



**BIMB** *i* **DIVIDEND**

**BIMB / DIVIDEND FUND**

**ANNUAL REPORT FOR THE  
FINANCIAL YEAR ENDED 31 OCTOBER 2015**

*LAPORAN TAHUNAN BAGI TAHUN  
KEWANGAN BERAKHIR 31 OKTOBER 2015*

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

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# 1.0 Manager's Report

Dear Unit Holders,

We are pleased to present the Manager's report of BIMB *i* Dividend Fund for the financial year ended 31 October 2015.

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

<b>Fund Name</b>	BIMB <i>i</i> Dividend Fund
<b>Fund Type</b>	Income and Growth
<b>Fund Category</b>	Equity
<b>Fund Investment Objective</b>	<p>This Fund aims to primarily provide investors with a combination of steady and recurring income and capital growth in the medium to long term* through investments in Shariah-compliant dividend yielding equities, which historically offered solid performance and is generally less volatile when compared to the broader equity market.</p> <p><i>Note:</i></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 Fund will be measured against an absolute return benchmark of 6% per annum. This is not a guaranteed return and it is only a measurement of the Fund's performance. The Fund may or may not achieve 6% per annum growth rate in any particular financial year but targets to achieve this growth rate through long term.</p>
<b>Fund Distribution Policy</b>	<p>The Manager will declare annual distributions (subject to the availability of income).</p>

\*"medium to long term" in this context refers to three (3) years or more.

## 1.2 Performance for the Financial Year Ended 31 October 2015

### 1.2.1 Performance review for BIMB i Dividend Fund

For the financial year under review, BIMB i Dividend Fund (the Fund) declared a net income distribution of 1.25 sen per unit, equivalent to a yield of 4.81% per annum. The selected performance benchmark for this Fund is an absolute return benchmark of 6.00% per annum. The Fund registered a return of -10.15% as compared to its Benchmark's return of 6.00%, thus underperforming the Benchmark's return by -16.15%. However, for the financial year under review, the FTSE Bursa Malaysia EMAS Shariah Index registered a decline by -7.14%.

Our strategy has consistently been to remain focus on investing in stocks with consistent track record of dividend distribution and potential capital growth over medium to long term.

During the financial year ended 31 October 2015, the Fund was not able to deliver its conventional dividend yield as adverse market conditions and negative economic sentiments emerged. Nevertheless, the Fund has met its objectives of providing investors with a combination of income and capital growth in medium to long term through investments in dividend yielding equities, which historically offered solid performance and is generally less volatile when compared to broader equity market. As at 31 October 2015, the fund had 90.4% exposure to equities. Thus far, the Fund continues to be managed in line with its stated objective by investing in dividend yielding equities.

For the year ended 31 October 2015, 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 October 2015

	BIMB i Dividend Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
Since Inception	15.62	3.91	30.90	6.00
1-Year Period	-10.15	-10.15	6.00	6.00
3-Year Period	-3.07	-1.02	19.10	6.00

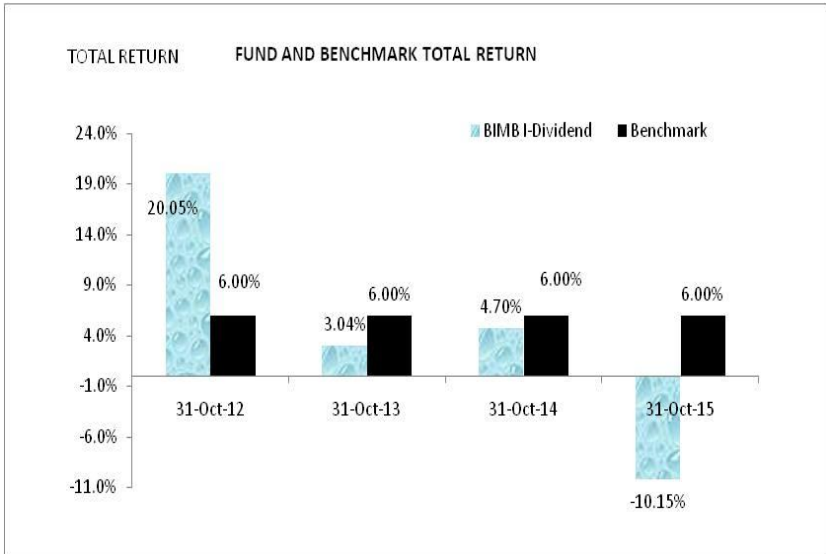
### 1.2.3 Total return for the last financial years/ period

Financial Years	Total Return	
	BIMB / Dividend Fund (%)	Benchmark (%)
31 October 2015	-10.15	6.00
31 October 2014	4.70	6.00
31 October 2013	3.04	6.00
31 October 2012	20.05	6.00

### 1.2.4 Income distribution for the last financial years

Financial Years	Income Distribution		Benchmark per annum (%)
	Distribution (sen)/ unit	Distribution Yield per annum (%)	
31 October 2015	1.25	4.81	6.00
31 October 2014	1.87	7.02	6.00
31 October 2013	2.15	7.70	6.00
31 October 2012	1.90	7.66	6.00

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



**Note:**

*Data Source* : BMB Investment Management Berhad

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

(Formerly known as Perkasa Normandy Managers Sdn.Bhd)

*Benchmark* : "Absolute return of 6% per annum"

**Notes:**

1. **Total Return** of the Fund has been verified by Novagni Analytics & Advisory Sdn. Bhd.
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) Gross Domestic Product (GDP) stagnated at 2.1% in the third quarter 2015 compared to 2.1% in the fourth quarter of 2014 as economic growth is offset by the weaker domestic demand, decelerating exports and downward revision of business investments and spending.
- US annual headline inflation rate fell to 0.2% in October 2015 from 1.2% in November 2014 mainly attributed to the decline in energy prices over the past year.
- The US unemployment rate fell to 5.0% in October 2015 from 5.8% in November 2014 due to higher job creation within the business services, healthcare, retail trade and construction sector.
- Euro zone GDP grew by 0.3% in the third quarter 2015 compared to 0.4% in the fourth quarter of 2014 as Portugal's economy stalled, Germany's growth slowed while the debt-stricken Greece economy contracted.
- The Euro zone inflation fell to 0.1% in October 2015 from 0.3% in November 2014, mainly attributed to the fall in energy prices.
- Euro zone unemployment rate fell to 10.5% in October 2015 from 11.5% in November 2014 as jobless rate improved across Euro zone's larger member countries comprising Germany, Spain and Italy.

*(Source: Bloomberg, CIMB Research and RHB Research Institute Sdn Bhd)*

#### b) Local

- Malaysia's real GDP grew by 4.7% in the third quarter of 2015, supported by continued expansion of domestic demand albeit weaker export performance. Comparatively, Malaysia's economic growth was 5.7% in the fourth quarter 2014 underpinned by consumer spending, private investment and improvement in exports.
- Malaysia's inflation in October 2015 fell to 2.5% from 3.0% in November 2014 due to decrease in transport costs.

- The international reserves of Bank Negara Malaysia amounted to RM417.9 billion (equivalent to USD94.0 billion) as at 31 October 2015. The reserves position is sufficient to finance 8.7 months of retained imports and is 1.2 times the short-term external debt.
- Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) throughout the period under review at 3.25% in October 2015 from November 2014.

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

## **Market Review**

### **Equity**

FTSE Bursa Malaysia EMAS Shariah Index ("FBM Shariah") commenced the year under review at 13,346.37 points, touching the highest of 13,393.64 points on 3 November 2014. During the period, the FBM Shariah bottomed at 10,705.63 on 25 August 2015 and closed at 12,392.83 points on 31 October 2015. For the year under review, the FBM Shariah declined 953.54 points or -7.14% meanwhile the FBM KLCI declined by 189.44 points or 10.21% to close at 1,665.71 points. Among the key factors that contributed to the movement of the index are highlighted below:

- Continued Oil price collapse to below USD80 per barrel in November 2014.
- On 27 November 2014, Organisation of Petroleum Exporting Countries' (OPEC) decided against lowering production to support oil price.
- On 1 December 2014, the FBM Shariah continued to drop by 3.24% dragged lower by oil and gas, plantation and property sectors as the local market was trying to comprehend the possible implications of lower oil revenue for the country.
- Towards the end of January 2015, European Central Bank (ECB) executed a full-scale QE to mitigate deflationary concerns and spur growth in the European Union.
- Fitch commented on a possible downgrade of Malaysia's sovereign rating on 20 January 2015.
- Oil price recovery of more than 40% from USD 46.59 on 13 January 2015 to USD 66.78 per barrel on 30 April 2015.
- In May thru June, continued selling pressure from foreign institutions on mounting concerns over the outcome of Fitch's announcement on Malaysia's sovereign rating together with the possible negative outcome of Greece exiting the Euro zone.



- On 30 Jun 2015, Fitch affirmed Malaysia's sovereign credit rating at "A-" with outlook upgraded to "Stable" on the backs of improving fiscal position, financing flexibility and favorable GDP growth.
- In early August, the Ringgit depreciated further against the US dollar as foreign investors flee domestic equity and bond markets as fear of U.S interest rate hike escalated. This was also underpinned by the growing concerns of the domestic political landscape that continue to remain fluid.
- In late August, the Shanghai and Shenzhen stock exchange tumble over concerns of China's economic hard landing that triggered a regional sell-off throughout Asia. This has subsequently led to a contagion effect in Europe and the U.S. Worries over China's weaker consumption have also eroded oil prices that plunged to a six-and-a-half year low of USD42.51 per barrel, adding concerns to the global oil supply glut.
- In August alone, the Ringgit had depreciated 9.7% from USD/MYR 3.82 to USD/MYR 4.19 in light of the unfolding events during the month. Speculation over the timing of the US interest rate hike remains uncertain in August and poses further market volatility risk in the near term as the Ringgit continues to devalue. Collectively, the August sell-off had erased 7% to 10% of global market capitalization.
- The U.S. Federal Reserve declined to raise interest rates in September on the back of deteriorating global economic conditions given any possibility of monetary tightening may interrupt global growth. During the month, global markets rallied as investors' price in a deferred interest rate hike by the U.S. Federal Reserve.

*(Source: Bloomberg, CIMB Research and RHB Research Institute Sdn Bhd)*

#### **1.4 Market Outlook and Strategy**

- The equity market outlook is expected to experience continual volatility in 2015. Notwithstanding the QE in Euro zone and Japan, global economic recovery may face headwind from multiple aspects including the strengthening US Dollar, potential US interest rate hike, concerns over China's economic slow-down and currency devaluation along with global oil production glut affecting oil prices.
- On the domestic front, the Bursa Malaysia should be supported by domestic liquidity and strong buying support from local funds. The uncertainties over the US interest rate hike may induce volatility within the local bourse and incite capital flight outside Malaysia's economic borders, deepening the Ringgit's devaluation. The weakening crude oil price may also pose larger repercussion on the country's oil and gas industry as well as its fiscal position in the near term.

- Fundamentally, the Malaysian economy is in good stead to grow at 4.0% to 5.5% in 2015 as domestic demand remains the growth driver supported by broad-based capital spending by both the private and public sectors. The Malaysian government had taken necessary steps to strengthen the economy, stabilise the currency, and restore investor confidence, affirming that both the banking system and the capital market are resilient and able to cope with potential economic uncertainty.
- Our equity strategy is to invest in stocks that can outperform the benchmark and to have long term approach to investment.

### 1.5 Asset Allocation as at 31 October 2015

<b>BIMB i Dividend Fund</b>	<b>2015 (%)</b>	<b>2014 (%)</b>	<b>2013 (%)</b>
<b>Investment In Quoted Securities</b>			
Construction	3.6	4.9	18.8
Consumer Products	2.6	3.6	0.7
Finance	2.8	4.2	-
Industrial Products	1.7	11.0	2.5
Infrastructure	10.6	3.0	0.5
Plantation	9.6	7.6	3.3
Properties	13.9	6.4	23.5
REITs	0.1	-	3.5
Technology	0.5	0.7	-
Trading and Services	44.7	51.0	33.1
Warrant	0.3	0.5	3.3
	<b>90.4</b>	<b>92.9</b>	<b>89.2</b>
CASH AND SHORT TERM INVESTMENTS:	9.6	7.1	10.8
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**1.6 Other Performance Data for the Financial Year Ended 31 October 2015**

<b>BIMB i Dividend Fund</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Unit Prices (MYR)</b>			
Highest NAV per unit for the year*	0.2600	0.2834	0.2952
Lowest NAV per unit for the year*	0.2060	0.2600	0.2662
<b>Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Year</b>			
Total NAV (MYR)	218,658,890	184,456,968	118,465,839
Units in Circulation (UIC)	988,832,925	709,500,822	444,976,093
<b>NAV per unit (MYR)*</b>	<b>0.2211</b>	<b>0.2600</b>	<b>0.2662</b>
<b>Return of Fund (%)</b>			
Capital Growth (%) <sup>(b)</sup> [page 12]	(14.96)	(2.32)	(4.66)
Income Return (%) <sup>(b)</sup> [page 12]	4.81	7.02	7.70
<b>Return of Fund (%)<sup>(a)</sup> [page 12]</b>	<b>(10.15)</b>	<b>4.70</b>	<b>3.04</b>
Gross Distribution per Unit (Sen)	1.2500	1.8783	2.1543
Net Distribution per Unit (Sen)	1.2500	1.8700	2.1500
NAV per Unit before Distribution (MYR)	0.2336	0.2787	0.2877
NAV per Unit after Distribution (MYR)	0.2211	0.2600	0.2662
Date of Distribution	30 October	31 October	31 October
<b>Management Expense Ratio (MER) (%)<sup>(d)</sup> [page 12]</b>	<b>1.65</b>	<b>1.58</b>	<b>1.61</b>
<b>Portfolio Turnover Ratio (PTR) (times)<sup>(e)</sup> [page 12]</b>	<b>3.34</b>	<b>5.58</b>	<b>1.41</b>

*\*The price and net asset value per unit are ex-distribution*

**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 October 2015**

Size of Holdings	BIMB / Dividend Fund			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	767	37.20	2,621,432.02	0.27
5,001 to 10,000	204	9.89	1,503,307.92	0.15
10,001 to 50,000	606	29.39	15,931,628.92	1.61
50,001 to 500,000	436	21.14	78,395,364.92	7.93
500,001 and above *	48	2.33	890,380,791.59	90.04
<b>Units Held by Holders</b>	<b>2,061</b>	<b>99.95</b>	<b>988,832,525.37</b>	<b>100.00</b>
<b>Units Held by Manager</b>	<b>1</b>	<b>0.05</b>	<b>400.00</b>	<b>0.00</b>
<b>Grand Total for The Fund</b>	<b>2,062</b>	<b>100.00</b>	<b>988,832,925.37</b>	<b>100.00</b>

\*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 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 received 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: 17 December 2015**

## 1.0 Laporan Pengurus

### Para Pemegang Unit yang Dihormati,

Kami dengan sukacitanya membentangkan Laporan Pengurus BIMB i Dividend Fund bagi tahun kewangan berakhir 31 Oktober 2015.

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

<b>Nama Dana</b>	BIMB i Dividend Fund
<b>Jenis Dana</b>	Dana Pendapatan dan Pertumbuhan
<b>Kategori Dana</b>	Ekuiti
<b>Objektif Pelaburan Dana</b>	<p>Tujuan utama Dana ini adalah untuk mewujudkan peluang kepada pelabur, kombinasi pendapatan yang stabil dan berulang serta pertumbuhan modal dalam jangka sederhana hingga jangka panjang* melalui pelaburan dalam ekuiti patuh Syariah yang menghasilkan dividen, yang mana mengikut sejarah menawarkan prestasi yang kukuh dan secara amnya lebih stabil berbanding pasaran ekuiti secara keseluruhan.</p> <p><i>Nota:</i></p> <p><i>Sebarang perubahan ketara pada objektif pelaburan Dana memerlukan kelulusan Pemegang Unit.</i></p>
<b>Penanda Aras Dana</b>	Dana akan diukur berdasarkan penanda aras pulangan mutlak 6% setahun. Ini bukannya pulangan terjamin dan ianya hanya ukuran prestasi Dana. Dana ini mungkin atau mungkin tidak mencapai kadar pertumbuhan 6% setahun pada mana-mana tahun kewangan tertentu tetapi mempunyai sasaran untuk mencapai pulangan ini menerusi pertumbuhan jangka panjang.
<b>Polisi Agihan Dana</b>	Pengurus akan mengisytiharkan agihan tahunan (tertakluk kepada pendapatan diperolehi).

\*"jangka sederhana hingga jangka panjang" dalam konteks ini merujuk kepada tiga (3) tahun atau lebih.

## 1.2 Pencapaian bagi Tahun Kewangan Berakhir 31 Oktober 2015

### 1.2.1 Kajian Pencapaian bagi BIBM / Dividend Fund

Bagi tahun kewangan dalam kajian, BIBM / Dividend Fund (Dana) telah mengumumkan agihan pendapatan bersih sebanyak 1.25 sen seunit, bersamaan dengan hasil pulangan sebanyak 4.81% setahun. Penanda aras terpilih prestasi Dana adalah penanda aras pulangan mutlak sebanyak 6.00% setahun. Dana telah mencatatkan pulangan sebanyak -10.15% berbanding penanda aras pulangan mutlak 6.00%, maka menunjukkan pencapaian prestasinya yang kurang baik sebanyak -16.15%. Bagi tempoh yang sama, Indeks Syariah EMAS FTSE Bursa Malaysia mencatatkan pulangan sebanyak -7.14%.

Strategi kami secara konsistennya adalah menumpukan kepada pelaburan dalam saham-saham yang mempunyai rekod pencapaian yang tekal dalam pengagihan dividen dan memiliki potensi untuk mencatatkan pertumbuhan modal dalam jangka sederhana dan panjang.

Dalam tahun kewangan berakhir 31 Oktober 2015, Dana gagal memberikan hasil dividennya yang biasa, berikutan keadaan pasaran yang buruk dan munculnya sentimen-sentimen ekonomi yang negatif. Meskipun begitu, Dana telah memenuhi objektifnya iaitu menyediakan para pelabur kombinasi pendapatan dan pertumbuhan modal dalam jangka sederhana hingga panjang melalui pelaburan dalam ekuiti yang menawarkan pulangan dividen, yang pada sejarahnya memperlihatkan prestasi kukuh dan secara amnya kurang berubah-ubah berbanding pasaran ekuiti secara keseluruhannya. Pada 31 Oktober 2015, pendedahan dana kepada pasaran ekuiti adalah 90.4%. Setakat ini, Dana kekal diurus sejajar dengan objektif yang ditetapkan dengan melabur dalam ekuiti yang menawarkan pulangan dividen.

Bagi tahun berakhir 31 Oktober 2015, tidak terdapat sebarang perubahan ketara dalam hal ehwal pengurusan Dana dan tiada berlakunya sebarang keadaan yang menjejaskan kepentingan para pemegang unit sehingga tarikh Laporan Pengurus disediakan.

### 1.2.2 Jumlah Pulangan dan Purata Jumlah Pulangan bagi Tempoh Kewangan Berakhir pada 31 Oktober 2015

	BIBM / Dividend Fund		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
Sejak Pelancaran	15.62	3.91	30.90	6.00
Jangkamasa 1-Tahun	-10.15	-10.15	6.00	6.00
Jangkamasa 3-Tahun	-3.07	-1.02	19.10	6.00

### 1.2.3 Jumlah Pulangan Tahunan Bagi Tahun/ Tempoh Kewangan yang lalu

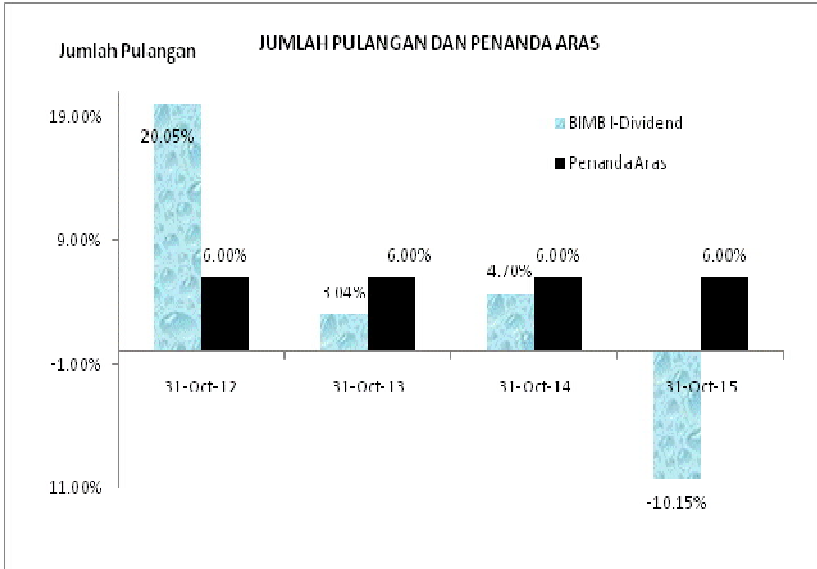
Tahun Kewangan	Jumlah Pulangan	
	BIMB / Dividend Fund (%)	Penanda Aras (%)
31 October 2015	-10.15	6.00
31 October 2014	4.70	6.00
31 October 2013	3.04	6.00
31 October 2012	20.05	6.00

### 1.2.4 Agihan Pendapatan Bagi Tahun Kewangan yang lalu

Tahun Kewangan	Pengagihan Pendapatan		Penanda Aras (%)
	Pengagihan (sen)/ unit	Pengagihan Keuntungan setahun (%)	
31 Oktober 2015	1.25	4.81	6.00
31 Oktober 2014	1.87	7.02	6.00
31 Oktober 2013	2.15	7.70	6.00
31 Oktober 2012	1.90	7.66	6.00



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



**Nota:**

*Sumber Data* : BIMB Investment Management Berhad

*Data disahkan oleh:* Novagni Analytics & Advisor Sdn. Bhd. (dahulunya

*Dikenali sebagai Perkasa Normandy Managers Sdn.Bhd)*

*Penanda Aras* : "Pulangan mutlak sebanyak 6% setahun"

**Nota:**

- Jumlah Pulangan** telah disahkan oleh Novagni Analytics & Advisor Sdn. Bhd.
- 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

### Ekonomi

#### a) Global

- Keluaran Dalam Negara Kasar (KDNK) Amerika Syarikat (AS) mendarat dengan catatan 2.1% dalam suku ketiga 2015 berbanding 2.1% dalam suku keempat tahun 2014 apabila pertumbuhan ekonominya ditekan dengan permintaan domestik yang semakin lemah, eksport yang berkurangan dan penurunan di dalam pelaburan dan perbelanjaan perniagaan.
- Kadar inflasi tahunan AS jatuh kepada 0.2% dalam bulan Oktober 2015 daripada 1.2% dalam bulan November 2014 disebabkan oleh kejatuhan harga bahan api pada sepanjang tahun lalu .
- Kadar pengangguran AS jatuh kepada 5.0 % dalam bulan Oktober 2015 daripada 5.8% dalam bulan November 2014 disebabkan oleh wujudnya banyak peluang pekerjaan dalam perkhidmatan perniagaan, sektor kesihatan, perdagangan runcit dan sektor pembinaan.
- KDNK zon Euro meningkat sebanyak 0.3% dalam suku ketiga 2015 berbanding 0.4% dalam suku keempat 2014 apabila pertumbuhan ekonomi Portugal terhenti, manakala pertumbuhan ekonomi Jerman perlahan dan ekonomi Greece yang berdepan masalah hutang, mengecut.
- Inflasi zon Euro turun kepada 0.1 % dalam bulan Oktober 2015 daripada 0.3% dalam bulan November 2014 disebabkan oleh kejatuhan harga bahan api.
- Kadar pengangguran zon Euro jatuh kepada 10.5% dalam bulan Oktober 2015 daripada 11.5% dalam bulan November 2014 apabila kadar bilangan penganggur berkurangan di seluruh negara-negara anggota zon Euro utama termasuk Jerman, Sepanyol dan Itali.

*(Sumber: Bloomberg, CIMB Research dan RHB Research Institute Sdn Bhd)*

#### b) Dalam Negara

- KDNK benar Malaysia berkembang sebanyak 4.7% dalam suku ketiga tahun 2015, disokong oleh peningkatan permintaan domestik yang berterusan meskipun prestasi eksport lemah. Secara perbandingan, pertumbuhan ekonomi Malaysia adalah 5.7% dalam suku keempat 2014 disokong oleh perbelanjaan pengguna, pelaburan swasta dan peningkatan eksport.
- Kadar inflasi Malaysia dalam bulan Oktober 2015 turun kepada 2.5% daripada 3.0% dalam bulan November 2014 disebabkan oleh penurunan kos pengangkutan.

- Rizab antarabangsa Bank Negara Malaysia berjumlah RM417.9 bilion (bersamaan dengan AS\$94.0 bilion) pada 31 Oktober 2015. Paras rizab ini memadai untuk membiayai 8.7 bulan import tertanggung dan 1.2 kali hutang luar negeri jangka pendek.
- Bank Negara Malaysia mengekalkan Kadar Dasar Semalaman (OPR ) sepanjang tempoh dalam kajian pada paras 3.25 % dalam bulan Oktober 2015 daripada bulan November 2014.

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

## **Kajian Pasaran**

### **Ekuiti**

Indeks Syariah EMAS FTSE Bursa Malaysia ("FBM Syariah") memasuki tahun kewangan dalam kajian pada paras 13,346.37 mata, mencecah paras tertinggi 13,393.64 mata pada 3 November 2014. Dalam tempoh itu, Indeks FBM Syariah berada pada paras terendah 10,705.63 mata pada 25 Ogos 2015 dan ditutup pada 12,392.83 mata pada 31 Oktober 2015. Bagi tahun kewangan dalam kajian, FBM Syariah jatuh 953.54 mata atau 7.14% manakala FBM KLCI menurun sebanyak 189.44 mata atau 10.21% untuk ditutup pada 1,665.71 mata. Di antara faktor-faktor utama yang menyumbang kepada pergerakan indeks dinyatakan di bawah:

- Harga minyak mentah terus jatuh di bawah paras AS\$80 setong dalam bulan November 2014 .
- Pada 27 November 2014, Pertubuhan Negara-negara Pengeksport Petroleum (OPEC) menentang keputusan untuk pengurangan pengeluaran bagi tujuan menyokong harga minyak.
- Pada 1 Disember 2014, FBM Syariah terus jatuh sebanyak 3.24% disebabkan oleh prestasi lemah yang ditunjukkan oleh sektor minyak dan gas, pertanian dan hartanah apabila pasaran tempatan cuba untuk menerima implikasi yang mungkin timbul daripada hasil pendapatan minyak mentah negara yang lebih rendah.
- Menjelang akhir bulan Januari 2015, Bank Pusat Eropah ( ECB ) melaksanakan program kelonggaran kuantitatif (QE) secara besar-besaran untuk mengurangkan kebimbangan terhadap deflasi dan merangsang pertumbuhan di Kesatuan Eropah.
- Fitch memberikan ulasannya tentang kemungkinan penurunan penarafan negara Malaysia pada 20 Januari 2015.
- Harga minyak mentah kembali pulih apabila meningkat lebih 40% daripada AS\$46.59 pada 13 Januari 2015 kepada AS\$66.78 setong pada 30 April 2015.

- Dalam bulan Mei hingga Jun, institusi asing terus menjual di pasaran ekuiti dengan meningkatnya kebimbangan tentang kesan pengumuman Fitch terhadap penarafan negara Malaysia dan juga kesan negatif daripada kemungkinan untuk Greece keluar dari zon Euro.
- Pada 30 Jun 2015, Fitch mengesahkan penarafan kredit negara Malaysia pada "A-" dengan unjuran dinaikkan pada tahap "stabil" berikutan kedudukan fiskal yang semakin baik, pembiayaan yang fleksibel dan pertumbuhan KDNK yang menggalakkan.
- Pada awal bulan Ogos, nilai Ringgit jatuh lagi berbanding dolar AS apabila pelabur-pelabur asing keluar dari pasaran ekuiti dan bon domestik disebabkan sentimen terhadap kesan kenaikan kadar faedah AS. Keadaan ini juga disebabkan oleh kebimbangan yang semakin meningkat terhadap landskap politik negara yang tidak menentu.
- Pada akhir bulan Ogos, Bursa Saham Shanghai dan Shenzen jatuh teruk berikutan terdapat kebimbangan berlakunya kejatuhan secara mendadak ekonomi China, sehingga membawa kepada penjualan secara besar-besaran di peringkat rantau Asia. Keadaan itu mengakibatkan kesan berterusan di Eropah dan Amerika Syarikat. Kekhuatiran terhadap kadar permintaan yang lemah di China juga menjejaskan harga minyak mentah yang menjunam kepada paras rendah dalam tempoh enam setengah tahun iaitu \$42.51 setong, meningkatkan lagi kebimbangan kepada berlakunya lebih bekalan minyak mentah dunia.
- Dalam bulan Ogos sahaja, Ringgit telah menyusut sebanyak 9.7% daripada AS\$/MYR 3.82 kepada AS\$/MYR 4.19 berikutan peristiwa-peristiwa yang berlaku sepanjang bulan itu. Spekulasi tentang masa pelaksanaan kenaikan kadar faedah AS kekal menjadi tanda tanya pada bulan Ogos dan mendedahkan lagi kepada risiko pasaran tidak menentu dalam tempoh terdekat memandangkan Ringgit terus mengalami penurunan nilai. Secara keseluruhan, penjualan besar-besaran dalam bulan Ogos telah menghakis antara 7% hingga 10% daripada permodalan pasaran global.
- Rizab Persekutuan AS tidak menaikkan kadar faedah pada bulan September memandangkan keadaan ekonomi global merosot kerana bimbang sebarang usaha mengetatkan dasar kewangan mungkin boleh menjejaskan pertumbuhan dunia. Pada bulan ini, pasaran global meningkat apabila para pelabur telah mengambil kira kenaikan kadar faedah yang tertunda oleh Rizab Persekutuan AS.

*(Source: Bloomberg, CIMB Research and RHB Research Institute Sdn Bhd)*

## 1.4 Tinjauan Pasaran dan Strategi

- Tinjauan menunjukkan pasaran ekuiti dijangka mengalami keadaan naik turun yang berterusan dalam tahun 2015. Walaupun program QE (Kelonggaran Kuantitatif) dilaksanakan di zon Euro dan Jepun, pemulihan ekonomi global mungkin menghadapi halangan dalam pelbagai aspek termasuk pengukuhan Dolar AS, potensi berlakunya kenaikan kadar faedah AS, kebimbangan terhadap pertumbuhan perlahan ekonomi China dan penurunan nilai mata wang selain lebihan pengeluaran minyak mentah dunia mempengaruhi harga komoditi itu.
- Di dalam negara, Bursa Malaysia patut mendapat sokongan tunai domestik dan juga sokongan belian yang kukuh daripada dana-dana tempatan. Ketidakpastian terhadap kenaikan kadar faedah AS boleh menyebabkan berlakunya keadaan turun naik dalam bursa tempatan dan pelarian modal keluar daripada sempadan ekonomi Malaysia, menjejaskan lagi nilai mata wang Ringgit. Kejatuhan harga minyak mentah boleh menimbulkan kesan lebih besar kepada industri minyak dan gas negara ini dan juga kedudukan fiskal dalam jangka masa terdekat.
- Pada asasnya, ekonomi Malaysia berada dalam kedudukan yang baik untuk berkembang antara 4.0% hingga 5.5% pada tahun 2015 kerana permintaan domestik kekal menjadi pemacu kepada pertumbuhan dengan disokong oleh perbelanjaan modal secara menyeluruh oleh sektor awam dan swasta. Kerajaan Malaysia telah mengambil langkah-langkah perlu untuk mengukuhkan ekonomi, menstabilkan mata wang, memulihkan keyakinan pelabur, menegaskan bahawa sistem perbankan dan pasaran modal adalah berdaya tahan dan berupaya untuk menghadapi sebarang potensi ketidaktentuan ekonomi.
- Strategi pelaburan ekuiti kami adalah melabur dalam saham-saham yang dapat mengatasi pencapaian penanda aras dan mempunyai pendekatan jangka panjang dalam melabur.

## 1.5 Peruntukan Aset 31 Oktober 2015

<b>BIMB i Dividend Fund</b>	<b>2015 (%)</b>	<b>2014 (%)</b>	<b>2013 (%)</b>
<b>Pelaburan Sekuriti Tersiarharga</b>			
Pembinaan	3.6	4.9	18.8
Barangan Pengguna	2.6	3.6	0.7
Kewangan	2.8	4.2	-
Barangan Industri	1.7	11.0	2.5
Infrastruktur	10.6	3.0	0.5
Perladangan	9.6	7.6	3.3
Hartanah	13.9	6.4	23.5
REITs	0.1	-	3.5
Teknologi	0.5	0.7	-
Perdagangan dan Perkhidmatan	44.7	51.0	33.1
Waran	0.3	0.5	3.3
	<b>90.4</b>	<b>92.9</b>	<b>89.2</b>
PELABURAN DALAM SEKURITI HUTANG SECARA ISLAM: TUNAI DAN PELABURAN JANGKA PENDEK:	9.6	7.1	10.8
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 1.6 Lain-Lain Data Prestasi Bagi Tahun Kewangan Berakhir 31 Oktober 2015

<b>BIMB / Dividend Fund</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Harga Unit (RM)</b>			
NAB tertinggi seunit dalam setahun*	0.2600	0.2834	0.2952
NAB terendah seunit dalam setahun*	0.2060	0.2600	0.2662
<b>Nilai Aset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada Akhir Tahun</b>			
Jumlah NAB (RM)	218,658,890	184,456,968	118,465,839
Unit Dalam Edaran (UDE)	988,832,925	709,500,822	444,976,093
<b>NAB seunit (RM) *</b>	<b>0.2211</b>	<b>0.2600</b>	<b>0.2662</b>
<b>Jumlah Pulangan Dana (%)</b>			
Pertumbuhan Modal (%) <sup>(b)</sup> [muka surat 24]	(14.96)	(2.32)	-4.66
Pulangan Pendapatan (%) <sup>(c)</sup> [muka surat 24]	4.81	7.02	7.70
<b>Pulangan Dana (%) <sup>(a)</sup> [muka surat 24]</b>	<b>(10.15)</b>	<b>4.70</b>	<b>3.04</b>
Agihan Kasar seunit (Sen)	1.2500	1.8783	2.1543
Agihan Bersih seunit (Sen)	1.2500	1.8700	2.1500
Nilai Aset Bersih sebelum Pengagihan (RM)	0.2336	0.2787	0.2877
Nilai Aset Bersih selepas Pengagihan (RM)	0.2211	0.2600	0.2662
Tarikh Pengagihan	30 Oktober	31 Oktober	31 Oktober
<b>Nisbah Perbelanjaan Pengurusan (NPP) (%) <sup>(d)</sup> [muka surat 24]</b>	<b>1.65</b>	<b>1.58</b>	<b>1.61</b>
<b>Nisbah Pusing Ganti Portfolio (Kali) <sup>(e)</sup> [muka surat 24]</b>	<b>3.34</b>	<b>5.58</b>	<b>1.41</b>

*\*Harga NAB selepas pengagihan pendapatan*

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** =  $\{\text{Pengagihan Pendapatan Se Unit / NAB se unit pada "ex-date"}\} \times 100$
- 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 Pecahan Pegangan Unit pada 31 Oktober 2015

Saiz Dipegang	BIMB i Dividend Fund			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Unit	%
Kurang daripada 5,000	767	37.20	2,621,432.02	0.27
5,001 hingga 10,000	204	9.89	1,503,307.92	0.15
10,001 hingga 50,000	606	29.39	15,931,628.92	1.61
50,001 hingga 500,000	436	21.14	78,395,364.92	7.93
500,001 dan ke atas *	48	2.33	890,380,791.59	90.04
<b>Unit yang dipegang oleh Pemegang Unit</b>	<b>2,061</b>	<b>99.95</b>	<b>988,832,525.37</b>	<b>100.00</b>
<b>Unit yang dipegang oleh Pengurus</b>	<b>1</b>	<b>0.05</b>	<b>400.00</b>	<b>0.00</b>
<b>Jumlah Keseluruhan Dana</b>	<b>2,062</b>	<b>100.00</b>	<b>988,832,925.37</b>	<b>100.00</b>

\*Akaun Penama juga termasuk dibawah kategori ini.



## **1.8 Polisi Rebat dan Komisyen Bukan Tunai**

Sebarang rebat broker saham yang diterima oleh Pengurus akan dihalakan ke akaun Dana. 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 boleh disimpan oleh Pengurus. Pengurus 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: 17 Disember 2015**

*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

**CIMB ISLAMIC TRUSTEE BERHAD  
ANNUAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**

To the unit holders of  
**BIMB i DIVIDEND FUND**

We, **CIMB ISLAMIC TRUSTEE BERHAD** ("the Trustee") being the Trustee of **BIMB i DIVIDEND FUND** ("the Fund") are of the opinion that **BIMB INVESTMENT MANAGEMENT BERHAD** ("the Manager") acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 31 October 2015.

1. The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Supplemental Deed, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws during the financial year ended 31 October 2015;
2. Valuation/pricing of units of the Fund has been carried out in accordance with the Deed, the Supplemental Deed and relevant regulatory requirements;
3. Creation and cancellation of units have been carried out in accordance with the Deed, the Supplemental Deed and relevant regulatory requirements; and
4. The distribution of returns by the Fund is relevant and reflect the investment objective of the Fund.

For and on behalf of  
**CIMB ISLAMIC TRUSTEE BERHAD** (Company No. 167913-M)

.....

**LEE KOOI YOKE**

Chief Operating Officer

Kuala Lumpur, Malaysia

Date: 17 December 2015

### 3.0 Shariah Committee's Report

**ANNUAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ.

To the Unit Holders of  
**BIMB i Dividend Fund**

We have acted as the Shariah Committee of BIMB i Dividend 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 23 June 2010 and Supplemental Deed dated 23 September 2013 are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB i Dividend 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 October 2015.

In addition, we also confirm that the investment portfolio of BIMB i Dividend Fund comprises 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 Funds are Shariah-compliant.

والله أعلم

For and on behalf of the Shariah Committee

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

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

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

**Date: 17 December 2015**

## 4.0 Director's Declaration Report

### ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2015

To the Unit Holders of  
**BIMB *i* Dividend 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* Dividend 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 true and fair view of the Statement of Financial Position of the Fund as at 31 October 2015 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:** 17 December 2015

## 5.0 Independent Auditors' Report

### Report on the Financial Statements

We have audited the financial statements of BIMB i-Dividend Fund ("the Fund"), which comprise the statement of financial position as at 31 October 2015, and the statements of profit or loss and other comprehensive income, changes in net asset value and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 31 to 62.

#### *Manager's and Trustee's Responsibility for the Financial Statements*

The Manager of the Fund is responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 October 2015 and of its financial performance, changes in net asset attributable to unit holders and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

**Other Matters**

This report is made solely to the unit holders 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 & Co.**

Firm Number: AF 0759

Chartered Accountants

**Ow Peng Li**

Approval Number: 2666/09/15(J)

Chartered Accountant

Petaling Jaya, Selangor

Date: 17 December 2015

## 6.0 Financial Statements (Audited)

### 6.1 Statement of Financial Position as at 31 October 2015

	Note	2015 RM	%	2014 RM	%
<b>Investments</b>					
Quoted securities	4	197,567,105	90.4	171,335,321	92.9
<b>Other assets</b>					
Amount due from stockbroker		20,875,248	9.5	30,906,560	16.7
Amount due from Manager		41,325	0.0	2,801,490	1.5
Other receivables		464,888	0.2	160,439	0.1
Current tax assets		13,367	0.0	13,367	-
Cash and cash equivalents	5	4,909,590	2.2	31,879,533	17.3
<b>Total assets</b>		<u>223,871,523</u>	<u>102.3</u>	<u>237,096,710</u>	<u>128.5</u>
<b>Liabilities</b>					
Amount due to stockbroker		4,349,983	1.9	38,234,870	20.7
Amount due to Manager		420,680	0.2	867,088	0.5
Other payables		322,851	0.1	270,119	0.1
Distribution payable		119,119	0.1	13,267,665	7.2
<b>Total liabilities</b>		<u>5,212,633</u>	<u>2.3</u>	<u>52,639,742</u>	<u>28.5</u>
		<u>218,658,890</u>	<u>100.0</u>	<u>184,456,968</u>	<u>100.0</u>
<b>Unit holders' fund</b>					
Unit holders' capital	6	261,202,257	119.5	195,075,574	105.8
Accumulated losses		(42,543,367)	(19.5)	(10,618,606)	(5.8)
		<u>218,658,890</u>	<u>100.0</u>	<u>184,456,968</u>	<u>100.0</u>
<b>Number of units in circulation</b>		<u>988,832,925</u>		<u>709,500,822</u>	
<b>Net Asset Value attributable to unit holders</b>		<u>218,658,890</u>		<u>184,456,968</u>	
<b>Net asset value per unit (sen)</b>					
- Ex distribution		<u>22.1</u>		<u>26.0</u>	

The notes on pages 35 to 62 are an integral part of these financial statements.

**6.2 Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 October 2015**

	Note	2015 RM	2014 RM
<b>Income</b>			
Gain on sale of shares		5,902,550	10,779,956
Gross dividends from shares quoted in Malaysia		8,330,161	4,096,049
Income from short term investments		305,760	343,388
Hibah from Al-Wadiah account		6,265	12,349
Net unrealised loss from financial instruments at fair value through profit or loss		(31,445,711)	(4,713,061)
<b>Gross (loss)/income</b>		<u>(16,900,975)</u>	<u>10,518,681</u>
<b>Expenses</b>			
Manager's fee	7	(3,013,332)	(2,297,250)
Trustee's fee	8	(120,534)	(91,890)
Audit fee		(11,000)	(10,000)
Tax agent's fee		(3,000)	(3,000)
Administrative expenses		(168,593)	(19,556)
		<u>(3,316,459)</u>	<u>(2,421,696)</u>
<b>Net (loss)/income before taxation</b>		<u>(20,217,434)</u>	<u>8,096,985</u>
Tax expense	9	(1,950)	(119,122)
<b>Net (loss)/income after taxation</b>		<u>(20,219,384)</u>	<u>7,977,863</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive (expense)/income for the year</b>		<u>(20,219,384)</u>	<u>7,977,863</u>
Total comprehensive (expense)/income for the year consist of:			
Realised amount		11,226,327	12,690,924
Unrealised amount		(31,445,711)	(4,713,061)
		<u>(20,219,384)</u>	<u>7,977,863</u>

*The notes on pages 35 to 62 are an integral part of these financial statements.*



### 6.3 Statement of Changes in Net Asset Value for the Year Ended 31 October 2015

	Unit holders' capital	Accumulated losses	Total
Note	RM	RM	RM
<b>As at 1 November 2013</b>	123,794,643	(5,328,804)	118,465,839
<i>Movement in unit holders' contribution or distribution</i>			
Creation of units via			
- cash	76,334,272	-	76,334,272
- reinvestment of distribution	9,058,860	-	9,058,860
	85,393,132	-	85,393,132
Cancellation of units	(14,112,201)	-	(14,112,201)
Distributions	-	(13,267,665)	(13,267,665)
Total contribution/(distribution) to unit holders	71,280,931	(13,267,665)	58,013,266
Net income for the year	-	7,977,863	7,977,863
<b>As at 31 October 2014/ 1 November 2014</b>	195,075,574	(10,618,606)	184,456,968
<i>Movement in unit holders' contribution or distribution</i>			
Creation of units via			
- cash	57,847,713	-	57,847,713
- reinvestment of distribution	24,275,787	-	24,275,787
	82,123,500	-	82,123,500
Cancellation of units	(15,996,817)	-	(15,996,817)
Distributions	-	(11,705,377)	(11,705,377)
Total contribution/(distribution) to unit holders	66,126,683	(11,705,377)	54,421,306
Net income for the year	-	(20,219,384)	(20,219,384)
<b>As at 31 October 2015</b>	261,202,257	(42,543,367)	218,658,890

*The notes on pages 35 to 62 are an integral part of these financial statements.*

#### 6.4 Statement of Cash Flows for the Year Ended 31 October 2015

	2015 RM	2014 RM
<b>Cash flows from operating activities</b>		
Dividend received	8,025,922	4,082,189
Income from short term investments	311,815	241,405
Management fee paid	(2,946,686)	(2,244,459)
Trustee fee paid	(117,869)	(91,982)
Payment for administrative expenses	(199,172)	(16,855)
Proceed from sale of investments	123,661,088	122,188,435
Purchase of investments	(199,289,608)	(174,094,320)
	<hr/>	<hr/>
<b>Cash used in operations</b>	(70,554,510)	(49,935,587)
Tax (paid)/refund	(1,950)	46,915
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	----- (70,556,460) -----	----- (49,888,672) -----
<b>Cash flows from financing activities</b>		
Cash receipt for creation of units	60,607,878	74,216,747
Cash payment for cancellation of units	(16,443,225)	(13,498,165)
Payment of distributions	(578,136)	(508,126)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	----- 43,586,517 -----	----- 60,210,456 -----
<b>Net (decrease)/increase in cash and cash equivalents</b>	(26,969,943)	10,321,784
Cash and cash equivalents at beginning of the year	31,879,533	21,557,749
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	<u><u>4,909,590</u></u>	<u><u>31,879,533</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	149,903	3,241,932
Short term investments	4,759,687	28,637,601
	<hr/>	<hr/>
	<u><u>4,909,590</u></u>	<u><u>31,879,533</u></u>

The notes on pages 35 to 62 are an integral part of these financial statements.

## **Notes to the financial statements**

### **1. Information on the Fund**

BIMB *i* Dividend Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 23 June 2010 between the Manager - BIMB Investment Management Berhad., the Trustee – HSBC (Malaysia) Trustee Berhad and the registered holders of the Fund. Effective from 1 November 2013, the Trustee has changed from HSBC (Malaysia) Trustee Berhad to CIMB Islamic Trustee Berhad. A Supplemental Deed was executed on 23 September 2013 to reflect the changes. The addresses of the registered office and principal place of business of the Fund are as follows:

#### **Registered office**

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

#### **Principal place of business**

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

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 deposits.

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 on 17 December 2015.

### **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”) and International Financial Reporting Standards (“IFRS”).

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

## 2. Basis of preparation (continued)

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

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- 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*
- Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

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

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

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

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

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

- from the annual period beginning on 1 November 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016 except for MFRS 5, MFRS 10, MFRS 11, MFRS 14, MFRS 116, MFRS 119, MFRS 127 and MFRS 134 which are not applicable to the Fund.
- from the annual period beginning on 1 November 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The Fund is currently assessing the financial impact of adopting the abovementioned standards, amendments and interpretations.

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

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

### **(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 the 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 period in which the estimate is revised and in any future periods effected.

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 periods presented in these financial statements, unless otherwise stated.

#### (a) Financial instruments

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

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

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

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

The Fund categories financial instruments as follows:

###### *Financial assets*

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

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

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in the statement of profit or loss and other comprehensive income.

##### (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, amount due from Manager, other receivables, cash at bank and short term investments.

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

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

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

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

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

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities measured at amortised cost comprises amount due to stockbroker, amount due to Manager, other payables and distribution payable.

#### **(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 control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

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

##### **(i) Dividend income**

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

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

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

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

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

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

##### **Financial assets**

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

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

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

Income tax expense comprises current and deferred tax. Current tax and deferred tax are 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 or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.



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

#### **(f) Unit holders' capital**

The Fund issues cancellable units, which are cancelled at the holder'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 holder exercises the right to put the unit back to the Fund.

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

#### **(g) Distribution**

Distribution is at discretion of the Fund. A distribution to the Fund's unit holders 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**

As the distribution is to be reinvested, for this Fund, the Net Assets Value is calculated after deducting the retained earnings allocated for distribution.

### 3. Significant accounting policies (continued)

#### (i) Fair value measurement

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

As at 31 October 2015 Company's Name	Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2015 %
<b><u>Main Market</u></b>				
<b>(i) Construction</b>				
Hock Seng Lee Berhad	127,700	238,679	236,245	0.11
IJM Corporation Berhad	325,000	1,073,759	1,079,000	0.49
Mudajaya Group Berhad	1,814,400	4,716,475	2,249,856	1.03
Muhibbah Engineering (M) Berhad	669,000	1,568,833	1,471,800	0.67
WCT Holdings Berhad	2,073,616	4,273,072	2,840,854	1.30
		<u>11,870,818</u>	<u>7,877,755</u>	<u>3.60</u>
<b>(ii) Consumer products</b>				
Bonia Corporation Berhad	1,629,700	1,829,418	1,214,126	0.56
QL Resources Berhad	301,000	1,242,434	1,216,040	0.56
UMW Holdings Berhad	384,000	4,694,459	3,156,480	1.44
		<u>7,766,311</u>	<u>5,586,646</u>	<u>2.56</u>
<b>(iii) Finance</b>				
BIMB Holdings Berhad	1,107,100	4,881,356	4,539,110	2.08
Syarikat Takaful Malaysia Berhad	428,000	1,744,369	1,630,680	0.74
		<u>6,625,725</u>	<u>6,169,790</u>	<u>2.82</u>
<b>(iv) Industrial products</b>				
Coastal Contracts Berhad	206,000	621,772	420,240	0.19
Kossan Rubber Industries Berhad	40,500	325,162	330,075	0.15
Lafarge Malaysia Berhad	75,000	683,523	682,500	0.31
Shell Refining Company Berhad*	60,000	622,991	340,800	0.16
Supermax Corporation Berhad	306,900	688,561	690,525	0.32
Top Glove Corporation Berhad	139,000	1,316,991	1,319,110	0.60
		<u>4,259,000</u>	<u>3,783,250</u>	<u>1.73</u>

#### 4. Quoted securities (continued)

	As at 31 October 2015 Company's Name	Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2015 %
	<b><u>Main Market (continued)</u></b>				
(v)	<b>Infrastructure</b>				
	DiGi.Com Berhad	2,164,000	13,118,286	11,382,640	5.21
	Time Dotcom Berhad	1,638,000	11,657,672	11,449,620	5.24
	YTL Power International Berhad*	265,650	543,914	401,132	0.18
			<b>25,319,872</b>	<b>23,233,392</b>	<b>10.63</b>
(vi)	<b>Plantation</b>				
	Boustead Plantation Berhad	1,243,600	1,928,011	1,865,400	0.85
	Felda Global Ventures Holdings Berhad	370,000	657,289	658,600	0.30
	Genting Plantation Berhad	103,000	1,101,055	1,102,100	0.51
	Hap Seng Plantation Holdings Berhad	1,569,100	4,405,243	3,765,840	1.72
	IJM Plantation Berhad	125,000	450,984	438,750	0.20
	IOI Corporation Berhad*	877,000	4,184,434	3,736,020	1.71
	Kuala Lumpur Kepong Berhad	416,000	9,810,861	9,476,480	4.33
			<b>22,537,877</b>	<b>21,043,190</b>	<b>9.62</b>
(vii)	<b>Properties</b>				
	Glomac Berhad	2,656,600	3,108,246	2,417,506	1.10
	Mah Sing Group Berhad	510,410	892,783	673,741	0.31
	Matrix Concepts Holdings Berhad	929,833	2,604,718	2,250,196	1.03
	S P Setia Berhad	1,179,700	4,328,472	3,893,010	1.78
	Sunway Berhad	5,833,000	20,498,894	18,082,300	8.27
	UEM Sunrise Berhad	2,445,500	6,264,057	3,056,875	1.40
			<b>37,697,170</b>	<b>30,373,628</b>	<b>13.89</b>

#### 4. Quoted securities (continued)

As at 31 October 2015 Company's Name		Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2015 %
<b><u>Main Market (continued)</u></b>					
<b>(viii) Reits</b>					
Axis Real Estate Investment Trust		112,000	201,191	184,800	0.08
<b>(ix) Technology</b>					
Inari Amerton Berhad		307,000	1,120,045	1,095,990	0.50
Malaysian Pacific Industries Berhad		2,200	15,064	15,290	0.01
			<b>1,135,109</b>	<b>1,111,280</b>	<b>0.51</b>
<b>(x) Trading and services</b>					
Axiata Group Berhad		2,194,815	15,208,809	13,542,009	6.19
Brahims Holdings Berhad		1,919,800	2,759,783	1,977,394	0.91
Dayang Enterprise Holdings Berhad		1,198,000	3,808,341	2,036,600	0.93
Dialog Group Berhad		2,657,784	4,477,401	4,252,454	1.95
E.A Technique (M) Berhad		1,959,000	2,336,764	2,507,520	1.15
GD Express Carrier Berhad		460,000	650,469	625,600	0.29
IHH Healthcare Berhad		140,000	889,471	883,400	0.40
KPJ Healthcare Berhad		155,000	661,826	661,850	0.30
Malakoff Corporation Berhad		2,914,100	5,255,219	4,983,111	2.28
Maxis Berhad		1,715,500	11,738,204	11,305,145	5.17
Media Chinese International Limited		3,810,300	5,110,622	2,190,923	1.00
Parkson Holdings Berhad		1,573,891	4,537,676	1,684,063	0.77
Sapura Kencana Petroleum Berhad		1,324,100	5,284,593	2,793,851	1.28
Sime Darby Berhad		1,285,186	12,080,414	10,744,155	4.91
Star Publications Malaysia Berhad		1,814,100	5,325,310	4,353,840	1.99
Telekom Malaysia Berhad		1,560,187	11,094,884	10,390,845	4.75

#### 4. Quoted securities (continued)

	<b>As at 31 October 2015 Company's Name</b>	<b>Number of shares held</b>	<b>Cost RM</b>	<b>Market Value RM</b>	<b>Percentage of value of Fund as at 31.10.2015 %</b>
	<b><u>Main Market (continued)</u></b>				
(x)	<b>Trading and services (continued)</b>				
	Tenaga Nasional Berhad	1,303,500	17,102,662	16,502,310	7.55
	TH Heavy Engineering Berhad	6,112,000	5,146,925	1,252,960	0.57
	UMW Oil & Gas Corporation Berhad	1,291,100	4,853,668	1,562,231	0.72
	Westports Holdings Berhad	775,000	3,352,268	3,332,500	1.52
			<b>121,675,309</b>	<b>97,582,761</b>	<b>44.63</b>
(xi)	<b>Warrant</b>				
	LBS Bina Group Berhad - Warrant A	905,200	681,865	416,392	0.19
	Mah Sing Group Berhad - Warrant B	1,103,896	430,812	204,221	0.09
			<b>1,112,677</b>	<b>620,613</b>	<b>0.28</b>
	<b>Total portfolio investment as at 31 October 2015</b>		<b>240,201,059</b>	<b>197,567,105</b>	<b>90.35</b>

\* These securities have been reclassified as Shariah non-compliant security by the Shariah Advisory Council ("SAC") of the Securities Commission on 29 May 2015.

#### 4. Quoted securities

As at 31 October 2014 Company's Name	Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2014 %
<b><u>Main Market</u></b>				
<b>(i) Construction</b>				
Hock Seng Lee Berhad	1,101,000	2,069,608	2,157,960	1.17
Mudajaya Group Berhad	1,814,400	4,716,475	3,773,952	2.05
WCT Holdings Berhad	1,470,938	3,497,273	3,191,935	1.73
		10,283,356	9,123,847	4.95
<b>(ii) Consumer products</b>				
Bonia Corporation Berhad	1,149,700	1,376,886	1,310,658	0.71
MSM Malaysia Holdings Berhad	161,700	818,013	793,947	0.43
UMW Holdings Berhad	384,000	4,694,459	4,485,120	2.43
		6,889,358	6,589,725	3.57
<b>(iii) Finance</b>				
BIMB Holdings Berhad	1,107,100	4,881,356	4,727,317	2.56
Syarikat Takaful Malaysia Berhad	247,400	3,003,193	2,944,060	1.60
		7,884,549	7,671,377	4.16
<b>(iv) Industrial products</b>				
Petronas Chemicals Group Berhad	1,665,800	10,809,485	10,244,670	5.55
Petronas Gas Berhad	435,000	9,767,836	9,778,800	5.30
Shell Refining Company Berhad	60,000	622,991	343,800	0.19
		21,200,312	20,367,270	11.04

#### 4. Quoted securities (continued)

As at 31 October 2014 Company's Name	Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2014 %
<b><u>Main Market (continued)</u></b>				
<b>(v) Infrastructure</b>				
DiGi.Com Berhad	700,000	4,261,023	4,333,000	2.35
Time Dotcom Bhd.	135,000	650,987	699,300	0.38
YTL Power International Berhad	265,650	543,914	422,384	0.23
		5,455,924	5,454,684	2.96
<b>(vi) Plantation</b>				
Boustead Plantation Berhad	1,020,600	1,601,900	1,551,312	0.84
Hap Seng Plantations Holdings Berhad	1,464,000	4,137,555	3,791,760	2.06
Kuala Lumpur Kepong Berhad	374,000	8,852,741	8,602,000	4.66
		14,592,196	13,945,072	7.56
<b>(vii) Properties</b>				
Glomac Berhad	2,656,600	3,108,246	2,948,826	1.60
LBS Bina Group Berhad	39,800	63,906	65,670	0.04
Mah Sing Group Berhad	314,099	758,978	747,556	0.40
S P Setia Berhad	1,119,700	4,129,931	3,683,813	2.00
UEM Sunrise Berhad	2,300,500	6,064,745	4,324,940	2.34
		14,125,806	11,770,805	6.38



#### 4. Quoted securities (continued)

As at 31 October 2014 Company's Name	Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2014 %
<b><u>Main Market (continued)</u></b>				
<b>(viii) Trading and Services</b>				
Axiata Group Berhad	1,690,000	11,750,256	11,914,500	6.46
Brahims Holdings Berhad	1,217,800	2,051,977	1,607,496	0.87
Dayang Enterprise Holdings Berhad	1,066,000	3,497,452	3,134,040	1.70
Dialog Group Berhad	2,332,784	3,956,801	3,779,110	2.05
Maxis Berhad	1,412,500	9,665,778	9,520,250	5.16
Media Chinese International Limited	2,752,400	4,223,006	2,559,732	1.39
MISC Berhad	718,000	4,873,932	4,925,480	2.67
MMC Corporation Berhad	600,000	1,608,197	1,584,000	0.86
Parkson Holdings Berhad	1,030,146	3,633,600	2,595,968	1.41
Sime Darby Berhad	1,935,186	18,192,710	18,732,600	10.16
SapuraKencana Petroleum Berhad	1,324,100	5,284,593	4,515,181	2.45
Star Publications Malaysia Berhad	1,459,400	4,470,895	3,765,252	2.04
Tenaga Nasional Berhad	913,000	11,608,830	12,197,680	6.61
TH Heavy Engineering Bhd	6,112,000	5,146,924	3,911,680	2.11
Telekom Malaysia Berhad	748,000	5,151,069	5,385,600	2.92
UMW Oil & Gas Corporation Berhad	1,251,100	4,753,333	4,091,097	2.22
		99,869,353	94,219,666	51.08

#### 4. Quoted securities (continued)

As at 31 October 2014 Company's Name		Number of shares held	Cost RM	Market Value RM	Percentage of value of Fund as at 31.10.2014 %
<b><u>Main Market (continued)</u></b>					
<b>(ix) Technology</b>					
UNISEM (M) Berhad		737,000	1,157,451	1,245,530	0.68
<b>(x) Warrant</b>					
Mah Sing Group Berhad - Warrant B		666,500	383,394	349,913	0.19
LBS Bina Group Berhad - Warrant A		905,200	681,865	597,432	0.32
			1,065,259	947,345	0.51
<b>Total portfolio investment as at 31 October 2014</b>			<b>182,523,564</b>	<b>171,335,321</b>	<b>92.89</b>

#### 5. Cash and cash equivalents

	As at 31.10.2015 RM	As at 31.10.2014 RM
<i>Short term placements in licensed financial institutions</i>		
Special Investment Account*	-	28,637,601
Term Deposit i Tawarruq-Special*	1,701,998	-
Al Wadiah Deposits	3,057,689	-
Cash at bank	4,759,687 149,903	28,637,601 3,241,932
	<b>4,909,590</b>	<b>31,879,533</b>

\* Special Investment Account and Term Deposit i Tawarruq-Special are placed with Bank Islam Malaysia Berhad, the holding company of the Manager.

## 6. Unit holders' capital

	No. of units	RM
<b>As at 1 November 2013</b>	444,976,093	123,794,643
Creation of units	315,400,538	85,393,132
Cancellation of units	<u>(50,875,809)</u>	<u>(14,112,201)</u>
<b>As at 31 October 2014/1 November 2014</b>	709,500,822	195,075,574
Creation of units	344,802,023	82,123,500
Cancellation of units	<u>(65,469,920)</u>	<u>(15,996,817)</u>
<b>As at 31 October 2015</b>	<u>988,832,925</u>	<u>261,202,257</u>

In accordance with the Deed, the maximum number of units that can be issued out for circulation is 1,000,000,000 units (2014: 1,000,000,000 units). As at 31 October 2015, the number of units yet to be issued was 11,167,075 units (2014: 290,499,178 units).

Based on historic information over the last 12 months, redemption levels are expected to approximate RM15,990,000 (2014: RM14,110,000) and the average monthly level of creation net of redemption are expected to approximate RM5,510,000 (2014: RM5,940,000). However, the actual level of redemptions may differ significantly from the historic experience.

## 7. Manager's fee

The manager's fee payable to the Manager of the Fund is based on 1.50% (2014: 1.50%) per annum of the net asset value of the Fund calculated on a daily basis.

## 8. Trustee's fee

The trustee's fee is payable to the trustee of the Fund based on 0.06% (2014: 0.06%) per annum of the net asset value of the Fund calculated on a daily basis.

## 9. Tax expense

	2015 RM	2014 RM
Tax expense		
- Current year	1,950	-
- Under provision in prior years	-	119,122
	<u>1,950</u>	<u>119,122</u>

### *Reconciliation of effective tax expense*

Net (loss)/income before taxation	<u>(20,217,434)</u>	<u>8,096,985</u>
Income tax using Malaysian tax rate @ 25%	(5,054,359)	2,024,246
Non-deductible expenses	8,692,492	1,770,323
Income not subject to tax	<u>(3,636,184)</u>	<u>(3,794,569)</u>
	1,950	-
Under provision in prior years	<u>-</u>	<u>119,122</u>
	<u>1,950</u>	<u>119,122</u>

## 10. Distribution

	2015 RM	2014 RM
Distribution to unit holders is from the following sources:		
Gain on sale of shares	5,902,550	10,779,956
Gross dividends from share quoted in Malaysia	8,330,161	4,096,049
Income from short term investments	305,760	343,388
Previous years undistributed income	479,050	576,741
Hibah from Al-Wadiah account	<u>6,265</u>	<u>12,349</u>
	15,023,786	15,808,483
Less:		
Expenses	(3,316,459)	(2,421,696)
Tax expense	<u>(1,950)</u>	<u>(119,122)</u>
<b>Net distribution</b>	<u><u>11,705,377</u></u>	<u><u>13,267,665</u></u>

The Manager has declared a net distribution of 1.25 sen (2014: 1.87 sen) per unit based on entitlement units in circulation as at 30 October 2015 of 936,430,131 units amounting to RM11,705,377 (2014: Entitlement units: 709,500,822: RM13,267,665) in respect of the current financial year.

## 11. Units held by related parties

The numbers of units held by Management Company are as follows:

	2015		2014	
	Units	RM	Units	RM
BIMB Investment Management Berhad	400	88	400	104

All units are held legally and beneficially by the company.

## 12. Transactions with related parties

Other than as disclosed in Note 5 of the financial statements, other transaction with related parties are as follow:

	Transactions as at		Balance as at	
	2015	2014	2015	2014
	RM	RM	RM	RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	41,325	2,801,490
- Amount due to Manager	-	-	(420,680)	(867,088)
- Management fee	3,013,332	2,297,250	(284,687)	(218,042)
	<u>3,013,332</u>	<u>2,297,250</u>	<u>(284,687)</u>	<u>(218,042)</u>
<i>Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placement	(176,212)	(144,638)	1,701,998	28,637,601
	<u>(176,212)</u>	<u>(144,638)</u>	<u>1,701,998</u>	<u>28,637,601</u>
<i>Related company of the Manager</i>				
BIMB Securities Sdn. Bhd.				
- Amount due from	-	-	628,572	-
- Amount due to	-	-	(434,655)	-
- Brokerage fee	122,545	78,761	(3,116)	-
	<u>122,545</u>	<u>78,761</u>	<u>(3,116)</u>	<u>-</u>
<i>The Trustee</i>				
CIMB Islamic Trustee Berhad				
- Trustee fee	120,534	91,890	(11,388)	(8,722)
	<u>120,534</u>	<u>91,890</u>	<u>(11,388)</u>	<u>(8,722)</u>

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

<b>1 November 2014 to 31 October 2015</b>	<b>Value of trade</b>	<b>% of total trade</b>	<b>Brokerage</b>	<b>% of total brokerage fee</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	
RHB Investment Bank Berhad	64,275,872	23.30	177,378	22.00
BIMB Securities Sdn. Bhd.*	43,454,643	15.75	122,545	15.20
CIMB Investment Bank Berhad	43,348,000	15.71	138,974	17.23
Maybank Investment Bank Berhad	35,852,467	13.00	112,235	13.92
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	27,945,822	10.13	78,430	9.73
Hong Leong Investment Bank Berhad	18,808,435	6.82	52,760	6.54
Kenanga Investment Bank Berhad	11,386,131	4.13	33,852	4.20
AmlInvestment Bank Berhad	11,190,076	4.06	32,935	4.08
TA Securities Holdings Berhad	9,815,835	3.56	28,601	3.55
Public Investment Bank Berhad	5,454,601	1.98	15,723	1.95
MIDF Amanah Investment Bank Berhad	4,295,840	1.56	12,953	1.60
	<u>275,827,722</u>	<u>100.00</u>	<u>806,386</u>	<u>100.00</u>

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

1 November 2013 to 31 October 2014	Value of trade	% of total trade	Brokerage	% of total brokerage fee
	RM	RM	RM	
RHB Investment Bank Berhad	142,786,865	39.09	383,424	37.26
Maybank Investment Bank Berhad	75,620,008	20.70	221,248	21.50
CIMB Investment Bank Berhad	60,633,401	16.60	171,208	16.64
BIMB Securities Sdn. Bhd.*	26,391,482	7.22	78,761	7.66
Hong Leong Investment Bank Berhad	18,305,183	5.01	53,116	5.16
TA Securities Holdings Berhad	17,091,705	4.68	49,205	4.78
AmInvestment Bank Berhad	13,844,676	3.79	39,041	3.79
MIDF Amanah Investment Bank Berhad	4,659,353	1.28	14,599	1.42
Kenanga Investment Bank Berhad	4,526,806	1.24	14,290	1.39
Public Investment Bank Berhad	1,437,394	0.39	4,078	0.40
	<u>365,296,873</u>	<u>100.00</u>	<u>1,028,970</u>	<u>100.00</u>

\* Transactions with the related party have been entered into in the normal course of business.

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

The management expense ratio for the financial year is 1.65% (2014: 1.58%). 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 3.34 times (2014: 5.58 times). It represents the average of total acquisitions and disposals of the investments in the Fund for the financial year over the average net asset value of the Fund calculated on a daily basis.

## 16. Financial Instruments

### 16.1 Categories of financial instruments

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

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

	Carrying amount RM	F&R/(OL) RM	FVTPL RM
<b>As at 31 October 2015</b>			
<b>Financial assets</b>			
Quoted securities	197,567,105	-	197,567,105
Receivables	21,381,461	21,381,461	-
Cash and cash equivalents	4,909,590	4,909,590	-
	<u>223,858,156</u>	<u>26,291,051</u>	<u>197,567,105</u>
<b>Financial liabilities</b>			
Payables	(5,093,514)	(5,093,514)	-
Distribution payable	(119,119)	(119,119)	-
	<u>(5,212,633)</u>	<u>(5,212,633)</u>	<u>-</u>
<b>As at 31 October 2014</b>			
<b>Financial assets</b>			
Quoted securities	171,335,321	-	171,335,321
Receivables	33,868,489	33,868,489	-
Cash and cash equivalents	31,879,533	31,879,533	-
	<u>237,083,343</u>	<u>65,748,022</u>	<u>171,335,321</u>
<b>Financial liabilities</b>			
Payables	(39,372,077)	(39,372,077)	-
Distribution payable	(13,267,665)	(13,267,665)	-
	<u>(52,639,742)</u>	<u>(52,639,742)</u>	<u>-</u>

## 16. Financial Instruments (continued)

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

	2015 RM	2014 RM
Net gains on:		
Fair value through profit or loss:		
- Designated upon initial recognition	(17,213,000)	10,162,944
Financing and receivables	312,025	355,737
	<u>(16,900,975)</u>	<u>10,518,681</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
- Investment risk

### 16.4 Credit Risk

Credit risk is the risk of a financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund's exposure to credit risk arises principally from its investment securities and receivables.

*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.

No financial assets carried at amortised cost were past due or impaired as at date of 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 unit holders. 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 that will affect the Fund's financial position or cash flows.

#### ***Profit rate risk***

##### *Exposure to 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 period was:

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
Short term investments	<u>4,759,687</u>	<u>28,637,601</u>

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

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

#### **Market price risk**

Equity price risk arises from the Fund's investments in equity 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 a certain percentage 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 5% strengthening in the equity prices at the end of the reporting period would have increased the net asset value and unit holders' fund by RM9,878,355 (2014: RM8,566,766). A 5% weakening in equity prices would have had equal but opposite effect on the net asset value and unit holders' fund respectively.

### **16.7 Investment Risk**

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

Equity investment risks consist primarily of market risk, specific stock risk and liquidity risk. The mechanism employed to control investment risk for equity funds is by placing acceptable stock and sector limits.

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

The Manager has written policies and guidelines on risk management, which set out the overall investment risks strategies and general risk management philosophies. These processes monitor, measure and control risks associated with the business. Matters relating to investment risks in respect of Funds portfolio are discussed during the Investment Committee meetings of the Manager held at least 6 (2014:6) times a year.

### **16.8 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 for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

## 16. Financial Instruments (continued)

### 16.8 Fair value of financial instruments

	Fair value of financial instruments carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
<b>2015</b>					
<b>Financial assets</b>					
Quoted securities	197,567,105	-	-	197,567,105	197,567,105
<hr/>					
<b>2014</b>					
<b>Financial assets</b>					
Quoted securities	171,335,321	-	-	171,335,321	171,335,321

#### 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 a 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.

#### 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. (2014: no transfer in either direction).

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

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

#### **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 unit holders' 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**

Dato' Sri Zukri Samat (Chairman – Non Executive)  
Mustapha Hamat (Non-Executive Independent Director)  
Dato' Ghazali Awang (Non-Executive Independent Director)  
Datuk Noripah Kamso (Non-Executive Independent Director)  
Dr. Mohd Hatta Dagap (Non-Executive Independent Director)  
Malkiat Singh @ Malkit Singh Maan (Non-Executive Non  
Independent Director)  
Khairul Kamarudin (Non-Executive Non Independent Director)  
Najmuddin Mohd Lutfi (Chief Executive Officer)

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### **Investment Committee**

Dato' Ghazali Awang (Chairman - Independent Member)  
Mustapha Hamat (Independent Member)  
Khairul Muzamel Perera Abdullah (Non Independent Member)

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### **Audit Committee**

Mustapha Hamat (Chairman - Independent Member)  
Dato' Ghazali Awang (Independent Member)  
Malkiat Singh @ Malkit Singh Maan (Non-Executive Non  
Independent Member)

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### **Shariah Committee**

Ustaz Dr. Ahmad Shahbari @ Sobri Salamon  
Ustaz Dr. Yusof Ramli  
Ustazah Dr. Asmak Ab. Rahman

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### **Company Secretary**

Norhidayati Mohamat Salim (MIA 27364)  
Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450,  
Kuala Lumpur

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**Key Management** Najmuddin Mohd Lutfi (Chief Executive Officer)  
Badrol Ahmad Fathan (Head of Investment)  
Azman Ali (Head of Compliance)  
Noor Rose Mona Aziz (Head, Finance and Operations)

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**Principal Banker** **CIMB Islamic Bank Berhad**  
P. Ramlee Branch, Lot 1-01  
Menara Hap Seng  
Jalan P.Ramlee  
Kuala Lumpur

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**Trustee** **CIMB Islamic Trustee Berhad (167913-M)**  
(formerly known as CIMB Trustee Berhad)  
Level 7, Wisma AmanahRaya  
Jalan Semantan, Bukit Damansara  
50490 Kuala Lumpur

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**Auditors** **KPMG Desa Megat & Co. (AF 0759)**  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya, Selangor

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**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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**Distributors** Bank Islam Malaysia Berhad Branches  
IFast Capital Sdn Bhd  
Phillip Mutual Berhad  
Johor Bharu Agency Office  
Bank Simpanan Nasional  
Registered Unit Trust Consultant with BIMB Investment Management Berhad

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

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# BIMB INVESTMENT

A BANK ISLAM  
SUBSIDIARY

BIMB Investment Management Berhad (Company No: 276246-X)

A wholly owned subsidiary of BANK ISLAM



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



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