

**BIMB *i* CASH MANAGEMENT FUND 3**

**ANNUAL REPORT  
FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2017**



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# 1.0 FUND KEY INFORMATION

## 1.1 Fund Name

BIMB i Cash Management Fund 3 (“BiCMF3”)

## 1.2 Fund Type

Income

## 1.3 Fund Category

Wholesale Islamic Money Market Fund

## 1.4 Fund Investment Objective

The Fund seeks to provide liquidity\* and regular income stream\*\*, whilst maintaining capital stability\*\*\* by investing in Islamic money market instruments.

### **Note:**

*\*liquidity refers to redemption payment made on T or T+1 whereby T is the Business Day where a request/application to redeem is received by the Manager before the cut-off time of 10.30am.*

*\*\* Income will be in the form of cash or Units.*

*\*\*\* The Fund is not a capital guaranteed fund or a capital protected fund.*

*Any material changes to the investment objective would require Unitholders' approval.*

## 1.5 Investor Profile

The Fund is for Sophisticated Investors who are favoring regular income stream\* and capital stability\*\*:

*\*Income will be in the form of cash or Units.*

*\*\*The Fund is not a capital guaranteed fund or a capital protected fund.*

## 1.6 Distribution Policy and Mode of Distribution

The Fund will distribute income at least once a month, subject to availability of income.

## 1.7 Risk Factors

The specific risks of the Fund include:

### **Credit/ Default Risk**

The risk arises when the issuer of a Sukuk or money market instrument is unable to service any periodic obligations, e.g. profit payments and/or pay the principal amount when due. In such cases, investors will suffer significant losses. This risk can be mitigated by investing in Sukuk carrying a minimum credit rating of AA3 by RAM or AA by MARC or an equivalent credit rating by any other credit rating agencies or a minimum short term credit rating of P1 by RAM or MARC-1 by MARC or its equivalent. This risk is also mitigated by credit analysis conducted by the Manager to determine the issuer's ability to service promised payments.

### **Profit Rate Risk**

Changes in the level of general interest rates\* may cause prices of Sukuk or money market instrument to change inversely. When interest rates rise, Sukuk prices generally decline and this will lower the market value of the Fund's investment in Sukuk. The Manager manages profit/interest rate risk of Sukuk or money market instruments by considering their sensitivity to profit/interest rate changes as measured by its duration.

\* Note: The term interest rate does not in any way suggest that this Fund will invest in securities or instruments, which are Shariah non-compliant. All investments carried out for the Fund are in accordance with principles of the Shariah.

### **Liquidity Risk**

Liquidity risk is the risk that the security invested in cannot be readily sold and converted into cash. This can occur when trading volume for the security is low and/or when there is a lack of demand for the security causing the fund manager to liquidate the security at a discount to fair value. This may adversely impact the Fund's NAV per unit. The Fund manages liquidity risk by investing in Islamic money market instruments.

# 2.0 INVESTMENT POLICY AND STRATEGY

## 2.1 Asset Allocation

The Fund may invest:

- at least 90% of its NAV in short term money market instruments; and
- up to 10% of its NAV in permitted investments which have a remaining maturity period of more than 365 days but less than 732 days.

## 2.2 Investment Policy and Strategy

The Fund seeks to achieve its objective by investing at least 90% of its NAV in short term money market instruments.

Up to 10% of the Fund's NAV may be invested in permitted investments which have a remaining maturity period of more than 365 days but less than 732 days.

The investment policy is to invest in liquid short term investments with a capital preservation. The Fund will also be actively managed to provide liquidity.

## 2.3 Benchmark

The benchmark for the Fund is based on the 1-month Term Deposit-i (*Tawarruq*) of Bank Islam Malaysia Berhad.

However, please note that the risk profile of the Fund may be higher than the risk profile of the benchmark

## 2.4 Policy on Rebates and Soft Commissions

The Manager or any delegate thereof shall not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the investments of the Fund. Accordingly, any rebate or shared commission shall be directed to the account of the Fund concerned. However, the Manager or any delegate thereof may retain goods and services ("Soft Commissions") from any broker/dealer, only if the goods and services are of demonstrable benefit to the Unitholders such as research materials and advisory services which are incidental to the investment management activities of the Fund.

## 3.0 MANAGER'S REPORT

This Annual Report covers the financial year 31 December 2017 and financial period 31 December 2016.

### 3.1 Fund Performance Review

	As at 31 December 2017	As at 31 December 2016
Net Asset Value (RM)	699,728,793	1,000
Units In Circulation	699,728,793	1,000
Net Asset Value Per Unit (RM) <sup>(a)</sup>	1.0000	1.000
Highest Net Asset Value Per Unit (RM) <sup>(b)</sup>	1.0000	1.000
Lowest Net Asset Value Per Unit (RM) <sup>(b)</sup>	1.0000	1.000
Annualised Return (%) <sup>(c)</sup>	1.73	3.49
Benchmark Returns (%) <sup>(d)</sup>	2.32	2.40

(a) Net Asset Value (NAV) per unit is after income distribution

(b) Highest and lowest NAV per unit are for the period under review

(c) Annualised return for the financial year from 1 January 2017 to 31 December 2017

(d) After tax annualised benchmark return for the financial year from 1 January 2017 to 31 December 2017

Note: Benchmark – 1 month Bank Islam Term Deposit-i (Tawarruq)

(Source: Bank Islam's website)

For the period under review, the Fund registered a return of 1.73%, underperformed its benchmark by 0.59% (based on the annualised return). The Fund's return of 1.73% was entirely income distribution which is in line with the Fund's objective in providing the investors a regular stream of income. The Fund paid out its income distribution amounting RM5,962,945. Its Net Asset Value (NAV) per unit stood at RM1.0000 after the income distribution. As at 31 December 2017, the NAV of the Fund was at RM699,728,793 and the total units in circulation of the Fund stood at 699,728,793 units. There were no unit splits declared for the year under review. There were also no significant changes in the state of affairs of the Fund and no circumstances that materially affected the interest of the Unitholders for the financial year ended 31 December 2017.

Calculation of Annualised Returns:-

$$\text{Annualised Returns} = (1 + x\%)^4$$

$$x = 3 \text{ months return}$$

### 3.2 Total Return for The Last 2 Financial Years

Financial Year	Total Return <sup>(1)</sup>	
	B/CMF3 (%)	Benchmark (%) <sup>(2)</sup>
31 December 2017	1.73	2.32
31 December 2016	3.49	2.40

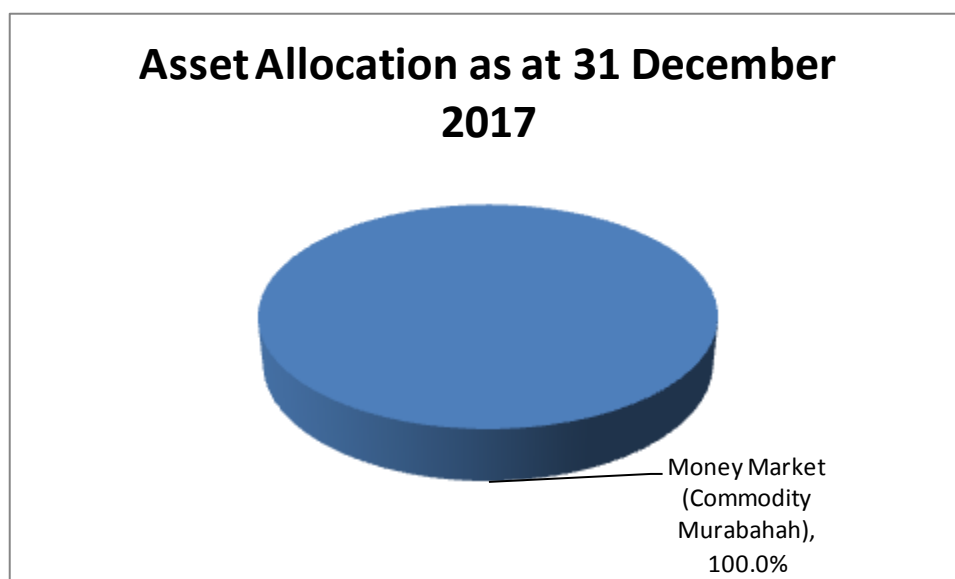
#### Notes:

1. **Total Return** of the Fund has been verified by Novagni Analytics & Advisory Sdn. Bhd. (363145-W).

2. **The Benchmark return** is after corporate tax of 24%.

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

### 3.3 Asset Allocation



ASSET ALLOCATION	31 December 2017 (%)
Money Market (Commodity Murabahah)	100.0
<b>Total</b>	<b>100.0</b>

As at 31 December 2017, the Fund was fully invested in Commodity Murabahah.

### 3.4 Monthly Income Distribution

<b>Monthly income distribution for the financial year from 1 January 2017 to 31 December 2017</b>			
<b>Income distribution per Unit</b>			
<b>Date</b>	<b>Gross (sen)</b>	<b>Net (sen)</b>	<b>Total Amount (RM)</b>
31 January 2017	-	-	-
28 February 2017	-	-	-
31 March 2017	-	-	-
30 April 2017	0.10	0.07	148,642
31 May 2017	0.25	0.19	570,682
30 June 2017	0.27	0.20	601,444
31 July 2017	0.28	0.21	628,913
31 August 2017	0.27	0.21	615,526
30 September 2017	0.27	0.20	605,010
31 October 2017	0.29	0.22	872,747
30 November 2017	0.27	0.21	819,654
31 December 2017	0.21	0.16	1,100,327
<b>Total</b>	<b>2.21</b>	<b>1.67</b>	<b>5,962,945</b>

### 3.5 Impact on NAV arising from Income Distribution

<b>As at 31 December 2017</b>	<b>Before</b>	<b>After</b>
Net Asset Value Per Unit (RM)	1.000	1.0000
Net Asset Value (RM)	698,628,466	699,728,793
Units In Circulation	698,628,466	699,728,793



### 3.6 Breakdown of Unit Holding by Size

Size of Holding	Number of Unitholders	Number of Units Held	As at 31 December 2017 (%)
Below 5,000	0	0.00	0.00
5,001 to 10,000	0	0.00	0.00
10,001 to 50,000	0	0.00	0.00
50,001 to 500,000	0	0.00	0.00
500,001 and above	1	699,728,793.13	100.00
<b>Unit Held by Manager</b>	0	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>1</b>	<b>699,728,793.13</b>	<b>100.00</b>

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down as well as up.

# 4.0 ECONOMIC AND MARKET REVIEW

## i) Economy

### Global

- United States (US) Gross Domestic Product (GDP) grew by 2.6% in the fourth quarter of 2017 as compared to 3.3% growth in the third quarter of 2017 and 3.1% in the second quarter of 2017. US inflation rate remains healthy at 2.1% in December 2017 while US unemployment rate continues to improve to 4.1% in December 2017 as compared to 4.3% in July 2017. The Fed maintained its forecast for three interest rate hikes in 2018, in line with the US economic growth.
- The Euro zone economy grew by 0.6% in the fourth quarter of 2017 as compared to 0.7% in the third quarter 2017 and 0.7% in the second quarter of 2017. Unemployment in the Euro Zone has fallen to 8.7% in December 2017, the lowest level in 9 years against a backdrop of ultra-low interest rates implemented by the European Central Bank (ECB) to boost economic activity.
- The Chinese economy grew by 6.8% for the fourth quarter of 2017, as compared to 6.8% in the third quarter of 2017 following improved industrial output and private consumption, aided by a robust property market and recovery in the exports sector. Overall, major global economies appear to be recovering in tandem while market sentiment for the emerging markets improved during the period under review.

*(Source: Bank Negara Malaysia, Bloomberg and RHB Research Institute Sdn Bhd)*

## Local

- The Malaysian economy grew at 5.9% in the fourth quarter of 2017 as compared to 6.2% in the third quarter 2017 and 5.8% in the second quarter 2017. The strong GDP growth for the period was due to improvements in private consumption and exports. Malaysia's inflation increased slightly to 3.5% in December 2017 driven by higher transport and food cost during the quarter.
- Despite the inflationary pressure faced by the local economy, Bank Negara Malaysia's Monetary Policy Committee (MPC) had decided to maintain the Overnight Policy Rate (OPR) at 3.00% during its November 2017 meeting to accommodate and support growth prospect for the country. Bank Negara's international reserve rose to USD102.4 billion as at 29 December 2017 compared to USD94.5 billion as at end-2016. The reserves position is sufficient to finance 7.2 months of retained imports and is 1.1 times the short-term external debt.

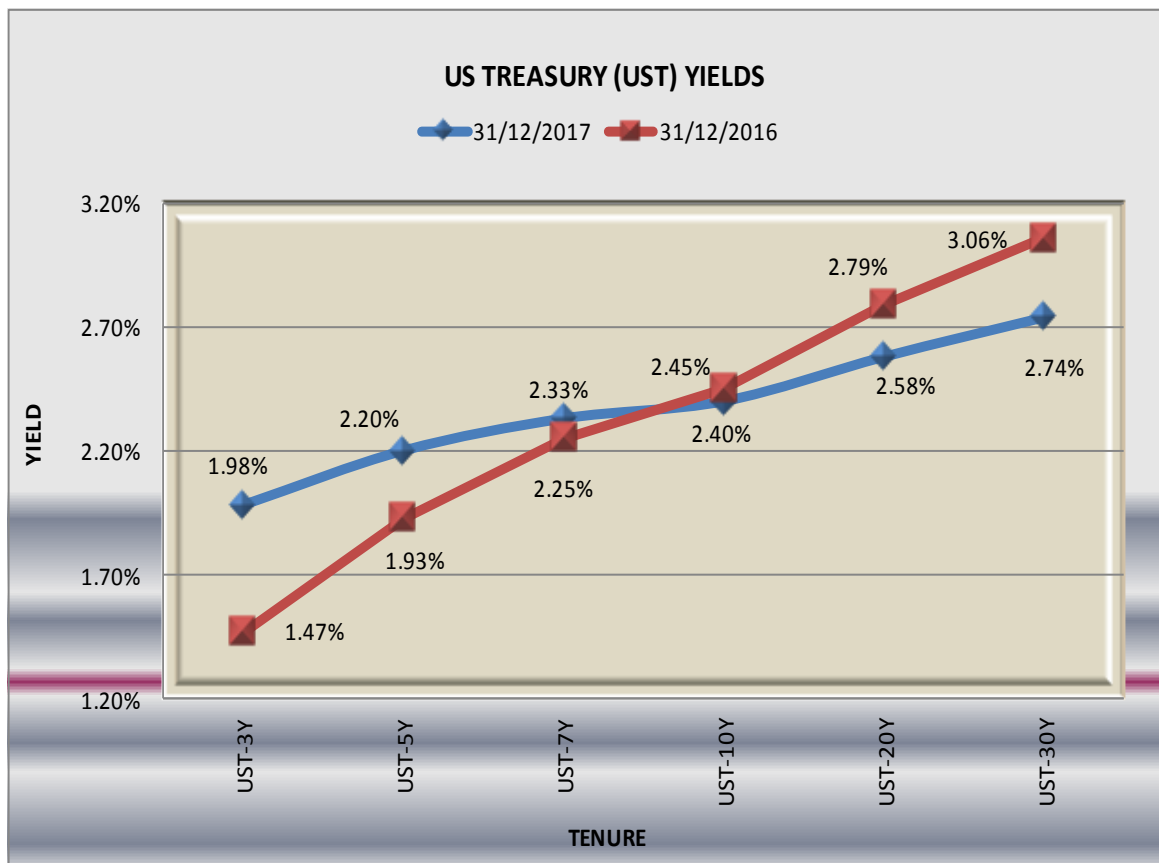
*(Source: Bank Negara Malaysia, Bloomberg and RHB Research Institute Sdn Bhd)*

## ii) Bond Market and Money Market Review

### Global

- The accelerated flattening of the US Treasury yield (UST) curve in 2017 has garnered increasing attention as the spread between short and long-term yields have narrowed to a level not seen in a decade. Likewise, the US term premiums, which is the additional return investors demand for holding a long-term bond over a series of short-term securities, have been in negative territory since March 2017. Given the circumstances, investors are concerned whether these are early signs of an economic slowdown. However, it is believed that a flattening yield curve may no longer be an effective indicator of an imminent recession this time around.

Figure 1: US Treasury Yields



Source: US Treasury Department, 31 December 2017

## Local

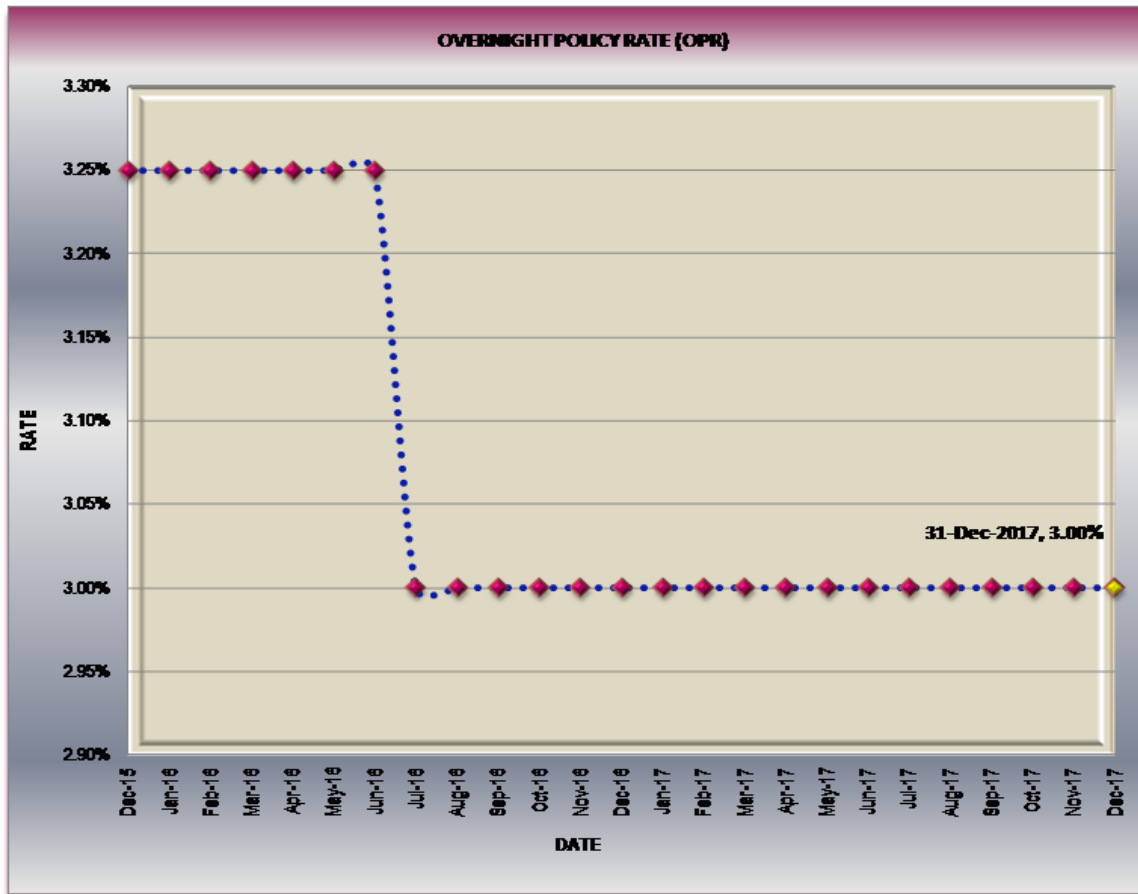
- During the year under review, despite looming risks of Fed normalisation, the MYR sovereign curve remains supported by onshore real money investors. MYR bonds closed on firmer footing at the end of the year, benefited from the MYR strengthening from sustained foreign demand. Foreign institutions bought RM7.7 billion worth of Malaysian Government Securities and Government Investment Issue for the month of November, sending the total foreign holdings higher by 1.2% to 28.8%.

**Table 1: Sukuk/ Islamic Bond Yields**

<b>Tenure/ Date</b>	<b>31 December 2017 (%)</b>	<b>31 December 2016 (%)</b>	<b>Change* (bps)</b>
<b>3-Year Bond</b>			
GII	3.59	3.69	(10.0)
AAA Corporate	4.22	4.26	(4.0)
<b>5-Year Bond</b>			
GII	3.89	3.85	4.0
AAA Corporate	4.43	4.44	(1.0)
<b>7-Year Bond</b>			
GII	4.13	4.15	(2.0)
AAA Corporate	4.54	4.54	0.0
<b>10-Year Bond</b>			
GII	4.22	4.39	(17.0)
AAA Corporate	4.70	4.68	2.0

*Source: Bond Pricing Agency Malaysia (BPAM), 31 December 2017*

Figure 2: Overnight Policy Rate (OPR)



Source: Bank Negara Malaysia, 31 December 2017

## 5.0 MARKET OUTLOOK AND STRATEGY

- The strategy is to invest in money market investments, maximise profit rate by extending the tenure of investment while providing liquidity and regular income for investors.

For and on behalf of the Manager  
**BIMB Investment Management Berhad**  
Date: 23 February 2018

# 6.0 TRUSTEE'S REPORT



**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

To the Unit Holders of  
**BIMB *i* CASH MANAGEMENT FUND 3**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of BIMB *i* CASH MANAGEMENT FUND 3 for the financial year ended 31 December 2017. In our opinion, BIMB INVESTMENT MANAGEMENT BERHAD, the Manager, has operated and managed BIMB *i* CASH MANAGEMENT FUND 3 in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework during the financial year then ended.

We are of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and
- (c) The distribution of income made by BIMB *i* CASH MANAGEMENT FUND 3 as declared by the Manager is appropriate and reflects the investment objective of BIMB *i* CASH MANAGEMENT FUND 3.

Yours faithfully  
**AMANAHRAYA TRUSTEES BERHAD**

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**ZAINUDIN BIN SUHAIMI**  
General Manager

Kuala Lumpur, Malaysia  
**Date: 23 February 2018**

# 7.0 SHARIAH COMMITTEE'S REPORT

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

To the Unitholders of

## **BIMB i CASH MANAGEMENT FUND 3**

We have acted as the Shariah Committee of BIMB i Cash Management Fund 3.

Our responsibilities are to ensure that the procedures and processes employed by BIMB Investment Management Berhad and that the provisions of the Deed dated 9 December 2015 are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed and administrated BIMB i Cash Management Fund 3 in accordance with Shariah principles and complied with applicable guidelines, ruling or decision issued by the Securities Commission pertaining to Shariah matters for the financial year ended to 31 December 2017.

In addition, we also confirm that the investment portfolio of BIMB i Cash Management Fund 3 comprises deposits and money market instruments which are Shariah-compliant.

والله أعلم

For and on behalf of the Shariah Committee

.....  
**USTAZ DR. AHMAD SHAHBARI@SOBRI SALAMON**  
(Chairman)

.....  
**USTAZ DR. YUSOF RAMLI**  
(Committee Member)

.....  
**USTAZAH DR. ASMAK AB. RAHMAN**  
(Committee Member)

**Date: 23 February 2018**



# 8.0 DIRECTORS' DECLARATION

## ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

To the Unitholders of  
**BIMB *i* CASH MANAGEMENT FUND 3**

We, Dato' Ghazali bin Awang and Najmuddin bin Mohd Lutfi, being two of the directors of the Manager, BIMB Investment Management Berhad, for BIMB *i* Cash Management Fund 3 do hereby state that in our opinion, the accompanying Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Net Asset Value and Statement of Cash Flows are drawn up so as to give a true and fair view of the Statement of Financial Position of the Fund as at 31 December 2017 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Net Asset Value and Statement of Cash Flows for the year ended on that date.

For and on behalf of the Board of Directors,  
BIMB Investment Management Berhad

.....  
**DATO' GHAZALI BIN AWANG**  
(Non Executive Independent Director)

.....  
**NAJMUDDIN BIN MOHD LUTFI**  
(Chief Executive Officer)

**Date: 23 February 2018**

# 9.0 INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF BIMB *i* CASH MANAGEMENT FUND 3

(Established in Malaysia)

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of BIMB *i* Cash Management Fund 3 (“the Fund”), which comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 22 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

### **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**

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’ *Code of Ethics for Professional Accountants* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### **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.

## **Information Other than the Financial Statements and Auditors' Report Thereon (continued)**

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 and Trustee for the Financial Statements**

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The trustee is responsible for ensuring that the Manager maintains proper accounting and other records as our necessary to enable true and fair presentations of these financial statement.

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 intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as necessary to enable true and fair presentations of these financial statements.

## **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 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.

## **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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

- Identify and assess the risk 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represents 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.

## **Other matters**

This report is made solely to the members of the Fund, as a body, in accordance with Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG Desa Megat PLT**  
(LLP0010082-LCA & AF 0759)  
Chartered Accountants

**Adrian Lee Lye Wang**  
Approval Number: 2679/11/2019(J)  
Chartered Accountant

Petaling Jaya, Selangor

Date: 23 February 2018

# 10.0 FINANCIAL STATEMENTS (AUDITED)

## 10.1 Statement of financial position as at 31 December 2017

	Note	2017 RM	2016 RM
<b>Assets</b>			
Other receivables		112,320	-
Cash and cash equivalents	4	<u>699,986,841</u>	<u>15,143</u>
<b>Total assets</b>		<u>700,099,161</u>	<u>15,143</u>
<b>Liabilities</b>			
Tax payable		347,688	-
Amount due to Manager		8,877	207
Other payables		<u>13,803</u>	<u>13,936</u>
<b>Total liabilities</b>		<u>370,368</u>	<u>14,143</u>
<b>Net asset value</b>		<u>699,728,793</u>	<u>1,000</u>
<b>Unitholders' fund</b>			
Unitholders' capital		699,728,793	1,000
Reserve		-	-
<b>Net asset value attributable to unitholders</b>		<u>699,728,793</u>	<u>1,000</u>
<b>Number of units in circulation</b>	5	<u>699,728,793</u>	<u>1,000</u>
<b>Net asset value per unit</b>			
- Ex distribution (sen)		<u>100</u>	<u>100</u>

The notes on pages 26 to 38 are an integral part of these financial statements.

## 10.2 Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2017

	Note	1.1.2017 to 31.12.2017 RM	14.12.2015 to 31.12.2016 RM
<b>Income</b>			
Income from short term investments		7,925,806	1,933,791
Hibah from Al-Wadiah account		20	878
<b>Gross income</b>		<u>7,925,826</u>	<u>1,934,669</u>
<b>Expenses</b>			
Manager's fee	6	47,825	93,553
Trustee's fee	7	11,956	12,474
Audit fee	8	-	10,911
Tax agent's fee	8	-	2,976
Administrative expenses		3,945	6,998
		<u>63,726</u>	<u>126,912</u>
<b>Net income before taxation</b>		7,862,100	1,807,757
Tax expense	9	(1,899,155)	-
<b>Net income after taxation</b>		5,962,945	1,807,757
Other comprehensive income for the year/period		-	-
<b>Total comprehensive income for the year/period</b>		<u>5,962,945</u>	<u>1,807,757</u>
Total comprehensive income for the year/period consist of:			
Realised amount		5,962,945	1,807,757
Unrealised amount		-	-
		<u>5,962,945</u>	<u>1,807,757</u>

The notes on pages 26 to 38 are an integral part of these financial statements.

### 10.3 Statement of changes in net asset value for the financial year ended 31 December 2017

	Note	Unitholders' capital RM	Retained profits RM	Total RM
<b>As at date of commencement</b>		-	-	-
Creation of units via cash		115,001,000	-	115,001,000
Reinvestment of distributions		54,219	-	54,219
Cancellation of units		(114,846,361)	-	(114,846,361)
Distributions	10	-	(2,015,615)	(2,015,615)
Adjustment due to withdrawal of deposits		(207,858)	207,858	-
Total attributable to unitholders		1,000	(1,807,757)	(1,806,757)
Total comprehensive income for the period		-	1,807,757	1,807,757
<b>As at 31 December 2016/ 1 January 2017</b>		1,000	-	1,000
Creation of units via cash		899,951,507	-	899,951,507
Reinvestment of distributions		5,962,945	-	5,962,945
Cancellation of units		(206,186,659)	-	(206,186,659)
Distributions	10	-	(5,962,945)	(5,962,945)
Total attributable to unitholders		699,727,793	(5,962,945)	693,764,848
Total comprehensive income for the year		-	5,962,945	5,962,945
<b>As at 31 December 2017</b>		<u>699,728,793</u>	-	<u>699,728,793</u>

The notes on pages 26 to 38 are an integral part of these financial statements.



## 10.4 Statement of cash flows for the financial year ended 31 December 2017

	1.1.2017 to 31.12.2017 RM	14.12.2015 to 31.12.2016 RM
<b>Cash flows from operating activities</b>		
Income from short term investments	7,813,486	1,933,791
Hibah from Al-Wadiah account	20	878
Management fee paid	(39,155)	(93,346)
Trustee fee paid	(9,766)	(12,446)
Payment for administrative expenses	(3,293)	(6,977)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	7,761,292	1,821,900
Tax paid	(1,554,443)	-
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<hr style="border-top: 1px dashed black;"/> 6,206,849	<hr style="border-top: 1px dashed black;"/> 1,821,900
 <b>Cash flows from financing activities</b>		
Cash receipt for creation of units	899,951,507	115,001,000
Cash payment for cancellation of units	(206,186,658)	(114,846,361)
Payment of distributions	-	(1,961,396)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<hr style="border-top: 1px dashed black;"/> 693,764,849	<hr style="border-top: 1px dashed black;"/> (1,806,757)
 <b>Net increase in cash and cash equivalents</b>	699,971,698	15,143
Cash and cash equivalents at 1 January/14 December	<hr/> 15,143	<hr/> -
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<hr style="border-top: 3px double black;"/> 699,986,841	<hr style="border-top: 3px double black;"/> 15,143
 <b>Cash and cash equivalents comprise:</b>		
Short term placements	699,978,000	-
Cash at bank	8,841	15,143
	<hr/>	<hr/>
	<hr style="border-top: 3px double black;"/> 699,986,841	<hr style="border-top: 3px double black;"/> 15,143

The notes on pages 26 to 38 are an integral part of these financial statements.

## 10.5 Notes to the financial statements

### 1. Information on the Fund

BIMB *i* Cash Management Fund 3 (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 9 December 2015 between the Manager - BIMB Investment Management Berhad, the Trustee – AmanahRaya Trustees Berhad and the registered unitholders of the Fund.

The principal activity of the Fund is to invest in authorised investments as defined in the Deed, which include investments in short term placements.

The Manager, BIMB Investment Management Berhad, a company incorporated in Malaysia, is a subsidiary of Bank Islam Malaysia Berhad.

The financial statements were approved by the Board of Directors of the Manager on 23 February 2018.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), the Deed and Securities Commission’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (“Guidelines”) in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Fund:

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*

## 2. Basis of preparation (continued)

### (a) Statement of compliance (continued)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018 (continued)***

- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*

#### ***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Fund plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2018 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2018;
- from the annual period beginning on 1 January 2019 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2019.
- from the annual period beginning on 1 January 2021 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2021.

## **2. Basis of preparation (continued)**

### **(a) Statement of compliance (continued)**

The Fund will apply the abovementioned accounting standards, amendments and interpretations that are applicable to the Company when they become effective.

### **(b) Basis of measurement**

The financial statements are prepared on the historical cost basis except as disclosed in Note 3(a)(ii).

### **(c) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional currency.

### **(d) Use of estimates and judgements**

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## 2. Basis of preparation (continued)

### (d) Use of estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements, unless otherwise stated.

### (a) Financial instruments

#### (i) Initial recognition and measurement

A financial instrument is recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

#### (ii) Financial instrument categories and subsequent measurement

The Fund categorises financial instruments as follows:

##### ***Financial assets***

#### (a) ***Financial assets at fair value through profit or loss***

Fair value through profit or loss category comprises financial assets that are held for trading, or financial assets that are specifically designated into this category upon initial recognition.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### (b) ***Financing and receivables***

Financing and receivables category are debt instruments that are not quoted in an active market and these comprises of other receivables, cash and cash equivalents and short term investments.

### **3. Significant accounting policies (continued)**

#### **(a) Financial instruments (continued)**

##### **(ii) Financial instrument categories and subsequent measurement (continued)**

###### ***(b) Financing and receivables (continued)***

Financial assets categorised as financing and receivables are subsequently measured at amortised cost using the effective profit method.

All financial assets except for those measured at fair value through profit or loss, are subject to review for impairment, Note 3(d).

###### ***Financial liabilities***

Financial liabilities measured at amortised cost comprise of tax payables, other payables and amount due to Manager.

##### **(iii) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **(b) Income recognition**

##### **Income from short term investments**

Income from short term investments is recognised as it accrues using the effective profit method in profit or loss.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents consist of cash at bank and short term placements with licensed financial institutions which have insignificant risk of changes in fair value with original maturities of less than 30 days, and are used by the Fund in the management of its short term commitments.

Cash and cash equivalents are categorised and measured as financing and receivables in accordance with policy Note 3(a)(ii)(b).

### **3. Significant accounting policies (continued)**

#### **(d) Impairment**

##### **Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of financing and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective profit rate. The carrying amount of the asset is reduced through the use of an allowance account.

#### **(e) Income tax**

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date.

#### **(f) Unitholders' capital**

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as equity. 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 financial position date if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net asset attributable to unitholders' with the total number of outstanding units. In accordance with the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

The units in the Fund are puttable instruments, classified as equity, which entitle the unitholders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units are based on the change in the net asset of the Fund.

### 3. Significant accounting policies (continued)

#### (g) Distribution

Distribution is at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as an equity in the year in which they are declared.

#### (h) Net Asset Value

The Net Asset Value is calculated after deducting the retained profits allocated for distribution.

#### (i) Fair value measurement

The Fund adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Fund uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Fund recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



#### 4. Cash and cash equivalents

	2017 RM	2016 RM
<i>Short term investments with maturity less than 30 days</i>		
Commodity Murabahah	699,978,000	-
Cash at bank		
Bank Islam Malaysia Berhad*	7,946	15,143
Maybank Islamic Bank Berhad	895	-
	<u>8,841</u>	<u>15,143</u>
	<u>699,986,841</u>	<u>15,143</u>

\* Cash at bank is placed with the holding company of the Manager, Bank Islam Malaysia Berhad.

#### 5. Unitholders' capital

	No of units	RM
At date of commencement	-	-
Creation of units via cash	115,001,000	115,001,000
Reinvestment of distributions	54,219	54,219
Cancellation of units	<u>(115,054,219)</u>	<u>(115,054,219)</u>
As at 31 December 2016/1 January 2017	1,000	1,000
Creation of units	899,951,507	899,951,507
Reinvestment of distributions	5,962,945	5,962,945
Cancellation of units	<u>(206,186,659)</u>	<u>(206,186,659)</u>
As at 31 December 2017	<u>699,728,793</u>	<u>699,728,793</u>

#### 6. Manager's fee

The manager's fee payable to the Manager is based on 0.02% (effective from 18.4.2017) (2016: 0.15%) per annum of the net asset value of the Fund calculated on a daily basis.

#### 7. Trustee's fee

The trustee's fee was charge at a rate of 0.005% (effective from 18.4.2017) (2016: 0.02%) per annum of the net asset value of the Fund calculated on a daily basis.

#### 8. Audit fee and tax fee

The audit fee and tax fee incurred by the Fund are borne by the manager of the Fund, BIMB Investment Management Berhad, a company incorporated in Malaysia, is a subsidiary of Bank Islam Malaysia Berhad.

Included in the expenses borne by the Manager is audit fee of RM13,000.

## 9. Tax expense

	<b>1.1.2017 to 31.12.2017 RM</b>	<b>14.12.2015 to 31.12.2016 RM</b>
Tax expense		
- Current year	<u>1,899,155</u>	<u>-</u>
<b><i>Reconciliation of effective tax expense</i></b>		
Net income before taxation	<u>7,862,100</u>	<u>1,807,757</u>
Income tax using Malaysian tax rate @ 24%	1,886,904	433,862
Non-assessable income	(5)	(464,321)
Non-deductible expenses	2,870	3,708
Restrictions on the tax deductible expenses for unit trust funds	<u>9,386</u>	<u>26,751</u>
	<u>1,899,155</u>	<u>-</u>

## 10. Distribution

	<b>1.1.2017 to 31.12.2017 RM</b>	<b>14.12.2015 to 31.12.2016 RM</b>
Distribution to unitholders is from the following sources:		
Income from short term investments	7,925,806	*2,141,649
Hibah from Al-Wadiah account	<u>20</u>	<u>878</u>
	7,925,826	2,142,527
Less:		
Expenses	(63,726)	(126,912)
Tax expense	<u>(1,899,155)</u>	<u>-</u>
<b>Net distribution</b>	<u>5,962,945</u>	<u>2,015,615</u>

The Manager has declared a net distribution of 1.67 sen (2016: 3.25 sen) per unit based on monthly units in circulation amounting to RM5,962,945 (2016: RM2,015,615) in respect of the current financial year.

\* Before adjusting for accrued profit forgone amounting to RM207,858 due to premature withdrawal of deposits.

## 11. Units held by the Manager

The number and value of units held legally or beneficially by the Manager is as follows:

	<b>As at 31.12.2017</b>		<b>As at 31.12.2016</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
BIMB Investment Management Berhad	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>

## 12. Transactions with related parties

Other than as disclosed in Note 4, 11 and 13 of the financial statements, other transaction with related parties are as follow:

	Transaction as at		Balance as at	
	2017	2016	2017	2016
	RM	RM	RM	RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Management fee	<u>47,825</u>	<u>93,553</u>	<u>8,877</u>	<u>207</u>
<i>Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placement	<u>(150,822)</u>	<u>(48,825)</u>	<u>-</u>	<u>-</u>
<i>The Trustee</i>				
AmanahRaya Trustees Berhad				
- Trustee fee	<u>11,956</u>	<u>12,474</u>	<u>2,219</u>	<u>29</u>

## 13. Transactions with financial institutions

	Value of trade RM	% of total trade
<i>Short term investments</i>		
<b>1 January 2017 to 31 December 2017</b>		
Maybank Islamic Berhad	7,609,204,105	32.63
Bank Kerjasama Rakyat Malaysia Berhad	7,107,188,681	30.47
Malaysia Building Society Berhad	6,800,371,781	29.16
Al Rajhi Banking & Investment Corporation (M) Berhad	601,432,596	2.58
RHB Islamic Bank Berhad	400,364,383	1.72
CIMB Islamic Bank Berhad	400,182,959	1.72
Bank Islam Malaysia Berhad*	400,150,822	1.72
	<u>23,318,895,327</u>	<u>100.00</u>
	Value of trade RM	% of total trade
<i>Short term investments</i>		
<b>14 December 2015 to 31 December 2016</b>		
Al Rajhi Banking & Investment Corporation (M) Berhad	173,630,923	68.40
Bank Simpanan Nasional Berhad	39,835,214	15.69
Asian Finance Bank Berhad	20,418,849	8.04
Bank Islam Malaysia Berhad*	19,985,965	7.87
	<u>253,870,951</u>	<u>100.00</u>

\* Transaction with the related parties have been entered into the normal course of business and have been transacted at arm's lengths basis.

## 14. Management Expense Ratio (“MER”)

The management expense ratio for the financial year is 0.03% (2016: 0.20%). Management expense ratio is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average net asset value. It is a total management expenses expressed as an annual percentage of the Fund’s average net asset value.

## 15. Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the financial year is 47.99 times (2016: 4.26 times). It represents the average of total acquisitions and disposals of the investments in the Fund for the financial year over the average net asset value of the Fund calculated on a daily basis.

## 16. Financial instruments

### 16.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Financing and receivables (“F&R”);
- (b) Financial liabilities measured at amortised cost (“FL”).

	<b>Carrying amount RM</b>	<b>F&amp;R/ (FL) RM</b>
<b>2017</b>		
<b>Financial assets</b>		
Other receivables	112,320	112,320
Cash and cash equivalents	699,986,841	699,986,841
	<u>700,099,161</u>	<u>700,099,161</u>
<b>Financial liabilities</b>		
Amount due to Manager	8,877	8,877
Other payables	13,803	13,803
	<u>22,680</u>	<u>22,680</u>
<b>2016</b>		
<b>Financial assets</b>		
Cash and cash equivalents	15,143	15,143
	<u>15,143</u>	<u>15,143</u>
<b>Financial liabilities</b>		
Amount due to Manager	207	207
Other payables	13,936	13,936
	<u>14,143</u>	<u>14,143</u>

### 16.2 Net gains and losses arising from financial instruments

	<b>1.1.2017 to 31.12.2017 RM</b>	<b>14.12.2015 to 31.12.2016 RM</b>
Net gains on:		
Financing and receivables	<u>7,925,826</u>	<u>1,934,669</u>

## 16. Financial instruments (continued)

### 16.3 Financial risk management

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Investment risk

### 16.4 Credit risk

Credit risk is the risk of a financial loss to the Fund if counterparty to a financial instrument fails to meet its contractual obligations. The Fund's exposure to credit risk arises principally from its other receivables, short term investments and cash and cash equivalents.

*Risk management objectives, policies and processes for managing the risk*

The Manager manages the credit risk by setting counterparty limits and undertaking credit evaluation to minimise the risk. The exposure to credit risk is monitored on an ongoing basis.

*Exposure to credit risk*

The Fund's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

### 16.5 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's exposure to liquidity risk arises principally from its various payables.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash at bank and short term investments, which are capable of being converted into cash within 7 days.

### 16.6 Market risk

Market risk is the risk that changes in market prices, such as profit rates and market prices that will affect the Fund's financial position or cash flows.

## 16. Financial instruments (continued)

### 16.6 Market risk (continued)

#### *Profit rate risk*

The profit rate profile of the Fund's significant profit-bearing financial instruments, based on carrying amounts as at the end of reporting year/period was:

	<b>Effective profit rate per annum %</b>	<b>1.1.2017 to 31.12.2017 RM</b>	<b>Effective profit rate per annum %</b>	<b>14.12.2015 to 31.12.2016 RM</b>
<b>Fixed rate instruments</b>				
Cash and cash equivalents				
- Short term placements with maturity less than 30 days	2.95-3.65	699,978,000	-	-

#### *Fair value sensitivity analysis for fixed rate instruments*

The Fund does not accounts for any fixed rate financial assets and liabilities at fair value through profit or loss, and hence is not significantly exposed to profit rate risk.

### 16.7 Investment risk

Investments are bound by regulatory guidelines that govern the maximum securities holdings and maximum liquid assets holdings.

Investment risks for fixed income funds are in the form of profit rate and credit risks. To manage these risks, investments will be in investment grade sukuk.

#### *Risk management objectives, policies and processes for managing the risk*

The Manager has written policies and guidelines on risk management, which set out the overall investment risks strategies and general risk management philosophies. These processes monitor, measure and control risks associated with the business. Matters relating to investment risks in respect of Funds portfolio are discussed during the Investment Committee meetings of the Manager held at least 6 (2016: 6) times a year.

### 16.8 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term investments, receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

## 17. Capital management

The Fund's capital is represented by the unitholders' fund in the statement of financial position. The Manager of the Fund monitors the adequacy of capital on an ongoing basis. There is no external capital requirement imposed on the Fund.

# 11.0 CORPORATE DIRECTORY

## **Manager**

**BIMB Investment Management Berhad (276246-X)**

## **Registered Office**

Level 32, Menara Bank Islam, No. 22, Jalan Perak,  
50450,  
Kuala Lumpur

## **Business Office**

Level 19, Menara Bank Islam, No. 22, Jalan Perak,  
50450, Kuala Lumpur

## **Board of Directors**

Nik Mohd Hasyudeen Yusoff (Chairman – Non-Executive Independent Director – Appointed w.e.f. 13 September 2017)

Khairul Kamarudin (Chairman – Non-Executive Non Independent Director – Resigned w.e.f. 13 September 2017)

Dato' Ghazali Awang (Non-Executive Independent Director)

Datuk Noripah binti Kamso (Non-Executive Independent Director)

Dr. Mohd Hatta bin Dagap (Non-Executive Independent Director)

Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director)

Mujibburrahman Abd Rashid (Non-Executive Non Independent Director – Appointed w.e.f. 5 December 2017)

Najmuddin bin Mohd Lutfi (Chief Executive Officer)

## **Shariah Committee**

Ustaz Dr. Ahmad Shahbari @ Sobri Salamon

Ustaz Dr. Yusof Ramli

Ustazah Dr. Asmak Ab. Rahman

## **Investment Committee**

Khairul Muzamel Perera Abdullah (Chairman - Non Independent Member)

Datuk Noripah binti Kamso (Independent Member)

Mohd Radzuan Ahmad Tajuddin (Independent Member – Appointed w.e.f. 27 November 2017)

Dato' Darawati Hussain (Independent Member – Resigned w.e.f. 1 December 2017)

## **Audit Committee**

Dato' Ghazali Awang (Chairman - Independent Member)

Dr. Mohd Hatta bin Dagap (Independent Member)

Malkiat Singh @ Malkit Singh Maan  
(Non-Executive Non Independent Director)

## **Company Secretaries**

Norhidayati Mohamat Salim (MIA 27364)

Aidil Haznul Zulkifli (MACS 01638)

Level 32, Menara Bank Islam,  
No.22 Jalan Perak,  
50450 Kuala Lumpur

## **Principal Banker**

Bank Islam Malaysia Berhad  
Ground Floor, Menara Bank Islam,  
No.22, Jalan Perak,  
50350 Kuala Lumpur

## **Key Management**

Najmuddin bin Mohd Lutfi (Chief Executive Officer)

Badrol bin Ahmad Fathan (Head of Investment)

Mohd Hamidullah Che Hassan (Manager, Compliance)

## **Trustee**

AmanahRaya Trustees Berhad (766894-T)

Level 2, Wisma AmanahRaya II , No. 21,  
Jalan Melaka, 50100 Kuala Lumpur  
Tel: 03-20365000 Fax: 03-20722290

## **Federation of Investment Managers Malaysia (FIMM)**

19-06-1, 6<sup>th</sup> Floor, Wisma Tune

No.19, Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

## **Distributor**

Bank Islam Malaysia Berhad Branches

**Toll Free Number: 1-800-88-1196**