

BIMB *i* GROWTH

ANNUAL REPORT FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2019

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN
BERAKHIR 30 JUN 2019*

BIMB  **INVESTMENT**
A BANK ISLAM
SUBSIDIARY

MANAGER:
BIMB INVESTMENT MANAGEMENT BERHAD (276246-X)

Table of Content

1.0	Manager's Report	3
1.1	Fund Name/ Fund Type/ Fund Category/ Fund Investment Objective/ Fund Performance Benchmark/ Fund Distribution Policy	3
1.2	Performance for the Financial Year Ended 30 June 2019	4
1.3	Economic and Market Review	7
1.4	Market Outlook And Strategy	8
1.5	Asset Allocation as at 30 June 2019	9
1.6	Other Performance Data for the Financial Year Ended 30 June 2019	10
1.7	Unit Holdings as at 30 June 2019	11
1.8	Policy on Rebate And Soft Commission	11
2.0	Trustee's Report	21
3.0	Shariah Committee's Report	22
4.0	Directors' Declaration	23
5.0	Independent Auditors' Report To The Unitholders of BIMB <i>i</i> Growth	24
6.0	Financial Statements (Audited)	27
7.0	Corporate Directory	55

1.0 Manager's Report

Dear Unitholders,

We are pleased to present the Manager's report of BIMB *i*Growth for the financial year ended 30 June 2019.

1.1 Fund Name/ Fund Type/ Fund Category/ Fund Investment Objective/ Fund Performance Benchmark/ Fund Distribution Policy

Fund Name	BIMB <i>i</i> Growth
Fund Type	Aggressive growth
Fund Category	Equity
Fund Investment Objective	<p>To provide a medium to long term return through capital appreciation and income distribution.</p> <p>Note: <i>The capital appreciation is the primary objective while income distribution is the secondary objective of the Fund.</i></p> <p><i>Any material change to the investment objective of the Fund would require Unitholders' approval.</i></p>
Fund Performance Benchmark	<p>The selected performance benchmark for this Fund is the FBM Emas Shariah Index comprising Bursa Malaysia Main Market stocks that have been classified as Shariah-compliant securities by the Shariah Advisory Council (SAC) of the Securities Commission. The rationale is to reflect the Fund's major proportion of investments in equity of up to 98% of its Net Asset Value (NAV) in Shariah-compliant securities. Information on the benchmark can be obtained from Bursa Malaysia website.</p>
Fund Distribution Policy	<p>As income distribution is the secondary objective of the Fund, distribution of income (if any) is incidental.</p>
Payment Mode for Income Distribution	<p>Payment into Unit Holders' bank account or reinvestment.</p>

1.2 Performance for the financial year ended 30 June 2019

1.2.1 Performance review

For the financial year under review, BIMB *i* Growth (the Fund) registered a return of -13.65% as compared to its benchmark's return of 0.33%. During the year under review, the Fund was not able to meet its objective of achieving capital growth during the financial year as adverse sentiment arise from the United States ("US") - China trade war and uncertainty post Malaysian 14th General Election had negatively impacted the Fund's performance.

Subsequently, the Fund was 77.23% invested in equities as at 30 June 2019, as compared to 87.71% invested as at 30 June 2018. The Fund's total Net Asset Value (NAV) as at 30 June 2019 was RM27,495,045 or 30.62 sen per unit as compared to RM35,010,323 or 35.46 sen per unit as at 30 June 2018.

The selected performance benchmark for this Fund is the FBM EMAS Shariah Index comprising Bursa Malaysia Main Market stocks that have been classified as Shariah-compliant securities by the SAC.

Our strategy is to meet the investment objective where the Fund will mainly focus on the equity investment comprising a diversified portfolio of blue chip, high growth stocks and dividend paying companies that are listed on Bursa Malaysia.

For the financial year ended 30 June 2019, there were no significant changes to the state of affairs of the Fund and no circumstances that materially affect the interest of Unit Holders that have taken place up to the date of this Manager's Report.

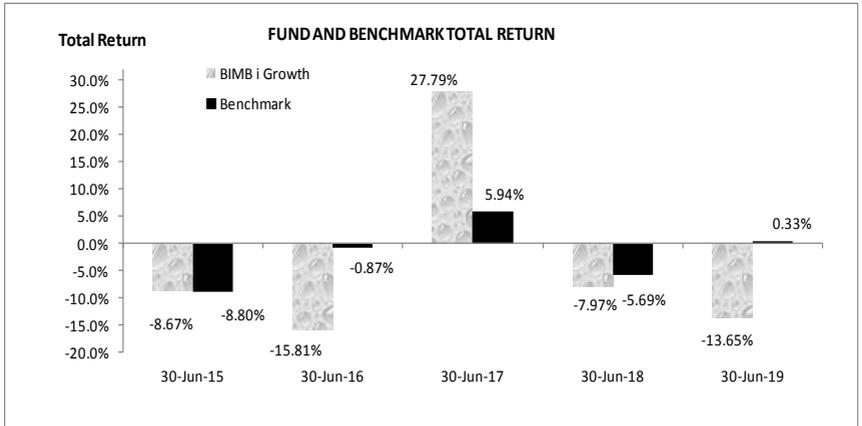
1.2.2 Total return and average total return as at 30 June 2019

Period	BIMB i Growth		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year (July '18 – June '19)	-13.65	-13.65	0.33	0.33
3-Year (July '16 – June '19)	1.56	0.52	0.25	0.08
5-Year (July '14 – June '19)	-21.91	-4.38	-9.37	-1.87

1.2.3 Annual total return as at the end of the last 5 financial years

Financial Year	Total Return	
	BIMB i Growth (%)	Benchmark (%)
30 June 2019	-13.65	0.33
30 June 2018	-7.97	-5.69
30 June 2017	27.79	5.94
30 June 2016	-15.81	-0.87
30 June 2015	-8.67	-8.80

Figure 1: Fund and Benchmark for the last 5 Financial Years



Note:

Data Source : BIMB Investment Management Berhad

Data verified by : Novagni Analytics & Advisory Sdn. Bhd.

Benchmark : FBM Emas Shariah Index

Notes:

1. **Total Return** of the Fund has been verified by Novagni Analytics & Advisor Sdn. Bhd. (363145-W)
2. **Average Total Return** is derived by this formula:

$$\frac{\text{Total Return}}{\text{Number of Years under Review}}$$

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

1.3 Economic and Market Review

1.3.1 Economy

Global

- US Gross Domestic Product (GDP) grew by 2.1% in the second quarter of 2019 as compared to 3.1% in the first quarter of 2019. The lower 2Q GDP performance was driven by lower exports and business investment. US inflation rate stood at 1.6% in June 2019 compared to 2.9% in June 2018. US unemployment rate continues to improve to 3.7% in June 2019 as compared to 4.0% in June 2018.
- The Euro zone economy grew by 0.2% in the second quarter of 2019 as compared to 0.4% in the first quarter of 2019. The lower growth for the quarter was attributed to lower exports and slower GDP growth in the member countries. The Euro zone inflation rate was at 1.3% in June 2019 and was lower compared to 2.0% in June 2018. Unemployment in the Euro zone has fallen to 7.5% in June 2019 from 8.2% in June 2018.
- The Chinese economy grew by 6.2% for the second quarter of 2019, lower than 6.4% in the first quarter of 2019. During the second quarter of 2019, GDP performance was impacted by ongoing trade tensions with the US and weakening global demand.

(Source: Bloomberg, Eurostats, RHB Investment Bank and Maybank Investment Bank)

Local

- The Malaysian economy grew at 4.9% in the second quarter of 2019 as compared to 4.5% in the first quarter of 2019 and 4.7% in fourth quarter of 2018. Stronger Malaysian GDP growth was predominantly attributed by continued expansion in the domestic demand, consumer spending and private investment.
- Bank Negara Malaysia (“BNM”) has decided to reduce the Overnight Policy Rate (OPR) by 25 basis points to 3.00% during the Monetary Policy Committee (MPC) meeting on 7 May 2019, the first time since July 2016 to stimulate the local economy. The rate cut is aimed to ensure that the domestic economy continues on a steady growth path amid lower inflation. The international reserves of Bank Negara Malaysia amounted to USD102.7 billion as at 28 June 2019. The reserves position is sufficient to finance 7.3 months of retained imports and is 1.2 times total short-term external debt.

(Source: Bloomberg, Department of Statistics Malaysia and Bank Negara Malaysia)

1.3.2 Equity Market Review

FTSE Bursa Malaysia EMAS Shariah Index (FBM Shariah) commenced the year under review at 12,092.55 points on 29 June 2018 and rose to the highest level of 12,958.41 points on 28 August 2018 before subsequently fell to the lowest level of 11,068.25 points on 18 December 2018 and closed at 12,132.94 points on 28 June 2019. For the financial year under review, the FBM Shariah increased by 40.39 points or 0.33%. Among the key factors that contributed to the movement of the index are highlighted below:

- In September 2018, The Federal Open Market Committee (FOMC) increased the Fed funds rate by 25 basis points to a range between 2% to 2.25%, with projections of one more hike by year end and three hikes in 2019.
- President Trump and President Xi agreed on a 90-day temporary truce after their G20 meeting in end November 2018 to address trade imbalances and other pertinent issues. This was followed with US eventually raising tariffs on USD200 billion imports from China to 25% from 10% in May after trade talks failed. Subsequently on 1st June 2019, China raised tariffs on USD200 billion imports from US to 10% - 25% from 5% to 10%.
- In March 2019, the Federal Reserve held interest rates steady and its policymakers abandoned projections for further rate hikes this year as the U.S. central bank flagged an expected slowdown in the economy. Subsequently in July 2019, the Fed Funds rate (FFR) was cut by 25bps to 2.00% - 2.25% as "insurance" against the downside risk on economic outlook from global development as well as muted inflation pressure.

(Source: Bloomberg and Bank Negara Malaysia)

1.4 Market Outlook and Strategy

- Multiple events are likely to affect market sentiment in the near term – The outcome of US-China trade talks, the tabling of Budget 2020 by Malaysian government in October, ongoing Brexit concerns as the 31st October deadline approaches, and the deteriorating relationship between the US and Iran, among others.
- Some central banks, including Bank Negara Malaysia (BNM), have preemptively cut their benchmark rates to stimulate growth. BNM nevertheless has maintained its projection for GDP to grow between 4.3% and 4.8%, while inflation is expected to average between 0.7% and 1.7% for 2019.
- We view that the equity market may prove to be challenging in the near term. Valuation is also not cheap and there need to be greater improvement in the economy to drive corporate earnings. Therefore we will be more selective and focus more on bottom-up stocks selection in deciding our investments.

1.5 Asset Allocation as at 30 June

BIMB / Growth	2019 (%)	2018 (%)	2017 (%)
Investment in Quoted Securities			
Construction	8.62	-	-
Consumer products & services	14.54	17.76	3.34
Energy	3.99	0.75	0.87
Health care	9.66	8.75	25.36
Industrial products & services	13.49	12.56	14.09
Property	4.87	-	2.26
Technology	12.52	45.97	46.42
Telecommunications & media	4.46	-	-
Transportation & logistics	5.08	1.56	0.92
Utilities	-	-	4.15
Warrant	-	0.36	-
	77.23	87.71	97.41
Cash and Short Term Investment:	22.77	12.29	2.59
	100.00	100.00	100.00

1.6 Other Performance Data for the financial years ended 30 June

BIMB i Growth	2019	2018	2017
Unit Prices (MYR)			
Highest NAV per unit for the year	0.4085	0.4319	0.3869
Lowest NAV per unit for the year	0.2942	0.3275	0.2992
Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the year			
Total NAV (MYR)	27,495,045	35,010,323	35,682,762
Units in Circulation (UIC)	89,783,147	98,744,885	92,616,520
NAV per unit (MYR)	0.3062	0.3546	0.3853
Return of Fund (%)^(a)			
Capital Growth (%) ^(b)	-13.65	-7.97	27.79
Income Return (%) ^(c)	-	-	-
Return of Fund (%)	-13.65	-7.97	27.79
Management Expense Ratio (MER) (%)^(d)	1.69	1.80	1.75
Portfolio Turnover Ratio (PTR) (times)^(e)	1.77	2.84	0.90

Note:

- a) **Total Return of the Fund** = $\frac{\text{NAV per unit (as at Year End)}}{\text{NAV per unit (beginning of the Year)}} - 1$
- b) **Capital Growth** = Total Return of the Fund – Income Return
- c) **Income Return** = {Income Distribution per Unit / NAV per Unit @ beginning of the year} x 100
- d) **Management Expenses Ratio** = It is the total management expenses expressed as an annual percentage of the Fund's average NAV.
- e) **Portfolio Turnover Ratio** = It represents the average of the total acquisitions and disposals of the investment in the Fund for the year over the average NAV of the Fund calculated on a daily basis.

1.7 Unit Holdings as at 30 June 2019

Size of Holdings	BIMB / Growth			
	Unitholders		Units Held	
	No.	%	Units	%
5,000 and below	753	75.15	983,019.76	1.10
5,001 to 10,000	70	6.99	491,073.81	0.55
10,001 to 50,000	143	14.27	2,638,870.22	2.94
50,001 to 500,000	29	2.89	3,055,312.56	3.40
500,001 and above	6	0.60	76,614,870.28	85.33
Units Held by Holders	1,001	99.90	83,783,146.63	93.32
Unit Held by Manager	1	0.10	6,000,000.00	6.68
Grand Total for The Fund	1,002	100.00	89,783,146.63	100.00

** Included under this category are nominee accounts*

1.8 Policy on Rebate and Soft Commission

Any stock broking rebates received by the Manager will be directed to the account of the Fund. Any soft commissions received from the brokers which are in the form of research and advisory services that assist in the decision-making process relating to the Fund's investment may be retained by the Manager.

The Manager did not receive any soft commission from brokers in the form of research and advisory services during the year under review.

For and on behalf of

The Manager

BIMB INVESTMENT MANAGEMENT BERHAD

Date: 30 August 2019

1.0 Laporan Pengurus

Para Pemegang Unit yang Dihormati,

Kami dengan sukacitanya membentangkan Laporan Pengurus BIMB iGrowth bagi tahun kewangan berakhir 30 Jun 2019.

1.1 Nama Dana/ Jenis Dana/ Kategori Dana/ Objektif Pelaburan Dana/ Penanda Aras Prestasi Dana/ Dasar Agihan Dana

Nama Dana	BIMB iGrowth
Jenis Dana	Dana Pertumbuhan Agresif
Kategori Dana	Ekuiti
Objektif Pelaburan Dana	<p>Menawarkan pulangan bagi tempoh jangkamasa sederhana dan panjang melalui peningkatan modal dan pengagihan pendapatan.</p> <p>Nota: <i>Peningkatan modal merupakan objektif utama Dana manakala pengagihan pendapatan merupakan objektif kedua Dana.</i></p> <p><i>Sebarang perubahan ketara dalam objektif pelaburan Dana memerlukan kelulusan daripada pemegang unit.</i></p>
Penanda Aras Prestasi Dana	Penanda aras terpilih prestasi Dana ialah Indeks FBM Emas Syariah yang terdiri daripada saham-saham tersenarai di Papan Utama Bursa Malaysia yang diklasifikasikan sebagai sekuriti patuh Syariah oleh Majlis Penasihat Syariah Suruhanjaya Sekuriti (MPS). Rasional pemilihannya disebabkan sebahagian besar pelaburan Dana dalam pasaran ekuiti iaitu sehingga 98% daripada Nilai Aset Bersih (NAB) terdiri daripada sekuriti patuh Syariah. Maklumat berkaitan penanda aras boleh diperolehi dari laman sesawang Bursa Malaysia.
Dasar Agihan Dana	Memandangkan pengagihan pendapatan merupakan objektif kedua Dana, pengagihan pendapatan (jika ada) adalah sampingan.
Kaedah Pembayaran Agihan Pendapatan	Bayaran ke akaun bank pelabur atau pelaburan semula.

1.2 Pencapaian bagi tahun kewangan berakhir pada 30 Jun 2019

1.2.1 Kajian Pencapaian

Bagi tahun kewangan yang dikaji, BMB *i* Growth (Dana) mencatatkan pulangan sebanyak -13.65% berbanding pulangan penanda arasnya sebanyak 0.33%. Dana tidak dapat memenuhi objektifnya untuk mencapai pertumbuhan modal semasa tahun kewangan berikutan sentimen buruk yang timbul kesan daripada perang perdagangan Amerika Syarikat ("AS") - China dan ketidakpastian selepas Pilihan Raya Umum ke-14 Malaysia yang telah memberi kesan negatif kepada prestasi Dana.

Seterusnya, Dana telah melabur 77.23% dalam ekuiti pada 30 Jun 2019 berbanding 87.71% yang dilaburkan pada 30 Jun 2018. Jumlah Nilai Aset Bersih (NAB) pada 30 Jun 2019 adalah RM27,495,045 atau 30.62 sen seunit berbanding RM35,010,323 atau 35.46 sen seunit pada 30 Jun 2018.

Penanda aras prestasi terpilih bagi Dana ini adalah Indeks FBM Emas Syariah yang merangkumi stok Pasaran Utama Bursa Malaysia yang telah diklasifikasikan sebagai sekuriti patuh Syariah oleh MPS.

Strategi kami adalah untuk memenuhi objektif pelaburan di mana Dana akan memberi fokus kepada pelaburan dalam ekuiti yang merangkumi kepelbagaian portfolio saham-saham berkualiti tinggi, saham-saham yang mempunyai kadar pertumbuhan tinggi dan syarikat-syarikat yang mengagihkan dividen yang tersenarai di Bursa Malaysia.

Bagi tahun kewangan berakhir 30 Jun 2019, tiada sebarang perubahan ketara dalam hal ehwal pengurusan Dana dan tidak berlaku sebarang keadaan yang boleh menjejaskan kepentingan para pemegang unit sehingga tarikh Laporan Pengurus ini disediakan.

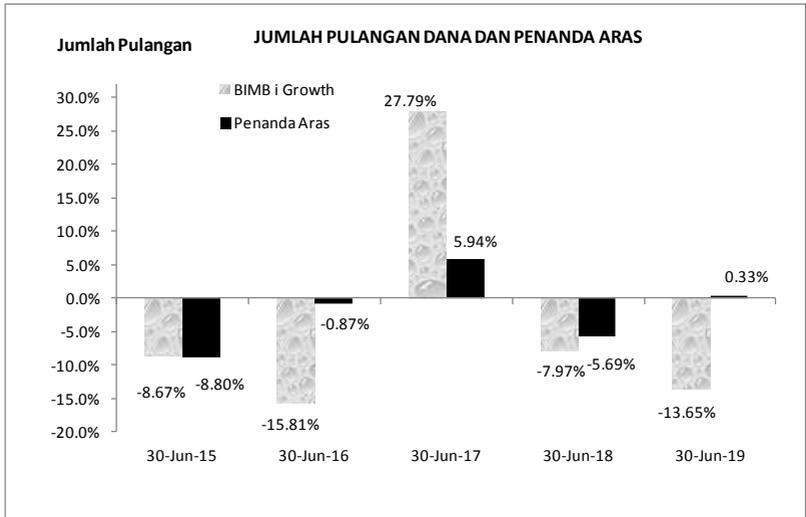
1.2.2 Jumlah pulangan dan purata jumlah pulangan pada 30 Jun 2019

Tempoh	BIMB <i>i</i> Growth		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun (Jul '18 – Jun '19)	-13.65	-13.65	0.33	0.33
3-Tahun (Jul '16 – Jun '19)	1.56	0.52	0.25	0.08
5-Tahun (Jul '14 – Jun '19)	-21.91	-4.38	-9.37	-1.87

1.2.3 Jumlah pulangan tahunan bagi 5 tahun kewangan yang lalu

Tahun Kewangan	Jumlah Pulangan	
	BIMB <i>i</i> Growth (%)	Penanda Aras (%)
30 Jun 2019	-13.65	0.33
30 Jun 2018	-7.97	-5.69
30 Jun 2017	27.79	5.94
30 Jun 2016	-15.81	-0.87
30 Jun 2015	-8.67	-8.80

Rajah 1: Pulangan Dana dan Pulangan Penanda Aras bagi 5 Tahun yang Lalu



Nota:

Sumber Data : BIMB Investment Management Berhad
 Data disahkan oleh : Novagni Analytics & Advisor Sdn. Bhd.
 Penanda Aras : Indeks FBM Emas Syariah

Nota:

- Jumlah Pulangan** telah disahkan oleh Novagni Analytics & Advisor Sdn. Bhd. (363145-W).
- Jumlah Pulangan Purata** adalah berpandukan formula berikut:

$$\frac{\text{Jumlah Pulangan}}{\text{Bilangan Tahun Bawah Kajian}}$$

Prestasi tahun-tahun sebelum ini tidak semestinya menjadi petunjuk prestasi masa depan dan harga unit serta pulangan pelaburan mungkin turun dan naik.

1.3 Ekonomi dan Kajian Pasaran

1.3.1 Ekonomi

Global

- Keluaran Dalam Negeri Kasar (KDNK) Amerika Syarikat (AS) berkembang sebanyak 2.1% pada suku kedua 2019 berbanding 3.1% pada suku pertama 2019. Penurunan prestasi KDNK pada suku pertama ini didorong oleh eksport dan pelaburan perniagaan yang lebih rendah. Kadar inflasi AS berada pada paras 1.6% pada Jun 2019 berbanding 2.9% pada Jun 2018. Kadar pengangguran AS terus bertambah baik kepada 3.7% pada Jun 2019 berbanding 4.0% pada Jun 2018.
- Ekonomi zon Euro meningkat 0.2% pada suku kedua 2019 berbanding 0.4% pada suku pertama 2019. Penurunan pada suku ini disebabkan eksport yang lebih rendah dan penurunan prestasi KDNK negara-negara serantau. Kadar inflasi zon Euro pada Jun 2019 adalah 1.3% dan lebih rendah berbanding 2.0% pada Jun 2018. Pengangguran di zon Euro menurun ke paras 7.5% pada Jun 2019 berbanding 8.2% pada Jun 2018.
- Ekonomi China berkembang pada 6.2% pada suku kedua 2019, lebih rendah berbanding 6.4% pada suku pertama 2019. Pada suku kedua 2019, prestasi KDNK terjejas berpunca daripada ketegangan perdagangan yang berterusan dengan AS dan permintaan global yang lemah.

(Sumber: Bloomberg, Eurostats, RHB Investment Bank dan Maybank Investment Bank)

Dalam Negara

- Ekonomi Malaysia berkembang pada 4.9% pada suku kedua 2019 berbanding 4.5% pada suku pertama 2019 dan 4.7% pada suku keempat 2018. Pertumbuhan KDNK Malaysia lebih kukuh didorong oleh perkembangan berterusan dalam permintaan domestik, perbelanjaan pengguna dan pelaburan swasta.
- Bank Negara Malaysia ("BNM") telah memutuskan untuk mengurangkan Kadar Dasar Semalaman (OPR) sebanyak 25 mata asas kepada 3.00% semasa mesyuarat Jawatankuasa Dasar Monetari (MPC) pada 7 Mei 2019, penurunan kali pertama sejak Julai 2016 untuk merangsang ekonomi tempatan. Pengurangan mata asas tersebut bertujuan untuk memastikan ekonomi domestik terus berada pada kadar pertumbuhan yang stabil di kala inflasi berada pada kadar yang rendah. Rizab antarabangsa Bank Negara Malaysia berjumlah sebanyak USD102.7 bilion pada 28 Jun 2019. Kedudukan rizab ini memadai untuk membiayai 7.3 bulan import tertanggung dan 1.2 kali jumlah hutang luaran jangka pendek.

(Sumber: Bloomberg, Jabatan Statistik Malaysia dan Bank Negara Malaysia)

1.3.2 Kajian Pasaran Ekuiti

Indeks FTSE Bursa Malaysia Syariah EMAS (FBM Shariah) memulakan tahun dalam kajian pada 12,092.55 mata pada 29 Jun 2018 dan naik ke paras tertinggi 12,958.41 mata pada 28 Ogos 2018 sebelum kemudiannya jatuh ke paras terendah 11,068.25 mata pada 18 Disember 2018 dan akhirnya ditutup pada 12,132.94 mata pada 28 Jun 2019. Bagi tahun kewangan dalam kajian, FBM Shariah meningkat sebanyak 40.39 mata atau 0.33%. Antara faktor utama yang menyumbang kepada pergerakan indeks ini adalah seperti berikut:

- Pada September 2018, Jawatankuasa Pasaran Terbuka Persekutuan (FOMC) menokok kadar dana Persekutuan sebanyak 25 mata asas kepada julat antara 2% hingga 2.25%, dengan unjuran satu lagi kenaikan menjelang akhir tahun dan tiga kenaikan pada tahun 2019.
- Presiden Trump dan Presiden Xi bersetuju dengan perdamaian sementara selama 90 hari selepas mesyuarat G20 mereka pada akhir November 2018 untuk menangani ketidakseimbangan perdagangan dan isu-isu penting lain. Ini diikuti dengan Amerika Syarikat akhirnya menaikkan tarif ke atas import bernilai USD200 bilion dari China kepada 25% daripada 10% pada bulan Mei selepas perbincangan perdagangan gagal. Seterusnya pada 1 Jun 2019, China menaikkan tarif ke atas USD200 bilion import dari AS kepada 10% - 25% daripada 5% hingga 10%.
- Pada bulan Mac 2019, Rizab Persekutuan Amerika Syarikat mengekalkan kadar faedah dan pembuat dasarnya meninggalkan unjuran untuk kenaikan kadar harga tahun ini kerana bank pusat A.S. menunjukkan jangkakan kelembapan ekonomi. Seterusnya pada bulan Julai 2019, kadar dana Persekutuan (FFR) telah dipotong sebanyak 25 mata asas kepada 2.00% - 2.25% sebagai "langkah berjaga-jaga" terhadap risiko penyusutan ekonomi kesan daripada perkembangan global serta tekanan inflasi yang rendah.

(Sumber: Bank Negara Malaysia, Bloomberg dan RHB Research Institute Sdn. Bhd.)

1.4 Tinjauan Pasaran dan Strategi

- Beberapa perkara berkemungkinan mempengaruhi sentimen pasaran dalam jangka masa terdekat di antaranya hasil perbincangan perdagangan antara AS dan China, pembentangan Belanjawan 2020 oleh kerajaan Malaysia pada bulan Oktober; kebimbangan berterusan tentang Brexit apabila tarikh akhir 31hb Oktober semakin hampir, dan hubungan yang merosot antara AS dan Iran.
- Beberapa bank pusat, termasuk Bank Negara Malaysia (BNM), telah terlebih dahulu mengurangkan kadar faedah penanda aras mereka untuk merangsang pertumbuhan ekonomi. BNM bagaimanapun mengekalkan unjurannya untuk KDNK berkembang antara 4.3% dan 4.8%, manakala kadar inflasi dijangka berada di antara 0.7% dan 1.7% untuk 2019.
- Kami menjangkakan pasaran ekuiti mungkin mencabar dalam tempoh terdekat. Nilai saham juga bukannya rendah dan perlu ada perkembangan ekonomi yang lebih baik untuk memacu peningkatan pendapatan korporat. Justeru, kami akan menjadi lebih selektif dan memberi tumpuan kepada pemilihan saham secara "bottom-up" dalam menentukan pelaburan kami.

1.5 Peruntukan Aset pada 30 Jun

BIMB / Growth	2019 (%)	2018 (%)	2017 (%)
Pelaburan Sekuriti Tersiarharga			
Pembinaan	8.62	-	-
Barangan Pengguna dan perkhidmatan	14.54	17.76	3.34
Tenaga	3.99	0.75	0.87
Kesihatan	9.66	8.75	25.36
Barangan Industri & Perkhidmatan	13.49	12.56	14.09
Hartanah	4.87	-	2.26
Teknologi	12.52	45.97	46.42
Telekomunikasi & Media	4.46	-	-
Pengangkutan & logistik	5.08	1.56	0.92
Utiliti	-	-	4.15
Waran	-	0.36	-
	77.23	87.71	97.41
Tunai dan Pelaburan Jangka Pendek:	22.77	12.29	2.59
	100.00	100.00	100.00

1.6 Lain-Lain Data Prestasi bagi Tahun Kewangan Berakhir 30 Jun

BIMB / Growth	2019	2018	2017
Harga Unit (RM)			
NAB tertinggi seunit dalam tahun	0.4085	0.4319	0.3869
NAB terendah seunit dalam tahun	0.2942	0.3275	0.2992
Nilai Asset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada Akhir Tahun			
Jumlah NAB (RM)	27,495,045	35,010,323	35,682,762
Unit Dalam Edaran (UDE)	89,783,147	98,744,885	92,616,520
NAB seunit (RM)	0.3062	0.3546	0.3853
Jumlah Pulangan Dana (%)			
Pertumbuhan Modal (%) ^(b)	-13.65	-7.97	27.79
Pulangan Pendapatan (%) ^(c)	-	-	-
Pulangan Dana	-13.65	-7.97	27.79
Nisbah Perbelanjaan Pengurusan (NPP) (%)^(d)	1.69	1.80	1.75
Nisbah Pusing Ganti Portfolio (NPG) (Kali)^(e)	1.77	2.84	0.90

Nota:-

- a) **Jumlah Pulangan ke atas Dana** = $\frac{\text{Harga seunit (pada akhir tahun)}}{\text{Harga seunit (pada awal tahun)}} - 1$
- b) **Pertumbuhan Modal** = Jumlah Pulangan Dana – Pulangan Pendapatan
- c) **Pulangan Pendapatan** = $\left\{ \frac{\text{Pengagihan Pendapatan Se Unit}}{\text{NAB se unit pada awal tahun}} \right\} \times 100$
- d) **Nisbah Perbelanjaan Pengurusan** = Ia dikira dengan mengambil jumlah perbelanjaan pengurusan sepertimana yang dinyatakan sebagai peratusan tahunan daripada jumlah purata NAB Dana.
- e) **Nisbah Pusing Ganti Portfolio** = Ia dikira dengan mengambil purata jumlah perolehan dan pelupusan pelaburan dalam Dana bagi tempoh setahun dibahagi dengan purata NAB Dana yang dikira pada asas harian.

1.7 Pecahan Pegangan Unit pada 30 Jun 2019

Saiz Dipegang	BIMB i Growth			
	Pemegang Unit		Pegangan Unit	
	Bilangan	%	Bilangan Unit	%
5,000 dan ke bawah	753	75.15	983,019.76	1.10
5,001 hingga 10,000	70	6.99	491,073.81	0.55
10,001 hingga 50,000	143	14.27	2,638,870.22	2.94
50,001 hingga 500,000	29	2.89	3,055,312.56	3.40
500,001 dan ke atas *	6	0.60	76,614,870.28	85.33
Unit yang dipegang oleh Pemegang Unit	1,001	99.90	83,783,146.63	93.32
Unit yang dipegang oleh Pengurus	1	0.10	6,000,000.00	6.68
Jumlah Keseluruhan Dana	1,002	100.00	89,783,146.63	100.00

* Akaun penama juga termasuk di bawah kategori ini

1.8 Polisi Rebat dan Komisyen Bukan Tunai

Sebarang rebat broker saham yang diterima oleh Pengurus akan dimasukkan ke dalam akaun Dana. Mana-mana komisen ringan (bukan tunai) yang diterima daripada broker dalam bentuk perkhidmatan penyelidikan dan khidmat nasihat bertujuan membantu proses membuat keputusan berkaitan dengan pelaburan Dana boleh disimpan oleh Pengurus.

Pengurus tidak menerima komisen bukan tunai daripada broker dalam bentuk perkhidmatan penyelidikan dan khidmat nasihat bagi tahun dalam kajian.

Untuk dan bagi pihak Pengurus

BIMB INVESTMENT MANAGEMENT BERHAD

Tarikh: 30 Ogos 2019

Nota:

Laporan ini telah diterjemahkan daripada laporan asal (dalam Bahasa Inggeris). Jika terdapat perbezaan, sila rujuk kepada laporan Bahasa Inggeris.

2.0 Trustee's Report



FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

TO THE UNITHOLDERS OF BIMB *i* GROWTH

We have acted as Trustee for BIMB *i* Growth ("the Fund") for the financial year ended 30 June 2019. To the best of our knowledge, BIMB Investment Management Berhad ("the Manager") has managed the Fund in the financial year under review in accordance with the following:

1. Limitations imposed on the investment powers of the Manager under the Deeds, securities laws and Guidelines on Unit Trust Funds;
2. Valuation and pricing of the Fund are carried out in accordance with the Deeds and any regulatory requirement; and
3. Creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

For **Maybank Trustees Berhad**

(Company No. : 5004-P)

Bernice K M Lau

Head, Operations

Kuala Lumpur, Malaysia

Date: 30 August 2019

3.0 Shariah Committee's Report

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

To the Unitholders of
BIMB *i* Growth

We have acted as the Shariah Committee of BIMB *i* Growth.

Our responsibilities are to ensure that the procedures and processes employed by BIMB Investment Management Berhad and that the provisions of the Deed dated 17 May 1994 and the Supplementary Deeds are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB *i* Growth in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 30 June 2019.

In addition, we also confirm that the investment portfolio of BIMB *i* Growth comprise securities which have been classified as Shariah-compliant by the Shariah Advisory Council (SAC) of the Securities Commission, as the case may be and that all deposits and money market instruments placed by the Fund are classified as Shariah-compliant by the SAC of Bank Negara Malaysia.

For and on behalf of the Shariah Committee

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

.....
ASSOC. PROF. DR. ASMAK AB. RAHMAN
(Committee Member)

.....
DR. AZRUL AZLAN ISKANDAR MIRZA
(Committee Member)

Date: 30 August 2019

4.0 Directors' Declaration

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

To the Unitholders of

BIMB *i* Growth

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* Growth 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 30 June 2019 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: 30 August 2019

5.0 Independent Auditors' Report To The Unitholders Of BIMB i Growth (Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BIMB i Growth ("the Fund"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 27 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2019, 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 Unit Trust Funds 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 and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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 information included in the annual 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 annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the annual report and, in doing so, consider whether annual report 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 the annual report, 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 Unit Trust Funds 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.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the ability of the Fund 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 this financial statement.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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.

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

- 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 ability of the Fund 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 gives a true and fair view.

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 matter

This report is made solely to the unitholders of the Fund, as a body, in accordance with Securities Commission's Guidelines on Unit Trust Funds 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

Petaling Jaya, Selangor

Date: 30 August 2019

Adrian Lee Lye Wang
Approval Number: 02679/11/2019 J
Chartered Accountant

6.0 Financial Statements (Audited)

BIMB iGrowth

6.1 Statement of Financial Position as at 30 June 2019

	Note	2019 RM	2018 RM
Assets			
Quoted securities	4	21,234,445	30,707,133
Amount due from stockbrokers	5	477,680	3,526,437
Amount due from Manager		-	4,389
Other receivables		85,047	156,285
Current tax assets		-	16,303
Cash and cash equivalents	6	5,772,170	675,172
Total assets		<u>27,569,342</u>	<u>35,085,719</u>
Liabilities			
Amount due to Manager		11,058	-
Other payables		63,239	75,396
Total liabilities		<u>74,297</u>	<u>75,396</u>
Net asset value		<u>27,495,045</u>	<u>35,010,323</u>
Unitholders' fund			
Unitholders' capital	7	119,433,239	122,624,369
Accumulated losses		(91,938,194)	(87,614,046)
Net asset value attributable to unitholders		<u>27,495,045</u>	<u>35,010,323</u>
Number of units in circulation	7	<u>89,783,147</u>	<u>98,744,885</u>
Net asset value per unit (sen)		<u>30.62</u>	<u>35.46</u>

The notes on pages 31 to 54 are an integral part of these financial statements.

6.2 Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2019

	Note	2019 RM	2018 RM
Income			
(Loss)/gain on sale of quoted securities		(8,324,410)	2,485,021
Gross dividend income from quoted securities		716,494	928,645
Income from short term investments		98,167	128,299
Net unrealised gain/(loss) from financial instruments at fair value through profit or loss		<u>3,708,727</u>	<u>(5,976,893)</u>
Gross loss		<u>(3,801,022)</u>	<u>(2,434,928)</u>
Expenses			
Manager's fee	8	483,920	568,520
Trustee's fee	9	19,357	22,741
Audit fee		13,000	13,000
Tax agent's fee		6,000	3,250
Administrative expenses		<u>24,089</u>	<u>76,197</u>
		<u>546,366</u>	<u>683,708</u>
Net loss before taxation		(4,347,388)	(3,118,636)
Tax refund	10	<u>23,240</u>	<u>-</u>
Net loss after taxation /Total comprehensive loss for the year		<u>(4,324,148)</u>	<u>(3,118,636)</u>
Total comprehensive loss for the year consist of:			
Realised amount		(8,032,875)	2,858,257
Unrealised amount		<u>3,708,727</u>	<u>(5,976,893)</u>
		<u>(4,324,148)</u>	<u>(3,118,636)</u>

The notes on pages 31 to 54 are an integral part of these financial statements.

6.3 Statement of Changes in Net Asset Value for the financial year ended 30 June 2019

	Unitholders' capital	Accumulated losses	Total
	RM	RM	RM
As at 1 July 2017	120,178,172	(84,495,410)	35,682,762
Creation of units	9,732,960	-	9,732,960
Cancellation of units	(7,286,763)	-	(7,286,763)
Total attributable to unitholders	2,446,197	-	2,446,197
Total comprehensive loss for the year	-	(3,118,636)	(3,118,636)
As at 30 June 2018/1 July 2018	122,624,369	(87,614,046)	35,010,323
Creation of units	3,133,841	-	3,133,841
Cancellation of units	(6,324,971)	-	(6,324,971)
Total attributable to unitholders	(3,191,130)	-	(3,191,130)
Total comprehensive loss for the year	-	(4,324,148)	(4,324,148)
As at 30 June 2019	119,433,239	(91,938,194)	27,495,045

The notes on pages 31 to 54 are an integral part of these financial statements.

6.4 Statement of Cash Flows for the financial year ended 30 June 2019

	2019	2018
	RM	RM
Cash flows from operating activities		
Proceeds from sale of quoted securities	58,653,370	106,023,092
Purchase of quoted securities	(50,747,608)	(108,991,057)
Dividend received	788,796	867,062
Income from short term investments	97,103	128,344
Payment for administrative expenses	(25,211)	(80,591)
Management fee paid	(494,531)	(569,846)
Trustee fee paid	(19,781)	(22,794)
Tax agent fee paid	(6,000)	(5,000)
Audit fee paid	(13,000)	(13,042)
Cash generated from/(used in) operating activities	8,233,138	(2,663,832)
Tax refund	39,543	-
Net cash generated from/(used in) operating activities	8,272,681	(2,663,832)
Cash flows from financing activities		
Cash receipt for creation of units	3,138,583	9,728,019
Cash payment for cancellation of units	(6,314,266)	(7,314,606)
Net cash (used in)/generated from financing activities	(3,175,683)	2,413,413
Net increase/(decrease) in cash and cash equivalents	5,096,998	(250,419)
Cash and cash equivalents at 1 July	675,172	925,591
Cash and cash equivalents at 30 June	5,772,170	675,172
Cash and cash equivalents comprise:		
Short term placements	5,661,300	573,164
Cash at bank	110,870	102,008
	5,772,170	573,164

The notes on pages 31 to 54 are an integral part of these financial statements.

6.5 Notes to the Financial Statements

1. Information on the Fund

BIMB i Growth (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 17 May 1994 and the various Supplemental Deeds between the Manager - BIMB Investment Management Berhad, the Trustee - Maybank 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 stocks and shares of companies quoted on Bursa Malaysia and 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 30 August 2019.

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 Unit Trust Funds (“Guidelines”) in Malaysia.

This is the first set of the Fund’s annual financial statements in which MFRS 9 *Financial Instruments* and MFRS 15 *Revenue from Contracts with Customers* has been applied. There were no material impact arising from the adoption of MFRS 15 and MFRS 9 on the Fund’s financial statements other than the change in accounting policies as disclosed in Note 3.

The following are accounting standards, interpretations and amendments 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 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, *Financial Instruments – 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 119, *Employee Benefits (Plan Amendment, Curtailment or Settlement)*

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- 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 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

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 July 2019 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2019; and
- from the annual period beginning on 1 July 2020 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2020.

The Fund does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Fund.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current year and prior year financial statements of the Fund.

2. Basis of preparation (continued)

(b) Basis of measurement

The financial statements are prepared on the historical cost basis.

(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.

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 a 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 year presented in these financial statements, unless otherwise stated.

(a) Financial instruments

Unless specifically disclosed below, the Fund generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Fund has elected not to restate the comparative.

(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.

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) Initial recognition and measurement (continued)

Current financial year

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

Previous financial year

Financial instrument was recognised initially, at its fair value plus or minus in the case of a financial instrument not at fair value through profit or loss, transaction costs that were 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

Current financial year

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss.

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

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

Financial assets (continued)

Current financial year (continued)

(a) Amortised cost (continued)

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impairment financial assets (see Note 3 (d)) where the effective profit rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any profit or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Previous financial year

In the previous financial year, financial assets of the Fund were classified and measured under MFRS 139, *Financial Instruments: Recognition and Measurements* as follows:

(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 the statement of profit or loss.

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

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

Financial assets (continued)

Previous financial year (continued)

b) Financing and receivables

Financing and receivables category comprised amount due from stockbroker, amount due from Manager, other receivables and cash and cash equivalents.

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

All financial assets were subject to impairment assessment, see Note 3(d).

Financial liabilities

Current financial year

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective profit method.

Previous financial year

All financial liabilities were subsequently measured at amortised cost.

(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.

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(iii) Derecognition (continued)

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

(i) Dividend income

Dividend income is recognised in profit or loss on the date that the Fund's right to receive payment is established, which in the case of quoted shares is the entitlement date.

(ii) Income from short term investments

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

(iii) Gain on sale of investments

The realised gain on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount for determining the realised gain on sale of investments is based on the weighted average cost method and where applicable adjusted for accretion for discount and amortisation of premium.

(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 amortised cost (2018: financing and receivables).

3. Significant accounting policies (continued)

(d) Impairment

Financial assets

The Fund generally applied the following account policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Fund elected not to restate the comparatives.

Current financial year

The Fund recognised loss allowances for expected credit losses on financial assets measured at amortised costs. Expected credit losses are a probability-weighted estimate of credit losses.

The Fund measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when expected credit loss, the Fund consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Fund is exposed to credit risk.

The Fund estimate the expected credit losses on other receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Fund assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. Significant accounting policies (continued)

(d) Impairment (continued)

Financial assets (continued)

Current financial year (continued)

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recover amount due.

Previous financial year

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 or receivable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

(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.

3. Significant accounting policies (continued)

(f) Unitholders' capital (continued)

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 Unit Trust Funds 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 other financial assets 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.

(g) Distribution

Distribution is at 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 a liability 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.

3. Significant accounting policies (continued)

(i) Fair value measurement (continued)

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. Quoted securities

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 30 June 2019				
<u>Main Market</u>				
(i) Construction				
Gamuda Bhd.	345,000	1,242,325	1,297,200	4.72
Sunway Construction Group Bhd.	270,000	551,365	542,700	1.97
WCT Bhd.	500,000	527,843	530,000	1.93
	1,115,000	2,321,533	2,369,900	8.62
(ii) Consumer products & services				
AEON Co. (M) Bhd.	350,000	600,366	591,500	2.15
Fraser & Neave Holdings Bhd.	16,000	552,891	552,960	2.01
Padini Holdings Bhd.	490,000	1,763,424	1,773,800	6.45
Salutica Bhd.	3,599,400	2,821,025	1,079,820	3.93
	4,455,400	5,737,706	3,998,080	14.54
(iii) Energy				
Serba Dinamik Holdings Bhd.	240,000	984,807	967,200	3.52
Yinson Holdings Bhd.	21,500	131,782	130,935	0.47
	261,500	1,116,589	1,098,135	3.99
(iv) Health care				
Hartalega Holdings Bhd.	165,000	857,063	864,600	3.14
Kossan Rubber Industries Bhd.	72,500	276,414	289,275	1.05
Supermax Corporation Bhd.	580,000	960,452	968,600	3.52
Top Glove Corporation Bhd.	108,900	551,150	534,699	1.95
	926,400	2,645,079	2,657,174	9.66
(v) Industrial products & services				
Pansar Bhd.	1,601,850	878,053	784,907	2.86
Petronas Chemicals Group Bhd.	133,000	1,105,229	1,117,200	4.06
SCGM Bhd.	65,000	115,806	55,575	0.20
SKP Resources Bhd.	399,100	596,307	522,821	1.90
Superlon Holdings Bhd.	1,234,800	1,965,523	1,228,626	4.47
	3,433,750	4,660,918	3,709,129	13.49

4. Quoted securities (continued)

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 30 June 2019				
<u>Main Market (continued)</u>				
(vi) Property				
Matrix Concepts Holdings Bhd.	705,000	1,411,540	1,339,500	4.87
(vii) Technology				
GHL Systems Bhd.	920,000	1,269,836	1,389,200	5.05
JHM Consolidation Bhd.	1,180,000	1,494,486	1,486,800	5.41
MMS Ventures Bhd.	70,000	88,638	48,650	0.18
Securemetrix Bhd.	750,000	421,271	412,500	1.50
Vivocom International Holdings Bhd.	5,213,750	1,273,280	104,275	0.38
	<u>8,133,750</u>	<u>4,547,511</u>	<u>3,441,425</u>	<u>12.52</u>
(viii) Telecommunications & media				
Time Dotcom Bhd.	63,000	558,401	565,110	2.06
Telekom Malaysia Bhd.	165,000	608,998	660,000	2.40
	<u>228,000</u>	<u>1,167,399</u>	<u>1,225,110</u>	<u>4.46</u>
(ix) Transportation & logistics				
Xin Hwa Holdings Bhd.	2,251,600	2,025,942	1,395,992	5.08
Total quoted securities as at 30 June 2019	<u>21,510,400</u>	<u>25,634,217</u>	<u>21,234,445</u>	<u>77.23</u>

4. **Quoted securities (continued)**

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 30 June 2018				
<u>Main Market</u>				
(i) Consumer products & services				
IQ Group Holdings Bhd.	100,000	332,044	130,000	0.37
Lay Hong Bhd.	1,944,200	1,871,562	1,798,385	5.14
Perak Transit Bhd.	7,266,000	2,043,506	1,852,830	5.29
Power Root Bhd.	205,000	358,099	362,850	1.04
Salutica Bhd.	3,573,000	2,947,662	2,072,340	5.92
	<u>13,088,200</u>	<u>7,552,873</u>	<u>6,216,405</u>	<u>17.76</u>
(ii) Energy				
Dayang Enterprise Holdings Bhd.	302,000	951,163	196,300	0.56
Perdana Petroleum Bhd.	91,766	-	17,894	0.05
Velesto Energy Bhd.	172,210	72,328	48,219	0.14
	<u>565,976</u>	<u>1,023,491</u>	<u>262,413</u>	<u>0.75</u>
(iii) Health care				
Kossan Rubber Industries Bhd.	363,000	2,580,642	3,063,720	8.75
(iv) Industrial products & services				
Evergreen Fibreboard Bhd.	2,867,700	2,805,540	1,290,465	3.69
HeveaBoard Bhd.	2,545,000	2,575,250	1,997,825	5.71
SCGM Bhd.	182,000	324,257	256,620	0.73
Superlon Holdings Bhd.	550,600	1,092,642	594,648	1.70
V.S. Industry Bhd.	166,000	312,277	257,300	0.73
	<u>6,311,300</u>	<u>7,109,966</u>	<u>4,396,858</u>	<u>12.56</u>

4. Quoted securities (continued)

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 30 June 2018				
<u>Main Market (continued)</u>				
(v) Technology				
Dagang NeXchange Bhd.	30,000	14,791	11,850	0.03
Elsoft Research Bhd.	240,000	653,620	619,200	1.77
Inari Amertron Bhd.	1,261,000	2,496,882	2,849,860	8.14
Malaysian Pacific Industries Bhd.	328,600	4,208,264	3,364,864	9.61
Notion VTec Bhd.	262,000	321,221	140,170	0.40
Pentamaster Corporation Bhd.	1,232,000	2,898,436	3,018,400	8.62
Unisem (M) Bhd.	1,414,000	4,591,221	3,266,340	9.33
ViTrox Corporation Bhd.	445,000	2,521,159	2,483,100	7.09
Vivocom International Holdings Bhd.	6,213,750	1,517,495	341,756	0.98
	<u>11,426,350</u>	<u>19,223,089</u>	<u>16,095,540</u>	<u>45.97</u>
(vi) Transportation & logistics				
E.A. Technique (M) Bhd.	795,000	1,034,441	325,950	0.93
Xin Hwa Holdings Bhd.	251,600	291,130	221,408	0.63
	<u>1,046,600</u>	<u>1,325,571</u>	<u>547,358</u>	<u>1.56</u>
(vii) Warrant				
Notion VTec Bhd.	26,200	-	5,764	0.02
Perak Transit Bhd.	1,082,500	-	119,075	0.34
	<u>1,108,700</u>	<u>-</u>	<u>124,839</u>	<u>0.36</u>
Total quoted securities as at 30 June 2018	<u>33,910,126</u>	<u>38,815,632</u>	<u>30,707,133</u>	<u>87.71</u>

5. Amount due from stockbrokers

Amount due from stockbrokers represent receivables for Shariah-compliant securities sold and payables for that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

6. Cash and cash equivalents

	2019	2018
	RM	RM
<i>Short term placements with maturity less than 30 days:</i>		
Commodity Murabahah	5,661,300	573,164
Cash at bank	110,870	102,008
	<u>5,772,170</u>	<u>675,172</u>

7. Unitholders' capital

	No. of units	RM
As at 30 June 2017/1 July 2017	92,616,520	120,178,172
Creation of units	24,612,426	9,732,960
Cancellation of units	<u>(18,484,061)</u>	<u>(7,286,763)</u>
As at 30 June 2018/1 July 2018	98,744,885	122,624,369
Creation of units	8,431,078	3,133,841
Cancellation of units	<u>(17,392,816)</u>	<u>(6,324,971)</u>
As at 30 June 2019	<u>89,783,147</u>	<u>119,433,239</u>

8. Manager's fee

The manager's fee payable to the Manager of the Fund is based on 1.50% (2018: 1.50%) per annum of the net asset value of the Fund calculated on a daily basis.

9. Trustee's fee

The trustee's fee payable to the trustee of the Fund is based on 0.06% (2018: 0.06%) per annum subject to a minimum of RM18,000 (2018: RM18,000) of the net asset value of the Fund calculated on a daily basis.

10. Tax refund

	2019	2018
	RM	RM
Tax refund		
- Current year	<u>23,240</u>	<u>-</u>
<i>Reconciliation of effective tax expense</i>		
Net loss before taxation	<u>(4,347,388)</u>	<u>(3,118,636)</u>
Income tax using Malaysian tax rate @ 24%	(1,043,373)	(748,472)
Non-assessable income	(1,085,613)	(832,713)
Non-deductible expenses	2,003,944	1,423,333
Restrictions on the tax deductible expenses for unit trust funds	125,042	157,852
Under provision on tax refund	<u>23,240</u>	<u>-</u>
	<u>23,240</u>	<u>-</u>

11. Units held by related parties

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

	2019		2018	
	Units	RM	Units	RM
Bank Islam Malaysia Berhad	6,000,000	1,837,200	6,000,000	2,127,600
Lembaga Tabung Haji	<u>2,040,000</u>	<u>624,648</u>	<u>2,040,000</u>	<u>723,384</u>

The Manager does not hold any unit in the Fund as at 30 June 2019 and 30 June 2018.

12. Transactions with related parties

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

	Transactions as at		Balance as at	
	2019	2018	2019	2018
	RM	RM	RM	RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	-	4,389
- Amount due to Manager	-	-	(11,509)	-
- Management fee	483,920	568,520	(31,588)	(42,199)
<i>Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placements	(24,084)	(54,597)	-	-
<i>Related company of the Manager</i>				
BIMB Securities Sdn. Bhd.				
- Sales	(14,950,670)	(24,876,826)	-	-
- Purchase	5,112,944	25,300,502	-	-
- Brokerage fee	54,186	142,922	-	-
<i>The Trustee</i>				
Maybank Trustees Berhad				
- Trustee fee	19,357	22,741	(1,264)	(1,688)

13. Transactions with related and other stockbroking companies

	Value of trade	Percentage of total trade	Brokerage fee	Percentage of total brokerage fee
	RM	%	RM	%
2019				
BIMB Securities Sdn. Bhd.*	20,063,614	18.86	54,186	18.99
RHB Investment Bank Bhd.	19,185,960	18.04	49,978	17.52
MIDF Amanah Investment Bank Bhd.	18,096,361	17.01	48,764	17.09
TA Securities Holdings Bhd.	14,048,777	13.21	37,024	12.98
Hong Leong Investment Bank Bhd.	7,330,944	6.89	19,812	6.94
CIMB Investment Bank Bhd.	6,981,619	6.56	19,003	6.66
Alliance Investment Bank Bhd.	5,368,758	5.05	14,963	5.24
KAF Seagroatt & Campbell Securities Sdn. Bhd.	5,296,898	4.98	13,907	4.87
Public Investment Bank Bhd.	3,455,746	3.25	9,835	3.45
Maybank Investment Bank Bhd.	3,413,825	3.21	9,105	3.19
Others	3,121,380	2.94	8,760	3.07
	<u>106,363,882</u>	<u>100.00</u>	<u>285,337</u>	<u>100.00</u>

13. Transactions with related and other stockbroking companies (continued)

	Value of trade RM	Percentage of total trade %	Brokerage fee RM	Percentage of total brokerage fee %
2018				
RHB Investment Bank Bhd.	53,623,113	24.54	145,803	24.03
BIMB Securities Sdn. Bhd.*	50,177,328	22.96	142,922	23.56
MIDF Amanah Investment Bank Bhd.	36,532,836	16.72	100,444	16.56
CIMB Investment Bank Bhd.	21,346,416	9.77	58,817	9.70
TA Securities Holdings Bhd.	18,742,168	8.58	51,074	8.42
Maybank Investment Bank Bhd.	11,103,864	5.08	32,304	5.32
KAF Seagroatt & Campbell Securities Sdn. Bhd.	8,368,766	3.83	24,088	3.97
Alliance Investment Bank Bhd.	7,222,840	3.30	19,477	3.21
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	4,775,863	2.18	12,805	2.11
Hong Leong Investment Bank Bhd.	2,694,755	1.23	7,472	1.23
Others	3,960,037	1.81	11,491	1.89
	<u>218,547,986</u>	<u>100.00</u>	<u>606,697</u>	<u>100.00</u>

* Transactions with the related party have been entered into in the normal course of business at agreed terms between the related parties.

14. Management Expense Ratio (“MER”)

The management expense ratio for the financial year is 1.69% (2018: 1.80%). 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 1.77 times (2018: 2.84 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 as at 30 June 2019 categorised as follows:

- (a) Fair value through profit or loss ("FVTPL");
- (b) Amortised cost ("AC").

	Carrying amount RM	AC RM	FVTPL RM
2019			
Financial assets			
Quoted securities	21,234,445	-	21,234,445
Amount due from stockbrokers	477,680	477,680	-
Other receivables	85,047	85,047	-
Cash and cash equivalents	5,772,170	5,772,170	-
	<u>27,569,342</u>	<u>6,334,897</u>	<u>21,234,445</u>
Financial liabilities			
Amount due to Manager	(11,058)	(11,058)	-
Other payables	(63,239)	(63,239)	-
	<u>(74,297)</u>	<u>(74,297)</u>	<u>-</u>

The table below provides an analysis of financial instruments as at 30 June 2018 categorised as follows:

- (a) Financing and receivables ("F&R");
- (b) Fair value through profit or loss ("FVTPL");
- (c) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	F&R/ (FL) RM	FVTPL RM
2018			
Financial assets			
Quoted securities	30,707,133	-	30,707,133
Amount due from stockbrokers	3,526,437	3,526,437	-
Amount due from Manager	4,389	4,389	-
Other receivables	156,285	156,285	-
Cash and cash equivalents	675,172	675,172	-
	<u>35,069,416</u>	<u>4,362,283</u>	<u>30,707,133</u>
Financial liabilities			
Other payables	<u>(75,396)</u>	<u>(75,396)</u>	<u>-</u>

16. Financial instruments (continued)

16.2 Net gains and losses arising from financial instruments

	2019 RM	2018 RM
Net losses on:		
Fair value through profit or loss:		
- Designated upon initial recognition		
Realised (loss)/profit	(7,607,916)	3,413,666
Unrealised profit/(loss)	3,708,727	(5,976,893)
Financing and receivables	-	128,299
Amortised cost	98,167	-
	<u>(3,801,022)</u>	<u>(2,434,928)</u>

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

16.4 Credit risk

Credit risk is the risk of a financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations. The Fund's exposure to credit risk arises principally from its investment securities, receivables 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. Financial instruments (continued)

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 which are due within one year.

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 and other instruments, 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 will affect the Fund's financial position or cash flows.

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 was:

	Effective profit rate per annum %	2019 RM	Effective profit rate per annum %	2018 RM
Fixed rate instruments				
Short term placements with maturity less than 30 days:				
Commodity Murabahah	2.87 - 2.95	5,661,300	3.30	573,164

Fair value sensitivity analysis for fixed rate instruments

The Fund accounts for the deposits with licensed financial institutions at amortised cost. Therefore a change in profit rates at the end of the reporting year would not affect profit or loss. The deposits with licensed financial institutions will mature within 1 month from the date of financial position.

Market price risk

Equity price risk arises from the Fund's investments in quoted securities.

Risk management objectives, policies and processes for managing the risk

The Fund is restricted to invest in securities issued by any issuer of not more than 10% of its net asset value. Under such restriction, the exposure risk to the securities of any issuer is mitigated.

16. Financial instruments (continued)

16.6 Market risk (continued)

Market price risk (continued)

Price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Fund's equity investments are positively correlated to each other.

A 10% strengthening in the equity prices at the end of the reporting year would have increased the net asset value and unitholders' fund by RM2,123,445 (2018: RM3,070,713). A 10% weakening in equity prices would have had equal but opposite effect on the net asset value and unitholders' fund respectively.

16.7 Fair value of financial instruments

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

The table below analyses financial instruments carried at fair value and their carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Carrying amount RM
	Level 1	Level 2	Level 3	Total	
	RM	RM	RM	RM	
2019					
Financial assets					
Quoted securities	21,234,445	-	-	21,234,445	21,234,445
2018					
Financial assets					
Quoted securities	30,707,133	-	-	30,707,133	30,707,133

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Quoted equities

Quoted equities in Malaysia are valued at closing market price quoted on the Bursa Malaysia at the date of the statement of financial position, in accordance with the Deed. Unrealised gain or loss is taken to statement of profit or loss and other comprehensive income.

16. Financial instruments (continued)

16.7 Fair value of financial instruments (continued)

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2018: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

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.

7.0 Corporate Directory

Manager	<p>BIMB Investment Management Berhad</p> <p>Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Business Office Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Board of Directors	<p>Nik Mohd Hasyudeen Yusoff (Chairman – Non-Executive Independent Director) Dato' Ghazali Awang (Non-Executive Independent Director) Datuk Noripah Kamso (Non-Executive Independent Director – Resigned w.e.f. 14 December 2018) Dr. Mohd Hatta Dagap (Non-Executive Independent Director) Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director - Resigned w.e.f. 28 June 2019) Datin Maznah Mahbob (Non-Executive Independent Director – Appointed w.e.f. 1 April 2019) Azizan Abd Aziz (Non-Executive Non Independent Director - Appointed w.e.f. 22 August 2019) Najmuddin Mohd Lutfi (Chief Executive Officer)</p>
Shariah Committee	<p>Dr. Ahmad Shahbari @ Sobri Salamon Dr. Yusof Ramli (Resigned w.e.f. 31 March 2019) Assoc. Prof. Dr. Asmak Ab. Rahman Dr. Azrul Azlan Iskandar Mirza (Appointed w.e.f. 1 April 2019)</p>
Investment Committee	<p>Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member) Datuk Noripah Kamso (Independent Member – Resigned w.e.f. 14 December 2018) Mohd Radzuan Ahmad Tajuddin (Independent Member) Datin Maznah Mahbob (Appointed w.e.f. 1 April 2019)</p>
Audit Committee	<p>Dato' Ghazali Awang (Chairman - Independent Member) Dr. Mohd Hatta Dagap (Independent Member) Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Member - Resigned w.e.f. 28 June 2019) Azizan Abd Aziz (Non-Executive Non Independent Director - Appointed w.e.f. 22 August 2019)</p>
Company Secretaries	<p>Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur</p> <p>Aidil Haznul Zulkifli (MACS 01638) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>

Key Management	Najmuddin Mohd Lutfi (Chief Executive Officer) Abd Razak Salimin (Head of Investment) Mohd Hamidullah Che Hassan (Head of Compliance)
Principal Banker	Malayan Banking Berhad KL Main Office, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur
Trustee	Maybank Trustees Berhad (5004-P) 8 th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
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