

# Affin Hwang Aiiman

## Quantum Fund

*(FORMERLY KNOWN AS AFFIN HWANG AIIMAN EQUITY FUND)*

Annual Report

31 March 2022

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



**AFFIN HWANG**  
CAPITAL

**MANAGER**

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**

AmanahRaya Trustee Berhad (766894-T)

# AFFIN HWANG AII MAN QUANTUM FUND

## Annual Report and Audited Financial Statements For the Financial Year 31 March 2022

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## FUND INFORMATION

Fund Name	Affin Hwang Aiiman Quantum Fund
Fund Type	Capital Growth
Fund Category	Islamic Equity
Investment Objective	The Fund aims to provide investors with stable returns by enabling investors to participate in the growth prospect of the Malaysian market which is in compliance with Shariah principles.
Benchmark	FTSE-Bursa Malaysia EMAS Shariah Index
Distribution Policy	Distribution (if any) will be subject to the availability of income

## FUND PERFORMANCE DATA

Category	As at 31 Mar 2022 (%)	As at 31 Mar 2021 (%)	As at 31 Mar 2020 (%)
Portfolio composition			
<b>Quoted equities – local</b>			
- Construction	3.10	4.58	1.58
- Consumer products & services	11.70	17.75	11.42
- Energy	4.95	6.69	3.72
- Financial services	3.98	5.87	0.98
- Health care	2.58	1.95	7.75
- Industrial products	18.54	32.90	10.70
- Plantation	12.91	2.61	0.04
- Properties	3.50	0.38	2.00
- REITs	2.44	-	4.70
- Technology	10.09	13.43	5.28
- Telecommunications & media	5.33	9.00	4.75
- Transportation & logistics	2.16	-	-
- Utilities	-	-	3.10
- Warrants	0.33	-	-
<b>Total quoted equities - local</b>	<b>81.61</b>	<b>95.16</b>	<b>56.02</b>
<b>Exchange-traded fund</b>	<b>-</b>	<b>-</b>	<b>2.49</b>
<b>Cash and cash equivalent</b>	<b>18.39</b>	<b>4.84</b>	<b>41.49</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (RM'million)	56.608	52.620	38.819
NAV per Unit (RM)	0.5607	0.6265	0.3552
Unit in Circulation (million)	100.964	83.991	109.281
Highest NAV	0.6524	0.6704	0.4861
Lowest NAV	0.5254	0.3544	0.3294
Return of the Fund (%) <sup>iii</sup>	-7.34	76.38	-18.83
- Capital Growth (%) <sup>i</sup>	-10.50	76.38	-22.19
- Income Distribution (%) <sup>ii</sup>	3.54	Nil	4.32
Gross Distribution per Unit (sen)	2.00	Nil	2.00
Net Distribution per Unit (sen)	2.00	Nil	2.00
Total Expense Ratio (%) <sup>1</sup>	1.62	1.65	1.66
Portfolio Turnover Ratio (times) <sup>2</sup>	0.93	2.23	1.25

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

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

An illustration of the above would be as follow:-

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

<sup>1</sup>The TER of the Fund was lower than previous year due to a higher average NAV for the Fund during the financial year.

<sup>2</sup>The Fund recorded a lower PTR than previous year due to lower trading activities for the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

The NAV per Unit prior and subsequent to the distributions are as follow:

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
20-Jul-21	21-Jul-21	0.5883	0.0200	0.5654

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

### Performance Review

For the period 1 April 2021 to 31 March 2022, the Fund registered a -7.34% return compared to the benchmark return of -7.04%. The Fund thus underperformed the Benchmark by 0.30%. The Net Asset Value per unit ("NAV") of the Fund as at 31 March 2022 was RM0.5607 while the NAV as at 31 March 2021 was RM0.6265. During the period under review, the Fund has declared a gross income distribution of RM0.0200 per unit.

Since commencement, the Fund has registered a return of 78.24% compared to the benchmark return of 26.93%, outperforming by 51.31%.

Table 1: Performance of the Fund

	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (4/8/07 - 31/3/22)
<b>Fund</b>	<b>(7.34%)</b>	<b>32.66%</b>	<b>29.86%</b>	<b>78.24%</b>
<b>Benchmark</b>	<b>(7.04%)</b>	<b>2.18%</b>	<b>(6.78%)</b>	<b>26.93%</b>
<b>Outperformance</b>	<b>(0.30%)</b>	<b>30.48%</b>	<b>36.64%</b>	<b>51.31%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	1 Year (1/4/21 - 31/3/22)	3 Years (1/4/19 - 31/3/22)	5 Years (1/4/17 - 31/3/22)	Since Commencement (4/8/07 - 31/3/22)
<b>Fund</b>	<b>(7.34%)</b>	<b>9.87%</b>	<b>5.36%</b>	<b>4.02%</b>
<b>Benchmark</b>	<b>(7.04%)</b>	<b>0.72%</b>	<b>(1.39%)</b>	<b>1.64%</b>
<b>Outperformance</b>	<b>(0.30%)</b>	<b>9.15%</b>	<b>6.75%</b>	<b>2.38%</b>

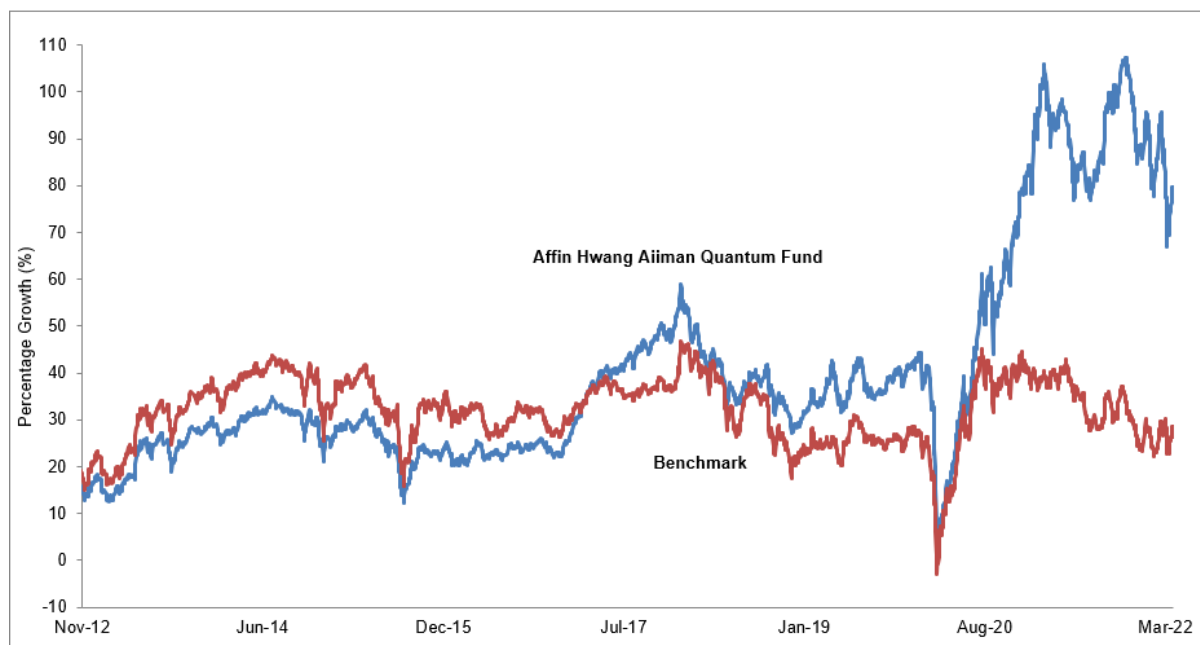
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	FYE 2022 (1/4/21 - 31/3/22)	FYE 2021 (1/4/20 - 31/3/21)	FYE 2020 (1/4/19 - 31/3/20)	FYE 2019 (1/4/18 - 31/3/19)	FYE 2018 (1/4/17 - 31/3/18)
<b>Fund</b>	<b>(7.34%)</b>	<b>76.38%</b>	<b>(18.83%)</b>	<b>(5.48%)</b>	<b>3.57%</b>
<b>Benchmark</b>	<b>(7.04%)</b>	<b>27.15%</b>	<b>(13.54%)</b>	<b>(11.66%)</b>	<b>3.27%</b>
<b>Outperformance</b>	<b>(0.30%)</b>	<b>49.23%</b>	<b>(5.29%)</b>	<b>6.18%</b>	<b>0.30%</b>

Source of Benchmark: Bloomberg

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



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

*Benchmark: FTSE-Bursa Malaysia EMAS Shariah Index*

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

### **Asset Allocation**

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

As at 31 March 2022, the asset allocation of the Fund stood at 81.61% in equities, a decrease compared to the previous year and the balance was held in cash and cash equivalent. During the year under review, the Manager made adjustments to the portfolio in tandem with market projections, increasing holdings in the plantation sector while being conservative with consumer products and services equities.

### **Strategies Employed**

As market volatility increases, we continue to keep a close monitor on market development amidst the rare event of global pandemic and geo-political uncertainty.

### **Market Review**

At the start of 2021, global equities started on a strong note due to policy easing and optimism surrounding vaccination rollout. However, global recovery was uneven as developed markets reported stronger gains compared to emerging markets. Developed countries managed to administer the vaccine at a quicker pace which led to a corresponding increase in mobility and hence a more optimistic market outlook.

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

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

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

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

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

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

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

## **Investment Outlook**

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

The Russia-Ukraine tension is also weighing on sentiments. With continued disruptions to supply chains, the conflict is contributing to inflationary pressures. However, history suggest that market impact from geopolitical events tend to be short. We expect markets to shift the focus back to tighter monetary conditions and slowing growth moving forward.

The inversion of the US yield curve and whether it is an accurate predictor of a recession has been widely discussed as of late. Whilst a recession is not inevitable in our view, we are increasingly of the opinion that economic growth will likely slow materially in the coming months as consumers adjust to rapidly rising costs.

Although the default response to decelerating growth in recent years by central banks is to increase liquidity, this seems much less likely this time as battling inflation is seen as a more pressing matter.

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

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

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

### **State of Affairs of the Fund**

There is neither any significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the 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 year under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

### **Cross Trade**

Cross trade transactions have not been carried out during the reported period.



## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF AFFIN HWANG AIIMAN QUANTUM FUND (FORMERLY KNOWN AS AFFIN HWANG AIIMAN EQUITY FUND)**

We, AMANAHRAYA TRUSTEES BERHAD have acted as Trustee of AFFIN HWANG AIIMAN QUANTUM FUND for the financial year ended 31 March 2022. In our opinion, AFFIN HWANG ASSET MANAGEMENT BERHAD, the Manager, has operated and managed AFFIN HWANG AIIMAN QUANTUM FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are of the opinion that:

1. Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
2. Creation and cancellation of units are carried out in accordance with the Deed and other regulatory requirement.
3. The distribution of income made by AFFIN HWANG AIIMAN QUANTUM FUND as declared by the Manager is appropriate and reflects the investment objective of AFFIN HWANG AIIMAN QUANTUM FUND.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Kuala Lumpur, Malaysia  
17 May 2022

## **SHARIAH ADVISER'S REPORT**

**To the Unit Holders of Affin Hwang Aiiman Quantum Fund ("Fund")**

We hereby confirm the following:

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

**For Amanie Advisors Sdn Bhd**

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur  
17 May 2022

**AFFIN HWANG AIIMAN QUANTUM FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

# **AFFIN HWANG AIIMAN QUANTUM FUND**

## **FINANCIAL STATEMENTS**

### **FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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## AFFIN HWANG AIIMAN QUANTUM FUND

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

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Dividend income		1,142,432	805,843
Profit income from financial assets at amortised cost		57,337	101,529
Net (loss)/gain on financial assets at fair value through profit or loss	8	(4,140,479)	24,535,238
		<u>(2,940,710)</u>	<u>25,446,802</u>
<b>EXPENSES</b>			
Management fee	4	(814,639)	(671,410)
Trustee fee	5	(43,455)	(36,032)
Auditors' remuneration		(2,000)	(9,000)
Tax agent's fee		-	(4,380)
Transaction costs		(336,367)	(644,202)
Other expenses		(26,159)	(53,514)
		<u>(1,222,620)</u>	<u>(1,418,538)</u>
<b>NET (LOSS)/PROFIT BEFORE TAXATION</b>		(4,163,330)	24,024,072
Taxation	6	-	-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(4,163,330)</u>	<u>24,024,072</u>
Net (loss)/profit after taxation is made up of the following:			
Realised amount		725,584	11,019,704
Unrealised amount		(4,888,914)	13,004,368
		<u>(4,163,330)</u>	<u>24,024,072</u>

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

## AFFIN HWANG AIIMAN QUANTUM FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	10,317,818	2,637,411
Amount due from brokers		510,705	-
Amount due from Manager			
- creation of units		61,528	3,793
Dividends receivable		47,748	16,345
Financial assets at fair value through profit or loss	8	46,196,239	50,070,499
<b>TOTAL ASSETS</b>		<u>57,134,038</u>	<u>52,728,048</u>
<b>LIABILITIES</b>			
Amount due to brokers		398,895	-
Amount due to Manager			
- management fee		69,227	66,893
- cancellation of units		27,357	-
Amount due to Trustee		3,692	3,568
Auditors' remuneration		10,610	16,110
Tax agent's fee		5,820	10,200
Other payables and accruals		10,869	11,425
<b>TOTAL LIABILITIES</b>		<u>526,470</u>	<u>108,196</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>56,607,568</u>	<u>52,619,852</u>
<b>EQUITY</b>			
Unitholders' capital		49,199,226	39,342,640
Retained earnings		7,408,342	13,277,212
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>56,607,568</u>	<u>52,619,852</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>100,964,000</u>	<u>83,991,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5607</u>	<u>0.6265</u>

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 April 2021	39,342,640	13,277,212	52,619,852
Total comprehensive loss for the financial year	-	(4,163,330)	(4,163,330)
Distribution (Note 7)		(1,705,540)	(1,705,540)
Movement in unitholders' capital:			
Creation of units arising from applications	10,469,690	-	10,469,690
Creation of units arising from distribution	1,705,540	-	1,705,540
Cancellation of units	(2,318,644)	-	(2,318,644)
Balance as at 31 March 2022	<u>49,199,226</u>	<u>7,408,342</u>	<u>56,607,568</u>
Balance as at 1 April 2020	49,566,008	(10,746,860)	38,819,148
Total comprehensive income for the financial year	-	24,024,072	24,024,072
Movement in unitholders' capital:			
Creation of units arising from applications	7,798,236	-	7,798,236
Cancellation of units	(18,021,604)	-	(18,021,604)
Balance as at 31 March 2021	<u>39,342,640</u>	<u>13,277,212</u>	<u>52,619,852</u>

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		49,901,332	104,674,480
Purchase of Shariah-compliant investments		(50,615,729)	(109,128,478)
Profit received from short-term Shariah based deposits with licensed financial institutions		57,337	101,529
Dividend received		1,111,029	963,341
Management fee rebate received		-	798
Management fee paid		(812,306)	(656,527)
Trustee fee paid		(43,331)	(35,238)
Payment for other fees and expenses		(38,593)	(68,403)
		<hr/>	<hr/>
Net cash flows used in operating activities		(440,261)	(4,148,498)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		10,411,955	7,830,555
Payments for cancellation of units		(2,291,287)	(18,021,604)
		<hr/>	<hr/>
Net cash flows generated from/(used in) financing activities		8,120,668	(10,191,049)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		7,680,407	(14,339,547)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		2,637,411	16,976,958
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
	9	10,317,818	2,637,411
		<hr/> <hr/>	<hr/> <hr/>

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



## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

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

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

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

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

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

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

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

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

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

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2021 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

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

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

- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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

#### **B INCOME RECOGNITION**

##### Dividend income

Dividend income from Shariah-compliant investments is recognised in the statement of comprehensive income as part of gross dividend income on the ex-dividend rate, when the right to receive the dividend has been established.

##### Profit income

Profit income from short-term Shariah-based deposits with licensed financial institutions is recognised based on effective profit rate method on an accruals basis.

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

##### Realised gains and losses on sale of investment

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

#### **C TRANSACTION COSTS**

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

#### **D TAXATION**

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

Withholding taxes on investment income from investment which are not “income tax” in nature are recognised and measured based on the requirements of MFRS 137. They are presented within the other expenses line in the statement of comprehensive income.

#### **E DISTRIBUTION**

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

#### **F FUNCTIONAL AND PRESENTATION CURRENCY**

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

#### **G FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost.

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

The contractual cash flows of the Fund’s debt securities are solely principal and interest\* (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

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

(i) Classification (continued)

The Fund classifies cash and cash equivalents, amount due from brokers, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

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

(ii) Recognition and measurement

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

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

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

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

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 or loss' in the period which they arise.

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

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

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

##### (iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### Significant increase in credit risk

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

##### Definition of default and credit-impaired financial assets

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

##### Quantitative criteria:

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

##### Qualitative criteria:

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

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

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

##### Write-off

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

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

#### **H CASH AND CASH EQUIVALENTS**

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

#### **I AMOUNTS DUE FROM/(TO) BROKERS**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection. Refer to Note G for accounting policy on recognition and measurement.

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

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

#### **J UNITHOLDERS' CAPITAL**

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

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

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

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

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

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

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

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

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

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

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

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

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

The Unit Trust Fund was constituted under the name Affin Islamic Equity Fund (the “Fund”) pursuant to the execution of a Master Deed dated 27 June 2007, First Supplemental Deed dated 25 October 2007, Second Supplemental Deed dated 8 September 2008, Third Supplemental Deed dated 13 October 2008, Fifth Supplemental Deed dated 6 August 2015, Sixth Supplemental Deed dated 5 October 2018 and Seventh Supplemental Deed dated 13 April 2020. The Fund has changed its name from Affin Islamic Equity Fund to Affin Hwang Aiiman Equity Fund as amended by the Fourth Supplemental Deed dated 22 July 2014 and from Affin Hwang Aiiman Equity Fund to Affin Hwang Quantum Fund as amended by the Seventh Supplemental Deed dated 13 April 2020 (the “Deeds”) has been entered into between Affin Hwang Asset Management Berhad (the “Manager”) and AmanahRaya Trustees Berhad (the “Trustee”).

The Fund was launched on 1 August 2007 and will continue its operations until terminated by the Trustee as provided under Clause 22.1 of the Deed.

The Fund may invest in the following assets, subject to the Deeds, the Fund’s objective, the Guidelines, the requirements of the SC and any other regulatory body and all relevant laws:

- (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 Commission (IOSCO);
- (ii) Unlisted Shariah-compliant securities;
- (iii) Shariah-compliant right issues;
- (iv) Shariah-compliant warrants;
- (v) Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Malaysia negotiable notes, negotiable Islamic debt certificate (NIDC), Islamic negotiable instrument of deposits (INID), Cagamas mudharabah bonds and any other Government Islamic papers;
- (vi) Other Shariah-compliant obligations issued or guaranteed by the Malaysian government, Bank Negara, state governments and government-related agencies;
- (vii) Sukuk;
- (viii) Islamic fixed deposits with financial institutions and placements of money market with investment banks;
- (ix) Islamic money market instruments and Sukuk traded in the Islamic capital market;
- (x) Units/Shares in Shariah-compliant collective investment schemes which are in line with the objective of the Trust; and
- (xi) Any other form of Shariah-compliant investments as may be permitted by the SC’s and/or the Shariah Adviser from time to time that is in line with the Trust’s objectives.

The objective of the Fund is to provide investors with stable returns by enabling investors to participate in the growth prospect of the Malaysian market, which is in compliance with Shariah principles.

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

Due to the adverse market environment during the financial year, the Manager has taken a temporary defensive position by increasing the Fund’s asset allocation in cash and cash equivalents.

The financial statements were authorised for issue by the Manager on 17 May 2022.



## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

Financial instruments of the Fund are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	10,317,818	-	10,317,818
Amount due from brokers		510,705	-	510,705
Dividends receivable		47,748	-	47,748
Shariah-compliant quoted equities	8	-	46,196,239	46,196,239
Amount due from Manager - creation of units		61,528		61,528
Total		<u>10,937,799</u>	<u>46,196,239</u>	<u>57,134,038</u>
<u>Financial liabilities</u>				
Amount due to brokers		398,895	-	398,895
Amount due to Manager				
- management fee		69,227	-	69,227
- cancellation of units		27,357	-	27,357
Amount due to Trustee		3,692	-	3,692
Auditors' remuneration		10,610	-	10,610
Tax agent's fee		5,820	-	5,820
Other payables and accruals		10,869	-	10,869
Total		<u>526,470</u>	<u>-</u>	<u>526,470</u>

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

Financial instruments of the Fund are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	2,637,411	-	2,637,411
Amount due from Manager				
- creation of units		3,793	-	3,793
Dividends receivable		16,345	-	16,345
Shariah-compliant quoted equities	8	-	50,070,499	50,070,499
Total		<u>2,657,549</u>	<u>50,070,499</u>	<u>52,728,048</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		66,893	-	66,893
Amount due to Trustee		3,568	-	3,568
Auditors' remuneration		16,110	-	16,110
Tax agent's fee		10,200	-	10,200
Other payables and accruals		11,425	-	11,425
Total		<u>108,196</u>	<u>-</u>	<u>108,196</u>

The Fund is exposed to a variety of risks which include market risk (including price risk and 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.

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

##### Market risk

##### (a) Price risk

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

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

	<u>2022</u> RM	<u>2021</u> RM
<b>Shariah-compliant quoted investments</b>		
Quoted equities	46,196,239	50,070,499

The following table summarises the sensitivity of the Fund's (loss)/profit after taxation and net asset value ("NAV") to price risk movement. The analysis is based on the assumptions that the market price increased by 4% (2021: 10%) and decreased by 4% (2021: 10%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities.

<u>% Change in price</u>	<u>Market value</u> RM	Impact on (loss)/ profit after <u>tax/NAV</u> RM
<u>2022</u>		
-4%	44,348,389	(1,847,850)
0%	46,196,239	-
+4%	48,044,089	1,847,850
<u>2021</u>		
-10%	45,063,449	(5,007,050)
0%	50,070,499	-
+10%	55,077,549	5,007,050

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

##### Market risk (continued)

##### (b) Profit rate risk

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

The Fund's exposure to the profit rate risk is mainly confined to short-term Shariah-based deposit placements with licensed financial institutions. The Manager overcomes this exposure by way of maintaining short-term Shariah-based deposits.

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

##### Liquidity risk

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

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>2022</u>			
Amount due to brokers	398,895	-	398,895
Amount due to Manager			
- management fee	69,227	-	69,227
- cancellation of units	27,357	-	27,357
Amount due to Trustee	3,692	-	3,692
Auditors' remuneration	-	10,610	10,610
Tax agent's fee	-	5,820	5,820
Other payables and accruals	-	10,869	10,869
	<u>499,171</u>	<u>27,299</u>	<u>526,470</u>

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

##### Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows: (continued)

	<u>Within one month</u> RM	<u>Between one month to one-year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	66,893	-	66,893
Amount due to Trustee	3,568	-	3,568
Auditors' remuneration	-	16,110	16,110
Tax agent's fee	-	10,200	10,200
Other payables and accruals	-	11,425	11,425
	<u>70,461</u>	<u>37,735</u>	<u>108,196</u>

##### Credit risk

Credit risk refers to the ability of any 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 risk.

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

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

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

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

##### Credit risk (continued)

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

	<u>Cash and cash equivalents</u> RM	<u>Other assets*</u> RM	<u>Total</u> RM
<u>2022</u>			
Consumer Products & Services			
- AA3		345,135	345,135
Financial Services			
- AAA	10,147,979	-	10,147,979
- AA3	169,839	-	169,839
Health care			
- NR	-	14,166	14,166
Industrial Products & Services			
- AAA	-	165,570	165,570
- NR	-	8,977	8,977
Plantation			
- NR	-	24,605	24,605
Others			
- NR		61,528	61,528
	<u>10,317,818</u>	<u>619,981</u>	<u>10,937,799</u>
<u>2021</u>			
Financial Services			
- AAA	2,315,951	-	2,315,951
- AA3	321,460	-	321,460
Health care			
- NR	-	7,724	7,724
Technology			
- NR	-	8,621	8,621
Others			
- NR	-	3,793	3,793
	<u>2,637,411</u>	<u>20,138</u>	<u>2,657,549</u>

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

## AFFIN HWANG AIIMAN QUANTUM FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (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 Shariah-compliant investment activities of the Fund.

##### Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the 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. As at 31 March 2022, all investments held are Shariah Compliant counters as approved by the Shariah Advisory Council.

#### 3 FAIR VALUE ESTIMATION

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

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

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

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

##### (i) Fair value hierarchy

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

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2022</u>				
Financial assets at fair value through profit or loss				
- quoted equities	46,196,239	-	-	46,196,239
	<u>46,196,239</u>	<u>-</u>	<u>-</u>	<u>46,196,239</u>
<u>2021</u>				
Financial assets at fair value through profit or loss				
- quoted equities	50,070,499	-	-	50,070,499
	<u>50,070,499</u>	<u>-</u>	<u>-</u>	<u>50,070,499</u>

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

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



## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 4 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 a daily basis.

For the financial year ended 31 March 2022, the management fee is recognised at a rate of 1.50% (2021: 1.50%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate not exceeding 0.08% per annum of the NAV of the Fund, calculated on a daily basis.

For the financial year ended 31 March 2022, the Trustee fee is recognised at a rate of 0.08% (2021: 0.08%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Fund's Prospectus.

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

#### 6 TAXATION

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

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 6 TAXATION (CONTINUED)

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

	<u>2022</u> RM	<u>2021</u> RM
Net (loss)/profit before taxation	(4,163,330)	24,024,072
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(999,199)	5,765,777
Tax effects of:		
Investment loss disallowed from tax/ (Investment income not subject to tax)	705,770	(6,106,226)
Expenses not deductible for tax purposes	99,596	175,471
Restrictions on tax deductible expenses for Unit Trust Funds	193,833	164,978
Tax expense	-	-

#### 7 DISTRIBUTION

	<u>2022</u> RM	<u>2021</u> RM
Distribution to unitholders is from the following sources:		
Prior years' realised income	1,705,540	-
Gross realised income	1,705,540	-
Less: expenses	-	-
Net distribution amount	1,705,540	-
Gross distribution per unit (sen)	2.00	-
Ex-date	21.7.2021	-

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 7 DISTRIBUTION (CONTINUED)

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.

The distribution made for the financial year ended includes an amount of RM1,705,540 (2021: RMNil) from previous years' realised income.

There are unrealised losses of RM4,888,914 during the financial year (2021: RMNil).

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Shariah-compliant quoted equities – local	46,196,239	50,070,499
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	748,435	11,530,314
- unrealised (loss)/gain on changes in fair value	(4,888,914)	13,004,368
- management fee rebate on collective investment scheme #	-	556
	<u>(4,140,479)</u>	<u>24,535,238</u>

# In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines, management fee charged on the Fund's investments in collective investment schemes have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes.

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

(a) Shariah-compliant quoted equities – local

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Construction</u>				
AME Elite Consortium Bhd	1,032,800	1,592,086	1,755,760	3.10
<u>Consumer Products &amp; Services</u>				
Berjaya Food Bhd	313,900	611,385	1,189,681	2.10
Formosa Prosonic Industries Bhd	651,700	1,101,738	2,443,875	4.32
Hong Leong Industries Bhd	114,600	1,095,020	1,041,714	1.84
Lee Swee Kiat Group Bhd	1,250,000	1,125,000	975,000	1.72
MBM Resources Berhad	314,000	1,057,475	970,260	1.72
	<u>2,644,200</u>	<u>4,990,618</u>	<u>6,620,530</u>	<u>11.70</u>
<u>Energy</u>				
Dayang Enterprise Holdings Bhd	717,700	1,002,560	635,164	1.12
Reservoir Link Energy Bhd	1,946,200	1,009,079	817,404	1.45
Wah Seong Corporation Bhd	1,809,200	1,008,482	1,347,854	2.38
	<u>4,473,100</u>	<u>3,020,121</u>	<u>2,800,422</u>	<u>4.95</u>
<u>Financial Services</u>				
Bank Islam Malaysia Bhd	765,400	2,220,405	2,250,276	3.98
<u>Healthcare</u>				
IHH Healthcare Bhd	236,100	1,304,058	1,459,098	2.58
<u>Industrial Products &amp; Services</u>				
PIE Industrial Bhd	331,500	1,133,221	941,460	1.66
Press Metal Aluminium Hldg Bhd	262,800	1,416,958	1,624,104	2.87
Scientex Bhd	385,400	1,142,391	1,564,724	2.77
Scope Industries Bhd	6,422,300	1,642,425	1,509,240	2.67
SKP Resources Bhd	815,750	1,475,092	1,150,208	2.03
Sunway Berhad	816,344	1,282,818	1,428,602	2.52
Ta Win Holdings Bhd	7,550,200	1,151,616	1,094,779	1.93

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Industrial Products</u>				
<u>&amp; Services</u> (continued)				
V.S. Industry Bhd	1,148,100	1,222,657	1,182,543	2.09
	<u>17,732,394</u>	<u>10,467,178</u>	<u>10,495,660</u>	<u>18.54</u>
<u>Plantation</u>				
Hap Seng Plantations Hldgs Bhd	658,800	1,929,295	1,666,764	2.94
Kuala Lumpur Kepong Bhd	71,900	1,731,201	1,800,376	3.18
Sime Darby Plantation Bhd	195,200	1,020,759	964,288	1.70
Ta Ann Holdings Bhd	559,800	2,926,868	2,882,970	5.09
	<u>1,485,700</u>	<u>7,608,123</u>	<u>7,314,398</u>	<u>12.91</u>
<u>Property</u>				
Eco World Development Grp Bhd	2,012,000	1,609,385	1,981,820	3.50
<u>REITs</u>				
Axis Real Estate Invst Trust	745,800	1,327,524	1,379,730	2.44
<u>Technology</u>				
D&O Green Technologies Bhd	346,500	1,905,926	1,559,250	2.75
Dagang NeXchange Bhd	1,479,600	1,284,359	1,494,396	2.64
Malaysian Pac Industries Bhd	30,600	350,439	1,113,840	1.97
NCT Alliance Bhd	1,876,400	994,492	759,942	1.34
Revenue Group Bhd	525,500	1,041,331	788,250	1.39
	<u>4,258,600</u>	<u>5,576,547</u>	<u>5,715,678</u>	<u>10.09</u>
<u>Telecommunication &amp; Media</u>				
Telekom Malaysia Bhd	319,100	1,910,233	1,541,253	2.72
TIME dotCom Berhad	346,500	1,122,164	1,476,090	2.61
	<u>665,600</u>	<u>3,032,397</u>	<u>3,017,343</u>	<u>5.33</u>

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Transportation &amp; Logistics</u>				
MISC Bhd	166,700	1,170,066	1,220,244	2.16
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Warrants</u>				
AME Elite Consortium Bhd - Warrant	148,133	-	35,552	0.06
Scope Industries Bhd - Warrant	965,130	-	77,210	0.14
V.S. Industry Bhd - Warrant	263,700	-	72,518	0.13
	<hr/>	<hr/>	<hr/>	<hr/>
	1,376,963	-	185,280	0.33
	<hr/>	<hr/>	<hr/>	<hr/>
Total Shariah-compliant quoted equities – local	37,595,357	43,918,508	46,196,239	81.61
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		2,277,731		
		<hr/>		
Total Shariah-compliant quoted equities – local		46,196,239		
		<hr/> <hr/>		

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Construction</u>				
AME Elite Consortium Bhd	444,400	1,006,166	968,792	1.84
GDB Holdings Bhd	1,140,700	954,994	952,484	1.81
Jaks Resources Bhd	780,140	351,469	487,588	0.93
	2,365,240	2,312,629	2,408,864	4.58
<u>Consumer Products &amp; Services</u>				
Formosa Prosonic Industries Bhd	782,400	1,322,694	2,323,728	4.42
Kumpulan Powernet Bhd	228,000	176,945	424,080	0.81
Lee Swee Kiat Group Bhd	1,250,000	1,125,000	1,100,000	2.09
Malayan Flour Mills Bhd	3,868,000	3,214,839	3,461,860	6.58
MBM Resources Bhd	314,000	1,057,476	1,077,020	2.05
UMW Holdings Bhd	295,700	1,019,800	949,197	1.80
	6,738,100	7,916,754	9,335,885	17.75
<u>Energy</u>				
Malaysia Marine & Heavy Eng. Bhd	1,969,100	1,128,644	1,279,915	2.43
Veleso Energy Bhd	6,193,800	1,075,931	1,052,946	2.00
Wah Seong Corporation Bhd	1,449,400	744,587	1,188,508	2.26
	9,612,300	2,949,162	3,521,369	6.69
<u>Financial Services</u>				
BIMB Holdings Bhd	365,600	1,542,349	1,546,488	2.94
Bursa Malaysia Bhd	172,500	1,503,663	1,542,150	2.93
	538,100	3,046,012	3,088,638	5.87
<u>Health Care</u>				
IHH Healthcare Bhd	193,100	1,021,750	1,027,292	1.95

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Industrial Products</u>				
Asia Poly Holdings Bhd	5,345,400	1,703,969	1,897,617	3.61
ATA IMS Bhd	575,500	1,652,487	1,680,460	3.19
Cahaya Mata Sarawak Bhd	457,700	1,051,217	997,786	1.90
Hiap Teck Venture Bhd	2,152,400	1,049,941	947,056	1.80
Press Metal Aluminium Holding Bhd	163,800	1,273,818	1,621,620	3.08
Sarawak Consolidated Ind Bhd	306,300	240,106	517,647	0.98
Scientex Bhd	516,800	1,531,883	2,067,200	3.93
SKP Resources Bhd	950,600	2,148,670	2,091,320	3.98
Sunway Bhd	1,127,144	1,705,147	1,904,873	3.62
Supercomnet Technologies Bhd	918,500	1,790,991	1,469,600	2.79
V.S. Industry Bhd	742,200	1,580,796	2,115,270	4.02
	<u>13,256,344</u>	<u>15,729,025</u>	<u>17,310,449</u>	<u>32.90</u>
<u>Plantation</u>				
Kuala Lumpur Kepong Bhd	59,964	1,321,046	1,375,574	2.61
<u>Properties</u>				
Eco World Development Group Bhd	328,600	197,160	202,089	0.38
<u>Technology</u>				
Frontken Corp Bhd	162,000	453,984	810,000	1.54
GHL Systems Bhd	305,050	311,175	527,737	1.00
Greatech Technology Bhd	265,200	605,433	1,405,560	2.67
Inari Amertron Bhd	163,400	440,895	534,318	1.02
Malaysian Pacific Industries Bhd	43,600	499,318	1,656,800	3.15
My EG Services Bhd	550,000	1,014,915	1,083,500	2.06
Unisem M Bhd	136,200	816,759	1,046,016	1.99
	<u>1,625,450</u>	<u>4,142,479</u>	<u>7,063,931</u>	<u>13.43</u>



## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

	<u>Quantity</u>	Aggregate <u>cost</u> RM	Fair <u>value</u> RM	Percentage <u>of NAV</u> %
<u>Telecommunications</u>				
<u>&amp; Media</u>				
Telekom Malaysia Bhd	503,600	3,145,673	3,087,068	5.87
TIME dotCom Bhd	115,500	1,122,164	1,649,340	3.13
	<u>619,100</u>	<u>4,267,837</u>	<u>4,736,408</u>	<u>9.00</u>
Total Shariah-compliant quoted equities – local	<u>35,336,298</u>	<u>42,903,854</u>	<u>50,070,499</u>	<u>95.16</u>
Accumulated unrealised gain on Shariah-compliant quoted equities – local		<u>7,166,645</u>		
Total Shariah-compliant quoted equities – local		<u>50,070,499</u>		

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 9 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Cash and bank balances	169,839	321,460
Shariah-based deposits with licensed financial institutions	10,147,979	2,315,951
	<u>10,317,818</u>	<u>2,637,411</u>

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

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

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

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u> No. of units	<u>2021</u> No. of units
At the beginning of the financial year	83,991,000	109,281,000
Creation of units arising from applications during the financial year	17,895,000	15,880,000
Creation of units arising from distribution during the financial year	2,956,900	-
Cancellation of units during the financial year	(3,878,900)	(41,170,000)
At the end of the financial year	<u>100,964,000</u>	<u>83,991,000</u>

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 11 SHARIAH INFORMATION OF THE FUND

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

- a. Equity securities and exchange-traded fund listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission.
- b. Collective investment scheme which has been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and
- c. Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

#### 12 TRANSACTIONS WITH BROKERS

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

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd #	33,022,244	33.18	83,824	34.63
Public Investment Bank Bhd	8,556,830	8.60	21,392	8.84
Credit Suisse Securities (Malaysia) Sdn. Bhd.	6,483,364	6.51	16,208	6.70
Kenanga Investment Bank Bhd	5,978,114	6.01	14,967	6.18
CLSA Securities Malaysia Sdn. Bhd	5,503,339	5.53	9,435	3.90
Malayan Banking Bhd	5,089,097	5.11	12,723	5.26
RHB Investment Bank Bhd	5,040,059	5.06	12,600	5.21
CGS – CIMB Securities Sdn. Bhd	4,843,007	4.87	12,107	5.00
Macquarie Capital Securities (Malaysia) Sdn Bhd	4,451,473	4.47	11,129	4.60
UOB Kay Hian Securities (M) Sdn Bhd	4,234,797	4.26	8,145	3.36
Others	16,322,550	16.40	39,500	16.32
	<u>99,524,874</u>	<u>100.00</u>	<u>242,030</u>	<u>100.00</u>

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 12 TRANSACTIONS WITH BROKERS (CONTINUED)

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

<u>Name of brokers</u>	<u>Value of trade</u> RM	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> RM	Percentage of total <u>brokerage</u> %
Affin Hwang Investment Bank Bhd #	54,874,134	25.81	136,866	25.88
UOB Kay Hian Securities (M) Sdn Bhd	23,239,690	10.93	58,099	10.99
Public Investment Bank Bhd	15,290,684	7.19	38,227	7.23
CLSA Securities Malaysia Sdn Bhd	13,154,273	6.19	27,915	5.28
Hong Leong Investment Bank Bhd	12,951,994	6.09	32,385	6.12
Malayan Banking Bhd	12,708,930	5.98	31,822	6.02
CGS – CIMB Securities Sdn. Bhd	10,953,448	5.15	27,384	5.18
Credit Suisse Securities (Malaysia) Sdn Bhd	10,614,235	4.99	26,536	5.02
Kenanga Investment Bank Bhd	9,446,788	4.45	23,618	4.47
RHB Investment Bank Bhd	8,345,281	3.92	20,476	3.87
Others	41,040,413	19.30	105,419	19.94
	<u>212,619,870</u>	<u>100.00</u>	<u>528,747</u>	<u>100.00</u>

# Included in transaction with brokers are trades with Affin Hwang Investment Bank Bhd, a company related to the Manager amounting to RM33,022,244 (2021: RM54,874,134). The Manager is of the opinion that the transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

## AFFIN HWANG AIIMAN QUANTUM FUND

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

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

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

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

The units held by the Manager and party related to the Manager as at the end of the financial year are as follows:

	<u>2022</u>		<u>2021</u>	
	No. of units	RM	No. of units	RM
<u>The Manager:</u>				
Affin Hwang Asset Management Berhad (The units are held legally for booking purposes)	253,613	142,201	29,506	18,485
<u>Subsidiary and associated companies of the penultimate holding company of the Manager:</u>				
ABB Nominee (Tempatan) Sdn Bhd (The units are held beneficially)	6,867,084	3,850,374	-	-

## AFFIN HWANG AIIMAN QUANTUM FUND

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

#### 14 TOTAL EXPENSE RATIO (“TER”)

	<u>2022</u> %	<u>2021</u> %
TER	<u>1.62</u>	<u>1.65</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial year calculated on daily basis is RM54,314,203 (2021: RM45,030,452).

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

	<u>2022</u>	<u>2021</u>
PTR (times)	<u>0.93</u>	<u>2.23</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM50,581,913 (2021: RM107,816,630)  
total disposal for the financial year = RM49,836,539 (2021: RM93,458,719)

#### 16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

## **AFFIN HWANG AIIMAN QUANTUM FUND**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion of the Manager, the financial statements set out on pages 1 to 34 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2022 and of its financial performance, changes in equity and cash flows for the financial year ended 31 March 2022 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
17 May 2022

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 34.

Basis for opinion

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

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

*Independence and other ethical responsibilities*

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



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN QUANTUM FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN QUANTUM FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF AFFIN HWANG AIIMAN QUANTUM FUND  
(CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
17 May 2022

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