ltd Bhd (18.03.2019) (AA3)	6,000,000	6,220,689	6,212,731	0.81
5.00% Bumitama Agri Ltd (02.09.2019) (AA3)	10,000,000	10,405,799	10,321,175	1.35
5.10% GULF Investment Corp (16.03.2021) (AAA)	8,700,000	8,966,496	8,927,812	1.17
5.10% GULF Investment Corp (20.06.2022) (AAA)	1,000,000	1,010,446	1,010,860	0.13
5.12% UniTapah Sdn Bhd (12.06.2020) (AA2)	500,000	509,381	516,301	0.07
5.39% UniTapah Sdn Bhd (12.12.2022) (AA2)	3,000,000	3,134,028	3,160,285	0.41
5.59% UniTapah Sdn Bhd (12.12.2024) (AA2)	3,000,000	3,208,621	3,215,807	0.42
5.73% UniTapah Sdn Bhd (12.06.2026) (AA2)	5,000,000	5,129,295	5,430,675	0.71
5.82% UniTapah Sdn Bhd (11.06.2027) (AA2)	1,750,000	1,805,682	1,916,910	0.25
7.25% Gas District Cooling Putrajaya (02.12.2022) (AAA)	5,000,000	5,798,214	5,836,490	0.76
4.64 % Besraya Malaysia Sdn Bhd (26.07.2019) (AA3)	1,000,000	1,011,675	1,010,097	0.13
4.72% Besraya Malaysia Sdn Bhd (28.07.2020) (AA3)	7,000,000	7,056,731	7,084,561	0.93
4.80% Besraya Malaysia Sdn Bhd (28.07.2021) (AA3)	2,500,000	2,509,534	2,535,659	0.33
4.75% Maybank Islamic Bhd (Call: 05.04.2019) (AA1)	2,500,000	2,564,675	2,564,675	0.34
4.95% RHB Islamic Bank Bhd (Call: 15.05.2019) (AA3)	5,000,000	5,093,835	5,114,077	0.67
5.10% TNB Western Energy Bhd (30.01.2025) (AAA)	9,000,000	9,405,994	9,427,248	1.23
5.14% TNB Western Energy Bhd (30.07.2025) (AAA)	4,500,000	4,711,061	4,726,502	0.62
5.01% Cagamas MBS Berhad (08.08.2017) (AAA)	2,000,000	2,013,825	2,018,245	0.26
5.04% Besraya Malaysia Sdn Bhd (26.07.2024) (AA3)	5,000,000	5,114,232	5,120,372	0.67
4.28% TNB Northern Energy Bhd (29.05.2028) (AAA)	2,500,000	2,450,805	2,449,495	0.32

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
5.28% Besraya Malaysia Sdn Bhd (28.07.2027) AA3	2,000,000	2,061,769	2,081,430	0.27
4.60% Perbadanan Kemajuan N Selangor (25.05.2018) (AA3)	3,000,000	3,037,898	3,040,922	0.40
3.90% UMW Holdings Bhd (28.06.2017) (AA+)	4,000,000	4,023,291	4,020,486	0.53
3.60% Celcom Networks Sdn Bhd (29.08.2017) (AA+)	3,500,000	3,484,068	3,489,320	0.46
3.75% HSBC Amanah Malaysia Bhd (28.09.2017) (AAA)	5,000,000	5,066,551	5,072,360	0.66
4.215% Gamuda Bhd (26.10.2018) (AA3)	10,500,000	10,646,217	10,636,487	1.39
4.60% UEM Sunrise Bhd (13.12.2018) (AA-)	4,250,000	4,288,448	4,290,801	0.56
4.90% BGSM Management Sdn Bhd (27.12.2018) (AAA)	9,500,000	9,645,836	9,643,997	1.26
4.14% Rantau Abang Capital (28.08.2019) (AAA)	5,000,000	5,046,287	5,021,167	0.66
4.47% KESAS SDN BHD (10.10.2019) (AA2)	4,000,000	4,077,947	4,092,121	0.54
4.24% HSBC Amanah Malaysia Bhd (27.03.2020) (AAA)	1,000,000	1,018,005	1,018,695	0.13
4.70% UMW Holdings Bhd (15.02.2021) (AA2)	5,000,000	4,973,729	4,969,064	0.65
5.10% MEX II Sdn Bhd (29.04.2021) (AA-)	5,000,000	5,192,184	5,152,034	0.67
5.02% UMW Holdings Bhd (04.10.2021) (AA2)	5,000,000	5,115,935	5,109,875	0.67
4.36 % Putrajaya Holdings Sdn Bhd (21.12.2021) (AAA)	350,000	353,848	355,762	0.05
4.76% Tanjung Bin Energy Issuer Bhd (16.03.2018) (AA3)	5,000,000	5,114,992	5,134,385	0.67
4.00% Konsortium Lebuh Raya UT KL SB (02.12.2019) (AA-)	5,000,000	4,977,632	4,989,217	0.65
6.60% BGSM Management Sdn Bhd (27.12.2019) (AA3)	7,000,000	7,431,003	7,444,163	0.97
4.80% Anih Bhd (29.11.2018) (AA)	5,000,000	5,115,990	5,116,643	0.67

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
4.81% Tanjung Bin Energy Issuer Bhd (14.09.2018) (AA3)	7,000,000	7,217,675	7,207,202	0.94
4.54% Tanjung Bin Power Sdn Bhd (16.08.2019) (AA2)	5,000,000	5,047,659	5,029,285	0.66
3.75% Celcom Transmission Malaysia (29.08.2019) (AA+)	6,000,000	5,926,242	5,895,316	0.77
4.53% Al-'Aqar Capital Sdn Bhd (04.05.2018) (AA2)	4,000,000	4,066,046	4,036,794	0.53
4.35% Al-'Aqar Capital Sdn Bhd (06.05.2020) (AAA)	4,000,000	4,017,701	4,005,964	0.52
4.65% KESAS SDN BHD (08.10.2021) (AA2)	2,000,000	2,045,344	2,053,921	0.27
4.31% Putrajaya Holdings Sdn Bhd (29.07.2022) (AAA)	5,000,000	4,965,017	5,039,972	0.66
5.30% MEX II Sdn Bhd (28.04.2023) (AA-)	1,000,000	1,032,557	1,041,540	0.14
5.12% UMW Holdings Bhd (04.10.2023) (AA2)	4,000,000	4,093,041	4,091,922	0.54
4.66% Tanjung Bin Power Sdn Bhd (14.08.2020) (AA2)	12,000,000	12,175,317	12,119,517	1.59
4.55% Kapar Energy Ventures SB (05.07.2021) (AA+)	10,000,000	10,130,998	10,084,062	1.32
4.68% Westports Holdings Bhd (01.04.2022) (AA+)	5,000,000	5,159,615	5,167,436	0.68
4.41% Putrajaya Holdings Sdn Bhd (28.07.2023) (AAA)	5,000,000	5,018,274	5,057,369	0.66
5.00% Anih Bhd (27.11.2020) (AA)	5,000,000	5,205,988	5,179,864	0.68
5.08% Tanjung Bin Energy Issuer Bhd (16.03.2021) (AA3)	1,500,000	1,562,382	1,567,734	0.21
4.63% Teknologi Tenaga Perlis Consor (30.07.2021) (AA1)	2,000,000	2,046,662	2,024,617	0.27
4.75% Westports Holdings Bhd (03.04.2023) (AA+)	3,500,000	3,584,852	3,624,508	0.47
4.48% Putrajaya Holdings Sdn Bhd (29.07.2024) (AAA)	5,000,000	5,011,940	5,064,147	0.66
5.05% Pengurusan Air SPV Bhd (05.11.2019) (AAA)	4,500,000	4,676,806	4,678,932	0.61

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted Sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
4.55% Malaysia Airports Capital Bhd (28.08.2020) (AAA)	5,000,000	5,021,799	5,049,373	0.66
4.16% Pengurusan Air SPV Bhd (11.11.2021) (AAA)	4,000,000	4,078,433	4,039,308	0.53
4.10% Aman Sukuk Bhd (08.03.2023) (AAA)	5,000,000	5,098,226	5,055,326	0.66
4.85% Kimanis Power Sdn Bhd (14.06.2023) (AA-)	5,000,000	5,164,412	5,099,358	0.67
4.55% Putrajaya Holdings Sdn Bhd (19.09.2023) (AAA)	2,500,000	2,580,650	2,589,798	0.34
4.25% Konsortium Lebu Raya UT KL SB (01.12.2023) (AA-)	4,000,000	3,920,035	3,936,252	0.52
4.78% Aman Sukuk Bhd (30.05.2024) (AAA)	7,250,000	7,511,616	7,531,642	0.99
4.75% Public Islamic Bank Bhd (Call: 10.06.2019) (AA1)	5,000,000	5,079,129	5,086,806	0.67
4.80% Hong Leong Islamic Bank Bhd (Call:17.06.2019) (AA2)	5,000,000	5,088,505	5,071,742	0.66
4.738% Telekom Malaysia Bhd (27.06.2024) (AAA)	5,000,000	5,137,480	5,170,639	0.68
5.00% Sarawak Energy Berhad (04.07.2024) (AA1)	1,000,000	1,042,924	1,038,221	0.14
4.55% Telekom Malaysia Bhd (07.10.2024) (AAA)	3,000,000	3,134,053	3,094,726	0.41
4.55% Telekom Malaysia Bhd (20.12.2024) (AAA)	4,500,000	4,580,119	4,596,891	0.60
4.47% Aman Sukuk Bhd (08.05.2025) (AAA)	4,000,000	4,064,070	4,071,475	0.53
4.62% Benih Restu Bhd (05.06.2025) (AA2)	2,000,000	2,020,529	2,013,771	0.26
4.58% Kuala Lumpur Kepong Bhd (12.08.2025) (AA1)	2,000,000	2,004,015	2,010,235	0.26
4.63% Pengurusan Air SPV Bhd (26.09.2025) (NR)	5,000,000	5,281,006	5,230,324	0.69
5.42% Jimah East Power Sdn Bhd (04.06.2025) (AA-)	2,000,000	2,025,541	2,124,161	0.28
4.63% Pengurusan Air SPV Bhd (05.02.2026) (NR)	5,000,000	5,204,094	5,143,638	0.67
4.60% Danga Capital Berhad (23.02.2026) (AAA)	3,000,000	3,011,034	3,037,699	0.40

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
5.22% UMW Holdings Bhd (02.10.2026) (AA2)	7,000,000	7,184,420	7,134,232	0.93
5.27% Celcom Networks Sdn Bhd (28.10.2026) (AA+)	12,750,000	13,145,437	13,254,307	1.74
4.50% Bank Pembangunan Malaysia Bhd (04.11.2026) (AAA)	15,000,000	15,216,370	15,206,170	1.99
4.62% Bank Pembangunan Malaysia Bhd (02.03.2027) (AAA)	1,000,000	1,000,000	1,000,000	0.13
4.22% Manjung Island Energy Bhd (25.11.2022) (AAA)	10,500,000	10,689,918	10,631,346	1.39
4.48% Plus Bhd (12.01.2023) (AAA)	3,500,000	3,524,326	3,556,635	0.47
5.05% Kimanis Power Sdn Bhd (08.08.2023) (AA-)	5,000,000	5,181,481	5,116,277	0.67
4.58% Westports Holdings Bhd (23.10.2024) (AA+)	8,000,000	8,202,228	8,147,531	1.07
4.75% Konsortium Lebuhraya Raya UT KL SB (02.12.2024) (AA-)	5,000,000	5,165,386	5,061,111	0.66
5.24% Lebuhraya DUKE Fasa 3 Sdn Bhd (23.08.2027) (AA-)	1,500,000	1,532,407	1,547,162	0.20
5.20% Putrajaya Holdings Sdn Bhd (25.01.2018) (AAA)	4,500,000	4,570,582	4,574,683	0.60
4.68% Malaysia Airports Capital Bhd (16.12.2022) (AAA)	5,000,000	5,163,574	5,119,859	0.67
4.25% Aman Sukuk Bhd (12.04.2024) (AAA)	1,500,000	1,501,262	1,517,192	0.20
4.50% Axis REIT Sukuk Bhd (Call: 13.07.2022) (AAA)	10,000,000	10,136,203	10,128,645	1.33
4.43% Westports Holdings Bhd (01.04.2025) (AA+)	2,750,000	2,762,064	2,773,878	0.36
4.68% Westports Holdings Bhd (23.10.2025) (AA+)	2,000,000	2,037,041	2,043,254	0.27
5.80% MEX II Sdn Bhd (28.04.2028) (AA-)	5,000,000	5,466,614	5,390,787	0.71
4.64% Plus Bhd (10.01.2025) (AAA)	2,000,000	2,074,632	2,045,984	0.27

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Adjusted cost</u> RM	<u>Fair value</u> RM	<u>Percentage of NAV</u> %
<b>SUKUK (CONTINUED)</b>				
5.90% MEX II Sdn Bhd (27.04.2029) (AA-)	2,000,000	2,135,819	2,169,158	0.28
5.58% Anih Bhd (28.11.2025) (AA)	2,000,000	2,162,129	2,162,149	0.28
5.55% Tanjung Bin Energy Issuer Bhd (15.09.2025) (AA3)	7,000,000	7,428,437	7,571,375	0.99
4.84% Westports Holdings Bhd (22.10.2027) (AA+)	4,000,000	4,145,209	4,105,133	0.54
4.75% Konsortium Lebu Raya UT KL SB (02.12.2027) (AA-)	7,000,000	7,091,346	7,017,795	0.92
5.77% Jimah East Power Sdn Bhd (04.12.2029) (AA-)	3,000,000	3,076,221	3,274,455	0.43
5.70% Tanjung Bin Energy Issuer Bhd (16.03.2027) (AA3)	1,000,000	1,049,738	1,096,415	0.14
4.56% Prasarana Malaysia Bhd (15.11.2028) (NR)	5,000,000	5,185,422	5,080,764	0.67
4.75% Konsortium Lebu Raya UT KL SB (01.12.2028) (AA-)	7,500,000	7,571,181	7,477,516	0.98
4.75% Bank Pembangunan Malaysia Bhd (12.09.2029) (NR)	3,500,000	3,611,794	3,639,871	0.48
4.75% Prasarana Malaysia Bhd (26.02.2031) (NR)	3,000,000	3,088,833	3,014,191	0.39
4.50% PTPTN (25.7.2031) (NR)	2,000,000	2,008,137	1,966,117	0.26
4.95% GovCo Holdings Bhd (20.02.2032) (NR)	3,500,000	3,503,119	3,544,104	0.46
4.98% Bank Pembangunan Malaysia Bhd (02.03.2032) (AAA)	3,500,000	3,500,000	3,500,000	0.46
5.80% Tanjung Bin Energy Issuer Bhd (16.03.2028) (AA3)	5,000,000	5,463,011	5,529,207	0.72
5.85% Jimah East Power Sdn Bhd (04.06.2031) (AA-)	10,000,000	11,051,880	10,983,636	1.44
6.20% Jimah East Power Sdn Bhd (04.12.2031) (AA-)	3,000,000	3,416,833	3,401,845	0.45
6.20% MEX II Sdn Bhd (29.04.2032) (AA-)	2,000,000	2,100,696	2,207,307	0.29
6.28% Jimah East Power Sdn Bhd (03.12.2032) (AA-)	4,000,000	4,393,474	4,540,747	0.59

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<b>SUKUK (CONTINUED)</b>				
6.30% MEX II Sdn Bhd (29.04.2033) (AA-)	25,000,000	26,734,288	27,730,373	3.63
6.05% East Klang Valley Expressway (27.01.2034) (AAA)	2,500,000	2,597,255	2,794,217	0.37
6.15% East Klang Valley Expressway (29.01.2035) (AAA)	1,000,000	1,024,525	1,127,826	0.15
6.04% Lebuh raya DUKE Fasa 3 Sdn Bhd (23.08.2035) (AA-)	2,500,000	2,558,646	2,718,782	0.36
6.13% Lebuh raya DUKE Fasa 3 Sdn Bhd (22.08.2036) (AA-)	3,000,000	3,299,878	3,280,523	0.43
4.62% Lembaga Pembiayaan Perumah SA (19.09.2036) (NR)	7,500,000	7,634,083	7,459,415	0.98
6.23% Lebuh raya DUKE Fasa 3 Sdn Bhd (21.08.2037) (AA-)	5,000,000	5,575,925	5,488,571	0.72
4.85% PTPTN (26.07.2041) (NR)	6,000,000	6,043,116	5,958,330	0.78
4.86% Jambatan Kedua Sdn Bhd (26.07.2041) (NR)	1,000,000	974,808	983,651	0.13
6.43% Lebuh raya DUKE Fasa 3 Sdn Bhd (23.08.2039) (AA-)	5,000,000	5,125,574	5,546,585	0.73
4.90% Lembaga Pembiayaan Perumah SA (21.09.2046) (NR)	3,750,000	3,825,351	3,755,189	0.49
4.95% DanaInfra Nasional Bhd (19.10.2046) (NR)	8,500,000	8,652,162	8,583,737	1.12
4.45% First Resources Ltd (31.07.2017) (AA2)	4,500,000	4,522,032	4,526,610	0.59
4.30% First Resources Ltd (08.12.2017) (AA2)	4,000,000	4,038,643	4,043,676	0.53
4.35% First Resources Ltd (05.06.2020) (AA2)	3,000,000	3,016,738	3,011,580	0.39
4.85% First Resources Ltd (27.10.2021) (AA2)	2,000,000	2,054,843	2,048,339	0.27
6.00% TF Varlik Kiralama AS (28.06.2019) (AA3)	1,000,000	1,014,900	1,012,957	0.13



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

(a) Unquoted sukuk (continued)

(ii) Unquoted sukuk as at 28 February 2017 are as follows (continued):

<u>Name of issuer</u>	Nominal <u>value</u> RM	Adjusted <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>SUKUK (CONTINUED)</u>				
4.39% GII (07.07.2023) (SOV)	34,000,000	35,812,439	35,134,830	4.60
4.045% GII (15.08.2024) (SOV)	5,000,000	5,035,322	5,027,822	0.66
3.699% GII (15.11.2022) (SOV)	7,000,000	7,151,542	7,015,059	0.92
4.943% GII (06.12.2028) (SOV)	7,000,000	7,698,500	7,503,028	0.98
Total unquoted sukuk	<u>664,550,000</u>	<u>685,181,499</u>	<u>686,038,067</u>	<u>89.83</u>
Accumulated unrealised gain on unquoted sukuk		<u>856,568</u>		
Total unquoted sukuk		<u>686,038,067</u>		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**10 CASH AND CASH EQUIVALENTS**

	<u>2018</u> RM	<u>2017</u> RM
Cash and bank balances	89,848	399,356
Short term Shariah-based deposits with licensed financial institution	73,649,501	71,836,760
	<u>73,739,349</u>	<u>72,236,116</u>

Weighted average effective profit rates per annum and weighted average maturity of Shariah-based deposits with licensed financial institution are as follows:

	<u>2018</u> %	<u>2017</u> %
Shariah-based deposits with licensed financial institution	3.22	3.30

Shariah-based deposits with licensed financial institutions have an average maturity of 2 days (2017: 15 days).

**11 NUMBER OF UNITS IN CIRCULATION**

	<u>2018</u> No. of units	<u>2017</u> No. of units
At the beginning of the financial period	1,390,896,000	804,458,000
Created of units arising from application	179,259,415	820,409,913
Created of units arising from distribution	25,658,585	15,028,087
Cancellations of units	(106,999,000)	(300,301,000)
At the end of the financial period	<u>1,488,815,000</u>	<u>1,339,595,000</u>

**12 SHARIAH INFORMATION OF THE FUND**

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**13 TRANSACTIONS WITH DEALERS**

- (i) Details of sale and purchase transactions with the top 10 dealers for the financial period ended 28 February 2018 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Affin Hwang Investment Bank Bhd#	174,719,335	31.62
Hong Leong Bank Bhd	112,402,630	20.34
Bank Muamalat Malaysia Bhd#	67,732,775	12.26
Standard Chartered Bank Malaysia Bhd	36,544,850	6.61
Malayan Banking Bhd#	35,042,100	6.34
RHB Investment Bank Bhd#	24,301,030	4.40
Hong Leong Investment Bank Bhd	20,182,550	3.65
Ambank (M) Bhd	19,104,300	3.46
Bank Islam Malaysia Bhd	17,199,900	3.11
CIMB Bank Bhd	14,135,600	2.56
Others*	31,209,200	5.65
	<u>552,574,270</u>	<u>100.00</u>

- (ii) Details of sale and purchase transactions with the top 10 dealers for the financial period ended 28 February 2017 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
RHB Investment Bank Bhd#	179,994,070	27.08
Affin Hwang Investment Bank Bhd#*	114,331,920	17.20
Ambank (M) Bhd	82,155,900	12.36
Malayan Banking Bhd#	80,362,650	12.09
Hong Leong Bank Bhd	74,785,700	11.25
CIMB Bank Bhd	43,646,350	6.57
CIMB Islamic Bank Bhd	26,549,510	3.99
Bank Muamalat Malaysia Bhd#	25,426,500	3.82
JP Morgan Chase Bank Bhd	15,299,000	2.30
Hong Leong Investment Bank Bhd	8,638,350	1.30
Others*	13,609,700	2.04
	<u>664,799,650</u>	<u>100.00</u>

\*Included in transactions with dealers are trades in the stockbroking industry with Affin Group, a group of companies related to the Manager amounting to RM174,719,335 (2017: RM114,331,920). The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**13. TRANSACTIONS WITH DEALERS (CONTINUED)**

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

<u>2018</u> RM	<u>2017</u> RM	
<u>Name of dealers</u>		
Affin Hwang Investment Bank	37,571,850	10,009,800
Bank Muamalat Malaysia Bhd	21,087,625	5,123,500
Bank Islam Malaysia Bhd	15,690,000	-
Malayan Banking Bhd	-	17,379,550
RHB Investment Bank Bhd	15,278,050	25,168,600
	<u>89,627,525</u>	<u>57,681,450</u>

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

	<u>2018</u> RM	<u>2017</u> RM
Affin Hwang Aiiman Balanced Fund	3,516,050	-
Affin Hwang Aiiman Global Sukuk Fund	2,003,850	-
Affin Hwang Aiiman Select Income Fund	3,760,950	-
Affin Hwang Bond Fund	-	15,909,900
Affin Hwang Enhanced Deposit Fund	1,002,600	-
Affin Hwang Income Fund 1	-	7,985,000
Affin Hwang Institutional Bond Fund	-	8,291,900
Affin Hwang Select Income Fund	17,963,350	5,123,500
Affin Hwang Select Asia Pacific (ex Japan) Balanced Fund	1,486,800	-
Affin Hwang Tactical Fund	2,506,000	-
Affin Hwang Select Cash Fund	10,054,000	-
Affin Hwang Select Bond Fund	21,295,500	-
Affin Hwang Wholesale Fund 1	-	1,015,400
Private mandates managed by the Manager	26,038,425	19,355,750
	<u>89,627,525</u>	<u>57,681,450</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

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

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

<u>Related parties</u>	<u>Relationships</u>
Affin Hwang Asset Management Berhad	The Manager
Affin Hwang Investment Bank Berhad	Holdings company of the Manager
Affin Bank Berhad (“ABB”)	Ultimate holding company of the Manager
Subsidiaries and associates of ABB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

	<u>2018</u>		<u>2017</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Unit</u>	<u>RM</u>
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The unit are held legally for booking purpose)	22,261	12,682	2,426	1,383

**15 MANAGEMENT EXPENSE RATIO (“MER”)**

	6 months financial period ended <u>28.2.2018</u> %	6 months financial period ended <u>28.2.2017</u> %
MER	0.56	0.56

MER is derived from the following calculation:

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

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 calculated on a daily basis is RM828,477,397 (2017: RM664,192,083)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 6 MONTHS FINANCIAL PERIOD ENDED 28 FEBRUARY 2018 (CONTINUED)**

**16 PORTFOLIO TURNOVER RATIO (“PTR”)**

	6 months financial period ended <u>28.2.2018</u>	6 months financial period ended <u>28.2.2017</u>
PTR (times)	<u>0.33</u>	<u>0.50</u>

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 = RM281,823,080 (2017: RM465,113,600)  
total disposal for the financial period = RM270,064,614 (2017: RM205,198,014)

**17 SEGMENT INFORMATION**

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the fund. The Fund has determined the operating segments based on the reports reviewed by this committee that are used to make strategic decisions.

The committee is responsible for the Fund’s entire portfolio and considers the business to have a single operating segment. The committee’s asset allocation decisions are based on a single, integrated investment strategy and the Fund’s performance is evaluated on an overall basis.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of profit and gains on the appreciation in the value of investments, and is derived from unquoted sukuk in Malaysia.

There were no changes in the reportable segments during the financial period.

The internal reporting provided to the committee for the fund’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS.

## **AFFIN HWANG AIIMAN INCOME PLUS FUND**

### **STATEMENT BY THE MANAGER**

I, Teng Chee Wai as the Director of **Affin Hwang Asset Management Berhad**, do hereby state that in my opinion as the Manager, the financial statements set out on pages 10 to 53 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 28 February 2018 and of its financial performance, changes in equity and cash flows for the financial period ended 28 February 2018 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**

**TENG CHEE WAI**  
**EXECUTIVE DIRECTOR**

Kuala Lumpur  
18 April 2018

## **DIRECTORY OF SALES OFFICE**

### **HEAD OFFICE**

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(429786-T)