



INTERIM REPORT

**FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010
(UNAUDITED)**

AFFIN ISLAMIC MONEY MARKET FUND



Affin Fund Management Berhad (22728-T)

22nd Floor, Menara Boustead,
Jalan Raja Chulan,
50200 Kuala Lumpur.
Tel: (03) 2027 5800 ; Fax: (03) 2144 4953
enquiry@affinfund.com.my
www.affinfund.com.my



1. FUND INFORMATION

Category : Islamic Money Market
Type of fund : Income
Launch Date : 11 November 2008
Benchmark : 3-Month General Investment Account (GIA) quoted by Maybank.

1.1 Investment Objective

To provide short-term liquidity and income, whilst maintaining capital stability by investing in a diversified portfolio of Shariah-based deposits instruments

1.2 Distribution Policy- Quarterly

All income distribution (if any) earned proportionately by the Unit Holders will be automatically reinvested into additional Units of the Fund at quarterly intervals.

1.3 Unitholders' Statistics

Size of holdings	No. of Unitholders	No. of Units Held
5,000 – below	0	0
5,001 – 10,000	0	0
10,001 – 50,000	0	0
50,001 – 100,000	0	0
100,001 – 500,000	0	0
500,001 and above	1	4,716,979
Manager stock	0	0
	<u>1</u>	<u>4,716,979</u>

2. FUND PERFORMANCE

2.1 Asset Allocation

As at 28 February 2010, the Fund was 87.04% invested in Shariah-based deposits and 12.96% in Net Cash and Other Assets/ (Liability). Portfolio of Shariah-compliant investment and other assets covering the financial period from 1 September 2009 to 28 February 2010 is as shown below:

Sectors	(%) of NAV 28/02/2010	(%) of NAV Y/E 2009
Shariah-based Deposit	87.04	99.39
Net Cash and Other Assets/Liabilities	12.96	0.61
Total	100.00	100.00

2.2 Returns Breakdown by Asset Class

	28/02/2010	31/08/2009
NAV (RM)	2,360,374	1,517,632
Shariah-based Deposit*	0.89%	2.02%
Gross Returns*	0.89%	2.02%
Less:		
Expenses*	0.28%	0.01%
Net Total Returns Before Tax*	0.61%	2.01%
Unit in Circulation	4,716,980	3,006,991

* Expressed as a percentage of the Fund's Net Asset Value (NAV)

2.3 Performance Data

The performance data covering the financial period from 1 September 2009 to 28 February 2010.

		28/02/2010	Y/E 2009
Total NAV	(RM)	2,360,044	1,517,387
Unit in circulation	(Units)	4,716,979	3,006,991
NAV per unit	(RM)	0.5004	0.5047*
Highest	(RM)	0.5017	0.5047
Lowest	(RM)	0.5003	0.4999
MER	(%)	0.29**	0.01
PTR	(X)	0.41**	2.30

* ex- distribution

**The MER and PTR are for the six months period ended 28 February 2010.

Distribution per unit	Net/Gross
28-Feb-10 -Qtr 2	0.0014
30-Nov-09 -Qtr 1	0.0011
30-Sep-09 -Interim	0.0050
30 June 2009	0.0019

2.4 Annual Return

Investment Return*		1/09/2009-28/02/2010	2009
-Capital Return	(%)	-3.43	0.92
-Income Distribution Yield	(%)	5.76	0.46
Total Return	(%)	2.33	1.38

*Annualised

2.5 Average annual return (%) of the Fund measured over the period is as follows:-

	AIMMF*	3-Month General Investment Account-i (GIA)**
-6 month	1.16%	2.21%
- 9 month	1.75%	2.19%

* AIMMF Total Return (Annualised)

**Average 3-Month General Investment Account (GIA) Source: Maybank

Investors are advised that past performance of the Fund is not an indication of future performance. In addition, the unit price and distribution payable (if any) may rise as well as decline.

3. MANAGER'S REPORT FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2010

3.1 Fund's Performance

For the financial year under review, the Fund reported a total Shariah-compliant investment income of RM 20,890 comprising of profit from Shariah-based deposits. After taking into consideration the Fund's expenses, the Fund reported a net income of RM14, 471. The Fund has accumulated a gross income of RM20,966 consisting of RM 20,890 from profit and RM 76 from hibah out of the short term Shariah-based deposit.

As at 28 February 2010, the Fund's Net Asset Value (NAV) per unit was 50.17 sen (cum-div). The Fund's units in circulation stood at 4,517,657. The Fund's net asset value (NAV) per unit ranged from a high of 50.17 to a low of 50.00 for the period under review.

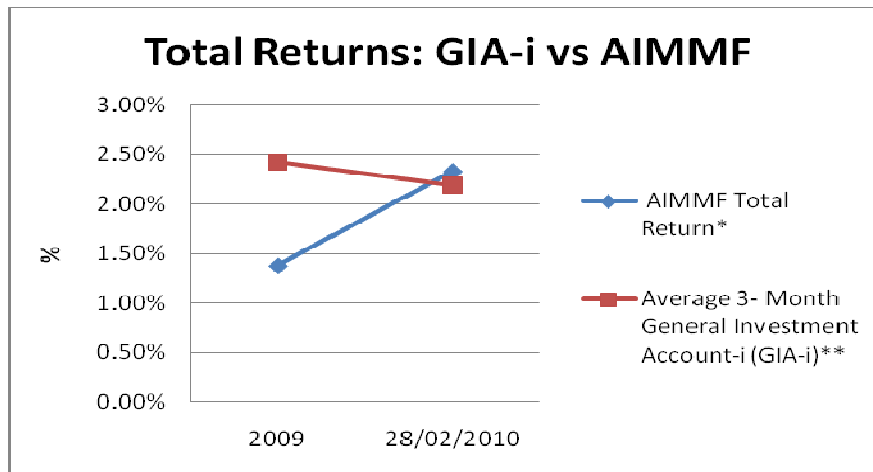
For the period under review, the Fund has registered a total return of 2.33% while the benchmark 3-Month General Investment Account (GIA) quoted by Maybank recorded an average return of 2.19%. Despite the difficult operating environment, the Fund still managed to reward unitholders with a net income distribution of RM0.0075 per unit or 5.76%. The Fund was able to meet its objective of providing reasonable returns during the period under review. For the financial year under review, there were no unit split declaration made nor were there any significant changes in the affairs of the Fund and circumstances that materially affected the interest of the unit holders.

As at 28 February 2010, the Fund was ranked 1st out of 22 funds (for the 6- month period: 26 August 2009 – 26 February 2010) in the Shariah-based deposits Category on Lipper Fund Performance Ranking Table (The Edge dated 8-14, March 2010).

	28/02/2010	2009
AIMMF Total Return*	2.33%	1.38%
Average 3- Month General Investment Account-i (GIA-i)**	2.19%	2.42%

* AIMMF Total Return (Annualised).

**Average 3-Month General Investment Account (GIA) Source: Maybank



3.2 Investment Strategy and Credit Risk

This Fund will be structured as an open-ended fund with a target allocation of at least 90% into sukuk, Islamic money market instruments and investment accounts with licensed financial institutions, all of which are highly liquid with maturity period less than 365 days. Up to 10% of the Fund may be invested in sukuk, Islamic money market instruments and investment accounts which have a remaining maturity period of more than 365 days but fewer than 732 days.

The investment approach is to invest a majority of the assets in short-to-medium term Shariah-based deposits instruments with a focus on instruments that provide above-average yields compared to savings and fixed deposit rates while providing liquidity by effectively balancing risk and return across the portfolio as a whole.

These Shariah-based deposits instruments can include Mudarabah Interbank Investment (MII), Wadiah Acceptance, Government Investment Issue (GII), Bank Negara Monetary Notes (BNMN-i), Sell and Buy Back Agreement (SBBA), Cagamas Mudharabah Sukuk (SMC), When Issue (WI), Islamic Accepted Bills (IAB), Islamic Negotiable Instruments (INI), Private Sukuk, Ar Rahnu Agreement-I (RA-i), Sukuk BNM Ijarah (SBNMI), Commodity Murabahah.

The ratings of the securities shall carry at least “A-” and “P2” by RAM or any other similar rating establishment. In the unlikely event of a credit rating downgrade, the Manager reserves the right to deal with the security in the best interest of the investors and dispose off the Islamic papers within a reasonable time frame taking into consideration prevailing market conditions and factors.

3.3 Impact on NAV Arising From Distribution during the Financial Period Ended 28 February 2010

Date	NAV per unit before Distribution RM	Distribution per unit RM	NAV per unit after Distribution RM
30-Sep-09 -Interim	0.5053	0.0050	0.5003
30-Nov-09 -Qtr 1	0.5014	0.0011	0.5003
28-Feb-10 -Qtr 2	0.5017	0.0014	0.5003

3.4 Market Review: September 2009 – February 2010

The year 2009 began on the heels of a near breakdown of the Global Financial System and talk of another Great Depression. However, the year ended on a more positive note for both the domestic and global economies. The Malaysian Economy registered a positive GDP growth of 4.5% in the fourth quarter of 2009, bolstered by domestic and external demand. Malaysia's entire growth for 2009 contracted by 1.7% as compared with a positive GDP growth of 4.6% for the year 2008. Sustained growth in private consumption and increased public sector spending contributed to higher domestic demand said Bank Negara Malaysia (BNM).

The global economic recovery as a result of massive stimulus packages put into place by governments around the world was showing results. Malaysia had averted the full impact of the global economic crisis by measures taken by the government to put into place two stimulus packages amounting to RM67billion. BNM had maintained the low interest regime to accommodate economic activity and with inflation rates benign, there was no pressure on the central bank to adjust interest rates.

The central bank Governor had hinted that the government was going to keep interest rates low to facilitate the nascent economic recovery. Globally, signs of economic recovery were appearing but the US economy was still burdened by persistent high unemployment rates.

MGS was under selling pressure on future supply concerns and its yield was higher in comparison with 2008. On the whole, MGS yield curve steepened with 3,5,10 and 20 year MGS closing at 2.86%(-57 bps), 3.49%(-3bps), 3.82%(+2bps) and 4.40% (+13bps) respectively in comparison with the end of 2008.

The money market rates traded closely tracking OPR movements with the 3, 6 and 12 month rate to end the period under review at 2.07% (-150bps), 2.15% (-145bps) and 2.20% (-140bps) respectively.

Mudharabah Rates as at 28 August 2009

Tenure	Overnight	1-week	3-weeks	1-month	3-months	6-months	9-months	1-year
Rate %	1.88	1.95	1.96	2.09	2.14	2.17	2.22	2.25

(Source: Affin Money Brokers)

Mudharabah Rates as at 25 February 2010

Tenure	Overnight	1-week	3-weeks	1-month	3-months	6-months	9-months	1-year
Rate %	1.99	2.02	2.07	2.22	2.38	2.39	2.42	2.45

(Source: Affin Money Brokers)

3.5 Market Outlook

The Central Bank had increased the Overnight Policy Rate by 25 basis points in its Monetary Policy Committee meeting on the 4th of March 2010. The Central Bank Governor had indicated that the low interest regime could not be maintained for a long period and rates would head towards normalization eventually. The market is rife with speculation that Bank Negara would increase interest rates by another 50 basis points towards the end of the year.

The rate increase and the strong 4Q2009 GDP numbers tend to suggest that the economy has turned the corner. We expect the market to continue its uptrend in tandem with the rejuvenated economy. We foresee that there will be demand for corporate papers in line with the revival in the economy. The ringgit is expected to strengthen to RM3.30 against the US Dollar given the strong domestic economic fundamentals. Following this, the short-end of the yield curve is expected to hover between 2.8% to 3.0%.(*Source: Bloomberg).

We expect the domestic bond/sukuk market to remain active amidst ample liquidity in the market. In light of the improving economic scenario, the demand for high grade corporate bonds/sukuk is expected to be strong against the backdrop of sustained liquidity in the domestic economy.

3.6 Policy on Stockbroking rebates and soft commissions

The Manager is not entitled to any rebates or to share in any commission from any broker in consideration for direct dealings in the investments of the Fund. Accordingly, any rebates and shared commissions are directed to the account of the relevant Fund.

Notwithstanding the aforesaid, the Manager may receive goods or services by way of soft commissions provided always that the goods or services are of demonstrable benefit to the Fund and that the execution of a transaction is consistent with the best execution standards.

The Manager has not received any rebates or shared any commissions from any broker during the period under review. The Manager has also not received any goods or services by way of soft commission during the period under review.

AFFIN ISLAMIC MONEY MARKET FUND

INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010

	<u>Note</u>	<u>2010</u> RM
INVESTMENT INCOME		
Profit and hibah from short term Shariah-based deposit		20,890
Other Income		76
		<hr/> 20,966
EXPENSES		
Management fee	4	(5,526)
Trustee's fee	5	(884)
Administrative expenses	6	(85)
		<hr/> (6,495)
NET INCOME BEFORE FINANCE COST AND TAXATION		
		14,471
FINANCE COST		
Net distribution of 0.75 sen (Gross: 0.75 sen) per unit	7	(27,395)
		<hr/> (12,924)
NET LOSS BEFORE TAXATION		
TAXATION	8	-
		<hr/> -
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
		<hr/> <hr/> (12,924)
Net loss after taxation is made up of the following:		
Realised amount		<hr/> <hr/> (12,924)

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

AFFIN ISLAMIC MONEY MARKET FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT 28 FEBRUARY 2010

	<u>Note</u>	<u>2009</u> RM
INVESTMENTS		
Short term Shariah-based deposit	9	2,054,549
LIQUID ASSETS		
Cash and bank balances	9	311,842
OTHER ASSETS		
Receivables	10	1,632
TOTAL ASSETS		<u>2,368,023</u>
LIABILITIES		
Amount due to Manager		(901)
Amount due to Trustee		(144)
Distribution payable		(6,604)
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>(7,649)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	11	<u>2,360,374</u>
REPRESENTED BY		
Fair value of outstanding units		<u>2,360,374</u>
NUMBER OF UNITS IN CIRCULATION	11	<u>4,716,980</u>
NET ASSET VALUE PER UNIT, EX-DISTRIBUTION		<u>0.5004</u>

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

AFFIN ISLAMIC MONEY MARKET FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010

	<u>2010</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF COMMENCEMENT	1,517,632
Movement due to units created and released during the financial period:	
Creation of units	1,305,791
Release of units	(450,125)
	<u>855,666</u>
Net decrease in net assets attributable to unitholders during the financial period:	
Net loss after taxation	<u>(12,924)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>2,360,374</u></u>

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

AFFIN ISLAMIC MONEY MARKET FUND

CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010

	<u>Note</u>	<u>2010</u> RM
CASH FLOW FROM INVESTING AND OPERATING ACTIVITIES		
Profit and hibah received		20,388
Management fee paid		(4,625)
Trustee's fee paid		(740)
Payment of bank charges		(85)
Proceeds from receivable		8,694
		<hr/>
Net cash generated from investing and operating activities		23,632
		<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from creation of units		1,305,792
Payments for release of units		(450,125)
Payment for distribution		(20,792)
		<hr/>
Net cash generated from financing activities		834,875
		<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		858,507
CASH AND CASH EQUIVALENTS AT THE DATE OF COMMENCEMENT		1,507,884
		<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9	<u>2,366,391</u>

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

AFFIN ISLAMIC MONEY MARKET FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010

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 of the Fund have been prepared under the historical cost convention, unless otherwise indicated, and in accordance with the Deed, the Financial Reporting Standards ("FRS") in Malaysia and the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

- (i) The new standards that have been issued which are relevant to the Fund and have not been early adopted are:
- FRS 8 Operating Segments (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114 ²⁰⁰⁴ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Fund will apply this standard from financial periods beginning on 1 September 2010.
 - The following standards will be effective for annual period beginning on or after 1 January 2010. The Fund will apply these standards from financial periods beginning on 1 September 2010. The Fund has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Fund:
 - FRS 7 Financial Instruments: Disclosures

B INCOME RECOGNITION

Profit and hibah earned from short term Shariah-based deposit are recognised on an accrual basis.

C FINANCE COST

Proposed distributions to unitholders are recognised in the income statement upon approval by the Board of Directors of the Manager. The distribution to the unitholders is recognised as finance cost in the income statement.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws and includes all taxes based upon the taxable profits.

E FUNCTIONAL AND REPORTING CURRENCY

The financial statements are presented in Ringgit Malaysia, which is the Fund's functional and presentation currency.

AFFIN ISLAMIC MONEY MARKET FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

F INVESTMENTS

In accordance with the Deed, investments in short term Shariah-based deposit are valued at the placement amount.

G CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the holder's option and are classified as financial liability. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the unit back to the Fund.

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

I PROCEEDS AND PAYMENTS ON CREATION AND CANCELLATION OF UNITS

The net asset value per unit is computed for each dealing day. The price at which units are created or cancelled is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Units in the Fund are classified as financial liability in the statement of net assets and liabilities and are stated at fair value representing the price at which unitholders can redeem the units from the Fund.

J SEGMENTAL INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

K FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the statement of assets and liabilities date.

AFFIN ISLAMIC MONEY MARKET FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions had been used in deriving the fair values of the Fund's financial instruments as at the statement of assets and liabilities date. The total fair value of each financial instrument is not materially different from the total carrying value.

(a) Short term Shariah-based deposits

For Shariah-based deposits and placements with financial institutions with maturities of less than three months, the carrying value is a reasonable estimate of fair value. For Shariah-based deposits and placements with maturities three months and above, estimated fair value is based on discounted cash flows using prevailing Shariah-based deposits profit rates at which similar Shariah-based deposits and placements would be made with financial institutions of similar credit risk and remaining year to maturity.

(b) Other short term financial instruments

Other short term financial instruments comprise profit and hibah receivable and other receivables.

The carrying value of these assets are assumed to approximate their fair value due to short tenure of less than one year.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the FRS in Malaysia and the SC's Guidelines on Unit Trust Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and judgements 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.

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 Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010

1 INFORMATION ON THE FUND

Affin Islamic Money Market Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 20 August 2008, between the Manager, Affin Fund Management Berhad, the Trustee, HSBC (M) Trustee Berhad and the registered unitholders of the Fund.

The objective of the Fund is to provide short-term liquidity and income, whilst maintaining capital stability by investing in a diversified portfolio of Shariah-based deposits instruments.

The Manager, Affin Fund Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary company of Affin Investment Bank Berhad, a licensed investment bank incorporated in Malaysia. The principal activities of the Manager are the management of unit trust funds and fund management services.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

All investments will always carry an element of risk, which may lead to capital losses. Some of the risks can be managed while there are systemic risks that may not be diversifiable.

The Fund is exposed to a variety of risks which include liquidity risk, credit risk, interest rate risk and business risk.

To mitigate the key risks, the Fund Manager researches on the economy and monetary policy and manage duration risks by measuring modified duration of the Islamic papers to ensure it is consistent with the debt/sukuk market outlook.

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 Guidelines on Unit Trust Funds.

Liquidity risk

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

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund.

The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

The effective weighted average rate of return short term Shariah-based deposit per annum as at the date of the statement of assets and liabilities is as follow:

	<u>2010</u> %
Short term Shariah-based deposit	<u>1.96</u>

Short term Shariah-based deposits have an average maturity of less than 1 year.

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

	Shariah-based short term <u>deposits</u> RM	Cash <u>and bank</u> RM	Other <u>assets</u> RM	<u>Total</u> RM
<u>As at 28 February 2010</u>				
Finance	2,054,549	311,842	-	2,366,391
Others	-	-	1,632	1,632
	<u>2,054,549</u>	<u>311,842</u>	<u>1,632</u>	<u>2,368,023</u>

Interest rate risk

Under a conventional environment interest rate is a general economic indicator that will have an impact on the management of the fund regardless of whether it is a Shariah-based fund or otherwise. The reason for this is because a high level of interest rates will inevitably affect corporate profits and this will have an impact on the value of Shariah-compliant equity and the demand for sukuk.

It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with Shariah requirements. The Fund's exposure to the interest rate risk is confined to investments in short term Shariah-compliant placements with financial institutions. The Manager overcomes this exposure by way of maintaining investments in Shariah-based deposits on short term basis.

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

3 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

In accordance with the provisions of the Fund's Deed, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation date for the purpose of determining the net asset value per unit for creations and cancellations and for various fee calculations. Net assets attributable to unitholders represent a liability in the balance sheet, carried at the redemption amount that would be payable at the balance sheet date if the unitholder exercised the right to redeem unit of the Fund.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 0.5% per annum of the gross net asset value of the Fund, calculated on a daily basis for the current period. For the financial period ended 28 February 2010, the management fee is recognised at a rate of 0.5% per annum.

5 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee of 0.08% per annum, calculated daily based on the gross net asset value of the Fund for the current period, subject to a minimum fee of RM18,000 per annum. For the financial period ended 28 February 2010, the Trustee's fee is recognised at a rate of 0.08% per annum.

6 ADMINISTRATIVE EXPENSES

Administrative expenses comprise registration charges, unitholders' correspondence charges (e.g. postages, envelopes, etc.), bank charges and other miscellaneous expenses.

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

7 FINANCE COST - DISTRIBUTION

	<u>2010</u> RM
Distribution to unitholders is from the following sources:	
<u>Current period's income</u>	
Profit and hibah from short term Shariah-based deposit	20,966
<u>Previous years' realised income</u>	
Retained earnings	12,924
Gross realised income	33,890
Less: Expenses	(6,495)
	<u>27,395</u>
Taxation	-
Net distribution amount	<u><u>27,395</u></u>
Distribution on 30/09/2009 (Interim)	
Gross/net distribution per unit (sen)	<u><u>0.50</u></u>
Distribution on 30/11/2009 (1st Quarter)	
Gross/net distribution per unit (sen)	<u><u>0.11</u></u>
Distribution on 28/02/2010 (2nd Quarter)	
Gross/net distribution per unit (sen)	<u><u>0.14</u></u>

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

8 TAXATION

	<u>2010</u> RM
Current taxation	<u><u>-</u></u>

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

9 CASH AND CASH EQUIVALENTS

	<u>2010</u> RM
Investments in short term Shariah-based deposit:	
- Licensed Islamic banks	1,624,361
- Licensed investment banks	430,188
Cash and bank balances:	
- Local	311,842
	<u>2,366,391</u>

The effective weighted average rate of return for short term Shariah-based deposit is presented in Note 2 to the financial statements.

10 RECEIVABLES

	<u>2010</u> RM
Profit and hibah receivable	<u>1,632</u>

11 SHARIAH INFORMATION OF THE FUND

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

12 NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	<u>No. of units</u>	<u>2010</u> RM
At beginning of the financial year	3,006,991	1,517,632
Creation of units during the financial period	2,607,189	1,305,791
Release of units during the financial period	(897,200)	(450,125)
Net decrease in net assets attributable to unitholders	-	(12,924)
At end of the financial period	<u>4,716,980</u>	<u>2,360,374</u>
Approved size of Fund	<u>400,000,000</u>	

In accordance with Part 6 Division 6.1 of the Deed dated 20 August 2008, the maximum number of units that can be issued out for circulation is 400,000,000. As at 28 February 2010, the number of units not yet issued is 395,283,020.

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

13 TRANSACTIONS WITH BROKERS/DEALERS

For the Financial Period from 1 September 2009 to 28 February 2010, there were no transactions with brokers.

Details of transactions with all dealers, by value of trades, are as follows:

<u>Name of dealers</u>	<u>Value of trade</u> RM	<u>Percentage of total trades</u> %
<u>2010</u>		
Affin Islamic Bank Bhd*	2,863,829	19.04
Amlslamic Bank Bhd	2,465,412	16.39
Bank Islam Malaysia Bhd	2,464,153	16.39
Bank Muamalat Malaysia Bhd	2,085,770	13.87
Hong Leong Bank Bhd	2,265,455	15.07
RHB Investment Bank Bhd	2,893,969	19.24
	<u>15,038,588</u>	<u>100.00</u>

* These are Islamic money market placements which are conducted on normal terms with Affin Islamic Bank Berhad, a company related to the Manager.

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

The related party of and its relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Affin Fund Management Berhad	The Manager
Affin Investment Bank Berhad	Holding company of the Manager
Affin Holdings Berhad ("AHB")	Ultimate holding company of the Manager
Subsidiaries and associates of AHB as disclosed in its financial statements	Subsidiary and associated companies of the ultimate holding company of the Manager

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

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

Units held by the Manager and parties related to the Manager

The Manager and other parties related to the Manager did not hold any unit in the Fund as at the end of the financial period.

Significant related party balances

	<u>2010</u> RM
Cash and bank balances:	
- Affin Islamic Bank Berhad	311,842
	<u> </u>
Short term Shariah-based deposit:	
- Affin Islamic Bank Berhad	400,312
	<u> </u>

Significant related party transactions

Profit and hibah from short term Shariah-based deposit:	
- Affin Islamic Bank Berhad	3,647
	<u> </u>

15	MANAGEMENT EXPENSE RATIO ("MER")	<u>2010</u> %
	MER	<u>0.29</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee's and custodian fees
C	=	Auditors' remuneration
D	=	Tax agent's fee
E	=	Administration expenses
F	=	Average net asset value of the Fund calculated on daily basis

The average net asset value of the Fund for the financial period calculated on daily basis is RM2,267,866

AFFIN ISLAMIC MONEY MARKET FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2010 (CONTINUED)

16	PORTFOLIO TURNOVER RATIO ("PTR")	<u>2010</u>
	PTR (times)	<u>0.41</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM 1,200,000
total disposal for the financial period = RM 650,000

17 INTERIM FINANCIAL STATEMENTS ARE UNAUDITED

The interim financial statements for the six months ended 28 February 2010 are unaudited.

AFFIN ISLAMIC MONEY MARKET FUND

STATEMENT BY THE MANAGER

We, Admiral Tan Sri Dato' Seri Abu Bakar bin Abdul Jamal (R) and Mohamad Ayob bin Abu Hassan, being two of the directors of Affin Fund Management Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 6 to 20 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as of 28 February 2010 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period then ended on that date in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Unit Trust Funds.

For and on behalf of the Manager,
AFFIN FUND MANAGEMENT BERHAD

ADMIRAL TAN SRI DATO' SERI ABU BAKAR BIN ABDUL JAMAL (R)
Director

MOHAMAD AYOB BIN ABU HASSAN
Director

Kuala Lumpur

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF **AFFIN ISLAMIC MONEY MARKET FUND**

We, HSBC (Malaysia) Trustee Berhad, have acted as Trustee of **Affin Islamic Money Market Fund** ("the Fund") for the financial period ended 28 February 2010. To the best of our knowledge, **Affin Fund Management Berhad** ("the Manager"), has operated and managed the Fund in accordance with the following:-

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

During the financial period ended 28 February 2010, a total distributions of 0.75 sen per unit (gross) has been distributed to the Unitholders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Maziah Yong
Head, Unit Trust
Kuala Lumpur
Date:

SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN ISLAMIC MONEY MARKET FUND

We have acted as the Shariah Adviser of **AFFIN ISLAMIC MONEY MARKET FUND**. Our responsibility is to ensure that the procedures and processes employed by **AFFIN FUND MANAGEMENT BERHAD** and that the provisions of the Deed dated 20 August 2008 are in accordance with Shariah principles.

In our opinion, **AFFIN FUND MANAGEMENT BERHAD** has managed and administered **AFFIN ISLAMIC MONEY MARKET FUND** in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the period between 1 October 2009 until 28 February 2010.

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

For Islamic Banking and Finance Institute Malaysia Sdn Bhd

MOHD NASIR ISMAIL

Senior Shariah Fellow/Designated Person Responsible for Shariah Advisory
Kuala Lumpur

SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF AFFIN ISLAMIC MONEY MARKET FUND

We have acted as the Shariah Adviser of **AFFIN ISLAMIC MONEY MARKET FUND**. Our responsibility is to ensure that the procedures and processes employed by **AFFIN FUND MANAGEMENT BERHAD** and that the provisions of the Deed dated dated 20 August 2008 are in accordance with Shariah Principles.

In our opinion, **AFFIN FUND MANAGEMENT BERHAD** has managed and administered **AFFIN ISLAMIC MONEY MARKET FUND** in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period between 1 September 2009 until 30 September 2009.

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

For and on behalf of the Shariah Adviser Members.

DR. HAILANI BIN MUJI TAHIR

DR. MD KHALIL BIN RUSLAN

Y.B. SENATOR MEJ. JEN. DATO' SERI HJ. JAMIL KHIR BIN HJ. BAHAROM (B)

Kuala Lumpur

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

CONTENTS

1. FUND INFORMATION	1
1.1 Investment Objective	1
1.2 Distribution Policy	1
1.3 Unitholders' Statistics	1
2. FUND PERFORMANCE	1
2.1 Asset Allocation	1
2.2 Returns Breakdown by Asset Class	1
2.3 Performance Data	2
2.4 Annual Return	2
2.5 Average Annual Return (%)	2
3. MANAGER'S REPORT	2
3.1 Fund's Performance	2-3
3.2 Investment Strategy and Credit Risk	3
3.3 Impact on NAV Arising From Distribution	4
3.4 Market Review	4
3.5 Market Outlook	5
3.6 Policy on Stockbroking Rebates and Soft Commissions	5
4. INCOME STATEMENT	6
5. STATEMENT OF ASSETS AND LIABILITIES	7
6. STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE	8
7. CASH FLOW STATEMENT	9
8. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	10
A. Basis of Preparation of The Financial Statements	10
B. Income Recognition	10
C. Finance Cost	10
D. Taxation	10
E. Functional and Reporting Currency	10
F. Investments	11
G. Cash and Cash Equivalents	11
H. Creation and Cancellation of Units	11
I. Proceeds and Payments on Creation and Cancellation of Units	11
J. Segmental Information	11
K. Financial Instruments	11-12
L. Critical Accounting Estimates and Judgments in Applying Accounting Policies	12

9. NOTES TO THE FINANCIAL STATEMENTS	13
1. Information on the Fund	13
2. Financial Risk Management Objectives and Policies	13-14
3. Net Assets Attributable To Unitholders	15
4. Management Fee	15
5. Trustee's Fee	15
6. Administrative Expenses	15
7. Finance Cost-Distribution	16
8. Taxation	16
9. Cash and Cash Equivalents	17
10. Receivables	17
11. Shariah Information Of The Fund	17
12. Number of Unit In Circulation And Net Assets Attributable To Unitholders	17
13. Transactions With Brokers/Dealers	18
14. Units Held By The Manager And Parties Related To The Manager	18-19
15. Management Expense Ratio ("MER")	19
16. Portfolio Turnover Ratio ("PTR")	20
17. Interim Financial Statements Are Unaudited	20
10. STATEMENT BY THE MANAGER	21
11. TRUSTEE'S REPORT TO THE UNITHOLDERS	22
12. SHARIAH ADVISER'S REPORT	23-24

This page is intentionally left blank

This page is intentionally left blank