



A Member of AHAM Capital

## **ANNUAL REPORT**

30 April 2023

# **Aiiman Income Extra Fund**

MANAGER  
AiIMAN Asset Management Sdn. Bhd.  
199301001937 (256674-T)

TRUSTEE  
TMF Trustee Malaysia Berhad  
(610812-W)

**Built On Trust**

[aiiman.com](https://aiiman.com)

# **AIIMAN INCOME EXTRA FUND**

## **Annual Report and Audited Financial Statements For The Financial Year Ended 30 April 2023**

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## FUND INFORMATION

Fund Name	Aiiman Income Extra Fund
Fund Type	Income
Fund Category	Fixed Income (Shariah-compliant Wholesale)
Investment Objective	The Fund aims to provide investors with a steady income stream by investing in Sukuk, Islamic money market instruments and/or Islamic deposits.
Benchmark	Maybank 1-month General Investment Account-i (GIA-i) rate
Distribution Policy	Subject to the availability of income, the Fund will make distribute to the Unit Holders on quarterly basis. However, the amount of income available for distribution may fluctuate from year to year.

## FUND PERFORMANCE DATA

Category	As at 30 April 2023 (%)	As at 30 April 2022 (%)	As at 30 April 2021 (%)
Portfolio composition			
- Total unquoted fixed income Islamic Fixed Income Securities	50.28	36.87	53.54
- Cash & Cash Equivalent	49.72	63.13	46.46
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (million)	1,954.050	1,941.303	825.154
NAV per Unit	1.0465	1.0419	1.0411
Units in Circulation (million)	1,867.239	1,863.281	792.548
Highest NAV	1.0480	1.0466	1.0495
Lowest NAV	1.0402	1.0414	1.0310
Return of the Fund (%) <sup>iii</sup>	3.01	1.44	2.07
- Capital Growth (%) <sup>i</sup>	0.45	0.07	1.41
- Income Distribution (%) <sup>ii</sup>	2.56	1.37	0.66
Gross Distribution per Unit (sen)	2.64	1.42	0.69
Net Distribution per Unit (sen)	2.64	1.42	0.69
Management Expense Ratio (%)	0.34	0.34	0.34
Portfolio Turnover Ratio (times)	0.70	0.41	1.04

### **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<sup>i</sup> = NAV per Unit end / NAV per Unit begin – 1

Income return<sup>ii</sup> = Income distribution per Unit / NAV per Unit ex-date

Total return<sup>iii</sup> = (1+Capital return) x (1+Income return) – 1

## MANAGER'S REPORT

### Income Distribution / Unit Split

The Net Asset Value per unit prior and subsequent to the distribution are as follow:-

Cum Date	Ex-Date	Cum-distribution (RM)	Distribution per Unit (RM)	Ex-distribution (RM)
20/10/2020	21/10/2020	1.0497	0.0015	1.0485
24/11/2020	25/11/2020	1.0486	0.0015	1.0470
15/12/2020	16/12/2020	1.0474	0.0018	1.0459
15/01/2021	18/01/2021	1.0488	0.0002	1.0489
09/02/2021	10/02/2021	1.0489	0.0005	1.0486
09/03/2021	10/03/2021	1.0406	0.0007	1.0400
13/04/2021	14/04/2021	1.0407	0.0007	1.0401
11/05/2021	12/05/2021	1.0425	0.0010	1.0416
08/06/2021	09/06/2021	1.0441	0.0012	1.0429
13/07/2021	14/07/2021	1.0465	0.0014	1.0452
09/08/2021	11/08/2021	1.0465	0.0014	1.0450
07/09/2021	08/09/2021	1.0461	0.0014	1.0449
12/10/2021	13/10/2021	1.0421	0.0012	1.0415
09/11/2021	10/11/2021	1.0428	0.0010	1.0419
07/12/2021	08/12/2021	1.0433	0.0010	1.0422
11/01/2022	12/01/2022	1.0435	0.0010	1.0426
08/02/2022	09/02/2022	1.0438	0.0012	1.0426
08/03/2022	09/03/2022	1.0444	0.0012	1.0432
12/04/2022	13/04/2022	1.0441	0.0012	1.0430
10/05/2022	11/05/2022	1.0413	0.0010	1.0402
07/06/2022	08/06/2022	1.0441	0.0010	1.0431
12/07/2022	13/07/2022	1.0444	0.0012	1.0434
09/08/2022	10/08/2022	1.0456	0.0020	1.0437
13/09/2022	14/09/2022	1.0467	0.0022	1.0444
11/10/2022	12/10/2022	1.0436	0.0024	1.0411
08/11/2022	09/11/2022	1.0430	0.0026	1.0405
13/12/2022	14/12/2022	1.0451	0.0028	1.0426
10/01/2023	11/01/2023	1.0460	0.0028	1.0433
07/02/2023	08/02/2023	1.0475	0.0028	1.0449
07/03/2023	08/03/2023	1.0458	0.0028	1.0430
11/04/2023	12/4/2023	1.0472	0.0028	1.0445

No unit split were declared for the financial period ended 30 April 2023.

### Performance Review

For the period under review from 1 May 2022 to 30 April 2023, the Fund registered a return of 3.01%. It outperformed the Benchmark return of 1.71% by 1.30% percentage points. (See Table 1 for the performance of the Fund and Figure 1 for movement of the Fund versus the Benchmark respectively).

Since commencement, the Fund registered a return of 9.51% compared to the Benchmark return of 5.00%, outperformed by 4.51%. We believe the Fund has met its objective of providing investors with a regular income stream and high level of liquidity to meet cash flow requirement while maintaining capital preservation.

Table 1: Performance of the Fund

	<b>6 Months</b> (1/11/22 - 30/04/23)	<b>1 Year</b> (01/05/22 - 30/04/23)	<b>3 Years</b> (01/05/20 - 30/04/23)	<b>Since Commencement</b> (07/10/19 - 30/04/23)
<b>Fund</b>	<b>1.92%</b>	<b>3.01%</b>	<b>6.67%</b>	<b>9.51%</b>
<b>Benchmark</b>	<b>0.96%</b>	<b>1.71%</b>	<b>3.79%</b>	<b>5.00%</b>
<b>Outperformance</b>	<b>0.96%</b>	<b>1.30%</b>	<b>2.88%</b>	<b>4.51%</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year</b> (01/05/22 - 30/04/23)	<b>3 Years</b> (01/05/20 - 30/04/23)	<b>Since Commencement</b> (07/10/19 - 30/04/23)
<b>Fund</b>	<b>3.01%</b>	<b>2.17%</b>	<b>2.58%</b>
<b>Benchmark</b>	<b>1.71%</b>	<b>1.25%</b>	<b>1.38%</b>
<b>Outperformance</b>	<b>1.30%</b>	<b>0.92%</b>	<b>1.20%</b>

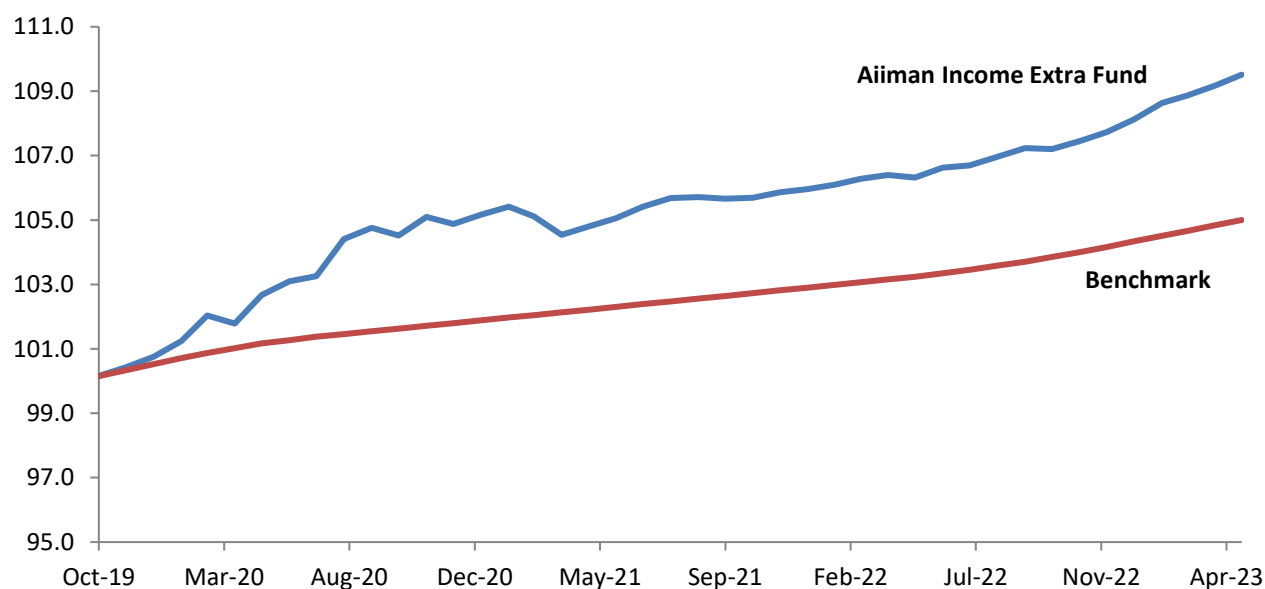
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2023</b> (01/05/22 - 30/04/23)	<b>FYE 2022</b> (01/05/21 - 31/05/22)	<b>FYE 2021</b> (01/05/20 - 30/04/21)	<b>FYE 2020</b> (07/10/19 - 30/04/20)
<b>Fund</b>	<b>3.01%</b>	<b>1.45%</b>	<b>2.07%</b>	<b>2.67%</b>
<b>Benchmark</b>	<b>1.71%</b>	<b>1.00%</b>	<b>1.04%</b>	<b>1.17%</b>
<b>Outperformance</b>	<b>1.30%</b>	<b>0.45%</b>	<b>1.03%</b>	<b>1.50</b>

Source of Benchmark: Bloomberg

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



"This information is prepared by Aiiman Asset Management Sdn Bhd (Aiiman) 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."

Benchmark: Maybank 1-month General Investment Account-I (GIA-i) rate

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

## **Asset Allocation**

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

Figure 2: Asset Allocation of the Fund

	<b>30 April 2023</b>
	<b>(%)</b>
Fixed Income (Sukuk)	50.28
Cash & Islamic money market	49.72
<b>Total</b>	<b>100.00</b>

## **Strategies Employed**

Over the period under review, the Manager invested in a mix of high-quality credit, namely Government Investment Issue (Government sukuk) and Government guaranteed papers (GG sukuk) as well as Islamic Deposits placements. The Manager recalibrated its duration strategy to manage its reinvestment risk. While the Islamic fixed deposit rates in general were low for the first quarter of 2023, selective banks continued to offer attractive rates (around pre- Monetary Policy Committee (MPC) Meeting levels by Bank Negara Malaysia ("BNM")) on a consistent basis. The fund has since the start of the year has reduced its duration to below 1 year.

## **Market Review**

Global fixed income market saw volatility subside in April as growth and inflation outlook moderated. Most economy data printed weaker as past cumulative monetary tightening took effect. Nonetheless, persistent pressure from core inflation remained a key concern for many economies, including Malaysia.

Market participants drew comfort that a stronger than expected China economy in 1Q23 would remain supportive of global growth, as the United States ("US") is still not out of the woods from a hard-landing scenario. US Treasury yield curve inverted further due to a combination of lingering systemic risk in its banking sector, and a consensus of 25 basis points ("bps") policy rate hike in May from the US Federal Reserve. 2-year, 10-year, and 30-year US Treasury ended the month at 4.01% (-2 bps), 3.42% (-4 bps), and 3.68% (+2 bps) respectively.

Malaysia's fixed income market saw strong performance in the month of April, on the back of (1) a more stable US Treasury yield environment, (2) easing inflation outlook and lower Consumer Price Index ("CPI") print domestically, and (3) persistent foreign participation in Malaysia's sovereign bonds. Strong participation from both domestic and foreign investors drove yields lower to test January's low, while demand for duration saw 15-year and 30-year Malaysian Government Securities ("MGS") the best performers along the yield curve. MGS yield curve bullish flattened, with 3-year, 10-year, and 30-year MGS ending the month at 3.29% (-4 bps), 3.74% (-18 bps), and 4.17% (-24 bps) respectively.

There were 3 sovereign bond/sukuk auctions in April, all met with strong demand with more than 2 times bid-to-cover ratio. The first auction was the RM4.5 billion re-opening of 10-year Government Investment Issue ("GII") which closed at an average yield of 3.948%. The second auction was the RM5.0 billion new issue of 5-year MGS which saw the strongest demand due to its new benchmark status, closing the auction at an average yield of 3.519%. The final auction of the month was the RM5.0 billion re-opening of 30-year GII at an average yield of 4.308%, where RM2.5 billion of the issue was privately placed out. All issuances performed better post-auction.

In the month of March, Malaysia's headline CPI and core CPI eased to 3.4% (February: 3.7%) and 3.8% (February 3.9%) respectively, while Malaysia's international reserves improved to USD115.5 billion (February: USD114.3 billion). In terms of portfolio flows, foreign investors added RM4.4 billion of MGS and RM2.2 billion of GII during the same month. Foreign holdings of MGS and GII amount to 36.0% (February: 34.5%) and 9.0% (February: 8.7%) of outstanding issuances respectively.

### **Investment Outlook**

While banking systemic risk and core inflation pressure will continue to elevate market volatility, we opine that the US Federal Reserve is approaching its terminal rate. Going forward, we expect economy data to taper further, keeping global yields anchored.

On local front, Bank Negara Malaysia's 25 basis points ("bps") Overnight Policy Rate ("OPR") hike at the beginning of May came as a surprise only in terms of timing (consensus July), with mild reaction from the market post announcement. Inflation outlook should dampen further to support long-term bond yields, while the widely anticipated OPR hike has set a cap in price gains at the short end.

With reference to local domain, we opine OPR to remain at 3.00%, although Bank Negara Malaysia ("BNM") may hike to slightly restrictive territory if balance of risks tilt more strongly towards inflation and/or stronger than expected growth data.

### **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, no soft commission was received by the management company on behalf of the Fund.

### **Cross Trade**

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

### **Securities Financing Transactions**

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

### **Changes Made to the Fund's Prospectus**

There were no changes made to Aiiman Income Extra Fund's prospectus during the financial year under review.



## **TRUSTEE’S REPORT**

### **To the Unit Holders of AIIMAN Income Extra Fund (“Fund”)**

We have acted as Trustee of the Fund for the financial year ended 30 April 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Aiiman Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following: -

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirements.

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

**For TMF Trustees Malaysia Berhad**  
(Registration No: 200301008392 (610812-W))

**NORHAYATI BINTI AZIT**  
**DIRECTOR – FUND SERVICES**

Kuala Lumpur, Malaysia  
27 June 2023

## **SHARIAH ADVISER'S REPORT**

### **To the Unit Holders of AIIAMAN Income Extra Fund ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AIIAMAN Asset Management Sdn Bhd 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  
27 June 2023

**AIIMAN INCOME EXTRA FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

# **AIIMAN INCOME EXTRA FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

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## AIIMAN INCOME EXTRA FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets at amortised cost		35,395,304	16,748,038
Profit income from financial assets at fair value through profit or loss		27,674,784	9,355,303
Net gain/(loss) on financial assets at fair value through profit or loss	8	5,631,551	(7,448,783)
		<u>68,701,639</u>	<u>18,654,558</u>
<b>EXPENSES</b>			
Management fee	4	(6,238,634)	(3,389,544)
Trustee fee	5	(727,841)	(395,447)
Auditors' remuneration		(7,500)	(7,500)
Tax agent's fee		(2,236)	(4,500)
Other expenses		(4,759)	(3,478)
		<u>(6,980,970)</u>	<u>(3,800,469)</u>
<b>NET PROFIT BEFORE TAXATION</b>		61,720,669	14,854,089
Taxation	6	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>61,720,669</u>	<u>14,854,089</u>
Net profit after taxation is made up of the following:			
Realised amount		58,919,879	22,624,762
Unrealised amount		2,800,790	(7,770,673)
		<u>61,720,669</u>	<u>14,854,089</u>

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

## AIIMAN INCOME EXTRA FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>ASSETS</b>			
Cash and cash equivalents	9	93,605,393	415,551,533
Islamic term deposits	10	878,468,835	810,803,301
Financial assets at fair value through profit or loss	8	982,532,321	715,500,359
<b>TOTAL ASSETS</b>		<u>1,954,606,549</u>	<u>1,941,855,193</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- management fee		487,084	476,801
Amount due to Trustee		56,827	55,627
Auditors' remuneration		7,500	7,500
Tax agent's fee		4,500	12,175
<b>TOTAL LIABILITIES</b>		<u>555,911</u>	<u>552,103</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,954,050,638</u>	<u>1,941,303,090</u>
<b>EQUITY</b>			
Unitholders' capital		1,938,219,705	1,935,035,095
Retained earnings		15,830,933	6,267,995
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>1,954,050,638</u>	<u>1,941,303,090</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>1,867,239,862</u>	<u>1,863,281,563</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0465</u>	<u>1.0419</u>

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

## AIIMAN INCOME EXTRA FUND

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2022	1,935,035,095	6,267,995	1,941,303,090
Total comprehensive income for the financial year	-	61,720,669	61,720,669
Distributions (Note 7)	-	(52,157,731)	(52,157,731)
Movement in unitholders' capital:			
Creation of units arising from applications	1,081,206,948	-	1,081,206,948
Creation of units arising from distributions	45,527,110	-	45,527,110
Cancellation of units	(1,123,549,448)	-	(1,123,549,448)
Balance as at 30 April 2023	<u>1,938,219,705</u>	<u>15,830,933</u>	<u>1,954,050,638</u>
Balance as at 1 May 2021	818,880,645	6,274,217	825,154,862
Total comprehensive income for the financial year	-	14,854,089	14,854,089
Distributions (Note 7)	-	(14,860,311)	(14,860,311)
Movement in unitholders' capital:			
Creation of units arising from applications	1,709,731,025	-	1,709,731,025
Creation of units arising from distributions	12,309,757	-	12,309,757
Cancellation of units	(605,886,332)	-	(605,886,332)
Balance as at 30 April 2022	<u>1,935,035,095</u>	<u>6,267,995</u>	<u>1,941,303,090</u>

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

## AIIMAN INCOME EXTRA FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of Shariah-compliant investments		1,100,820,512	260,127,114
Proceeds from redemption of Shariah-compliant investments		212,500,000	74,000,000
Purchase of Shariah-compliant investments		(1,584,514,212)	(601,546,425)
Placement of Islamic term deposits		(59,508,664)	(468,283,827)
Profit received		64,706,507	17,020,978
Management fee paid		(6,228,351)	(3,167,945)
Trustee fee paid		(726,641)	(369,594)
Payment for other fees and expenses		(22,170)	(10,978)
Net cash flows used in operating activities		<u>(272,973,019)</u>	<u>(722,230,677)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		1,081,206,948	1,709,731,025
Payments for cancellation of units		(1,123,549,448)	(605,886,332)
Payment for distributions		(6,630,621)	(2,550,554)
Net cash flows (used in)/generated from financing activities		<u>(48,973,121)</u>	<u>1,101,294,139</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(321,946,140)</b>	<b>379,063,462</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>415,551,533</b>	<b>36,488,071</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>9</b>	<b><u>93,605,393</u></b>	<b><u>415,551,533</u></b>

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



## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

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 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial 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 H.

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

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'Onerous contracts - cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.

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 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 'Financial Instruments: Presentation' does not impact the current or non-current classification of the convertible instrument.

## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

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

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

The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

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

#### **B INCOME RECOGNITION**

Profit income

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

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

Realised gains and losses on sale of Shariah-compliant investments

For unquoted sukuk securities, 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 Shariah-compliant investments, determined on cost adjusted for accretion of discount or amortisation of premium on Shariah-compliant investments.

#### **C TAXATION**

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

#### **D 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.

## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

#### **E 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 Shariah-compliant 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 payments of 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 are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and Islamic term deposits as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

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

##### **(ii) Recognition and measurement**

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

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

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

## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

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

##### **(ii) Recognition and measurement (continued)**

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

Unquoted sukuk securities including Islamic money market instruments denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission ("SC") as per the SC's Guidelines on Unlisted Capital Market Products. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk security 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 a 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.

Islamic 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 the statement of financial position, which is a reasonable estimate of fair value due to the short-term nature of the Islamic deposits.

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

##### **(iii) Impairment**

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

##### Significant increase in credit risk

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

## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

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

##### **(iii) Impairment (continued)**

###### 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 unlikeliness 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; and
- 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.

#### **F CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **AIIMAN INCOME EXTRA FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

#### **G 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 ("NAV");
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

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

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

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

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

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

#### **I 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 Unlisted Capital Market Products under the Lodge and Launch Framework.

## **AIIMAN INCOME EXTRA FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023**

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

The Wholesale Fund was constituted under the name Aiiman Income Extra Fund (the "Fund") pursuant to the execution of a Deed dated 27 September 2019 (the "Deed") entered into between AIIMAN Asset Management Sdn Bhd (the "Manager") and TMF Trustees Malaysia Berhad (the "Trustee").

The Fund commenced operations on 7 October 2019 and will continue its operations until terminated by the Trustee as provided under Clause 12.1 of the Deed or on maturity date of the Fund which falls on the third anniversary of the investment date or such earlier date in accordance with the provisions of the Deed or subject to the early maturity feature.

The Fund may invest in any of the following investments:

- (a) Malaysian Islamic Treasury Bills (MITB), Bank Negara Monetary Notes-i (BNMN-i), Sukuk Bank Negara Malaysia Ijarah (SBNMI), Government Investment Issues (GII), Accepted Bills-i (AB-i), and other Sukuk instruments issued or guaranteed by the Government of Malaysia;
- (b) Islamic money market instruments;
- (c) Islamic deposits;
- (d) Units or shares in Islamic collective investment schemes which are in line with the objective of the Fund; and
- (e) Any other form of Shariah-compliant investments as may be determined by the Manager from time to time which is in line with the Fund's objective.

All investments will be subjected to the SC's Guidelines on Unlisted Capital Market Products, the Deed and the objective of the Fund.

The main objective of the Fund is to provide steady income stream through investments in sukuk, Islamic money market instruments and/or Islamic deposits.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are carrying out Islamic fund management activities and establishment, management and distribution of unit trust funds and wholesale funds.

The financial statements were authorised for issue by the Manager on 27 June 2023.

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

Financial instruments are as follows:

	Note	At amortised cost RM	At fair value through profit or loss RM	Total RM
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	93,605,393	-	93,605,393
Islamic term deposits	10	878,468,835	-	878,468,835
Unquoted sukuk securities	8	-	982,532,321	982,532,321
Total		<u>972,074,228</u>	<u>982,532,321</u>	<u>1,954,606,549</u>
<u>Financial liabilities</u>				
Amount due to Manager		487,084	-	487,084
Amount due to Trustee		56,827	-	56,827
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		4,500	-	4,500
Total		<u>555,911</u>	<u>-</u>	<u>555,911</u>
<u>2022</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	415,551,533	-	415,551,533
Islamic term deposits	10	810,803,301	-	810,803,301
Unquoted sukuk securities	8	-	715,500,359	715,500,359
Total		<u>1,226,354,834</u>	<u>715,500,359</u>	<u>1,941,855,193</u>
<u>Financial liabilities</u>				
Amount due to Manager		476,801	-	476,801
Amount due to Trustee		55,627	-	55,627
Auditors' remuneration		7,500	-	7,500
Tax agent's fee		12,175	-	12,175
Total		<u>552,103</u>	<u>-</u>	<u>552,103</u>



## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of Shariah-compliant 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 Shariah-compliant investment portfolio.

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

	<u>2023</u> RM	<u>2022</u> RM
<b>Unquoted investments</b>		
Unquoted sukuk securities*	982,532,321	715,500,359

\* Unquoted investments as at 30 April 2023 includes profit receivable of RM 6,970,918 (2022: RM6,862,999).

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.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2023</u>		
-5%	926,783,333	(48,778,070)
0%	975,561,403	-
+5%	1,024,339,473	48,778,070

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

##### Market risk (continued)

##### (a) Price risk (continued)

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> RM
<u>2022</u>		
-1%	701,550,986	(7,086,374)
0%	708,637,360	-
+1%	715,723,734	7,086,374

##### (b) Profit rate risk

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

This risk is crucial in an unquoted sukuk securities fund since unquoted sukuk securities portfolio management depends on forecasting profit rate movements. Prices of unquoted sukuk securities move inversely to profit rate movements, therefore as profit rates rise, the prices of unquoted sukuk securities decrease and vice versa.

Furthermore, unquoted sukuk securities with longer maturity and lower yield coupon rates are more susceptible to profit rate movements.

Investors should note that unquoted sukuk securities 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 profit after taxation and NAV to movements in prices of unquoted sukuk securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 2% (2022: 2%) with all other variables held constant.

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

##### (b) Profit rate risk (continued)

<u>% Change in interest rate</u>	Impact on profit after tax/NAV RM
<u>2023</u>	
+ 2%	(678,767)
- 2%	654,017
	<hr/>
<u>2022</u>	
+ 2%	(49,402,382)
- 2%	47,632,577
	<hr/>

The Fund's exposure to profit rate risk associated with Shariah-based deposit with a licensed financial institution is not material as the carrying value of the deposits are 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 investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

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

Credit risk arising from placements on Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For unquoted sukuk securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described in the Deed and SC's Guidelines on Unlisted Capital Market Products.

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

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

##### Credit risk (continued)

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

	Unquoted sukuk securities RM	Cash and cash equivalents RM	Islamic term deposits RM	Total RM
<u>2023</u>				
Financial Services				
- AAA	-	93,605,393	292,874,320	386,479,713
- AA1	-	-	383,933,967	383,933,967
- AA3	-	-	201,660,548	201,660,548
- NR	195,695,316	-	-	195,695,316
Transportation				
- NR	253,549,224	-	-	253,549,224
Public Finance				
- NR	508,288,549	-	-	508,288,549
Property and real estate				
-NR	24,999,232	-	-	24,999,232
	<u>982,532,321</u>	<u>93,605,393</u>	<u>878,468,835</u>	<u>1,954,606,549</u>

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

##### Credit risk (continued)

	Unquoted sukuk securities RM	Cash and cash equivalents RM	Islamic term deposits RM	Total RM
<u>2022</u>				
Diversified Holdings				
- NR	48,518,798	-	-	48,518,798
Financial Services				
- AAA	-	415,551,533	292,488,274	708,039,807
- AA2	-	-	287,260,301	287,260,301
- AA3	-	-	231,054,726	231,054,726
- NR	182,543,569	-	-	182,543,569
Transportation				
- NR	41,050,768	-	-	41,050,768
Public Finance				
- NR	423,953,849	-	-	423,953,849
Property and real estate				
-NR	19,433,375	-	-	19,433,375
	<u>715,500,359</u>	<u>415,551,533</u>	<u>810,803,301</u>	<u>1,941,855,193</u>

##### Liquidity risk

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

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

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

##### Liquidity risk (continued)

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

	Within one month RM	Between one month to one year RM	Total RM
<u>2023</u>			
Amount due to Manager	487,084	-	487,084
Amount due to Trustee	56,827	-	56,827
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	4,500	4,500
	<u>543,911</u>	<u>12,000</u>	<u>555,911</u>
<u>2022</u>			
Amount due to Manager	476,801	-	476,801
Amount due to Trustee	55,627	-	55,627
Auditors' remuneration	-	7,500	7,500
Tax agent's fee	-	12,175	12,175
	<u>532,428</u>	<u>19,675</u>	<u>552,103</u>

##### Capital risk

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

## **AIIMAN INCOME EXTRA FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)**

#### **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 market (such as trading securities) is based on quoted market prices at the close of trading on the year end date. The Fund utilises the current bid prices for financial assets which falls within the bid-ask spread.

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

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

##### **(i) Fair value hierarchy**

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

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

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

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

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at fair value through profit or loss				
- unquoted sukuk securities	-	982,532,321	-	982,532,321
	<u>-</u>	<u>982,532,321</u>	<u>-</u>	<u>982,532,321</u>
<u>2022</u>				
Financial assets at fair value through profit or loss				
- unquoted sukuk securities	-	715,500,359	-	715,500,359
	<u>-</u>	<u>715,500,359</u>	<u>-</u>	<u>715,500,359</u>

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted sukuk securities. 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, Islamic term deposits and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

#### 4 MANAGEMENT FEE

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

For the financial year ended 30 April 2023, the management fee is recognised at a rate of 0.30% per annum (2022: 0.30%) on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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



## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum on the NAV of the Fund, exclusive of foreign custodian fees.

For the financial year ended 30 April 2023, the Trustee fee is recognised at a rate of 0.035% per annum (2022: 0.035%) on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis as stated in the Fund's Information Memorandum.

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

#### 6 TAXATION

	<u>2023</u> RM	<u>2022</u> RM
Current taxation	-	-

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

	<u>2023</u> RM	<u>2022</u> RM
Net profit before taxation	61,720,669	14,854,089
Tax at Malaysian statutory rate of 24% (2022: 24%)	14,812,961	3,564,981
Tax effects of:		
Investment income not subject to tax	(16,488,393)	(4,477,094)
Expenses not deductible for tax purposes	176,361	95,742
Restriction on tax deductible expenses for Wholesale Funds	1,499,071	816,371
Tax expense	-	-

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 7 DISTRIBUTIONS

	<u>2023</u> RM	<u>2022</u> RM
Distributions to unitholders are from the following sources:		
Profit income	56,099,770	15,272,901
Prior year's realised income	2,493,521	2,853,371
	<hr/>	<hr/>
Gross realised income	58,593,291	18,126,272
Less: Expenses	(6,435,560)	(3,265,961)
	<hr/>	<hr/>
Net distribution amount	<u>52,157,731</u>	<u>14,860,311</u>

During the financial year ended 30 April 2023, distributions were made as follows:

	Gross/Net distribution per unit (sen)
<u>2023</u>	
11.05.2022	0.10
08.06.2022	0.10
13.07.2022	0.12
10.08.2022	0.20
14.09.2022	0.22
12.10.2022	0.24
09.11.2022	0.26
14.12.2022	0.28
11.01.2023	0.28
08.02.2023	0.28
08.03.2023	0.28
12.04.2023	0.28
	<hr/>
	<u>2.64</u>

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 7 DISTRIBUTIONS (CONTINUED)

	Gross/Net distribution per unit (sen)
<u>2022</u>	
12.05.2021	0.10
09.06.2021	0.12
14.07.2021	0.14
11.08.2021	0.14
08.09.2021	0.14
13.10.2021	0.12
10.11.2021	0.10
08.12.2021	0.10
12.01.2022	0.10
09.02.2022	0.12
09.03.2022	0.12
13.04.2022	0.12
	<u>1.42</u>

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 year is an amount of RM 2,493,521(2022: RM2,853,371) made from previous years' realised income.

During the financial year ended 30 April 2023, the Fund incurred unrealised loss of RM Nil (2022: RM7,770,673).

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

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- unquoted sukuk securities – local	<u>982,532,321</u>	<u>715,500,359</u>
Net loss on financial assets at fair value through profit or loss:		
- realised (loss) on sale of Shariah-compliant investments	(2,073,313)	(1,920,011)
- unrealised gain/(loss) on changes in fair value	<u>7,704,864</u>	<u>(5,528,772)</u>
	<u>5,631,551</u>	<u>(7,448,783)</u>

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

(a) Unquoted sukuk securities – local

(i) Unquoted sukuk securities – local as at 30 April 2023 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>Bonds</u>				
2.47% Prasarana Malaysia Bhd (13.11.2025) (NR)	30,000,000	30,394,574	29,619,863	1.52
4.26% Prasarana Malaysia Bhd (29/08/23) (NR)	30,000,000	30,324,774	30,315,785	1.55
4.17% Prasarana Malaysia Bhd (04/12/23) (NR)	2,000,000	2,056,073	2,043,988	0.10
3.87% Danainfra Nasional Bhd (19/07/24) (NR)	20,000,000	20,611,820	20,347,575	1.04
4.37% Danainfra Nasional Bhd (21.02.2025) (NR)	15,000,000	15,658,776	15,395,567	0.79
4.00% PR1MA Corporation Malaysia (29/07/27) (NR)	10,000,000	10,099,726	10,248,327	0.52
2.38% PR1MA Corporation Malaysia (30/07/25) (NR)	15,000,000	15,100,916	14,750,905	0.75
4.29% Pinjaman Tabung Pendidikan Tinggi Nasional (17/08/23) (NR)	5,000,000	5,069,348	5,058,550	0.26
3.69% Lembaga Pembiayaan Perumahan Sektor Awam (25/08/2025) (NR)	5,000,000	5,031,845	5,060,845	0.26
4.20% Lembaga Pembiayaan Perumahan Sektor Awam (31/10/2025) (NR)	5,000,000	5,164,384	5,090,376	0.26
4.39% Lembaga Pembiayaan Perumahan Sektor Awam (17/04/2024) (NR)	10,000,000	10,110,226	10,118,338	0.52
2.35% Lembaga Pembiayaan Perumahan Sektor Awam (11/06/25) (NR)	35,000,000	35,394,602	34,468,599	1.76
4.27% GovCo Holdings Berhad (27/09/24) (NR)	30,000,000	30,355,770	30,480,527	1.56
3.02% Small Medium Enterprise Development Bank Malaysia (23/04/25) (NR)	20,000,000	20,224,430	19,848,729	1.02

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

(a) Unquoted sukuk securities – local (continued)

(i) Unquoted sukuk securities – local as at 30 April 2023 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Sukuk</u>				
4.38% Bank Pembangunan Malaysia Berhad (12/09/24) (NR)	10,000,000	10,330,573	10,190,211	0.52
4.444% GII (22/05/24) (SOV)	110,000,000	113,585,396	113,692,919	5.82
4.094% GII (30/11/23) (SOV)	80,000,000	81,895,411	81,935,666	4.19
4.045% GII (15/08/24) (SOV)	115,000,000	117,080,412	117,385,160	6.01
3.990% GII (15/10/25) (SOV)	5,000,000	5,043,384	5,103,221	0.26
3.655% GII (15/10/24) (SOV)	120,000,000	120,767,054	121,118,138	6.20
3.726% MGII (31/03/26) (SOV)	15,000,000	15,208,894	15,232,139	0.78
3.151% GII (15/05/23) (SOV)	30,000,000	30,438,491	30,439,691	1.56
0% Khazanah Nasional Berhad (14/08/23) (NR)	40,000,000	39,697,250	39,636,000	2.03
0% Malaysia Rail Link Sdn Bhd ICP (10/08/23) (NR)	143,600,000	142,094,381	142,139,588	7.27
0% Malaysia Rail Link Sdn Bhd ICP (22/08/23) (NR)	50,000,000	49,416,750	49,430,000	2.53
0% MALAYSIAN (ISL) TREASURY BILLS (19/09/23) (NR)	23,640,000	23,368,679	23,381,615	1.20
 Total unquoted sukuk securities – local	 974,240,000	 984,523,939	 982,532,321	 50.28
 Accumulated unrealised loss on unquoted sukuk securities – local		 (1,991,618)		
 Total unquoted sukuk securities – local		 982,532,321		

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

(a) Unquoted sukuk securities – local (continued)

(ii) Unquoted sukuk securities – local as at 30 April 2022 are as follows:

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.38% Bank Pembangunan Malaysia Bhd (12/9/2024) (NR)	10,000,000	10,528,449	10,244,210	0.53
3.74% Danainfra Nasional Bhd (20/07/2022) (NR)	10,000,000	10,138,668	10,135,091	0.52
3.87% Danainfra Nasional Bhd (19/07/2024) (NR)	20,000,000	20,937,979	20,399,175	1.05
4.37% Danainfra Nasional Bhd (21/02/2025) (NR)	15,000,000	15,953,676	15,393,766	0.79
3.655% GII (15/10/2024) (SOV)	40,000,000	40,700,576	40,207,913	2.07
3.699% GII (15/11/2022) (SOV)	10,000,000	10,262,454	10,269,544	0.53
3.726% GII (31/3/2026) (SOV)	13,000,000	13,453,915	13,018,667	0.67
3.990% GII (15/10/2025) (SOV)	10,000,000	10,542,267	10,080,743	0.52
4.045% GII (15/8/2024) (SOV)	120,000,000	123,071,922	122,421,663	6.31
4.094% GII (30/11/2023) (SOV)	50,000,000	52,015,558	51,961,292	2.68
4.194% GII (15/7/2022) (SOV)	20,000,000	20,331,863	20,337,215	1.05
4.390% GII (7/7/2023) (SOV)	40,000,000	41,597,525	41,353,394	2.13
4.444% GII (22/5/2024) (SOV)	110,000,000	114,929,178	114,303,419	5.89
4.04% GovCo Holdings Berhad (28/09/2022) (NR)	42,500,00	42,948,254	42,904,740	2.21
0% Khazanah Nasional Bhd (15/06/2022) (NR)	10,000,000	9,976,486	9,975,599	0.51
0% Khazanah Nasional Bhd (14/08/2023) (NR)	40,000,000	38,644,833	38,543,199	1.99
2.35% Lembaga Pembiayaan Perumahan Sektor Awam (11/06/2022) (NR)	35,000,000	35,392,449	33,536,396	1.73
4.08% Lembaga Pembiayaan Perumahan Sektor Awam (07/09/2022) (NR)	20,000,000	20,262,127	20,233,759	1.04
4.20% Lembaga Pembiayaan Perumahan Sektor Awam (31/10/2025) (NR)	5,000,000	5,228,764	5,037,751	0.26
4.29% Perbadanan Tabung Pendidikan Tinggi Nasional (17/08/2023) (NR)	5,000,000	5,158,732	5,127,150	0.26
2.38% PR1MA Corporation Malaysia (30/7/2025) (NR)	15,000,000	15,105,234	14,391,577	0.74

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

(b) Unquoted sukuk securities – local (continued)

(ii) Unquoted sukuk securities – local as at 30 April 2022 are as follows (continued):

<u>Name of issuer</u>	<u>Nominal value RM</u>	<u>Adjusted cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
<u>Bonds</u>				
4.08% PR1MA Corporation Malaysia (20/10/2022) (NR)	5,000,000	5,048,454	5,041,798	0.26
2.47% Prasarana Malaysia Berhad (13/11/2022) (NR)	30,000,000	30,413,614	28,872,633	1.49
4.08% Prasarana Malaysia Berhad (14/09/2022) (NR)	10,000,000	10,127,483	10,113,555	0.52
4.17% Prasarana Malaysia Berhad (14/12/2023) (NR)	2,000,000	2,093,663	2,064,580	0.11
3.02% Small Medium Enterprise Development Bank Malaysia Berhad (23/4/2025) (NR)	20,000,000	20,332,718	19,531,529	1.01
Total unquoted sukuk securities – local	<u>707,500,000</u>	<u>725,196,841</u>	<u>715,500,359</u>	<u>36.87</u>
Accumulated unrealised loss on unquoted sukuk securities – local		<u>(9,696,482)</u>		
Total unquoted sukuk securities – local		<u>715,500,359</u>		

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 9 CASH AND CASH EQUIVALENTS

	<u>2023</u> RM	<u>2022</u> RM
Cash and bank balances	111,718	164,224
Islamic deposits with licensed financial institutions	93,493,675	415,387,309
	<u>93,605,393</u>	<u>415,551,533</u>

Weighted average effective profit rates per annum of Islamic deposits with licensed financial institutions is as follows:

	<u>2023</u> %	<u>2022</u> %
Deposits with licensed financial institutions	<u>2.65</u>	<u>1.83</u>

The deposits with licensed financial institutions have an average maturity of 2 days (2022:8 days).

#### 10 ISLAMIC TERM DEPOSITS

The weighted average effective interest rates per annum for Islamic deposits that was effective as at balance sheet date was as follows:

	<u>2023</u> %	<u>2022</u> %
Deposits with licensed financial institutions	<u>4.23</u>	<u>4.47</u>

The deposits with licensed financial institutions has an average maturity of 132 days (2022:203 days). The amount includes interest receivable of RM8,156,870 (2022: RM5,803,301).

#### 11 SHARIAH INFORMATION OF THE FUND

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

- (a) Sukuk as per the list of sukuk available at Bond Info Hub and Fully Automated System for Issuing/Tendering of Bank Negara Malaysia; and
- (b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.



## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 12 NUMBER OF UNITS IN CIRCULATION

	<u>2023</u> No. of units	<u>2022</u> No. of units
At the beginning of financial year	1,863,281,563	792,548,847
Creation of units arising from applications		
- applications	1,036,104,906	1,639,333,606
- distributions	43,647,662	11,801,202
Cancellation of units	(1,075,794,269)	(580,402,092)
At the end of the financial year	<u>1,867,239,862</u>	<u>1,863,281,563</u>

#### 13 TRANSACTIONS WITH DEALERS

- (i) Details of transactions with the top 10 dealers for the financial year ended 30 April 2023 are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
Maybank Investment Bank Berhad	1,138,060,562	42.02
CIMB Investment Bank Berhad	566,773,993	20.93
AmBank Islamic Bank Berhad	387,681,498	14.31
Hong Leong Islamic Bank Berhad	137,172,366	5.07
JP Morgan Chase	126,890,839	4.69
Affin Hwang Investment Bank Berhad #	87,484,159	3.23
RHB Investment Bank Berhad	75,551,074	2.79
UOB Bank Berhad	75,446,824	2.79
Bank Islam Malaysia Berhad	50,089,831	1.85
Standard Chartered Saadiq	33,190,269	1.23
Others	29,589,675	1.09
	<u>2,707,931,090</u>	<u>100.00</u>

# Included in transactions with brokers are trades conducted with Affin Hwang Investment Bank Berhad, the former immediate holding company of the Manager amounting to RM87,484,159 (2022: RMNil). The Manager is of the opinion that all transactions with the former immediate holding company have been entered into in the normal course of business at agreed terms between the related parties.

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 13 TRANSACTIONS WITH DEALERS (CONTINUED)

(ii) Details of transactions with the top 10 dealers for the financial year ended 30 April 2022 are as follows:

<u>Name of dealers</u>	<u>Value of trade RM</u>	<u>Percentage of total trade %</u>
Hong Leong Islamic Bank Berhad	260,689,375	30.73
CIMB Investment Bank Berhad	173,649,800	20.47
Maybank Investment Bank Berhad	133,174,750	15.70
RHB Investment Bank Berhad	124,178,500	14.63
BNP Paribas	85,383,200	10.06
UOB Bank Berhad	40,666,000	4.79
AmBank Islamic Berhad	30,687,000	3.62
	<u>848,428,625</u>	<u>100.00</u>

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

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

<u>Related parties</u>	<u>Relationships</u>
CVC Capital Partners Asia V L.P, "CVC Asia V")	Ultimate holding company of the Manager
Lembaga Tabung Angkatan Tentera ("LTAT")	Substantial shareholder of the immediate holding company of the Manager and former ultimate holding corporate body of the Manager
Affin Bank Berhad ("ABB")	Former penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Former antepenultimate holding company of the Manager
Starlight TopCo Limited	Penultimate holding company of the Manager
Starlight Universe Limited	Antepenultimate holding company of the Manager
Starlight Asset Sdn. Bhd.	Intermediate holding company of the Manager

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

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

<u>Related parties</u>	<u>Relationships</u>
AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) ("AHAM") Berhad	Immediate holding company of the Manager
Nikko Asset Management International Limited ("NAMI")	Former substantial shareholder of the immediate holding company of the Manager
Nikko Asset Management Co., Ltd ("NAM")	Substantial shareholder of the immediate holding company of the Manager
AIIMAN Asset Management Sdn Bhd	The Manager
Subsidiaries and associated companies of CVC Asia V as disclosed in their financial statements	Subsidiaries and associated companies of the ultimate holding company of the Manager
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiaries and associated companies of the former penultimate holding company of the Manager
Directors of AIIMAN Asset Management Sdn Bhd	Directors of the Manager

There were no units held by related parties as at the end of the financial year (2022: NIL).

#### 15 TOTAL EXPENSE RATIO ("TER")

	<u>2023</u>	<u>2022</u>
	%	%
TER	0.34	0.34

TER is derived from the following calculation:

TER	=	$\frac{(A + B + C + D + E) \times 100}{F}$
A	=	Management fee
B	=	Trustee fee
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Other expenses excluding the sales and service tax on transaction costs
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year ended 30 April 2023 calculated on a daily basis is RM2,079,527,400 (2022: RM1,129,848,994).

## AIIMAN INCOME EXTRA FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 16 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2023</u>	<u>2022</u>
PTR (times)	0.70	0.41

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM1,584,514,212 (2022: RM601,546,425)  
total disposal for the financial year = RM1,317,329,200 (2022: RM326,025,352)

#### 17 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Change in corporate shareholding of immediate holding company of the Manager, i.e. AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 28 January 2022, Affin Bank Berhad announced that funds advised by CVC Capital Partners, a leading global private equity and investment advisory firm with approximately US\$125 billion of assets under management, has agreed to acquire approximately 68% of the equity interest in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad).

The Acquisition has been approved by Securities Commissions Malaysia on 1 July 2022, and upon completion of the Acquisition on 29 July 2022, AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) has ceased to be a subsidiary of Affin Hwang Investment Bank Berhad.

Change in substantial shareholders of immediate holding company of the Manager, i.e. AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

On 19 April 2023, Nikko Asset Management International Limited ("NAMI") has divested all its equity interest of 27% in AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad) to Nikko Asset Management Co., Ltd ("NAM") for 20% and remaining 7% of the equity interest to Lembaga Tabung Angkatan Tentera ("LTAT") resulting in both NAM and LTAT becoming substantial shareholders of the immediate holding company of the Manager.

## **AIIMAN INCOME EXTRA FUND**

### **STATEMENT BY THE MANAGER**

I, Akmal Bin Hassan, as the Managing Director of **AIIMAN Asset Management Sdn Bhd**, do hereby state that in our opinion as the Manager, the financial statements set out on pages 1 to 32 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2023 and of its financial performance, changes in equity and cash flows for the financial year ended 30 April 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
**AIIMAN ASSET MANAGEMENT SDN BHD**

**AKMAL BIN HASSAN**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
27 June 2023

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AIIMAN INCOME EXTRA FUND

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our Opinion

In our opinion, the financial statements of Aiiman Income Extra Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 30 April 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2023, 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 32.

### 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 AIIMAN INCOME EXTRA 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 AIIMAN INCOME EXTRA 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 judgment and maintain professional scepticism throughout the audit. We also:

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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  
27 June 2023

## **DIRECTORY OF SALES OFFICE**

### **AIIMAN ASSET MANAGEMENT SDN. BHD.**

14<sup>th</sup> Floor, Menara Boustead  
69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No. : (603)-2116 6156  
Fax No. : (603)-2116 6150  
Email: [general@aiiman.com](mailto:general@aiiman.com)  
Website : [www.aiiman.com](http://www.aiiman.com)