

# **BIMB-ARABESQUE MALAYSIA SHARIAH-ESG EQUITY FUND (“BMSEF”)**

ANNUAL REPORT FOR THE FINANCIAL  
YEAR ENDED 31 MAY 2019

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN  
BERAKHIR 31 MEI 2019*

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

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

# TABLE OF CONTENT

No.	Particulars	Page
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 May 2019	4
1.3	Economic and Market Review	6
1.4	Market Outlook and Strategy	7
1.5	Asset Allocation as at 31 May 2019	8
1.6	Other Performance Data for the Financial Year Ended 31 May 2019	9
1.7	Unit Holdings as at 31 May 2019	12
1.8	Policy on Rebate and Soft Commission	14
2.0	Trustee's Report	27
3.0	Shariah Committee's Report	28
4.0	Directors' Declaration Report	29
5.0	Independent Auditors' Report	30
6.0	Financial Statements (Audited)	33
7.0	Corporate Directory	65

## 1.0 Manager's Report

Dear Unit Holders,

We are pleased to present the Manager's report of BIMB-Arabesque Malaysia Shariah-ESG Equity Fund for the financial year ended 31 May 2019.

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

<b>Fund Name</b>	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund
<b>Fund Type</b>	Growth
<b>Fund Category</b>	Shariah-compliant Equity
<b>Fund Investment Objective</b>	<p>The Fund seeks to achieve medium to long term capital appreciation.</p> <p>Note: Medium to long term in this context refers to 3 years or more.</p> <p><b>Note:</b> Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
<b>Fund Performance Benchmark</b>	<p>70:30 ratio of FBM KLCI Index and MSCI All Countries World Index.</p> <p>The rationale of the combined benchmark is to reflect the Fund's portfolio composition of which 70% of the portfolio is to be invested in Malaysia's companies and 30% in foreign companies.</p> <p>(Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark).</p>
<b>Fund Distribution Policy</b>	The distribution of income is incidental.
<b>Payment Mode for Income Distribution</b>	Payment into Unit Holders' bank account or reinvestment.

## 1.2 Performance for the Financial Year Ended 31 May 2019

### 1.2.1 Performance review

For the financial year under review, BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (“the Fund”) registered a return of -4.02% as compared to its benchmark’s return of -2.33%. The Fund was not able to meet its objective of achieving capital growth during the financial period as adverse sentiment arising from the United States (“US”)-China trade war and uncertainty post Malaysian 14<sup>th</sup> General Election had negatively impacted the Fund’s performance.

The selected performance benchmark for the Fund is 70:30 ratio of the FBM KLCI Index and MSCI All Countries World Index.

As at 31 May 2019, the Fund has 67.62% exposure in Malaysian based equities, 26.67% in foreign based equities and 5.71% in cash and money market instruments. The total NAV of the Fund is RM8.87 million that constitutes of four currency classes which are the Malaysian Ringgit, US Dollar, Singapore Dollar and the Euro.

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 taken place up to the date of this Manager’s Report.

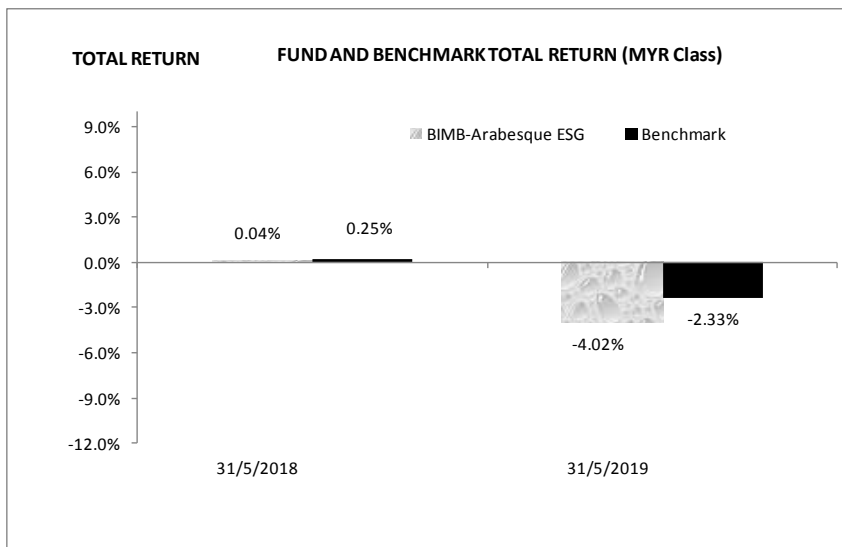
### 1.2.2 Total Return and Average Total Return for the Financial Year Ended 31 May 2019

Period	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (“BMSEF”)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-4.02	-4.02	-2.33	-2.33
2-Year	-3.98	-1.99	-1.87	-0.93

### 1.2.3 Total Return for the Last Financial Years

Financial Year	Total Return	
	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (“BMSEF”) (%)	Benchmark (%)
31 May 2019	-4.02	-2.33
31 May 2018	0.04	0.25

**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* : 70:30 FBM KLCI Index & MSCI All Countries World Index

**Notes:**

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

- US Gross Domestic Product (GDP) grew by 3.1% 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 better 1Q GDP performance was driven by better exports and state and local government spending. US inflation rate stood at 1.8% in May 2019 compared to 2.8% in May 2018. US unemployment rate continues to improve to 3.6% in May 2019 as compared to 3.8% in May 2018.
- The Euro zone economy grew by 0.4% in the first quarter 2019 as compared to 0.2% in the fourth quarter of 2018 and 0.1% in third quarter of 2018. The better growth for the quarter was attributed to higher domestic and government spending. The Euro zone inflation rate was at 1.2% in May 2019 and was lower compared to 2.0% in May 2018. Unemployment in the Euro zone has fallen to 7.5% in May 2019 from 8.4% in May 2018.
- The Chinese economy grew by 6.4% for the first quarter of 2019, unchanged compared to the fourth quarter of 2018 but lower than 6.5% in the third quarter of 2018. During the first quarter of 2019, GDP performance was supported by growth in retail demand, industrial production growth as well as fixed asset investment.

*(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 as compared to 4.7% in the fourth quarter of 2018 and 4.4% in third quarter of 2018. Growth was mainly supported by private consumption, government spending and net external demand.
- Bank Negara Malaysia ("BNM") has decided to reduce the Overnight Policy Rate (OPR) by 25 basis points to 3.00% during the Monetary Policy Committee (MPC) meeting on 7 May 2019, the first time since July 2016 to stimulate the local economy. The rate cut is aimed to ensure that the domestic economy continues on a steady growth path amid lower inflation. The international reserves of Bank Negara Malaysia amounted to USD102.3 billion as at 31 May 2019.

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

## **Market Review**

### **Equity**

FTSE Bursa Malaysia Emas Shariah Index ("FBM Shariah") commenced the period under review at 12,175.97 points on 31 May 2018 and rose to the highest level of 12,958.41 points on 28 August 2018 before subsequently fell to the lowest point of 11,068.25 on 18 December 2018 and closed the period under review at 11,975.77 points on 31 May 2019. For the year under review, the FBM Shariah was down by 380.2 points or -3.12%. Among the key factors that contributed to the movement of the index are highlighted below:

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

*(Source: Bloomberg and Bank Negara Malaysia)*

## **1.4 Market Outlook and Strategy**

### **Equity**

- The Fund employs a quantitative approach. Given the quantitative and momentum-based nature of the strategy, the Manager does not manage the Fund based on macro analysis, views and expected outlook. The Fund invests through a rules-based investment process which will be rebalanced/traded monthly for the Malaysian and foreign securities of the Fund.

1.5 Asset Allocation as at 31 May 2019 and 2018

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019 (%)</b>	<b>2018 (%)</b>
<b>Investment in Collective Investment Scheme</b>		
REITs	1.81	1.05
<b>Investment in Quoted Securities in Malaysia</b>		
Construction	-	0.67
Consumer products & services	14.95	13.01
Energy	5.05	4.85
Financial services	1.80	0.49
Health care	5.58	8.86
Industrial products & services	10.18	10.04
Plantation	4.39	8.49
Property	2.90	3.38
Technology	7.76	8.86
Telecommunications & media	7.45	3.58
Transportation & logistics	2.66	2.29
Utilities	3.09	2.36
	<b>65.81</b>	<b>66.88</b>
<b>Investment in Foreign Quoted Securities</b>		
Quoted in Australia	1.65	-
Quoted in Europe	2.23	-
Quoted in German	-	2.94
Quoted in Great Britain	4.88	-
Quoted in Hong Kong	1.38	1.31
Quoted in Japan	-	1.02
Quoted in Sweden	1.07	2.11
Quoted in Switzerland	3.06	-
Quoted in United States	12.40	21.17
	<b>26.67</b>	<b>28.55</b>
CASH AND SHORT TERM INVESTMENTS:	5.71	3.52
	<b>100.00</b>	<b>100.00</b>



1.6 Other Performance Data for the Financial Year / Period Ended 31 May

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
Net Asset Value		
- MYR Class	8,304,946	20,706,228
- USD Class	6,581	6,855
- SGD Class	558,137	581,373
- EUR Class	4,513	4,701
Units in Circulation		
- MYR Class	34,756,439	83,192,572
- USD Class	6,225	6,225
- SGD Class	738,352	738,352
- EUR Class	4,000	4,000
NAV per Unit in RM		
- MYR Class	0.2389	0.2489
- USD Class	1.0573	1.1013
- SGD Class	0.7559	0.7874
- EUR Class	1.1282	1.1751
NAV per Unit in respective class currencies		
- MYR Class	0.2389	0.2489
- USD Class	0.2527	0.2765
- SGD Class	0.2478	0.2643
- EUR Class	0.2414	0.2524

1.6 Other Performance Data for the Financial Year / Period Ended 31 May (continued)

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
Highest NAV per unit in respective class currencies		
- MYR Class	0.2684	0.2754
- USD Class	0.2900	0.3077
- SGD Class	0.2838	0.2899
- EUR Class	0.2704	0.2712
Lowest NAV per unit in respective class currencies		
- MYR Class	0.2256	0.2451
- USD Class	0.2380	0.2461
- SGD Class	0.2336	0.2457
- EUR Class	0.2352	0.2318
Total Return (%) <sup>1</sup>		
- MYR Class	-4.02	-0.44
- USD Class	-8.61	10.60
- SGD Class	-6.24	5.72
- EUR Class	-4.36	0.96
Capital Return (%)		
- MYR Class	-4.02	-0.44
- USD Class	-8.61	10.60
- SGD Class	-6.24	5.72
- EUR Class	-4.36	0.96

**1.6 Other Performance Data for the Financial Year / Period Ended 31 May (continued)**

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
Income Return (%)		
- MYR Class	-	-
- USD Class	-	-
- SGD Class	-	-
- EUR Class	-	-
Management Expense Ratio (MER)(%) <sup>2</sup>	2.05	1.93
Portfolio Turnover Ratio (PTR)(times) <sup>3</sup>	1.45	2.02

Note:

- 1) Total return is the actual return since inception of the Fund for the financial period computed based on the net asset value per unit and net of all fees.
- 2) Management expense ratio ("MER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.
- 3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

1.7 Unit Holdings as at 31 May 2019

Size of Holdings	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (MYR Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	60	42.55	160,005	0.46
5,001 to 10,000	20	14.19	139,633	0.40
10,001 to 50,000	45	31.91	976,201	2.81
50,001 to 500,000	12	8.51	2,441,389	7.02
500,001 and above	4	2.84	31,039,211	89.31
<b>Units Held by Holders</b>	<b>141</b>	<b>100.00</b>	<b>34,756,439</b>	<b>100.00</b>
<b>Grand Total for the Fund</b>	<b>141</b>	<b>100.00</b>	<b>34,756,439</b>	<b>100.00</b>

Size of Holdings	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (USD Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	1	50.00	2,225	35.74
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
<b>Units Held by Holders</b>	<b>1</b>	<b>50.00</b>	<b>2,225</b>	<b>35.74</b>
<b>Units Held by Manager</b>	<b>1</b>	<b>50.00</b>	<b>4,000</b>	<b>64.26</b>
<b>Grand Total for the Fund</b>	<b>2</b>	<b>100.00</b>	<b>6,225</b>	<b>100.00</b>

1.7 Unit Holdings as at 31 May 2019 (continued)

Size of Holdings	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (SGD Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	1	50.00	6,119	0.83
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	1	50.00	732,233	99.17
<b>Units Held by Holders</b>	<b>2</b>	<b>100.00</b>	<b>738,352</b>	<b>100.00</b>
<b>Grand Total for the Fund</b>	<b>2</b>	<b>100.00</b>	<b>738,352</b>	<b>100.00</b>

Size of Holdings	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (EUR Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
<b>Units Held by Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Units Held by Manager</b>	<b>1</b>	<b>100.00</b>	<b>4,000</b>	<b>100.00</b>
<b>Grand Total for the Fund</b>	<b>1</b>	<b>100.00</b>	<b>4,000</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 period.

For and on behalf of

The Manager

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Date: 31 July 2019**

## 1.0 Laporan Pengurus

### Para Pemegang Unit,

Kami dengan sukacitanya membentangkan laporan Pengurus BIMB-Arabesque Malaysia Shariah-ESG Equity Fund ("BMSEF") bagi tahun berakhir pada 31 Mei 2019.

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

<b>Nama Dana</b>	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund ("BMSEF")
<b>Jenis Dana</b>	Pertumbuhan
<b>Kategori Dana</b>	Ekuiti patuh Shariah
<b>Objektif Pelaburan Dana</b>	<p>Dana bertujuan untuk mencapai pertumbuhan modal dalam jangkamasa sederhana hingga panjang.</p> <p>Nota: Jangkamasa sederhana hingga panjang dalam konteks ini merujuk kepada 3 tahun atau lebih.</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>Nisbah 70:30 Indeks FBM KLCI dan MSCI All Countries World Index.</p> <p>Gabungan penanda aras ini mencerminkan portfolio Dana yang terdiri daripada 70% portfolio yang akan dilaburkan dalam syarikat di Malaysia dan 30% dalam syarikat asing.</p> <p>(Sila ambil perhatian bahawa profil risiko Dana mungkin lebih tinggi daripada profil risiko penanda aras).</p>
<b>Polisi Agihan Dana</b>	Pengagihan pendapatan adalah sampingan.
<b>Kaedah Pembayaran Agihan Pendapatan</b>	Bayaran ke akaun bank Pemegang Unit atau pelaburan semula.

## 1.2 Pencapaian bagi Tahun Kewangan Berakhir 31 Mei 2019

### 1.2.1 Kajian Pencapaian

Bagi tahun kewangan dalam kajian, BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (Dana) mencatatkan pulangan sebanyak -4.02% berbanding pulangan penanda arasnya sebanyak -2.33%. Dana ini tidak dapat memenuhi objektifnya untuk mencapai pertumbuhan modal dalam tahun kewangan disebabkan sentimen negatif yang timbul kesan daripada perang perdagangan Amerika Syarikat ("AS") - China dan ketidakpastian selepas Pilihan Raya Umum ke-14 Malaysia telah memberi kesan negatif kepada prestasi Dana ini.

Penanda aras terpilih prestasi Dana adalah nisbah 70:30 Indeks FBM KLCI dan Indeks MSCI *All Countries World*.

Pada 31 Mei 2019, Dana mempunyai pendedahan 67.62% dalam pasaran ekuiti Malaysia, 26.67% dalam ekuiti pasaran asing dan 5.71% dalam instrumen pasaran wang dan pegangan tunai. Jumlah Nilai Aset Bersih ("NAB") Dana adalah RM8.87 juta yang juga terdiri daripada empat kelas mata wang iaitu Ringgit Malaysia, Dolar Amerika, Dolar Singapura dan Euro.

Bagi tahun kewangan dalam kajian, tiada perubahan ketara berlaku terhadap hal ehwal Dana dan tiada keadaan yang boleh mempengaruhi secara langsung kepentingan para Pemegang Unit sehinggalah tarikh Laporan Pengurus ini disediakan.

### 1.2.2 Jumlah Pulangan dan Purata Jumlah Pulangan bagi Tahun Kewangan Berakhir 31 Mei 2019

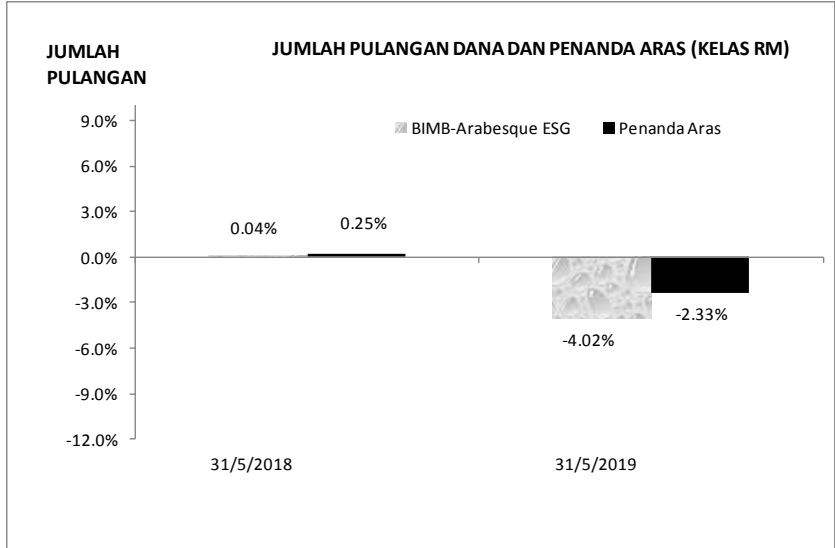
Tempoh	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1 Tahun	-4.02	-4.02	-2.33	-2.33
2 Tahun	-3.98	-1.99	-1.87	-0.93

### 1.2.3 Jumlah Pulangan Tahunan Bagi Tahun Kewangan Yang Lalu

Tahun Kewangan	Jumlah Pulangan	
	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (%)	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (%)
31 Mei 2019	-4.02	-2.33
31 Mei 2018	0.04	0.25



## Rajah 1: Pergerakan Dana Berbanding Penanda Aras



*Nota:*

*Sumber Data : BIMB Investment Management Berhad*

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

*Penanda Aras : 70:30 Indeks FBM KLCI dan MSCI All Countries World Index.*

**Nota:**

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

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

*Prestasi tahun 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 Negeri Kasar (KDNK) AS meningkat sebanyak 3.1% pada suku pertama 2019 berbanding 2.2% pada suku keempat 2018 dan 3.4% pada suku ketiga 2018. Prestasi KDNK pada suku pertama yang lebih baik ini didorong oleh eksport yang lebih baik, serta perbelanjaan kerajaan negeri dan tempatan. Kadar inflasi AS mencapai 1.8% pada Mei 2019 berbanding 2.8% pada bulan Mei 2018. Kadar pengangguran AS terus bertambah baik kepada 3.6% pada bulan Mei 2019 berbanding 3.8% pada bulan Mei 2018.
- Ekonomi zon Euro meningkat 0.4% pada suku pertama 2019 berbanding 0.2% pada suku keempat 2018 dan 0.1% pada suku ketiga 2018. Pertumbuhan yang lebih baik pada suku ini disebabkan oleh perbelanjaan domestik dan perbelanjaan kerajaan yang lebih tinggi. Kadar inflasi zon Euro sebanyak 1.2% pada bulan Mei 2019 lebih rendah berbanding 2.0% pada bulan Mei 2018. Pengangguran di zon Euro terus bertambah baik ke 7.5% pada Mei 2019 daripada 8.4% pada Mei 2018.
- Ekonomi China meningkat 6.4% untuk suku pertama 2019, tidak berubah berbanding suku keempat 2018 tetapi lebih rendah berbanding 6.5% yang dicatatkan pada suku ketiga 2018. Semasa suku pertama tahun 2019, prestasi KDNK disokong oleh pertumbuhan permintaan runcit, pertumbuhan pengeluaran perindustrian serta pelaburan aset tetap.

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

#### b) Dalam Negara

- Ekonomi Malaysia berkembang pada 4.5% pada suku pertama 2019 berbanding 4.7% pada suku keempat 2018 dan 4.4% pada suku ketiga 2018. Pertumbuhan ini terutamanya disokong oleh penggunaan swasta, perbelanjaan kerajaan dan permintaan luaran bersih.
- Bank Negara Malaysia ("BNM") telah memutuskan untuk mengurangkan Kadar Dasar Semalaman (OPR) sebanyak 25 mata asas kepada 3.00% semasa mesyuarat Jawatankuasa Dasar Monetari (MPC) pada 7 Mei 2019, kali pertama sejak Julai 2016 untuk merangsang ekonomi tempatan. Potongan ini bertujuan untuk memastikan ekonomi domestik terus berkembang dengan stabil di kala kadar inflasi berada di tahap yang rendah. Rizab antarabangsa Bank Negara Malaysia berjumlah USD102.3 bilion pada 31 Mei 2019.

*(Sumber: Bloomberg, Department of Statistics Malaysia dan Bank Negara Malaysia)*

## Kajian Pasaran

### Ekuiti

Indeks Syariah Emas FTSE Bursa Malaysia ("FBM Shariah") memulakan tahun kajian di paras 12,175.97 mata pada 31 Mei 2018 dan meningkat kepada paras tertinggi iaitu 12,958.41 mata pada 28 Ogos 2018 sebelum jatuh ke titik terendah iaitu 11,068.25 mata pada 18 Disember 2018 dan kemudiannya ditutup pada 11,975.77 mata pada 31 Mei 2019. Bagi tahun dalam kajian, FBM Shariah telah turun sebanyak 380.2 mata atau -3.12%. Antara faktor utama yang menyumbang kepada pergerakan indeks ini adalah seperti berikut:

- Pada September 2018, Jawatankuasa Pasaran Terbuka Persekutuan (FOMC) menaikkan kadar dana Fed sebanyak 25 mata asas kepada julat antara 2% hingga 2.25%, dengan satu lagi kenaikan unjuran menjelang akhir tahun dan tiga kemungkinan kenaikan pada 2019.
- Presiden Trump dan Presiden Xi bersetuju dengan perdamaian sementara selama 90 hari selepas mesyuarat G20 mereka pada akhir November 2018 untuk menangani ketidakseimbangan perdagangan dan isu-isu penting yang lain. Ini diikuti dengan AS akhirnya menaikkan tarif ke atas USD200 bilion barangan import dari China kepada 25% daripada 10% pada bulan Mei 2019 selepas perbincangan perdagangan gagal. Berikutan daripada itu pada 1 Jun 2019, China telah menaikkan tariff ke atas USD200 bilion barangan import dari AS kepada julat 10% hingga 25% daripada sebelumnya iaitu 5% hingga 10%.
- Pada Mac 2019, Rizab Persekutuan A.S. mengekalkan kadar faedahnya manakala pembuat dasarnya tidak lagi mengunjurkan sebarang kenaikan kadar faedah bagi tahun ini disebabkan bank pusat A.S. menjangkakan terjadinya kelembapan ekonomi.

*(Sumber: Bloomberg dan Bank Negara Malaysia)*

## 1.4 Tinjauan Pasaran dan Strategi

### Ekuiti

- Dana ini menggunakan pendekatan kuantitatif. Memandangkan strategi Dana berasaskan kuantitatif dan momentum, Pengurus tidak menguruskan Dana berdasarkan analisis makro, pandangan dan jangkaan prospek. Dana ini melabur menggunakan proses pelaburan berasaskan peraturan yang akan disusun semula / diniagakan setiap bulan untuk sekuriti Malaysia dan juga sekuriti asing Dana.

1.5 Peruntukan Aset Setakat 31 Mei 2019 dan 2018

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019 (%)</b>	<b>2018 (%)</b>
<b>Pelaburan Skim Pelaburan Kolektif</b>		
REITs	1.81	1.05
<b>Pelaburan Sekuriti Tersiarharga Malaysia</b>		
Pembinaan	-	0.67
Barangan pengguna & perkhidmatan	14.95	13.01
Tenaga	5.05	4.85
Kewangan	1.80	0.49
Kesihatan	5.58	8.86
Barangan industry & perkhidmatan	10.18	10.04
Perladangan	4.39	8.49
Hartanah	2.90	3.38
Teknologi	7.76	8.86
Telekomunikasi & media	7.45	3.58
Pengangkutan & logistik	2.66	2.29
Utiliti	3.09	2.36
	<b>65.81</b>	<b>66.88</b>
<b>Pelaburan Sekuriti Tersiarharga Asing</b>		
Tersiarharga di Australia	1.65	-
Tersiarharga di Eropah	2.23	-
Tersiarharga di German	-	2.94
Tersiarharga di Great Britain	4.88	-
Tersiarharga di Hong Kong	1.38	1.31
Tersiarharga di Japan	-	1.02
Tersiarharga di Sweden	1.07	2.11
Tersiarharga di Switzerland	3.06	-
Tersiarharga di United States	12.40	21.17
	<b>26.67</b>	<b>28.55</b>
TUNAI DAN PELABURAN JANGKA PENDEK :	5.71	3.52
	<b>100.00</b>	<b>100.00</b>

1.6 Lain-lain Data Prestasi bagi Tahun / Tempoh Berakhir 31 Mei

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
Harga Unit		
- Kelas MYR	8,304,946	20,706,228
- Kelas USD	6,581	6,855
- Kelas SGD	558,137	581,373
- Kelas EUR	4,513	4,701
Unit dalam Edaran		
- Kelas MYR	34,756,439	83,192,572
- Kelas USD	6,225	6,225
- Kelas SGD	738,352	738,352
- Kelas EUR	4,000	4,000
NAB seunit dalam RM		
- Kelas MYR	0.2389	0.2489
- Kelas USD	1.0573	1.1013
- Kelas SGD	0.7559	0.7874
- Kelas EUR	1.1282	1.1751
NAB seunit dalam setiap kelas matawang		
- Kelas MYR	0.2389	0.2489
- Kelas USD	0.2527	0.2765
- Kelas SGD	0.2478	0.2643
- Kelas EUR	0.2414	0.2524

1.6 Lain-lain Data Prestasi bagi Tahun / Tempoh Berakhir 31 Mei (sambungan)

<b>BIMB-Arabesque Malaysia Shariah-ESG Equity Fund</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
NAB tertinggi seunit dalam setiap kelas matawang		
- Kelas MYR	0.2684	0.2754
- Kelas USD	0.2900	0.3077
- Kelas SGD	0.2838	0.2899
- Kelas EUR	0.2704	0.2712
NAB terendah seunit dalam setiap kelas matawang		
- Kelas MYR	0.2256	0.2451
- Kelas USD	0.2380	0.2461
- Kelas SGD	0.2336	0.2457
- Kelas EUR	0.2352	0.2318
Jumlah Pulangan Dana (%) <sup>1</sup>		
- Kelas MYR	-4.02	-0.44
- Kelas USD	-8.61	10.60
- Kelas SGD	-6.24	5.72
- Kelas EUR	-4.36	0.96
Pertumbuhan Modal (%)		
- Kelas MYR	-4.02	-0.44
- Kelas USD	-8.61	10.60
- Kelas SGD	-6.24	5.72
- Kelas EUR	-4.36	0.96

**1.6 Lain-lain Data Prestasi bagi Tahun / Tempoh Berakhir 31 Mei (sambungan)**

<b>BIMB-Arabesque Equity Fund</b>	<b>Malaysia Shariah-ESG</b>	<b>2019</b>	<b>9.3.2017 to 31.5.2018</b>
Pulangan pendapatan (%)			
- Kelas MYR		-	-
- Kelas USD		-	-
- Kelas SGD		-	-
- Kelas EUR		-	-
Nisbah Perbelanjaan Pengurusan (NPP)(%) <sup>2</sup>		2.05	1.93
Nisbah Pusing Ganti Portfolio (Kali) <sup>3</sup>		1.45	2.02

Nota:

- 1) Pulangan ke atas dana adalah pulangan sebenar bermula tarikh pelancaran dikira berdasarkan nilai aset bersih seunit dan semua perbelanjaan bersih.
- 2) Nisbah Perbelanjaan Pengurusan dikira dengan mengambilkira jumlah perbelanjaan pengurusan sepertimana yang dinyatakan sebagai peratusan tahunan daripada jumlah purata NAB dana.
- 3) Nisbah Pusing Ganti Portfolio dikira dengan mengambilkira purata jumlah perolehan dan pelupusan pelaburan dalam Dana bagi tempoh tahunan dibahagi dengan purata NAB Dana yang dikira pada asas harian.

1.7 Pegangan Unit pada 31 Mei 2019

Saiz Dipegang	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (Kelas MYR)			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Bilangan	%
5,000 dan ke bawah	60	42.55	160,005	0.46
5,001 hingga 10,000	20	14.19	139,633	0.40
10,001 hingga 50,000	45	31.91	976,201	2.81
50,001 hingga 500,000	12	8.51	2,441,389	7.02
500,001 dan ke atas	4	2.84	31,039,211	89.31
<b>Unit yang dipegang oleh Pemegang Unit</b>	<b>141</b>	<b>100.00</b>	<b>34,756,439</b>	<b>100.00</b>
<b>Jumlah Keseluruhan bagi Dana</b>	<b>141</b>	<b>100.00</b>	<b>34,756,439</b>	<b>100.00</b>

Saiz Dipegang	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (Kelas USD)			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Bilangan	%
5,000 dan ke bawah	1	50.00	2,225	35.74
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	-	-	-	-
<b>Unit yang dipegang oleh Pemegang Unit</b>	<b>1</b>	<b>50.00</b>	<b>2,225</b>	<b>35.74</b>
<b>Unit yang dipegang oleh Pengurus</b>	<b>1</b>	<b>50.00</b>	<b>4,000</b>	<b>64.26</b>
<b>Jumlah Keseluruhan bagi Dana</b>	<b>2</b>	<b>100.00</b>	<b>6,225</b>	<b>100.00</b>



1.7 Pegangan Unit pada 31 Mei 2019 (sambungan)

Saiz Dipegang	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (Kelas SGD)			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Bilangan	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	1	50.00	6,119	0.83
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	1	50.00	732,233	99.17
<b>Unit yang dipegang oleh Pemegang Unit</b>	<b>2</b>	<b>100.00</b>	<b>738,352</b>	<b>100.00</b>
<b>Jumlah Keseluruhan bagi Dana</b>	<b>2</b>	<b>100.00</b>	<b>738,352</b>	<b>100.00</b>

Saiz Dipegang	BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (Kelas EUR)			
	Bilangan Pemegang Unit		Jumlah Pegangan Unit	
	Bilangan	%	Bilangan	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	-	-	-	-
<b>Unit yang dipegang oleh Pemegang Unit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unit yang dipegang oleh Pengurus</b>	<b>1</b>	<b>100.00</b>	<b>4,000</b>	<b>100.00</b>
<b>Jumlah Keseluruhan bagi Dana</b>	<b>1</b>	<b>100.00</b>	<b>4,000</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. 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 tidak menerima sebarang rebat dan komisyen bukan tunai daripada broker bagi tempoh kewangan.

Bagi dan bagi pihak

Pengurus

### **BIMB INVESTMENT MANAGEMENT BERHAD**

**Tarikh: 31 Julai 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

**CIMB ISLAMIC TRUSTEE BERHAD**  
**ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

To the unit holders of

**BIMB-Arabesque Malaysia Shariah-ESG Equity Fund**

We, CIMB Islamic Trustee Berhad being the trustee for BIMB-Arabesque Malaysia Shariah-ESG Equity 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 May 2019.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the 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;
- b) Valuation and pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For and on behalf of

**CIMB Islamic Trustee Berhad**

.....

**Lee Kooi Yoke**

Chief Executive Officer

Kuala Lumpur, Malaysia

**Date: 31 July 2019**

### 3.0 Shariah Committee's Report

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

To the Unit Holders of

**BIMB-Arabesque Malaysia Shariah-ESG Equity Fund ("BMSEF")**

We have acted as the Shariah Committee of BIMB-Arabesque Malaysia Shariah-ESG Equity 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 10 November 2016 are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB-Arabesque Malaysia Shariah-ESG Equity 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 May 2019.

In addition, we also confirm that the investment portfolio of BIMB-Arabesque Malaysia Shariah-ESG Equity 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: 31 July 2019**

## 4.0 Directors' Declaration

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

To the Unit Holders of

#### **BIMB-Arabesque Malaysia Shariah-ESG Equity 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-Arabesque Malaysia Shariah-ESG Equity 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 May 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 period 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: 31 July 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-Arabesque Malaysia Shariah-ESG Equity Fund ("the Fund"), which comprise the statement of financial position as at 31 May 2019, and the statements 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 3 to 36.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund 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 unitholders of the Fund, as a body, in accordance with Securities Commission's Guidelines on Unit Trust Funds in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

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

Petaling Jaya, Selangor

Date: 31 July 2019



## 6.0 Financial Statements (Audited)

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

	Note	2019 RM	2018 RM
<b>Assets</b>			
Collective investment scheme	4	160,715	224,903
Quoted securities	5	8,206,242	20,325,312
Amount due from Manager		3,138	6,536
Dividend receivables		10,289	29,680
Cash and cash equivalents	6	548,487	775,870
<b>Total assets</b>		<u>8,928,871</u>	<u>21,362,301</u>
<b>Liabilities</b>			
Other payables		54,694	63,144
<b>Total liabilities</b>		<u>54,694</u>	<u>63,144</u>
<b>Net asset value</b>		<u>8,874,177</u>	<u>21,299,157</u>
<b>Unitholders' fund</b>			
Unitholders' capital	7	8,888,568	21,213,834
(Accumulated loss)/Retained profit		(14,391)	85,323
<b>Net asset value attributable to unitholders</b>		<u>8,874,177</u>	<u>21,299,157</u>
<b>Net asset value attributable to unitholders</b>			
- MYR class		8,304,946	20,706,228
- USD class		6,581	6,855
- SGD class		558,137	581,373
- EUR class		4,513	4,701
		<u>8,874,177</u>	<u>21,299,157</u>
<b>Number of units in circulation</b>			
- MYR class		34,756,439	83,192,572
- USD class		6,225	6,225
- SGD class		738,352	738,352
- EUR class		4,000	4,000
		<u>36,500,016</u>	<u>90,671,149</u>
<b>Net asset value per unit in RM</b>			
- MYR class		23.89 sen	24.89 sen
- USD class		105.73 sen	110.13 sen
- SGD class		75.59 sen	78.74 sen
- EUR class		112.82 sen	117.51 sen
		<u>112.82 sen</u>	<u>117.51 sen</u>
<b>Net asset value per unit in respective currencies</b>			
- MYR class		23.89 sen	24.89 sen
- USD class		25.27 cent	27.65 cent
- SGD class		24.78 cent	26.43 cent
- EUR class		24.14 cent	25.24 cent
		<u>24.14 cent</u>	<u>25.24 cent</u>

The notes on pages 37 to 64 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 May 2019**

	Note	1.6.2018 to 31.5.2019 RM	9.3.2017 to 31.5.2018 RM
<b>Income</b>			
Gross dividend income from quoted securities		371,838	626,868
(Loss)/gain on sale of quoted securities		(373,253)	868,129
Income from short term investments		2,343	38,432
Hibah from Al-Wadiah account		693	1,586
Realised gain/(loss) on foreign exchange fluctuation		39,914	(318,578)
Other unrealised loss on foreign exchange		(7,244)	(149,801)
Unrealised gain/(loss) from financial instruments at fair value through profit or loss		136,954	(456,524)
<b>Gross income</b>		<u>171,245</u>	<u>610,112</u>
<b>Expenses</b>			
Manager's fee	8	182,124	401,687
Trustee's fee	9	6,071	13,390
Audit fee		13,000	13,000
Tax agent's fee		4,000	4,000
Administrative expenses		43,687	60,937
		<u>248,882</u>	<u>493,014</u>
<b>Net (loss)/income before taxation</b>		(77,637)	117,098
Taxation	10	(22,077)	(31,775)
<b>Net (loss)/income after taxation/ Total comprehensive (loss)/income for the year/period</b>		<u>(99,714)</u>	<u>85,323</u>
Total comprehensive (loss)/income for the year/ period consist of:			
Realised amount		(229,424)	691,648
Unrealised amount		129,710	(606,325)
		<u>(99,714)</u>	<u>85,323</u>

The notes on pages 37 to 64 are an integral part of these financial statements.

**6.3 Statement of Changes in Net Asset Value for the financial year ended 31 May 2019**

	Note	Unitholders' capital RM	Retained profit/ (Accumulated loss) RM	Total RM
<b>As at 9 March 2017 (date of commencement)</b>		-	-	-
Creation of units				
- MYR class		30,745,781	-	30,745,781
- USD class		44,771	-	44,771
- SGD class		608,493	-	608,493
- EUR class		4,725	-	4,725
Cancellation of units				
- MYR class		(10,136,202)	-	(10,136,202)
- USD class		(37,556)	-	(37,556)
- SGD class		(16,178)	-	(16,178)
Total attributable to unitholders	7	21,213,834	-	21,213,834
Total comprehensive income for the period		-	85,323	85,323
<b>As at 31 May 2018/1 June 2018</b>	7	21,213,834	85,323	21,299,157
Creation of units				
- MYR class		780,692	-	780,692
- SGD class		9,006	-	9,006
Cancellation of units				
- MYR class		(13,107,066)	-	(13,107,066)
- SGD class		(7,898)	-	(7,898)
Total attributable to unitholders	7	(12,325,266)	-	(12,325,266)
Total comprehensive loss for the year		-	(99,714)	(99,714)
<b>As at 31 May 2019</b>	7	8,888,568	(14,391)	8,874,177

The notes on pages 37 to 64 are an integral part of these financial statements.

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

	<b>1.6.2018 to 31.5.2019 RM</b>	<b>9.3.2017 to 31.5.2018 RM</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of quoted securities	23,392,976	32,116,395
Purchase of quoted securities	(11,446,017)	(52,255,005)
Dividend received	369,152	565,412
Income from short term investments	2,343	38,433
Hibah from Al-Wadiah account	693	1,586
Gain/(loss) from foreign exchange fluctuation	32,670	(468,379)
Management fee paid	(199,954)	(372,419)
Trustee fee paid	(6,665)	(12,415)
Custodian fee paid	(18,221)	(23,343)
Payment for administrative expenses	(32,492)	(21,693)
<b>Net cash generated from/(used in) operating activities</b>	<u>12,094,485</u>	<u>(20,431,428)</u>
<b>Cash flows from financing activities</b>		
Cash receipt for creation of units	792,571	31,397,234
Cash payment for cancellation of units	(13,114,439)	(10,189,936)
<b>Net cash (used in)/generated from financing activities</b>	<u>(12,321,868)</u>	<u>21,207,298</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(227,383)	775,870
Cash and cash equivalents at beginning of the year/period	775,870	-
<b>Cash and cash equivalents at 31 May</b>	<u><u>548,487</u></u>	<u><u>775,870</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u><u>548,487</u></u>	<u><u>775,870</u></u>

The notes on pages 37 to 64 are an integral part of these financial statements.

## 6.5 Notes to the financial statements

### 1. Information on the Fund

BIMB-Arabesque Malaysia Shariah-ESG Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 18 November 2016 between the Manager - BIMB Investment Management Berhad, the Trustee - CIMB Islamic Trustee 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 shares or units in Shariah-compliant collective investment schemes, Shariah-compliant securities of companies listed on Bursa Malaysia, securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions 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 31 July 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 Commissions Guidelines on Unit Trust Funds (“Guidelines”) in Malaysia.

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

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

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

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

## 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 (continued)***

- 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 accounting standards, interpretations and amendments, where applicable:

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

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

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

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

#### **(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.

### 3. Significant accounting policies (continued)

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

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

###### **Current financial year**

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

###### **Previous financial period**

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

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

The Fund categorises financial instruments as follows:

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

###### **Current financial year**

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

###### **(a) Amortised cost**

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



### 3. Significant accounting policies (continued)

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

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

###### *Financial assets (continued)*

###### **Current financial year (continued)**

###### **(a) Amortised cost (continued)**

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

###### **(b) Fair value through profit or loss**

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

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

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

###### **Previous financial period**

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

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

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

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

### 3. Significant accounting policies (continued)

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

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

##### *Financial assets (continued)*

##### **Previous financial period (continued)**

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

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

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

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

##### **Financial liabilities**

##### **Current financial year**

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

##### **Amortised cost**

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

Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

##### **Previous financial period**

All financial liabilities were subsequently measured at amortised cost.

#### (iii) Derecognition

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

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

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

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

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

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

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

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

##### **(ii) Income from short term investments**

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

##### **(iii) Gain on sale of investments**

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

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

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

Cash and cash equivalents are categorised and measured as amortised cost (2018: financing and receivables).

### 3. Significant accounting policies (continued)

#### (d) Impairment

##### Financial assets

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

##### Current financial year

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

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

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

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

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

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

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

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

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

##### **Financial assets (continued)**

##### **Current financial year (continued)**

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

##### **Previous financial period**

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 comprise of 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 at the statement of financial position date, and any adjustment to tax payable in respect of previous period.

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

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

### 3. Significant accounting policies (continued)

#### (f) Unitholders' capital (continued)

Units are created and cancelled at the unitholder's option at prices based on the Fund's net 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 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.

#### (g) Distribution

Distribution is at discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability 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:

### 3. Significant accounting policies (continued)

#### (i) Fair value measurement (continued)

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. Collective Investment Scheme

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Malaysia</u></b>				
<b>(i) REITs</b>				
KLCC Property Holdings Bhd.	<u>20,845</u>	<u>160,155</u>	<u>160,715</u>	<u>1.81</u>

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Malaysia</u></b>				
<b>(i) REITs</b>				
KLCC Property Holdings Bhd.	<u>28,945</u>	<u>221,650</u>	<u>224,903</u>	<u>1.05</u>

## 5. Quoted securities

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Malaysia</b>				
<b>(i) Consumer products &amp; services</b>				
Bermaz Auto Bhd.	75,500	165,833	173,650	1.96
Dutch Lady Milk Industries Bhd.	600	38,623	38,700	0.44
Fraser & Neave Holdings Bhd.	5,182	149,798	177,224	2.00
Formosa Prosonic Industries Bhd.	51,500	90,292	89,095	1.00
MBM Resources Bhd.	22,000	59,128	64,240	0.72
Nestle (Malaysia) Bhd.	1,376	147,134	202,272	2.28
Padini Holdings Bhd.	39,838	156,324	148,197	1.67
Petronas Dagangan Bhd.	3,583	86,991	92,298	1.04
QL Resources Bhd.	16,169	75,542	110,596	1.25
Sime Darby Bhd.	76,000	178,343	176,320	1.99
UMW Holdings Bhd.	10,500	60,777	53,445	0.60
	<u>302,248</u>	<u>1,208,785</u>	<u>1,326,037</u>	<u>14.95</u>
<b>(ii) Energy</b>				
Dialog Group Bhd.	21,900	60,315	72,708	0.82
Hibiscus Petroleum Bhd.	134,000	147,368	139,360	1.57
Reach Energy Bhd.	486,000	154,873	116,640	1.31
Serba Dinamik Holdings Bhd.	10,300	22,791	42,230	0.48
Sino Hua-an International Bhd.	443,000	131,047	77,525	0.87
	<u>1,095,200</u>	<u>516,394</u>	<u>448,463</u>	<u>5.05</u>
<b>(iii) Financial services</b>				
Syarikat Takaful Malaysia Bhd.*	<u>25,372</u>	<u>107,711</u>	<u>159,590</u>	<u>1.80</u>
<b>(iv) Health care</b>				
Hartalega Holdings Bhd.	11,832	49,906	61,526	0.69
IHH Healthcare Bhd.	22,319	132,076	122,755	1.38
KPJ Healthcare Bhd.	109,372	108,087	101,716	1.15
Kossan Rubber Industries Bhd.	15,604	54,310	61,792	0.70
Supermax Corporation Bhd.	<u>91,000</u>	<u>136,473</u>	<u>147,420</u>	<u>1.66</u>
	<u>250,127</u>	<u>480,852</u>	<u>495,209</u>	<u>5.58</u>



## 5. Quoted securities (continued)

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Malaysia (continued)</b>				
<b>(v) Industrial products &amp; services</b>				
CB Industrial Product Holding Bhd.	29,000	31,687	29,580	0.33
Cahaya Mata Sarawak Bhd.	47,700	163,141	147,393	1.66
Comfort Gloves Bhd.	22,924	19,088	18,339	0.21
Foundpac Group Bhd.	145,840	43,723	47,398	0.53
HSS Engineers Bhd.	21,950	21,964	23,267	0.26
Lafarge Malaysia Bhd.	19,257	55,684	72,214	0.81
Petronas Chemicals Group Bhd.	24,041	191,617	200,021	2.25
Press Metal Aluminium Holdings Bhd.	11,800	59,165	52,864	0.60
Scientex Bhd.	7,057	56,449	59,349	0.67
SKP Resources Bhd.	93,364	144,204	121,373	1.37
Uchi Technologies Bhd.	20,744	47,321	59,535	0.67
UEM Edgenta Bhd.	12,500	31,272	33,500	0.38
V.S. Industry Bhd.	39,327	46,022	38,934	0.44
	<u>495,504</u>	<u>911,337</u>	<u>903,767</u>	<u>10.18</u>
<b>(vi) Plantation</b>				
Genting Plantations Bhd.	1,900	20,213	19,684	0.22
IOI Corporation Bhd.	33,900	157,683	146,109	1.65
Kuala Lumpur Kepong Bhd.	4,394	107,337	108,971	1.23
Sime Darby Plantation Bhd.	17,700	97,442	82,482	0.93
United Plantations Bhd.	1,243	35,312	32,194	0.36
	<u>59,137</u>	<u>417,987</u>	<u>389,440</u>	<u>4.39</u>
<b>(vii) Property</b>				
Damansara Realty Bhd.	80,000	44,156	33,200	0.38
Mah Sing Group Bhd.	45,300	59,936	40,996	0.46
Matrix Concepts Holdings Bhd.	21,750	46,089	41,978	0.47
Sime Darby Property Bhd.	56,000	62,876	59,360	0.67
UEM Sunrise Bhd.	65,060	66,890	55,952	0.63
UOA Development Bhd.	11,000	26,022	25,740	0.29
	<u>279,110</u>	<u>305,969</u>	<u>257,226</u>	<u>2.90</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Malaysia (continued)</u></b>				
<b>(viii) Technology</b>				
Dagang NeXchange Bhd.	85,000	20,112	20,825	0.23
Datasonic Group Bhd.	241,200	164,282	109,746	1.24
Globetronics Technology Bhd.	88,384	182,039	139,647	1.57
Inari Amertron Bhd.	47,902	82,812	73,769	0.83
MI Technovation Bhd.	46,700	107,507	77,989	0.88
My E.G. Services Bhd.	29,000	40,721	40,310	0.45
Revenue Group Bhd.	86,000	108,248	105,780	1.19
Unisem (M) Bhd.	47,871	146,809	121,114	1.37
	<u>672,057</u>	<u>852,530</u>	<u>689,180</u>	<u>7.76</u>
<b>(ix) Telecommunications &amp; media</b>				
Axiata Group Bhd.	10,100	42,094	47,369	0.53
DiGi.Com Bhd.	31,800	135,937	158,046	1.78
Maxis Bhd.	29,581	177,078	163,879	1.85
Telekom Malaysia Bhd.	35,263	187,990	127,299	1.43
Time Dotcom Bhd.	18,568	157,459	164,884	1.86
	<u>125,312</u>	<u>700,558</u>	<u>661,477</u>	<u>7.45</u>
<b>(x) Transportation &amp; Logistics</b>				
GD Express Carrier Bhd.	161,000	62,915	45,885	0.52
Lingkar Trans Kota Holdings Bhd.	8,143	44,126	34,363	0.39
Pos Malaysia Bhd.	6,000	12,457	8,040	0.09
Westports Holdings Bhd.	37,950	143,714	147,246	1.66
	<u>213,093</u>	<u>263,212</u>	<u>235,534</u>	<u>2.66</u>
<b>(xi) Utilities</b>				
Petronas Gas Bhd.	11,178	207,714	197,404	2.23
Tenaga Nasional Bhd.	6,000	78,809	76,200	0.86
	<u>17,178</u>	<u>286,523</u>	<u>273,604</u>	<u>3.09</u>
<b>Total quoted securities in Malaysia</b>				
	<u>3,534,338</u>	<u>6,051,858</u>	<u>5,839,527</u>	<u>65.81</u>
<b><u>Australia</u></b>				
Iluka Resources Limited	<u>5,152</u>	<u>139,107</u>	<u>146,043</u>	<u>1.65</u>
<b>Total quoted securities in Australia</b>				
	<u>5,152</u>	<u>139,107</u>	<u>146,043</u>	<u>1.65</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Europe</u></b>				
Metso Oyj	821	125,396	111,065	1.25
UPM-Kymmene Oyj	832	102,704	87,166	0.98
	<u>1,653</u>	<u>228,100</u>	<u>198,231</u>	<u>2.23</u>
<b>Total quoted securities in Europe</b>	<u>1,653</u>	<u>228,100</u>	<u>198,231</u>	<u>2.23</u>
<b><u>Great Britain</u></b>				
BCA Marketplace Plc	10,313	114,858	98,869	1.12
BHP Group Plc	1,125	117,793	106,339	1.20
Mondi Plc	1,503	130,052	130,557	1.47
Vesuvius Plc	3,667	121,805	96,997	1.09
	<u>16,608</u>	<u>484,508</u>	<u>432,762</u>	<u>4.88</u>
<b>Total quoted securities in Great Britain</b>	<u>16,608</u>	<u>484,508</u>	<u>432,762</u>	<u>4.88</u>
<b><u>Hong Kong</u></b>				
Anhui Conch Cement Co. Ltd. Class H	5,000	115,152	122,375	1.38
	<u>5,000</u>	<u>115,152</u>	<u>122,375</u>	<u>1.38</u>
<b>Total quoted securities in Hong Kong</b>	<u>5,000</u>	<u>115,152</u>	<u>122,375</u>	<u>1.38</u>
<b><u>Sweden</u></b>				
Sandvik AB	1,473	108,173	95,306	1.07
	<u>1,473</u>	<u>108,173</u>	<u>95,306</u>	<u>1.07</u>
<b>Total quoted securities in Sweden</b>	<u>1,473</u>	<u>108,173</u>	<u>95,306</u>	<u>1.07</u>
<b><u>Switzerland</u></b>				
Novartis AG	333	103,801	120,165	1.36
Roche Holding Ltd Genusssch.	137	154,353	151,067	1.70
	<u>470</u>	<u>258,154</u>	<u>271,232</u>	<u>3.06</u>
<b>Total quoted securities in Switzerland</b>	<u>470</u>	<u>258,154</u>	<u>271,232</u>	<u>3.06</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2019	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>United States</u></b>				
American Eagle Outfitters, Inc.	1,444	116,292	105,128	1.19
Bristol-Myers Squibb Company	870	168,133	165,154	1.86
Cummins Inc.	161	110,223	101,558	1.14
Dick's Sporting Goods, Inc.	872	123,225	125,911	1.42
Eaton Corp. Plc	351	106,797	109,397	1.23
Intel Corporation	613	121,992	112,956	1.27
Paychex, Inc.	350	117,614	125,634	1.42
Robert Half International Inc.	400	107,932	89,808	1.01
Williams-Sonoma, Inc.	675	169,112	165,220	1.86
	<u>5,736</u>	<u>1,141,320</u>	<u>1,100,766</u>	<u>12.40</u>
<b>Total quoted securities in United States</b>	<u>5,736</u>	<u>1,141,320</u>	<u>1,100,766</u>	<u>12.40</u>
<b>Total quoted securities as at 31 May 2019</b>	<u>3,570,430</u>	<u>8,526,372</u>	<u>8,206,242</u>	<u>92.48</u>

\* The Fund holds investments in company which is related to the Manager.

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Malaysia</u></b>				
<b>(i) Construction</b>				
Gamuda Bhd.	18,000	88,514	60,120	0.28
MGB Bhd.	44,000	67,833	45,760	0.22
Advancecon Holdings Bhd.	95,000	63,724	36,100	0.17
	<u>157,000</u>	<u>220,071</u>	<u>141,980</u>	<u>0.67</u>
<b>(ii) Consumer products &amp; services</b>				
Aeon Co. (M) Bhd.	151,532	309,356	347,008	1.63
Bioalpha Holdings Bhd.	300,079	77,070	67,518	0.32
Dutch Lady Milk Industries Bhd.	500	28,578	33,970	0.16
Fraser & Neave Holdings Bhd.	3,982	96,933	150,599	0.71
Hong Leong Industries Bhd.	8,600	89,574	102,168	0.48
Nestle (Malaysia) Bhd.	3,276	328,240	484,848	2.28
Padini Holdings Bhd.	117,738	472,145	675,816	3.17
Petronas Dagangan Bhd.	18,183	44,1461	455,302	2.14
QL Resources Bhd.	28,669	114,586	151,659	0.71
Sime Darby Bhd.	94,300	237,672	230,092	1.08
Three-A Resources Bhd.	76,264	94,426	70,926	0.33
	<u>803,123</u>	<u>2,290,041</u>	<u>2,769,906</u>	<u>13.01</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Malaysia (continued)</b>				
<b>(iii) Energy</b>				
Dialog Group Bhd.	75,000	199,181	243,750	1.14
Petron Malaysia Refining & Marketing Bhd.	52,830	439,636	427,923	2.01
Serba Dinamik Holdings Bhd.	48,400	107,095	159,720	0.75
Sino Hua-an International Bhd.	594,000	236,403	201,960	0.95
	<u>770,230</u>	<u>982,315</u>	<u>1,033,353</u>	<u>4.85</u>
<b>(iv) Financial services</b>				
Syarikat Takaful Malaysia Bhd.*	26,872	101,782	103,726	0.49
<b>(v) Health care</b>				
Hartalega Holdings Bhd.	57,932	203,624	353,385	1.66
IHH Healthcare Bhd.	29,319	173,832	175,914	0.83
Kossan Rubber Industries Bhd.	32,852	228,683	251,318	1.18
KPJ Healthcare Bhd.	310,372	301,774	307,268	1.44
Supermax Corporation Bhd.	123,000	402,804	377,610	1.77
Top Glove Corporation Bhd.	41,193	320,814	422,640	1.98
	<u>594,668</u>	<u>1,631,531</u>	<u>1,888,135</u>	<u>8.86</u>
<b>(vi) Industrial products &amp; services</b>				
Cahaya Mata Sarawak Bhd.	74,900	308,377	173,768	0.82
Comfort Gloves Bhd.	105,424	87,783	88,029	0.41
Foundpac Group Bhd.	262,840	122,789	55,196	0.26
HSS Engineers Bhd.	99,950	149,880	44,978	0.21
KUB Malaysia Bhd.	402,500	188,229	118,738	0.56
Lafarge Malaysia Bhd.	24,757	139,963	74,271	0.35
Petronas Chemicals Group Bhd.	38,141	289,992	307,035	1.44
Press Metal Aluminium Holdings Bhd.	41,500	217,274	196,295	0.92
Scientex Bhd.	30,157	241,228	212,909	1.00
SKP Resources Bhd.	251,164	406,027	376,746	1.77
Uchi Technologies Bhd.	121,544	271,627	345,185	1.62
V.S. Industry Bhd.	79,627	133,426	145,717	0.68
	<u>1,532,504</u>	<u>2,556,595</u>	<u>2,138,867</u>	<u>10.04</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>Malaysia (continued)</b>				
<b>(vii) Plantation</b>				
Dutaland Bhd.	249,900	138,099	139,944	0.66
Genting Plantations Bhd.	23,900	254,253	227,050	1.07
IOI Corporation Bhd.	60,700	286,789	281,041	1.32
Kuala Lumpur Kepong Bhd.	11,894	294,981	296,161	1.39
Kretam Holdings Bhd.	227,000	174,378	180,465	0.85
Sime Darby Plantation Bhd.	45,000	247,735	249,300	1.17
United Malacca Bhd.	11,000	67,381	66,550	0.31
United Plantations Bhd.	13,443	381,901	366,994	1.72
	<u>642,837</u>	<u>1,845,517</u>	<u>1,807,505</u>	<u>8.49</u>
<b>(viii) Properties</b>				
Iskandar Waterfront City Bhd.	136,000	152,526	69,360	0.32
Mah Sing Group Bhd.	190,700	252,314	209,770	0.98
Matrix Concepts Holdings Bhd.	21,750	46,818	41,760	0.20
Sime Darby Property Bhd.	93,000	133,790	106,950	0.50
UEM Sunrise Bhd.	306,560	331,461	220,723	1.04
UOA Development Bhd.	27,904	67,221	71,992	0.34
	<u>775,914</u>	<u>984,130</u>	<u>720,555</u>	<u>3.38</u>
<b>(ix) Technology</b>				
Aemulus Holdings Bhd.	122,125	50,280	39,080	0.18
Datasonic Group Bhd.	282,700	296,550	253,017	1.19
Globetronics Technology Bhd.	37,184	87,131	89,242	0.42
Inari Amertron Bhd.	223,902	389,733	512,735	2.41
JCY International Bhd.	266,793	131,265	73,368	0.34
Malaysian Pacific Industries Bhd.	36,102	411,715	361,020	1.70
My E.G. Services Bhd.	45,750	98,158	40,718	0.19
Unisem (M) Bhd.	216,871	665,792	518,322	2.43
	<u>1,231,427</u>	<u>2,130,624</u>	<u>1,887,502</u>	<u>8.86</u>
<b>(x) Telecommunications &amp; media</b>				
Axiata Group Bhd.	40,000	207,565	174,400	0.82
Maxis Bhd.	56,081	342,446	324,709	1.53
Telekom Malaysia Bhd.	55,763	334,331	204,650	0.96
Time Dotcom Bhd.	7,768	67,312	58,260	0.27
	<u>159,612</u>	<u>951,654</u>	<u>762,019</u>	<u>3.58</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Malaysia (continued)</u></b>				
<b>(xi) Transportation &amp; logistics</b>				
Lingkaran Trans Kota Holdings Bhd.	34,543	206,826	147,844	0.70
Pos Malaysia Bhd.	8,470	44,188	30,238	0.14
Westports Holdings Bhd.	89,650	343,941	309,292	1.45
	<u>132,663</u>	<u>594,955</u>	<u>487,374</u>	<u>2.29</u>
<b>(xii) Utilities</b>				
Gas Malaysia Bhd.	52,579	157,294	149,324	0.70
Mega First Corporation Bhd.	6,198	24,158	21,445	0.10
Petronas Gas Bhd.	14,978	281,103	263,313	1.24
Taliworks Corporation Bhd.	89,500	86,044	68,915	0.32
	<u>163,255</u>	<u>548,599</u>	<u>502,997</u>	<u>2.36</u>
<b>Total quoted securities in Malaysia</b>	<u>6,990,105</u>	<u>14,837,814</u>	<u>14,243,919</u>	<u>66.88</u>
<b><u>Germany</u></b>				
BASF SE	555	222,848	218,641	1.03
Covestro AG	1,120	427,500	407,851	1.91
	<u>1,675</u>	<u>650,348</u>	<u>626,492</u>	<u>2.94</u>
<b>Total quoted securities in Germany</b>	<u>1,675</u>	<u>650,348</u>	<u>626,492</u>	<u>2.94</u>
<b><u>Hong Kong</u></b>				
Shenzhou International Group Holdings Ltd.	6,000	252,796	279,324	1.31
<b>Total quoted securities in Hong Kong</b>	<u>6,000</u>	<u>252,796</u>	<u>279,324</u>	<u>1.31</u>
<b><u>Japan</u></b>				
Canon Inc.	1,600	226,426	217,106	1.02
<b>Total quoted securities in Japan</b>	<u>1,600</u>	<u>226,426</u>	<u>217,106</u>	<u>1.02</u>

## 5. Quoted securities (continued)

Company's Name As at 31 May 2018	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b><u>Sweden</u></b>				
Electrolux AB Class B	2,080	247,859	204,523	0.96
SKF AB Class B	3,165	251,772	244,919	1.15
	<u>5,245</u>	<u>499,631</u>	<u>449,442</u>	<u>2.11</u>
<b>Total quoted securities in Sweden</b>	<u>5,245</u>	<u>499,631</u>	<u>449,442</u>	<u>2.11</u>
<b><u>United States</u></b>				
Lear Corporation	401	250,839	316,201	1.48
ROSS Stores, Inc.	818	214,906	256,965	1.21
TJX Companies, Inc	1,250	391,906	449,622	2.11
Chemed Corporation	200	217,285	259,658	1.22
Eaton Corp. Plc	683	206,925	208,300	0.98
MSC Industrial Direct Co., Inc. Class A	690	247,969	252,341	1.19
TE Connectivity Ltd.	615	242,822	227,974	1.07
Intel Corporation	1,475	291,509	324,253	1.52
Texas Instruments Incorporated	1,061	374,498	472,865	2.22
Cummins Inc.	781	533,879	442,878	2.08
Eli Lilly & Company	820	303,325	277,709	1.30
GAP, Inc.	4,560	556,206	508,119	2.39
Merck & Co., Inc.	1,125	245,427	266,711	1.25
Omnicom Group Inc.	855	240,577	245,433	1.15
<b>Total quoted securities in United States</b>	<u>15,334</u>	<u>4,318,073</u>	<u>4,509,029</u>	<u>21.17</u>
<b>Total quoted securities as at 31 May 2018</b>	<u>7,019,959</u>	<u>20,785,088</u>	<u>20,325,312</u>	<u>95.43</u>

\* The Fund holds investments in company which is related to the Manager.

## 6. Cash and cash equivalents

	2019 RM	2018 RM
Cash at bank	<u>548,487</u>	<u>775,870</u>



## 7. Unitholders' capital

	No. of units	RM
As at 9 March 2017 (date of commencement)	-	-
Creation of units		
- MYR class	121,116,420	30,745,781
- USD class	39,982	44,771
- SGD class	758,284	608,493
- EUR class	4,000	4,725
Cancellation of units		
- MYR class	(37,923,848)	(10,136,202)
- USD class	(33,757)	(37,556)
- SGD class	(19,932)	(16,178)
<b>As at 31 May 2018 / 1 June 2018</b>	<u>83,941,149</u>	<u>21,213,834</u>
Creation of units		
- MYR class	3,123,184	780,692
- SGD class	10,854	9,006
Cancellation of units		
- MYR class	(51,559,317)	(13,107,066)
- SGD class	(10,854)	(7,898)
<b>As at 31 May 2019</b>	<u>35,505,016</u>	<u>8,888,568</u>

## 8. Manager's fee

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

## 9. Trustee's fee

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

## 10. Taxation

	1.6.2018 to 31.5.2019 RM	9.3.2017 to 31.5.2018 RM
Taxation		
- Current year/period	<u>22,077</u>	<u>31,775</u>
<b>Reconciliation of effective tax expense</b>		
Net (loss)/income before taxation	<u>(77,637)</u>	<u>117,098</u>
Income tax using Malaysian tax rate @ 24%	(18,633)	28,104
Non-assessable income	(132,418)	(368,404)
Non-deductible expenses	93,736	225,968
Restrictions on the tax deductible expenses for unit trust funds	57,315	114,332
Investment income subject to withholding tax	<u>22,077</u>	<u>31,775</u>
	<u>22,077</u>	<u>31,775</u>

## 11. Units held by related party

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

	Units	RM
<b>2019</b>		
BIMB Investment Management Berhad		
Creation of units		
- USD class	4,000	4,229
- EUR class	4,000	4,513
	<u>8,000</u>	<u>8,742</u>
<b>2018</b>		
BIMB Investment Management Berhad		
Creation of units		
- USD class	4,000	4,405
- EUR class	4,000	4,700
	<u>8,000</u>	<u>9,105</u>

## 12. Transactions with related parties

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

	Transactions from		Balance as at	
	1.6.2018 to 31.5.2019 RM	9.3.2017 to 31.5.2018 RM	2019 RM	2018 RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	3,138	6,536
- Management fee	182,124	401,687	(11,438)	(29,268)
	<u>182,124</u>	<u>401,687</u>	<u>(11,438)</u>	<u>(29,268)</u>
<i>Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placements	(193)	(28,973)	-	-
	<u>(193)</u>	<u>(28,973)</u>	<u>-</u>	<u>-</u>
<i>Related company of the Manager</i>				
BIMB Securities Sdn. Bhd.				
- Sales	(2,451,695)	(1,169,791)	-	-
- Purchases	2,121,724	1,686,447	-	-
- Brokerage fee	16,458	10,275	-	-
	<u>16,458</u>	<u>10,275</u>	<u>-</u>	<u>-</u>
<i>The Trustee</i>				
CIMB Islamic Trustee Berhad				
- Trustee fee	6,071	13,390	(381)	(976)
	<u>6,071</u>	<u>13,390</u>	<u>(381)</u>	<u>(976)</u>

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

	Value of trade RM	Percentage of total trade %	Brokerage fee RM	Percentage of total brokerage fee %
<b>2019</b>				
RHB Securities Hong Kong Ltd.	13,187,562	37.78	45,518	37.43
RHB Investment Bank Bhd.	4,955,377	14.20	17,022	14.00
BIMB Securities Sdn. Bhd.*	4,573,419	13.10	16,458	13.53
Public Investment Bank Bhd.	2,869,907	8.22	10,216	8.40
TA Securities Holdings Bhd.	2,341,530	6.71	8,470	6.97
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	1,789,275	5.13	5,986	4.92
Kenanga Investment Bank Bhd.	1,645,793	4.71	5,843	4.80
MIDF Amanah Investment Bank Bhd.	1,034,297	2.96	3,634	2.99
Maybank Investment Bank Bhd.	1,000,672	2.87	3,261	2.68
Hong Leong Investment Bank Bhd.	761,972	2.18	2,729	2.24
Others	746,662	2.14	2,481	2.04
	<u>34,906,466</u>	<u>100.00</u>	<u>121,618</u>	<u>100.00</u>
<b>2018</b>				
RHB Securities Hong Kong Ltd.	33,212,280	39.69	97,607	35.14
RHB Investment Bank Bhd.	21,230,307	25.37	75,707	27.25
TA Securities Holdings Bhd.	6,632,917	7.93	23,698	8.53
Public Investment Bank Bhd.	5,370,685	6.42	19,899	7.16
Kenanga Investment Bank Bhd.	2,907,918	3.47	9,457	3.41
BIMB Securities Sdn. Bhd.*	2,856,238	3.41	10,275	3.70
MIDF Amanah Investment Bank Bhd.	2,763,319	3.30	9,901	3.57
Maybank Investment Bank Bhd.	2,004,664	2.40	7,373	2.65
CIMB Investment Bank Bhd.	1,813,398	2.17	6,631	2.39
Hong Leong Investment Bank Bhd.	1,528,940	1.83	5,222	1.88
Others	3,358,418	4.01	12,012	4.32
	<u>83,679,084</u>	<u>100.00</u>	<u>277,782</u>	<u>100.00</u>

\* 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 2.05% (2018: 1.93%). Management expense ratio is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average net asset value. It is a total management expenses expressed as an annual percentage of the Fund’s average net asset value.

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

The portfolio turnover ratio for the financial year is 1.45 times (2018: 2.02 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 May 2019 categorised as follows:

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

	Carrying amount RM	AC RM	FVTPL RM
<b>2019</b>			
<b>Financial assets</b>			
Collective Investment Scheme	160,715	-	160,715
Quoted securities – local	5,839,527	-	5,839,527
Quoted securities – foreign	2,366,715	-	2,366,715
Amount due from Manager	3,138	3,138	-
Dividend receivables	10,289	10,289	-
Cash and cash equivalents	548,487	548,487	-
	<u>8,928,871</u>	<u>561,914</u>	<u>8,366,957</u>
<b>Financial liabilities</b>			
Other payables	<u>(54,694)</u>	<u>(54,694)</u>	<u>-</u>

The table below provides an analysis of financial instruments as at 31 May 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>			
Collective Investment Scheme	224,903	-	224,903
Quoted securities – local	14,243,919	-	14,243,919
Quoted securities – foreign	6,081,393	-	6,081,393
Amount due from Manager	6,536	6,536	-
Dividend receivables	29,680	29,680	-
Cash and cash equivalents	775,870	775,870	-
	<u>21,362,301</u>	<u>812,086</u>	<u>20,550,215</u>
<b>Financial liabilities</b>			
Other payables	<u>(63,144)</u>	<u>(63,144)</u>	<u>-</u>

## 16. Financial instruments (continued)

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

	1.6.2018 to 31.5.2019 RM	9.3.2017 to 31.5.2018 RM
Net gain on:		
Fair value through profit or loss:		
- Designated upon initial recognition		
Realised gain	38,499	1,176,419
Unrealised gain/(loss)	129,710	(606,325)
Financing and receivables	-	40,018
Amortised cost	3,036	-
	<u>171,245</u>	<u>610,112</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
- Currency risk

#### 16.4 Credit risk

Credit risk is the risk of a financial loss to the Fund if counterparty to a financial instrument fails to meet its contractual obligations. The Fund's exposure to credit risk arises principally from its 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 and other instruments, which are capable of being converted into cash within 7 days.

## 16. Financial instruments (continued)

### 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.

#### **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.

#### *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 collective investment schemes and equity prices at the end of the reporting year would have increased the net asset value and unitholders' fund by RM836,696 (2018: RM2,055,022). A 10% weakening in collective investment schemes and equity prices would have had equal but opposite effect on the net asset value and unitholders' fund respectively.

#### **Currency risk**

Currency risk is associated with the Fund's assets and liabilities that are denominated in foreign currencies. Currency risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus RM based on considerations of economic fundamentals such as profit rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

	<b>EURO</b>	<b>Denominated in</b>			<b>USD</b>
	<b>RM</b>	<b>HKD</b>	<b>JPY</b>	<b>SGD</b>	<b>RM</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	
<b>2019</b>					
<b>Balance recognised in the statement of financial position</b>					
Cash and cash equivalents	4,498	-	-	3,963	365,737
Dividend receivables	-	-	-	-	2,210
<b>Net exposure</b>	<b>4,498</b>	<b>-</b>	<b>-</b>	<b>3,963</b>	<b>367,947</b>

## 16. Financial instruments (continued)

### 16.6 Market risk (continued)

#### Currency risk (continued)

	Denominated in				
	EURO RM	HKD RM	JPY RM	SGD RM	USD RM
<b>2018</b>					
<b>Balance recognised in the statement of financial position</b>					
Cash and cash equivalents	4,520	-	-	2,971	233,824
Dividend receivables	-	2,282	3,465	-	7,253
Amount due from Manager	-	-	-	-	2,475
<b>Net exposure</b>	<u>4,520</u>	<u>2,282</u>	<u>3,465</u>	<u>2,971</u>	<u>243,552</u>

#### Currency risk sensitivity analysis

The table below summarises the sensitivity of the Fund's NAV to changes in foreign exchange movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<b>1.6.2018 to 31.5.2019 RM</b>	<b>9.3.2017 to 31.5.2018 RM</b>
<b>Change in foreign exchange rate:</b>		
EUR	225	226
HKD	-	114
JPY	-	173
SGD	198	149
USD	18,397	12,178
	<u>18,820</u>	<u>12,840</u>

### 16.7 Fair value of financial instruments

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

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

## 16. Financial instruments (continued)

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

	Fair value of financial instruments carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
<b>2019</b>					
<b>Financial assets</b>					
Financial assets at FVTPL	8,366,957	-		8,366,957	8,366,957
	<hr/>			<hr/>	<hr/>
<b>2018</b>					
<b>Financial assets</b>					
Financial assets at FVTPL	20,550,215	-	-20,550,215		20,550,215
	<hr/>			<hr/>	<hr/>

#### 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*

Listed collective investment schemes and quoted equities are valued at a closing market prices quoted on the Bloomberg and Bursa Malaysia at the date of the statement of financial position. 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/period.

#### 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)  
Dr. Mohd Hatta Dagap (Non-Executive Independent Director)  
Najmuddin Mohd Lutfi (Chief Executive Officer)  
Datin Maznah Mahbob (Non-Executive Independent Director – Appointed w.e.f. 1 April 2019)  
Mujibburrahman Abd Rashid (Non-Executive Non Independent Director – Resigned w.e.f. 20 July 2018)  
Datuk Noripah Kamso (Non-Executive Independent Director – Resigned w.e.f. 14 December 2018)  
Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director) - Resigned w.e.f. 28 June 2019

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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) - Resigned w.e.f. 28 June 2019

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### Company Secretaries

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

Aidil Haznul Zulkifli (MEIS 01638)  
Level 32, Menara Bank Islam, No. 22 Jalan Perak,  
50450 Kuala Lumpur.

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<b>Key Management</b>	Najmuddin Mohd Lutfi (Chief Executive Officer) Abd Razak Salimin (Head of Investment) Mohd Hamidullah Che Hassan (Head of Compliance)
<b>Principal Banker</b>	<b>CIMB Islamic Bank Berhad</b> P. Ramlee Branch, Lot 1-01 Menara Hap Seng Jalan P.Ramlee Kuala Lumpur
<b>Trustee</b>	<b>CIMB Islamic Trustee Berhad (167913-M)</b> Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
<b>Auditors</b>	<b>KPMG Desa Megat PLT (LLP0010082-LCA &amp; AF 0759)</b> Level 10, KPMG Tower 8, First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor
<b>Federation of Investment Managers Malaysia (FIMM)</b>	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
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