

# **BIMB i FLEXI FUND**

ANNUAL REPORT FOR THE FINANCIAL  
YEAR ENDED 31 MARCH 2019

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN  
BERAKHIR 31 MAC 2019*

**BIMB**  **INVESTMENT**  
A BANK ISLAM  
SUBSIDIARY

**MANAGER:**  
BIMB INVESTMENT MANAGEMENT BERHAD (276246-X)

# TABLE OF CONTENT

<b>No.</b>	<b>Particulars</b>	<b>Page</b>
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 31 March 2019	4
1.3	Economic and Market Review	7
1.4	Market Outlook and Strategy	11
1.5	Asset Allocation as at 31 March 2019	12
1.6	Other Performance Data for the Financial Year Ended 31 March 2019	13
1.7	Unit Holdings as at 31 March 2019	14
1.8	Policy on Rebate and Soft Commission	14
2.0	Trustee's Report	28
3.0	Shariah Committee's Report	29
4.0	Directors' Declaration Report	30
5.0	Independent Auditors' Report	31
6.0	Financial Statements (Audited)	34
7.0	Corporate Directory	58

## 1.0 Manager's Report

Dear Unit Holders,

We are pleased to present the Manager's report of BIMB iFlexi Fund for the financial year ended 31 March 2019.

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

<b>Fund Name</b>	BIMB iFlexi Fund
<b>Fund Type</b>	Growth
<b>Fund Category</b>	Shariah-Compliant Mixed Asset
<b>Fund Investment Objective</b>	<p>The Fund seeks to achieve long term<sup>1</sup> capital growth by investing in a diversified portfolio of Shariah-compliant securities.</p> <p><b>Note:</b></p> <p><i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Fund Performance Benchmark</b>	<p>The selected performance benchmark for this Fund is based on 50:50 ratio of the FBM Emas Shariah Index and 12-month Term Deposit-i Tawarruq (TDT-i) rate of Bank Islam Malaysia Berhad.</p> <p><b>Note:</b></p> <p><i>The benchmark reflects the investment and asset allocation strategies of the Fund, where the Fund is allowed to invest its asset in Shariah-compliant equities as well as Sukuk and Islamic money market instruments, depending on the outlook of the market. The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</i></p>
<b>Fund Distribution Policy</b>	The distribution of income is incidental.

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<sup>1</sup> Long term in this context refers to a period of more than five (5) years.

## **1.2 Performance for the financial year ended 31 March 2019**

### **1.2.1 Performance review**

For the financial year under review, BIMB *i* Flexi Fund (“the Fund”) registered a return of -6.07% as compared to its benchmark’s return of -4.14%. The Fund’s performance was dragged down by underperformance in equities on the trade war escalation between the United States (“US”) and China. Export driven sectors such as technology has been negatively impacted by this development.

Our strategy has consistently been to remain focus on well-established companies that have better prospects for earnings growth and capital appreciation.

As at 31 March 2019, the Fund has 91.90% exposure to equities and 8.10% to cash and money market instruments. The total NAV of the Fund is RM3.27 million whereas the NAV per unit of the Fund is RM0.2075.

For the financial year under review, 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.

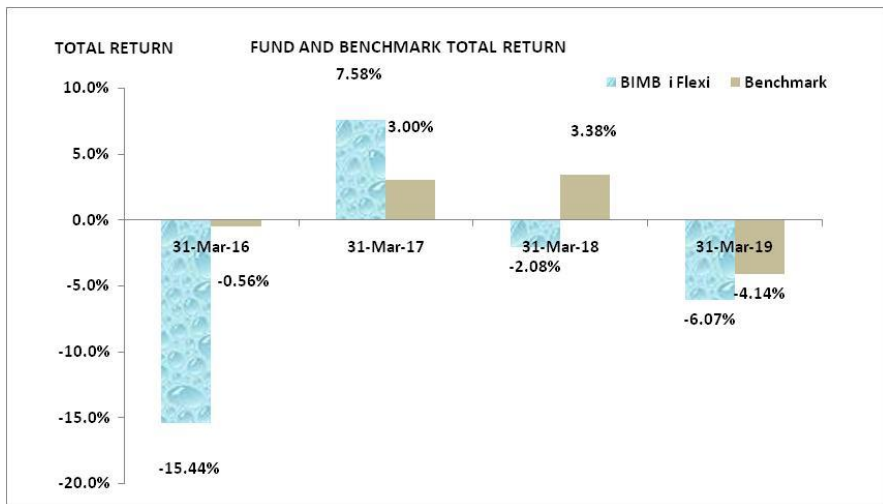
### 1.2.2 Total return and average total return for the financial year ended 31 March 2019

Period	BIMB / Flexi Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-6.07	-6.07	-4.14	-4.14
2-Year	-8.02	-4.01	-0.89	-0.445
3-Year	-1.05	-0.35	2.07	0.69

### 1.2.3 Total return for the last 5 financial years

Financial Year	Total Return	
	BIMB / Flexi Fund (%)	Benchmark (%)
31 March 2019	-6.07	-4.14
31 March 2018	-2.08	3.38
31 March 2017	7.58	3.00
31 March 2016	-15.44	-0.56
31 March 2015	-0.80	1.61

**Figure 1: Movement of the Fund versus the Benchmark**



**Note:**

*Data Source* : BIMB Investment Management Berhad

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

*Benchmark* : 50: 50 FBM Emas Shariah Index & 12-month Term Deposit-i Tawarruq (TDT-i) rate of Bank Islam Malaysia Berhad

**Notes:**

1. **Total Return** of the Fund has been verified by Novagni Analytics & Advisory 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

### Economy

#### a) Global

- United States (US) registered GDP growth of 3.2% in the first quarter of 2019 as compared to 2.2% in the fourth quarter of 2018 and 3.4% in the third quarter of 2018. The growth was supported by consumer spending, higher export, surge in inventory investment and higher government spending. US inflation rate remained at 1.9% in March 2019 and was lower compared to 2.4% March 2018. US unemployment rate continues to improve to 3.8% in March 2019 as compared to 4.1% in March 2018.
- The Euro zone economy grew by 0.4% for the first quarter 2019 as compared to 0.2% in the fourth quarter of 2018 and 0.1% in the third quarter of 2018. The Euro zone's economic performance was fuelled by lower unemployment, rising wages and stronger consumer demand. The Euro zone inflation rate remains unchanged at 1.4% in March 2019 as compared to March 2018. Unemployment in the Euro zone has fallen to 7.8% in March 2019 from 8.5% in March 2018.
- The Chinese economy grew by 6.4% for the first quarter of 2019, unchanged compared to the fourth quarter of 2018 and slightly lower compared to the third quarter of 2018. During the first quarter of 2019, Industrial output growth accelerated markedly and consumer demand strengthened amid government's pro-growth policies, which helped stabilize sentiments rattled by trade dispute with the US.

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

#### b) Local

- The Malaysian economy grew at 4.5% in the first quarter of 2019, expanded at a slower pace as compared to 4.7% the fourth quarter of 2018 but better than 4.4% in the third quarter of 2018. The recovery in the agriculture sector, in particular, crude palm oil production, continued expansion in private sector spending as well as high net exports were among the key economic growth drivers in the first quarter. Malaysia's inflation on the other hand increased to 0.2% in March 2019 compared to - 0.7% in January 2019, mainly driven by higher transport price.
- Bank Negara Malaysia ("BNM") has decided to maintain the Overnight Policy Rate (OPR) to 3.25% during the period under review. Growth momentum is showing signs of moderation amid slowing growth in most major advanced and emerging economies as well as unresolved trade tensions as key source of risk that is affecting global trade and investment activities. The international reserves of Bank Negara Malaysia increased to USD103.0 billion as at 29 March 2019.

The reserves position is sufficient to finance 7.5 months of retained imports and is 1.0 time total short-term external debt.

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

## **Market Review**

### **Equity**

For the financial period under review, FTSE Bursa Malaysia Emas Shariah Index (“FBM Shariah”) decreased by 1542.68 points or 11.66% from 13,230.74 points on the closing of 31<sup>st</sup> March 2018 to 11,688.06 points on 29<sup>th</sup> March 2019. Among the key factors that contributed to the movement of the index are highlighted below:

- In May 2018, the capital market entered into an era of uncertainty, as foreign investors shifted to risk-off mode amidst potential policy change. Consequently, the Ringgit depreciated against the Dollar from RM3.92/USD to RM3.98/USD, from foreign outflow. Towards month end, major infrastructure projects were reviewed in light of the alarming state of national finance.
- President Trump and President Xi agreed on a temporary truce after their G20 meeting in end November 2018. As previously announced, the US will temporarily hold off the increase of 10% tariff to 25% on USD200 billion of Chinese imports on January 1, 2019. There will be a 90-day period of negotiation to address trade imbalances and other pertinent issues.
- 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. This is on the back of IMF slashing global GDP growth projection to a 3-year low to 3.5% from 3.7% in January 2019.

*(Source: Bloomberg and Bank Negara Malaysia)*

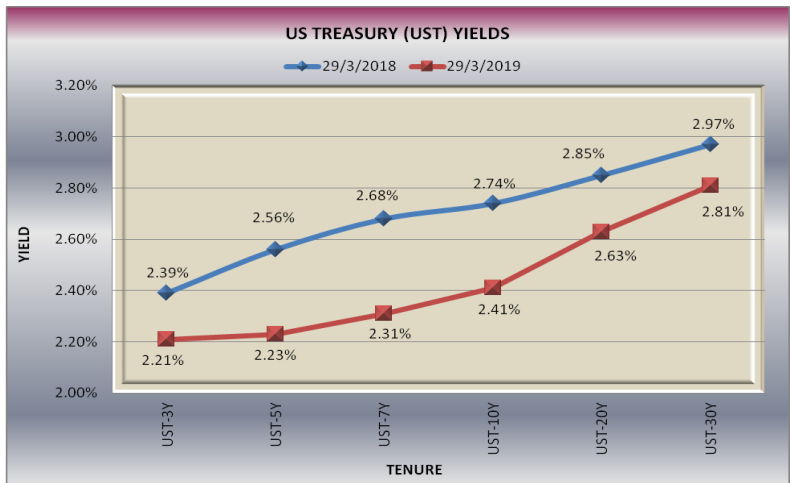


## Bond Market and Money Market

### a) Global

- The 10-year US Treasury (UST) yield rallied since Nov 2018 with yields coming down from near 3.25% to a low of 2.55% in Jan 2019 before then hovering in 2.60- 2.70% range in late Feb and close at 2.81% by end of March 2019. UST yields broke above 2.70% at start of March 2019 amid confidence on US-China trade.

Figure 2: US Treasury Yields



Source: US Treasury Department, 31 March 2019

### b) Local

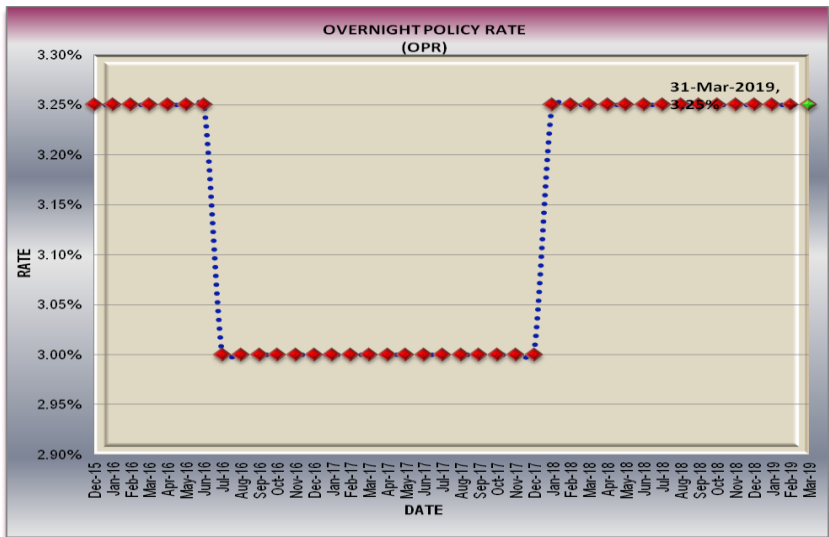
- The Malaysian Government Securities (MGS) and Government Investment Issue (GII) dominated the local bond market activities with traded volume of RM811.06 billion for the year under review. Local government bond rallied between 20 - 45 bps for the period under review as the Malaysian Ringgit sovereign curve shifted sharply lower from January through March amid abundant liquidity and Emerging Market inflows as the US Federal indicated a pause in its interest rate hike cycle.

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

Tenure/Date	31 March 2019 (%)	31 March 2018 (%)	Change * (bps)
<b>3-Year Bonds</b>			
GII	3.49	3.69	(20.0)
AAA Corporate	4.06	4.26	(20.0)
<b>5-Year Bonds</b>			
GII	3.66	3.88	(22.0)
AAA Corporate	4.15	4.44	(29.0)
<b>7-Year Bonds</b>			
GII	3.73	3.99	(26.0)
AAA Corporate	4.22	4.57	(35.0)
<b>10-Year Bonds</b>			
GII	3.81	4.20	(39.0)
AAA Corporate	4.30	4.75	(45.0)

*Source: Bond Pricing Agency Malaysia (BPAM), 31 March 2019*

**Figure 3: Overnight Policy Rate (OPR)**



*Source: Bank Negara Malaysia (BNM), 31 March 2019*

## 1.4 Market Outlook and Strategy

### a) Equity

- For the year 2019, global market sentiment will hinge on two main factors, predominantly the outcome of US-China trade war talks and the frequency of Federal Reserve rate hike execution. Overall we are positive that the domestic export sector will be the beneficiary of global consumer demand on technology products. The electrical and electronics sector's exposure over the fast growing automotive sector will also gain from the resilient consumer spending stemming from regional GDP growth, notwithstanding at a lower rate while domestic demand will continue to be the engine of growth, anchored by strong consumer spending and investments. BNM has not changed its projection for GDP to grow between 4.3% and 4.8%, while inflation is expected to be average between 0.7% and 1.7% in 2019.

### b) Sukuk Market & Money Market

- Looking beyond the near-term range, a rate cut by the BNM has been a major theme that supported the Malaysia Government Security (MGS) rally in March 2019, but is also one that is increasingly being priced in by market. An eventual overnight policy rate (OPR) cut may not add much momentum to the current rally unless the BNM cuts rate and also opens up room for further rate decrease.
- Our Sukuk strategy is to invest in good quality Sukuk with minimum AA3/AA-rating by Rating Agency Malaysia (RAM)/Malaysian Rating Corporation Berhad (MARC) at attractive profit rate. Our money market strategy is to invest in money market investments to maximize return while providing liquidity for investors.

## 1.5 Asset Allocation as at 31 March

<b>BIMB i Flexi Fund</b>	<b>2019 (%)</b>	<b>2018 (%)</b>	<b>2017 (%)</b>
<b>Investment in Quoted Securities</b>			
Consumer products	22.06	21.49	2.17
Industrial products	25.31	12.17	47.58
Infrastructure	-	5.33	5.38
Plantation	-	-	2.37
Technology	36.57	22.41	30.47
Trading and services	7.13	9.05	1.00
Warrant	0.84	5.83	-
	<b>91.91</b>	<b>76.28</b>	<b>88.97</b>
CASH AND SHORT TERM INVESTMENTS:	8.09	23.72	11.03
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 1.6 Other Performance Data for the Financial Year Ended 31 March

<b>BIMB / Flexi Fund</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Unit Prices (MYR)</b>			
Highest NAV per unit for the year	0.2528	0.2882	0.2275
Lowest NAV per unit for the year	0.1889	0.2200	0.1923
<b>Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Year</b>			
Total NAV (MYR)	3,268,500	3,606,794	6,165,178
Units in Circulation (UIC)	15,750,493	16,327,720	27,328,980
<b>NAV per unit (MYR)</b>	<b>0.2075</b>	<b>0.2209</b>	<b>0.2256</b>
<b>Return of Fund (%)</b>			
Capital Growth (%) <sup>(b)</sup>	-6.07	-2.08	7.58
Income Return (%) <sup>(c)</sup>	-	-	-
<b>Return of Fund (%)<sup>(a)</sup></b>	<b>-6.07</b>	<b>-2.08</b>	<b>7.58</b>
<b>Management Expense Ratio (MER) (%)<sup>(d)</sup></b>	<b>2.49</b>	<b>2.22</b>	<b>2.05</b>
<b>Portfolio Turnover Ratio (PTR) (times)<sup>(e)</sup></b>	<b>2.53</b>	<b>4.27</b>	<b>3.33</b>

### Note:

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

## 1.7 Unit Holdings as at 31 March 2019

Size of Holdings	BIMB / Flexi Fund			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	18	31.58	67,965.91	0.43
5,001 to 10,000	5	8.77	31,138.15	0.20
10,001 to 50,000	25	43.86	603,635.93	3.83
50,001 to 500,000	7	12.28	1,056,028.13	6.71
500,001 and above	2	3.51	13,991,724.83	88.83
<b>Grand Total for the Fund</b>	<b>57</b>	<b>100.00</b>	<b>15,750,492.95</b>	<b>100.00</b>

## 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 broker 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 rebate and soft commission from broker during the financial year.

For and on behalf of

The Manager

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Date: 29 May 2019**

## 1.0 Laporan Pengurus

### Para Pemegang Unit,

Kami dengan sukacitanya membentangkan laporan Pengurus BIMB i Flexi Fund bagi tahun berakhir pada 31 Mac 2019.

### 1.1 Nama Dana/ Jenis Dana/ Kategori Dana/ Objektif Pelaburan Dana/ Penanda Aras Dana/ Polisi Agihan Dana

<b>Nama Dana</b>	BIMB i Flexi Fund
<b>Jenis Dana</b>	Pertumbuhan
<b>Kategori Dana</b>	Aset Campuran Patuh Syariah
<b>Objektif Pelaburan Dana</b>	<p>Tujuan utama Dana ini adalah untuk mencapai pertumbuhan modal dalam jangkamasa panjang<sup>1</sup> dengan melabur dalam pelbagai portfolio sekuriti patuh Syariah.</p> <p><b>Nota:</b> <i>Sebarang perubahan ketara kepada objektif pelaburan Dana memerlukan kelulusan daripada Pemegang Unit.</i></p>
<b>Penanda Aras Dana</b>	<p>Penanda aras prestasi terpilih bagi Dana ini adalah berdasarkan kepada nisbah 50:50 Indeks FBM Emas Syariah dan pulangan 12 bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad.</p> <p><b>Nota:</b> <i>Penanda aras ini mencerminkan strategi pelaburan dan peruntukan aset Dana, di mana Dana dibenarkan untuk melaburkan asetnya ke dalam ekuiti patuh Syariah, Sukuk dan instrumen pasaran wang Islam, bergantung kepada prospek pasaran. Profil risiko Dana tidak sama dengan profil risiko penanda aras prestasi.</i></p>
<b>Polisi Agihan Dana</b>	Pengagihan pendapatan adalah sampingan

<sup>1</sup> Jangkamasa panjang dalam konteks ini merujuk kepada tempoh lebih dari lima (5) tahun.

## **1.2 Pencapaian bagi tahun kewangan berakhir pada 31 Mac 2019**

### **1.2.1 Kajian Pencapaian**

Bagi tahun kewangan dalam kajian, Dana BIMB *i* Flexi ("Dana") mencatatkan pulangan sebanyak -6.07% berbanding dengan pulangan penanda aras sebanyak -4.14%. Dana gagal mencapai matlamatnya untuk mencatat pertumbuhan modal dalam tempoh kajian berikutan keadaan pasaran yang buruk sehingga menjejaskan sektor teknologi dan eksport akibat kesan negatif perang perdagangan yang berlaku antara Amerika Syarikat (AS) dan China.

Strategi kami adalah secara konsistennya menumpukan kepada syarikat-syarikat yang terkenal atau ternama yang menawarkan prospek pertumbuhan pendapatan dan peningkatan modal.

Setakat 31 Mac 2019, pendedahan Dana dalam pasaran ekuiti ialah sebanyak 91.9% manakala 8.1% lagi dalam instrumen pasaran tunai dan wang. Jumlah NAB Dana adalah sebanyak RM3.27 juta manakala NAB seunit Dana adalah RM0.2075.

Bagi tahun kewangan dalam kajian, tidak terdapat 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.



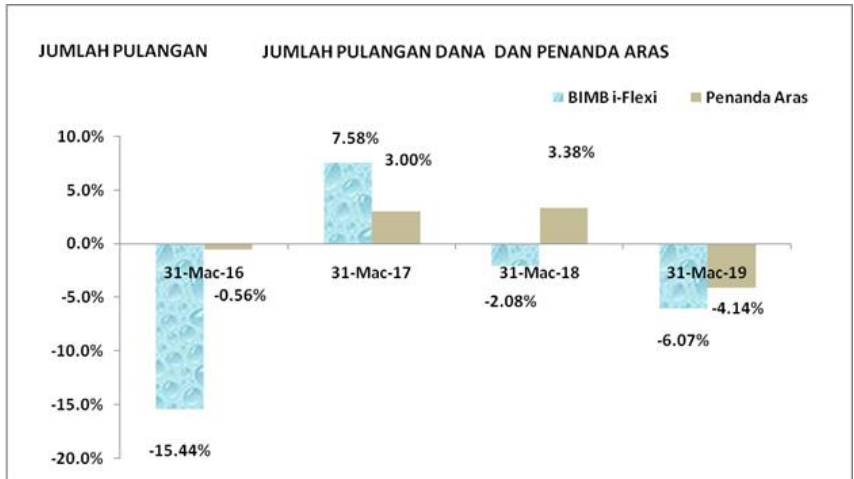
**1.2.2 Jumlah pulangan dan purata jumlah pulangan bagi tahun kewangan berakhir 31 Mac 2019**

Tempoh	BIMB <i>i</i> Flexi Fund		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1 Tahun	-6.07	-6.07	-4.14	-4.14
2 Tahun	-8.02	-4.01	-0.89	-0.445
3 Tahun	-1.05	-0.35	2.07	0.69

**1.2.3 Jumlah pulangan tahunan bagi 5 tahun kewangan yang lalu**

Tahun Kewangan	Jumlah Pulangan	
	BIMB <i>i</i> Flexi Fund (%)	BIMB <i>i</i> Flexi Fund (%)
31 Mac 2019	-6.07	-4.14
31 Mac 2018	-2.08	3.38
31 Mac 2017	7.58	3.00
31 Mac 2016	-15.44	-0.56
31 Mac 2015	-0.80	1.61

**Rajah 1: Pergerakan Dana Berbanding Penanda Aras**



**Nota:**

Sumber Data : BIMA Investment Management Berhad

Data disahkan oleh : Novagni Analytics & Advisor Sdn. Bhd.

Penanda Aras : 50:50 Indeks FBM Emas Syariah dan kadar 12 bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad

**Nota:**

1. **Jumlah Pulangan** telah disahkan oleh Novagni Analytics & Advisor Sdn. Bhd. (363145-W)

2. **Jumlah Pulangan Purata** adalah berpandukan formula berikut:

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

*Prestasi tahunan 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

#### Ekonomi

##### a) Global

- Keluaran Dalam Negara Kasar (KDNK) AS mencatatkan pertumbuhan sebanyak 3.2% pada suku pertama 2019 berbanding 2.2% dalam suku keempat 2018 dan 3.4% pada suku ketiga 2018. Pertumbuhan ini disokong oleh perbelanjaan pengguna, eksport yang lebih tinggi, lonjakan dalam pelaburan inventori dan peningkatan dalam perbelanjaan kerajaan. Kadar inflasi AS kekal pada 1.9% pada Mac 2019 dan lebih rendah berbanding 2.4% pada Mac 2018. Kadar pengangguran AS terus bertambah baik pada paras 3.8% pada Mac 2019 berbanding 4.1% pada Mac 2018.
- Ekonomi zon Euro berkembang sebanyak 0.4% pada suku pertama 2019 berbanding 0.2% pada suku keempat 2018 dan 0.1% pada suku ketiga 2018. Pengembangan ini didorong oleh kadar pengangguran yang rendah, kenaikan gaji dan permintaan pengguna yang lebih kukuh. Kadar inflasi zon Euro kekal tidak berubah pada paras 1.4% pada Mac 2019 berbanding pada Mac 2018. Pengangguran di zon Euro pada Mac 2019 telah menurun kepada 7.8% daripada 8.5% pada Mac 2018.
- Prestasi ekonomi China meningkat sebanyak 6.4% bagi suku pertama 2019, tidak berubah berbanding suku keempat 2018 tetapi rendah sedikit berbanding suku ketiga 2018. Sepanjang suku pertama 2019, pengeluaran industri dilihat tumbuh pesat dengan begitu ketara sekali dan permintaan pengguna bertambah kukuh di tengah-tengah pelaksanaan dasar pro-pertumbuhan kerajaan, sekali gus membantu menstabilkan sentimen yang terjejas akibat pertikaian perdagangan dengan AS.

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

## **b) Dalam Negara**

- Ekonomi Malaysia berkembang sebanyak 4.5% pada suku pertama tahun 2019, berkembang pada kadar yang perlahan berbanding dengan 4.7% pada suku keempat 2018 tetapi lebih baik daripada suku ketiga tahun 2018 iaitu sebanyak 4.4%. Pemulihan dalam sektor pertanian, terutamanya pengeluaran minyak sawit mentah, pengembangan yang berterusan dalam perbelanjaan sektor swasta serta eksport bersih yang tinggi adalah antara pemacu utama pertumbuhan ekonomi suku pertama 2019. Inflasi di Malaysia sebaliknya meningkat kepada 0.2% pada 2019 Mac berbanding-0.7% pada Disember 2019, didorong terutamanya oleh harga pengangkutan yang lebih tinggi.
- Sepanjang tahun kewangan Dana, Bank Negara Malaysia ("BNM") telah mengekalkan Kadar Dasar Semalaman (OPR) pada kadar 3.25%. Seterusnya, pada 7 Mei 2019, OPR telah dikurangkan kepada 3.00%. BNM menyatakan terdapat risiko penurunan terhadap pertumbuhan global, berpunca daripada pertikaian perdagangan yang belum selesai dan kelemahan berterusan pada negara-negara ekonomi besar tertentu. Rizab antarabangsa Bank Negara Malaysia meningkat kepada USD103.0 bilion setakat 29 Mac 2019. Paras rizab ini mencukupi untuk membiayai import tertanggung selama 7.5 bulan dan mewakili 1.0 kali jumlah hutang jangka pendek luar negeri.

*(Sumber: Bloomberg, Jabatan Perangkaan dan Bank Negara Malaysia)*

## **Kajian Pasaran**

### **Ekuiti**

Indeks FBM Syariah Emas FTSE Bursa Malaysia ("FBM Syariah") memasuki tempoh kajian pada paras 13,230.74 mata pada 31 Mac 2018 sebelum jatuh ke paras terendah iaitu 11,068.25 mata pada 18 Disember 2018. FBM Syariah mencecah paras tertinggi iaitu 13,431.23 pada 19 April 2018 sebelum ditutup untuk mengakhiri tahun kajian pada paras 11,688.06 mata pada 29 Mac 2019. Bagi tahun kajian, FBM Syariah merosot 1542.68 mata atau 11.66%. Antara faktor utama yang menyumbang kepada pergerakan indeks ini adalah seperti berikut:

- Pada Mei 2018, pasaran modal berada dalam era ketidakpastian apabila pelabur-pelabur asing memilih untuk tidak mengambil risiko ketika mana terdapat potensi berlaku perubahan dasar. Berikutan itu, mata wang Ringgit menyaksikan nilainya menyusut berbanding Dolar Amerika Syarikat (USD) dari RM3.92/USD kepada RM3.98/USD, apabila terdapat aliran keluar dana kesan daripada ketidaktentuan tersebut. Menjelang akhir bulan, projek-projek infrastruktur utama dikaji semula berikutan keadaan kewangan negara yang membimbangkan.
- Presiden Trump dan Presiden Xi bersetuju untuk menghentikan perang perdagangan buat sementara selepas menghadiri mesyuarat Kumpulan 20 atau G20 pada akhir bulan November 2018. Seperti diumumkan sebelum ini, Amerika Syarikat (AS) akan menangguhkan kenaikan tarif sebanyak 10% kepada 25%

pada import barangan China bernilai AS\$200 bilion pada 1 Januari 2019. Tempoh rundingan 90 hari ditetapkan untuk menangani ketidakseimbangan perdagangan dan isu-isu lain yang berkaitan.

- Pada Mac 2019, Rizab Persekutuan mengekalkan kadar faedah sebagai mana biasa dan para pembuat dasarnya tidak lagi mengendahkan unjuran kenaikan kadar faedah yang seterusnya apabila bank pusat AS mengisytarkan jangkakan pertumbuhan perlahan dalam ekonomi. Keadaan ini berlaku di sebalik IMF mengurangkan unjuran pertumbuhan KDNK global ke paras terendah dalam tempoh tiga tahun iaitu 3.5% daripada 3.7% pada bulan Januari 2019.

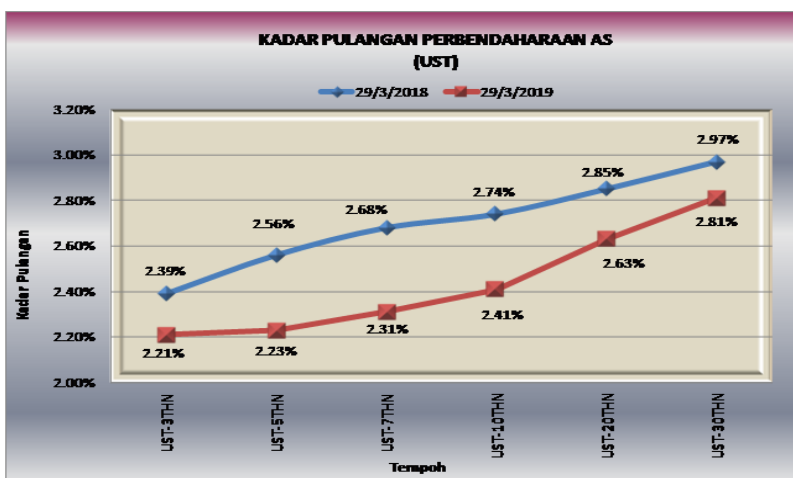
(Sumber: Bloomberg dan Bank Negara Malaysia)

## Pasaran Bon dan Pasaran Wang

### a) Global

- Hasil 10-tahun Perbendaharaan AS (UST) meningkat sejak November 2018 dengan hasil pulangnya jatuh daripada 3.25% kepada 2.55% pada Januari 2019 sebelum berlegar-legar dalam jajaran 2.60-2.70% pada akhir Februari dan ditutup pada paras 2.81% menjelang akhir Mac 2019. Hasil UST melepasi paras 2.70% pada awal Mac 2019 di tengah-tengah wujudnya keyakinan terhadap perdagangan AS-China.

Rajah 2: Kadar Perbendaharaan AS



Sumber: Jabatan Perbendaharaan AS, 31 Mac 2019

**b) Dalam Negara**

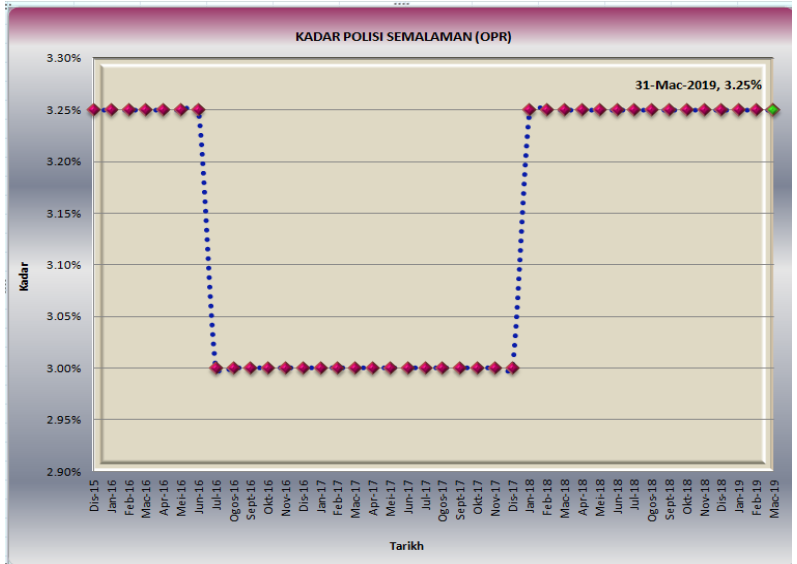
- Sekuriti Kerajaan Malaysia (MGS) dan Terbitan Pelaburan Kerajaan (GII) menguasai aktiviti pasaran bon tempatan dengan jumlah dagangan sebanyak RM811.06 bilion bagi tahun kewangan dalam kajian. Bon kerajaan tempatan meningkat antara 20-45 mata peratusan atau “bps” dalam tempoh berkenaan apabila keluk pulangan sekuriti kerajaan (Ringgit Malaysia) menurun secara mendadak dari Januari hingga Mac di tengah-tengah tahap kecairan yang tinggi dan aliran masuk dana pasaran baru muncul apabila bank pusat atau Rizab Persekutuan AS menunjukkan terdapat jeda atau pemberhentian seketika dalam kitaran kenaikan kadar faedahnya.

**Jadual 1: Kadar Pulangan Sukuk/ Bon Islam**

<b>Tempoh/ Tarikh</b>	<b>31 Mac 2019 (%)</b>	<b>31 Mac 2018 (%)</b>	<b>Pertukaran * (bps)</b>
<b>Bon 3 Tahun</b>			
GII	3.49	3.69	<b>(20.0)</b>
Korporat AAA	4.06	4.26	<b>(20.0)</b>
<b>Bon 5 Tahun</b>			
GII	3.66	3.88	<b>(22.0)</b>
Korporat AAA	4.15	4.44	<b>(29.0)</b>
<b>Bon 7 Tahun</b>			
GII	3.73	3.99	<b>(26.0)</b>
Korporat AAA	4.22	4.57	<b>(35.0)</b>
<b>Bon 10 Tahun</b>			
GII	3.81	4.20	<b>(39.0)</b>
Korporat AAA	4.30	4.75	<b>(45.0)</b>

**Sumber: Agensi Penetapan Harga Bon Malaysia (BPAM), 31 Mac 2019**

Rajah 3: Kadar Polisi Semalaman (OPR)



Sumber: Bank Negara Malaysia (BNM), 31 Mac 2019

## 1.4 Tinjauan Pasaran dan Strategi

### a) Ekuiti

- Bagi tahun 2019, sentimen pasaran global akan bergantung pada dua faktor utama terutamanya hasil perbincangan berkaitan perang perdagangan antara AS dengan China dan kekerapan pelaksanaan kenaikan kadar faedah Rizab Persekutuan. Secara keseluruhannya, kami berpandangan positif terhadap sektor eksport domestic yang akan menjadi penerima faedah daripada permintaan pelanggan dunia terhadap produk-produk teknologi. Pendedahan sektor elektrik dan elektronik dalam sektor automotif yang berkembang pantas juga akan mendapat manfaat daripada perbelanjaan konsumer yang berdaya tahan berikutan pertumbuhan KDNK serantau meskipun pada kadar yang lebih rendah. Manakala permintaan domestik akan terus menjadi enjin pertumbuhan dengan disokong perbelanjaan pengguna dan pelaburan yang kukuh. Unjuran BNM tidak berubah bagi KDNK iaitu berkembang antara 4.3% hingga 4.8%, manakala kadar inflasi dijangka akan berada dalam purata antara 0.7% dan 1.7% pada 2019.

### b) Pasaran Sukuk & Pasaran Wang

- Bagi tempoh jangka masa terdekat, pengurangan kadar faedah oleh BNM adalah tema utama yang menyokong pergerakan menaik Sekuriti Kerajaan Malaysia (MGS) pada Mac 2019, tetapi ia juga semakin tidak asing kepada pasaran. Pengurangan kadar dasar semalaman (OPR) mungkin tidak memberikan kesan besar kepada momentum pergerakan tersebut melainkan BNM melakukan pengurangan kadar faedah dan juga membuka ruang untuk berlakunya pengurangan kadar yang selanjutnya.
- Strategi Sukuk kami adalah untuk melabur dalam Sukuk berkualiti yang mendapat penarafan sekurang-kurangnya AA3 / AA daripada Rating Agency Malaysia (RAM) / Malaysian Rating Corporation Berhad (MARC) dan menawarkan kadar keuntungan yang menarik. Strategi pasaran wang kami adalah untuk melabur dalam pasaran wang bertujuan memaksimumkan pulangan sambil menyediakan mudah tunai dan pendapatan tetap kepada pelabur.



## 1.5 Peruntukan Aset pada 31 Mac

<b>BIMB i Flexi Fund</b>	<b>2019 (%)</b>	<b>2018 (%)</b>	<b>2017 (%)</b>
<b>Pelaburan Sekuriti Tersiarharga:</b>			
Barangan pengguna	22.06	21.49	2.17
Barangan industri	25.31	12.17	47.58
Infrastruktur	-	5.33	5.38
Perladangan	-	-	2.37
Teknologi	36.57	22.41	30.47
Perdagangan dan perkhidmatan	7.13	9.05	1.00
Waran	0.84	5.83	-
	<b>91.91</b>	<b>76.28</b>	<b>88.97</b>
TUNAI DAN PELABURAN JANGKA PENDEK:	8.09	23.72	11.03
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 1.6 Lain-Lain Data Prestasi Bagi Tahun Kewangan Berakhir 31 Mac

BIMB / Flexi Fund	2019	2018	2017
<b>Harga Unit (RM)</b>			
NAB tertinggi seunit bagi tahun	0.2528	0.2882	0.2275
NAB terendah seunit bagi tahun	0.1889	0.2200	0.1923
<b>Nilai Aset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada Akhir Tahun</b>			
Jumlah NAB (RM)	3,268,500	3,606,794	6,165,178
Unit Dalam Edaran (UDE)	15,750,493	16,327,720	27,328,980
<b>NAB seunit (RM)</b>	<b>0.2075</b>	<b>0.2209</b>	<b>0.2256</b>
<b>Jumlah Pulangan Dana (%)</b>			
Pertumbuhan Modal (%) <sup>(c)</sup> (%) <sup>(b)</sup>	-6.07	-2.08	7.58
Pulangan Pendapatan (%) <sup>(c)</sup>	-	-	-
<b>Pulangan Dana (%)<sup>(a)</sup></b>	<b>-6.07</b>	<b>-2.08</b>	<b>7.58</b>
<b>Nisbah Perbelanjaan Pengurusan (NPP) (%)<sup>(d)</sup></b>	<b>2.49</b>	<b>2.22</b>	<b>2.05</b>
<b>Nisbah Pusing Ganti Portfolio (Kali)<sup>(e)</sup></b>	<b>2.53</b>	<b>4.27</b>	<b>3.33</b>

### Nota:-

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

## 1.7 Pegangan Unit pada 31 March 2019

Saiz Dipegang	BIMB / Flexi Fund			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Bilangan	%
5,000 dan ke bawah	18	31.58	67,965.91	0.43
5,001 hingga 10,000	5	8.77	31,138.15	0.20
10,001 hingga 50,000	25	43.86	603,635.93	3.83
50,001 hingga 500,000	7	12.28	1,056,028.13	6.71
500,001 dan ke atas	2	3.51	13,991,724.83	88.83
<b>Jumlah Keseluruhan bagi Dana</b>	<b>57</b>	<b>100.00</b>	<b>15,750,492.95</b>	<b>100.00</b>

## 1.8 Polisi Rebat dan Komisyen Bukan Tunai

Sebarang rebat broker saham yang diterima oleh Pengurus akan dimasukkan secara terus ke dalam akaun Dana. Pengurus boleh menyimpan apa-apa komisyen bukan tunai yang diterima daripada broker dalam bentuk perkhidmatan penyelidikan dan nasihat yang membantu dalam proses membuat keputusan yang berkaitan dengan pelaburan Dana.

Pengurus tidak menerima sebarang rebat dan komisyen bukan tunai daripada broker bagi tahun kewangan.

Bagi dan bagi pihak

Pengurus

### **BIMB INVESTMENT MANAGEMENT BERHAD**

**Tarikh: 29 Mei 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 31 March 2019**

To the Unit Holders of  
**BIMB / FLEXI FUND**

We, Amanahraya Trustees Berhad, have acted as Trustee of BIMB *i* Flexi Fund for the financial year ended 31 March 2019. In our opinion, BIMB Investment Management Berhad, the Manager, has operated and managed BIMB *i* Flexi Fund in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

Yours faithfully

**AMANAHRAYA TRUSTEES BERHAD**

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**HABSAH BINTI BAKAR**  
Chief Executive Officer

Kuala Lumpur, Malaysia

**Date: 29 May 2019**

### 3.0 Shariah Committee's Report

#### ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

To the Unit Holders of  
**BIMB i FLEXI FUND**

We have acted as the Shariah Committee of BIMB i Flexi Fund.

Our responsibilities are to ensure that the procedures and processes employed by BIMB Investment Management Berhad and that the provisions of the Deed dated 27 March 2013 and the Supplementary Deeds are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB i Flexi Fund 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 31 March 2019.

In addition, we also confirm that the investment portfolio of BIMB i Flexi Fund comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council (SAC) of the Securities Commission or 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: 29 May 2019**

## 4.0 Directors' Declaration

### ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

To the Unit Holders of

#### **BIMB i Flexi Fund**

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 Flexi Fund 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 March 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 on the Board of Directors,

.....  
**Dato' Ghazali Bin Awang**  
(Non-Executive Independent Director)

.....  
**Najmuddin Bin Mohd Lutfi**  
(Chief Executive Officer)

**Date: 29 May 2019**

## **5.0 Independent Auditors' Report (Established in Malaysia)**

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

#### **Opinion**

We have audited the financial statements of BIMB / Flexi Fund ("the Fund"), which comprise the statement of financial position as at 31 March 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 34 to 57.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 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.

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

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 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 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.



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

- 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 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 represent 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 members 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 Accountant

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

Petaling Jaya, Selangor

Date: 29 May 2019

## 6.0 Financial Statements (Audited)

### 6.1 Statement of Financial Position as at 31 March 2019

	Note	2019 RM	2018 RM
<b>Assets</b>			
Quoted securities	4	3,003,975	2,751,271
Amount due from stockbroker	5	-	2,658,385
Amount due from manager		2,171	-
Other receivables		15,003	9,745
Cash and cash equivalents	6	285,811	120,057
<b>Total assets</b>		<u>3,306,960</u>	<u>5,539,458</u>
<b>Liabilities</b>			
Amount due to stockbroker	5	-	877,531
Amount due to Manager		-	1,023,210
Other payables		38,460	31,923
<b>Total liabilities</b>		<u>38,460</u>	<u>1,932,664</u>
<b>Net asset value</b>		<u>3,268,500</u>	<u>3,606,794</u>
<b>Unitholders' fund</b>			
Unitholders' capital	7	5,109,975	5,202,797
Accumulated losses		(1,841,475)	(1,596,003)
<b>Net asset value attributable to unitholders</b>		<u>3,268,500</u>	<u>3,606,794</u>
<b>Number of units in circulation</b>	7	<u>15,750,493</u>	<u>16,327,720</u>
<b>Net asset value per unit (sen)</b>		<u>20.75</u>	<u>22.09</u>

The notes on pages 38 to 57 are an integral part of these financial statements.

## 6.2 Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 March 2019

	Note	2019 RM	2018 RM
<b>Income</b>			
Gain on sale of quoted securities		327,182	402,394
Gross dividends income from shares quoted securities		95,329	113,822
Income from short term investments		6,166	2,840
Hibah from Al-Wadiah account		305	370
Net unrealised loss from financial instruments at fair value through profit or loss		(582,065)	(221,950)
<b>Gross (loss)/income</b>		<u>(153,083)</u>	<u>297,476</u>
<b>Expenses</b>			
Manager's fee	8	55,589	81,030
Trustee's fee	9	1,853	2,701
Audit fee		13,000	13,000
Tax agent's fee		5,000	3,000
Administrative expenses		16,947	20,400
		<u>92,389</u>	<u>120,131</u>
<b>Net (loss)/income before taxation</b>		(245,472)	177,345
Taxation	10	-	-
<b>Net (loss)/income after taxation</b>		<u>(245,472)</u>	<u>177,345</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss)/income for the year</b>		<u>(245,472)</u>	<u>177,345</u>
Total comprehensive (loss)/income for the year consist of:			
Realised amount		336,593	399,295
Unrealised amount		(582,065)	(221,950)
		<u>(245,472)</u>	<u>177,345</u>

The notes on pages 38 to 57 are an integral part of these financial statements.

### 6.3 Statement of Changes in Net Asset Value for the financial year ended 31 March 2019

	Unitholders' capital RM	Accumulated losses RM	Total RM
<b>At 1 April 2017</b>	7,938,526	(1,773,348)	6,165,178
Creation of units	1,633,639	-	1,633,639
Cancellation of units	(4,369,368)	-	(4,369,368)
Total attributable to unitholders	(2,735,729)	-	(2,735,729)
Total comprehensive income for the year	-	177,345	177,345
<b>As at 31 March 2018/1 April 2018</b>	5,202,797	(1,596,003)	3,606,794
Creation of units	1,481,585	-	1,481,585
Cancellation of units	(1,574,407)	-	(1,574,407)
Total attributable to unitholders	(92,822)	-	(92,822)
Total comprehensive loss for the year	-	(245,472)	(245,472)
<b>As at 31 March 2019</b>	5,109,975	(1,841,475)	3,268,500

The notes on pages 38 to 57 are an integral part of these financial statements.

## 6.4 Statement of Cash Flows for the financial year ended 31 March 2019

	2019 RM	2018 RM
<b>Cash flows from operating activities</b>		
Proceed from sale of quoted securities	11,965,869	22,667,287
Purchase of quoted securities	(10,692,602)	(21,264,467)
Dividend received	90,070	117,599
Income from short term investments	6,471	3,237
Management fee paid	(57,425)	(83,061)
Trustee fee paid	(1,914)	(2,769)
Audit fee paid	(13,000)	(11,000)
Tax agent fee paid	(4,000)	(2,888)
Payment for administrative expenses	(9,514)	(23,918)
<b>Net cash generated from operating activities</b>	<u>1,283,955</u>	<u>1,400,020</u>
<b>Cash flows from financing activities</b>		
Cash receipt for creation of units	1,478,586	1,633,639
Cash payment for cancellation of units	(2,596,787)	(3,346,158)
<b>Net cash used in financing activities</b>	<u>(1,118,201)</u>	<u>(1,712,519)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	165,754	(312,499)
Cash and cash equivalents at 1 April	120,057	432,556
<b>Cash and cash equivalents at 31 March</b>	<u><u>285,811</u></u>	<u><u>120,057</u></u>
<b>Cash and cash equivalents comprise:</b>		
Short term placements	-	-
Cash at bank	285,811	120,057
	<u><u>285,811</u></u>	<u><u>120,057</u></u>

The notes on pages 38 to 57 are an integral part of these financial statements.

## 6.5 Notes to the financial statements

### 1. Information on the Fund

BIMB *i* Flexi Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 27 March 2013 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 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 29 May 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:

## 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***

- 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)*
- 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 standards, interpretations and amendments:

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

## 2. Basis of preparation (continued)

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

- from the annual period beginning on 1 April 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 period and prior period financial statements of the Fund.

### (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 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

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.



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

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

##### **(i) Initial recognition and measurement**

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

##### **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 categories of 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)

##### (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 is 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) Financing 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 is 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)

##### Previous financial year (continued)

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

Financing and receivables category are debt instruments that are not quoted in an active market and these comprises amount due from stockbroker, other receivables and cash and cash equivalents.

Financial assets categorised as financing and receivables are 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 measured at amortised cost comprises amount due to stockbroker, amount due to Manager and other payables.

#### (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 of 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).

#### (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.

### 3. Significant accounting policies (continued)

#### (d) Impairment (continued)

##### 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.

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.

### 3. Significant accounting policies (continued)

#### (d) Impairment (continued)

##### Previous financial year

All financial assets (except for financial assets categorised as fair value through profit or loss) were assessed at each reporting date whether there was 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, were not recognised.

An impairment loss in respect of financing and receivables was recognised in profit or loss and was 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 was 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, 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.

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 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 a liability or 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. Quoted securities

Company's Name As at 31 March 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Main Market</b>				
<b>(i) Consumer products</b>				
Padini Holdings Bhd.	45,000	208,502	161,550	4.94
Power Root Bhd.	183,500	283,089	233,045	7.13
QL Resources Bhd.	29,000	204,754	199,520	6.11
Salutica Bhd.	343,000	271,737	126,910	3.88
	<u>600,500</u>	<u>968,082</u>	<u>721,025</u>	<u>22.06</u>
<b>(ii) Industrial products</b>				
Evergreen Fibreboard Bhd.	183,000	93,099	66,795	2.04
Hartalega Holdings Bhd.	8,000	37,438	37,040	1.13
HeveaBoard Bhd.	235,000	213,492	150,400	4.60
Kossan Rubber Industries Bhd.	10,000	36,650	35,200	1.08
SKP Resources Bhd.	155,000	233,258	207,700	6.35
Supermax Corporation Bhd.	102,000	225,483	149,940	4.59
Top Glove Corporation Bhd.	8,000	35,153	36,960	1.13
V.S. Industry Bhd.	134,000	228,960	143,380	4.39
	<u>835,000</u>	<u>1,103,533</u>	<u>827,415</u>	<u>25.31</u>
<b>(iii) Technology</b>				
D&O Green Technologies Bhd.	190,000	142,787	130,150	3.98
Elsoft Research Bhd.	78,000	101,840	74,100	2.27
GHL Systems Bhd.	90,000	150,259	153,000	4.68
Globetronics Technology Bhd.	77,000	187,652	133,980	4.10
Inari Amertron Bhd.	100,000	231,650	157,000	4.80
JHM Consolidation Bhd.	110,000	144,411	140,800	4.31
MMS Ventures Bhd.	50,000	61,934	47,000	1.44
Pentamaster Corporation Bhd.	58,000	202,576	203,580	6.23
Unisem (M) Bhd.	48,000	156,704	127,200	3.89
Vivocom International Holdings Bhd.	1,418,750	309,365	28,375	0.87
	<u>2,219,750</u>	<u>1,689,178</u>	<u>1,195,185</u>	<u>36.57</u>
<b>(iv) Trading and services</b>				
Perak Transit Bhd.	430,000	122,809	101,050	3.09
Xin Hwa Holdings Bhd.	165,000	200,148	132,000	4.04
	<u>595,000</u>	<u>322,957</u>	<u>233,050</u>	<u>7.13</u>
<b>(v) Warrant</b>				
Power Root Bhd. – Warrant A	105,000	45,941	27,300	0.84
<b>Total quoted securities as at 31 March 2019</b>		<u>4,129,691</u>	<u>3,003,975</u>	<u>91.91</u>



#### 4. Quoted securities (continued)

Company's Name As at 31 March 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Main Market</b>				
<b>(i) Consumer products</b>				
Fraser & Neave Holdings Bhd.	6,000	201,051	200,280	5.55
Lay Hong Bhd.	91,800	89,951	88,128	2.44
Power Root Bhd.	153,000	265,473	215,730	5.98
QL Resources Bhd.	43,000	218,197	218,870	6.07
Salutica Bhd.	78,000	116,460	52,260	1.45
	<b>371,800</b>	<b>891,132</b>	<b>775,268</b>	<b>21.49</b>
<b>(ii) Industrial products</b>				
Hartalega Holdings Bhd.	33,500	162,834	202,675	5.62
Top Glove Corporation Bhd.	24,500	241,554	236,180	6.55
	<b>58,000</b>	<b>404,388</b>	<b>438,855</b>	<b>12.17</b>
<b>(iii) Infrastructure</b>				
Hartalega Holdings Bhd.	23,000	191,472	192,280	5.33
<b>(iv) Technology</b>				
AppAsia Bhd.	300,000	121,932	81,000	2.25
Malaysian Pacific Industries Bhd.	26,900	299,084	231,878	6.43
Notion VTec Bhd.	220,000	146,982	130,900	3.63
Unisem (M) Bhd.	87,100	295,613	212,524	5.89
ViTrox Corporation Bhd.	8,500	46,605	45,475	1.26
Vivocom International Holdings Bhd.	1,418,750	309,365	106,406	2.95
	<b>2,061,250</b>	<b>1,219,581</b>	<b>808,183</b>	<b>22.41</b>
<b>(v) Trading and services</b>				
Perak Transit Bhd.	534,000	148,830	141,510	3.93
Xin Hwa Holdings Bhd.	165,000	200,148	184,800	5.12
	<b>699,000</b>	<b>348,978</b>	<b>326,310</b>	<b>9.05</b>
<b>(vi) Warrant</b>				
Power Root Bhd. – Warrant A	1,912,500	239,371	210,375	5.83
<b>Total quoted securities as at 31 March 2018</b>		<b>3,294,922</b>	<b>2,751,271</b>	<b>76.28</b>

## 5. Amount due from/(to) stockbrokers

Amount due from/(to) stockbrokers represent receivables/(payables) for Shariah-compliant securities sold/(bought) and receivables/(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 RM	2018 RM
Cash at bank*	285,811	120,057
	<u>285,811</u>	<u>120,057</u>

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

## 7. Unitholders' capital

	No. of units	RM
1 April 2017	27,328,980	7,938,526
Creation of units	6,570,814	1,633,639
Cancellation of units	<u>(17,572,074)</u>	<u>(4,369,368)</u>
As at 31 March 2018/1 April 2018	16,327,720	5,202,797
Creation of units	6,167,846	1,481,585
Cancellation of units	<u>(6,745,073)</u>	<u>(1,574,407)</u>
<b>As at 31 March 2019</b>	<u>15,750,493</u>	<u>5,109,975</u>

## 8. Manager's fee

The manager's fee payable to the Manager 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 based on 0.05% (2018: 0.05%) per annum of the net asset value of the Fund calculated on a daily basis.

## 10. Taxation

	2019 RM	2018 RM
Taxation		
- Current year	-	-
<b>Reconciliation of effective tax expense</b>		
Net (loss)/income before taxation	(245,472)	177,345
Income tax using Malaysian tax rate @ 24%	(58,913)	42,563
Non-assessable income	(102,955)	(124,662)
Non-deductible expenses	141,340	54,636
Restriction on the tax deductible expenses for unit trust funds	20,528	27,463
	-	-

## 11. Units held by related party

The Manager and related party of the Manager did not hold any unit in the Fund as at 31 March 2019 and 31 March 2018.

## 12. Transactions with related parties

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

	Transactions from		Balance as at	
	2019 RM	2018 RM	2019 RM	2018 RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Amount due to Manager	-	-	-	(1,023,210)
- Management fee	55,589	81,030	(3,912)	(6,094)
<i>Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placements	(1,388)	(961)	-	-
<i>Related company of the Manager</i>				
BIMB Securities Sdn. Bhd.				
- Sales	(909,607)	(2,815,343)	-	-
- Purchases	890,398	2,657,654	-	-
- Brokerage fee	5,436	19,315	-	-
<i>The Trustee</i>				
AmanahRaya Trustees Berhad				
- Trustee fee	1,853	2,701	(130)	(203)

### 13. Transactions with related and other stockbroking companies

	Value of	Percentage	Brokerage	Percentage
	trade	of total	fee	of total
	RM	%	RM	fee
				%
<b>2019</b>				
Hong Leong Investment Bank Bhd.	2,681,633	14.02	8,335	14.31
TA Securities Holdings Bhd.	2,397,303	12.54	7,181	12.33
RHB Investment Bank Bhd.	2,033,025	10.63	5,996	10.30
Public Investment Bank Bhd.	1,896,523	9.92	5,910	10.15
Kenanga Investment Bank Bhd.	1,822,343	9.53	5,782	9.93
KAF Seagroatt & Campbell Securities Sdn. Bhd.	1,818,835	9.51	5,599	9.62
Maybank Investment Bank Bhd.	1,809,130	9.46	5,637	9.68
BIMB Securities Sdn. Bhd.*	1,800,005	9.41	5,436	9.34
Alliance Investment Bank Bhd.	1,506,254	7.88	4,361	7.49
CIMB Investment Bank Bhd.	595,706	3.12	1,780	3.06
Other brokers	761,273	3.98	2,208	3.79
	<b>19,122,030</b>	<b>100.00</b>	<b>58,225</b>	<b>100.00</b>
<b>2018</b>				
Hong Leong Investment Bank Bhd.	7,179,096	15.46	24,528	15.27
TA Securities Holdings Bhd.	6,417,989	13.82	21,725	13.52
BIMB Securities Sdn. Bhd.*	5,472,997	11.79	19,315	12.02
Public Investment Bank Bhd.	5,010,013	10.79	17,060	10.62
RHB Investment Bank Bhd.	4,083,228	8.79	13,762	8.57
Maybank Investment Bank Bhd.	3,818,504	8.25	14,102	8.78
Alliance Investment Bank Bhd.	3,643,233	7.85	12,236	7.62
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	2,855,139	6.15	10,059	6.26
KAF Seagroatt & Campbell Securities Sdn. Bhd.	2,545,074	5.48	8,815	5.49
Kenanga Investment Bank Bhd.	2,421,212	5.21	8,527	5.31
Other brokers	2,977,057	6.41	10,516	6.54
	<b>46,423,542</b>	<b>100.00</b>	<b>160,645</b>	<b>100.00</b>

\* Transactions with the related party has 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 2.49% (2018: 2.22%). 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 2.53 times (2018: 4.27 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 31 March 2019 categorised as follows:

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

	<b>Carrying amount RM</b>	<b>AC RM</b>	<b>FVTPL RM</b>
<b>2019</b>			
<b>Financial assets</b>			
Quoted securities	3,003,975	-	3,003,975
Other receivables	15,003	15,003	-
Cash and cash equivalents	285,811	285,811	-
	<u>3,304,789</u>	<u>300,814</u>	<u>3,003,975</u>
<b>Financial liabilities</b>			
Other payables	(36,289)	(36,289)	-

## 16. Financial instruments (continued)

### 16.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments as at 31 March 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
<b>2018</b>			
<b>Financial assets</b>			
Quoted securities	2,751,271	-	2,751,271
Other receivables	2,668,130	2,668,130	-
Cash and cash equivalents	120,057	120,057	-
	<u>5,539,458</u>	<u>2,788,187</u>	<u>2,751,271</u>
<b>Financial liabilities</b>			
Other payables	(1,932,664)	(1,932,664)	-

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

	2019 RM	2018 RM
Net (losses)/gains on:		
Fair value through profit or loss:		
- Designated upon initial recognition		
Realised profit	422,511	516,216
Unrealised loss	(582,065)	(221,950)
Financing and receivables	-	3,210
Amortised cost	6,471	-
	<u>(153,083)</u>	<u>297,476</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. Financial instruments (continued)

### 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.

### 16.5 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 at bank 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.

*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)

#### *Equity 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 RM300,398 (2018: RM275,127). 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 carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
<b>2019</b>					
<b>Financial assets</b>					
Quoted securities	3,003,975	-	-	3,003,975	3,003,975
<b>2018</b>					
<b>Financial assets</b>					
Quoted securities	2,751,271	-	-	2,751,271	2,751,271

#### **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.



## **16. Financial instruments (continued)**

### **16.7 Fair value of financial instruments (continued)**

#### **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 a closing market prices 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.

#### **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

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### Manager

BIMB Investment Management Berhad

#### 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

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### Board of Directors

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)  
Datin Maznah Mahbob (Non-Executive Independent Director – Appointed w.e.f. 1 April 2019)  
Najmuddin Mohd Lutfi (Chief Executive Officer)

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### Shariah Committee

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)

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### Investment Committee

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)

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### Audit Committee

Dato' Ghazali Awang (Chairman - Independent Member)  
Dr. Mohd Hatta Dagap (Independent Member)  
Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Member)

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<b>Company Secretaries</b>	<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>
<b>Key Management</b>	<p>Najmuddin Mohd Lutfi (Chief Executive Officer) Abd Razak Salimin (Head of Investment) Mohd Hamidullah Che Hassan (Head of Compliance)</p>
<b>Principal Banker</b>	<p><b>Bank Islam Malaysia Berhad</b> Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur</p>
<b>Trustee</b>	<p><b>AmanahRaya Trustee Berhad (766894-T)</b> 11<sup>th</sup> Floor, Wisma AmanahRaya No. 2, Jalan Ampang 50508 Kuala Lumpur</p>
<b>Auditors</b>	<p><b>KPMG Desa Megat PLT (LLP0010082-LCA &amp; AF 0759)</b> Level 10, KPMG Tower 8, First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor</p>
<b>Federation of Investment Managers Malaysia (FIMM)</b>	<p>19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur</p>
<b>Distributors</b>	<p>Bank Islam Malaysia Berhad Branches IFast Capital Sdn Bhd Phillip Mutual Berhad Johor Bahru Agency Office Kota Bharu Agency Office Bank Simpanan Nasional Berhad Registered Unit Trust Consultant with BIMB Investment Management Berhad</p>
	<p><b>Toll Free Number: 1-800-88-1196</b></p>

# BIMB INVESTMENT

A BANK ISLAM  
SUBSIDIARY

**BIMB Investment Management Berhad** (No. 276246-X)

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

Tel: 03-2161 2524 / 2924 | Toll Free: 1-800-88-1196 | Call Centre: 03-26 900 900 | Email: [marketing.bimbinvest@bankislam.com.my](mailto:marketing.bimbinvest@bankislam.com.my)  
[bimbinvestment.com.my](http://bimbinvestment.com.my)