

# **BIMB DANA AL-FALAH**

INTERIM REPORT FOR THE 6 MONTH  
PERIOD ENDED 28 FEBRUARY 2019

*LAPORAN INTERIM BAGI TEMPOH 6 BULAN  
BERAKHIR 28 FEBRUARI 2019*

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

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

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## 1.0 Manager's Report

Dear Unit Holders,

We are pleased to present the Manager's report of BIMB Dana Al-Falah for the financial period from 1 September 2018 to 28 February 2019.

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

<b>Fund Name</b>	BIMB Dana Al-Falah
<b>Fund Type</b>	Growth
<b>Fund Category</b>	Mixed Assets
<b>Fund Investment Objective</b>	<p>The principal investment objective of the Fund is to achieve long term capital appreciation of the Units by investing in a diversified portfolio of equities, Sukuk and money market instruments. Accordingly, all investment income (if any) shall be reinvested for long term capital growth rather than distributed annually.</p> <p><b>Note:</b> <i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Fund Performance Benchmark</b>	70:30 ratio of the FBM Emas Shariah Index and 12-month Term Deposit-i Tawarruq (TDT-i) of Bank Islam Malaysia Berhad.
<b>Fund Distribution Policy</b>	<p>Distribution of income* (if any) is incidental.</p> <p><b>Note:</b> <i>The distribution of income will automatically be reinvested. Hence, Unit Holders will receive additional Units from the reinvestment of income distribution.</i></p>

## **1.2 Performance for the Financial Period from 1 September 2018 to 28 February 2019**

### **1.2.1 Performance review for BIMB Dana Al-Falah**

For the 6 months period under review, BIMB Dana Al-Falah ("the Fund") registered a return of -11.53% as compared to its Benchmark's return of -5.38%, thus underperformed the Benchmark's return by -6.15%.

The selected performance benchmark for the Fund is 70:30 ratio of the FBM Emas Shariah Index and 12-month Bank Islam Malaysia Berhad Term Deposit-i Tawarruq (TDT-i) rates.

From its commencement on 27 December 2001 to 28 February 2019, the Fund registered a total return of 69.65% as compared to its Benchmark's return of 112.19%, thus underperformed the Benchmark's return by -42.24%.

Our strategy has consistently been to focus on accumulating stocks in companies that are able to achieve above average earnings growth in the medium to long term.

As at 28 February 2019, the Fund has 83.87% exposure to equities and 16.13% exposure to cash, Islamic debt securities and money market instruments. Thus far, the Fund continues to be managed in line with its stated objective by investing in diversified portfolio of equities, Sukuk and Islamic money market instruments. The total NAV of the Fund as at 28 February 2019 is RM5.98 million whereas the NAV per unit of the Fund is RM0.3800. The Fund did not declare any interim distribution.

For the financial period under review, there were no significant changes to the state of affairs of the Fund and no circumstances that materially affect the interest of unit holders that have taken place up to the date of this Manager's report.

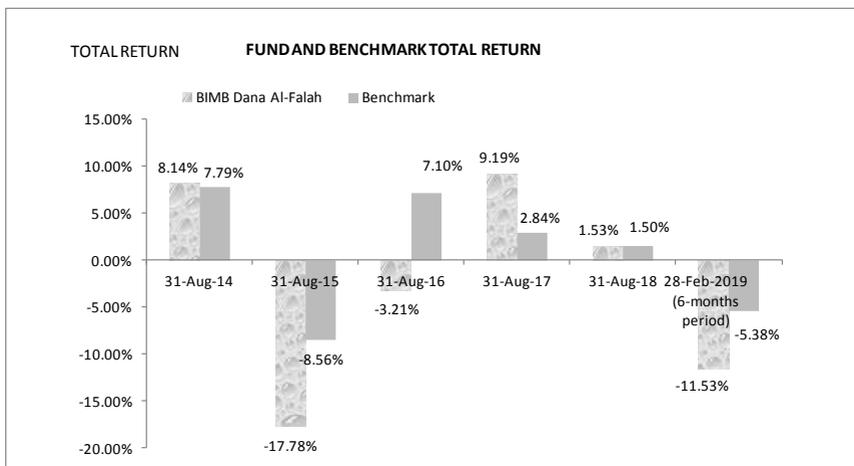
**1.2.2 Total return and average total return for the respective financial period ended 28 February 2019**

Period	BIMB Dana Al-Falah		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
6-Month (Sep'18 – Feb'19)	-11.53	-23.06	-5.38	-10.76
1-Year (Mar'18 – Feb'19)	-9.82	-9.82	-7.88	-7.88
3-Year (Mar'17 - Feb'19)	-4.37	-1.46	0.30	0.10
5-Year (Mar'14 – Feb'19)	-21.00	-4.2	-1.11	-0.22

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

Financial Years	Total Return	
	BIMB Dana Al-Falah (%)	Benchmark (%)
<b>31 August 2018</b>	1.53	1.50
<b>31 August 2017</b>	9.19	2.84
<b>31 August 2016</b>	-3.21	7.10
<b>31 August 2015</b>	-17.78	-8.56
<b>31 August 2014</b>	8.14	7.79

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



**Note**

*Data Source* : BIMB Investment Management Berhad

*Data Verified* : Novagni Analytics & Advisory Sdn. Bhd.

*Benchmark* : 70:30 ratio of the FBM Emas Shariah Index and 12-month Bank Islam Term Deposit-i Tawarruq (TDT-i) rates.

**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

### 1.3.1 Global

- United States (US) Gross Domestic Product (GDP) registered a growth of 2.6% in the fourth quarter of 2018 as compared to 3.4% in the third quarter of 2018 and 4.2% in the second quarter of 2018. The fourth quarter economic growth was supported by a strong consumer spending, surge in inventory investment and higher government spending, however was partly offset by negative contributions from residential fixed investment, and state and local government spending. The US inflation rate fell to 1.5% in February 2019 as compared to 2.3% in September 2018. US unemployment rate increased to 3.8% in February 2019 as compared to 3.7% in September 2018.
- The Euro zone economy grew by 0.2% for the fourth quarter 2018, similar to the third quarter of 2018 but lower as compared to 0.4% in the second quarter of 2018. During the fourth quarter, the Euro zone's economic performance was significantly affected by the global trade uncertainty, arrested growth in Germany while Italy slipped into recession. The Euro zone inflation rate declined to 1.5% in February 2019 as compared to 2.1% in September 2018. Unemployment in the Euro zone has fallen to 7.8% in February 2019 from 8.0% in September 2018.

The Chinese economy grew by 6.4% for the fourth quarter of 2018, compared to 6.5% in the third quarter of 2018 and 6.7% in the second quarter of 2018. The lower economic expansion was the result of the trade war effect with the U.S. amid Beijing's efforts to contain debt risk that has affected its domestic economic growth.

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

### Local

- The Malaysian economy grew at 4.7% in the fourth quarter of 2018, compared to 4.4% the third quarter of 2018 and 4.5% in the second quarter of 2018. The GDP result improved as exports rebounded and the growth continue to be supported by the private sector and expansion in domestic demand. Malaysia's inflation on the other hand declined to -0.4% in February 2019 compared to 0.3% in September 2018, mainly due to a decline in transport cost.
- Bank Negara Malaysia's (BNM) Monetary Policy Committee (MPC) had decided to maintain the Overnight Policy Rate (OPR) at 3.25% during its January 2019 meeting to accommodate and support growth prospect for the country. The international reserves of Bank Negara Malaysia increased to USD102.4 billion as at 28 February 2019. The reserves position is sufficient to finance 7.4 months of retained imports and is 1.0 time total short-term external debt.

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

## 1.3.2 Market Review

### Equity

FTSE Bursa Malaysia EMAS Shariah Index ("FBM Shariah Index") commenced the period under review at 12,754.68 points and reached the highest point of 12,756.45 on 4 September 2018. Subsequently, the FBM Shariah Index's declined to the lowest point of 11,068.25 on the 18 December 2018 before closing at 11,732.11 points on 28 February 2019. For the period under review, the FBM Shariah Index was down by -1,022.57 points or -8.02%. Among the key factors that contributed to the movement of the index are highlighted below:

- In October 2018, the technology sell off in the US market followed by concerns of rapid interest rate hike on the world's largest economy and its effects on US corporate earnings had rattled global markets sentiment. The markets sell down were further exacerbated by concerns of a potential impeachment of President Trump's mid-term review election in early November, would disrupt growth stimulation of the Trump administration.
- President Trump and President Xi agreed on a temporary truce after their G20 meeting in end November 2018. As previously announced, the US will temporarily hold off the increase of 10% tariff to 25% on USD200 billion of Chinese imports on January 1, 2019. There will be a 90-day period of negotiation to address trade imbalances, China's structural changes and other pertinent issues.

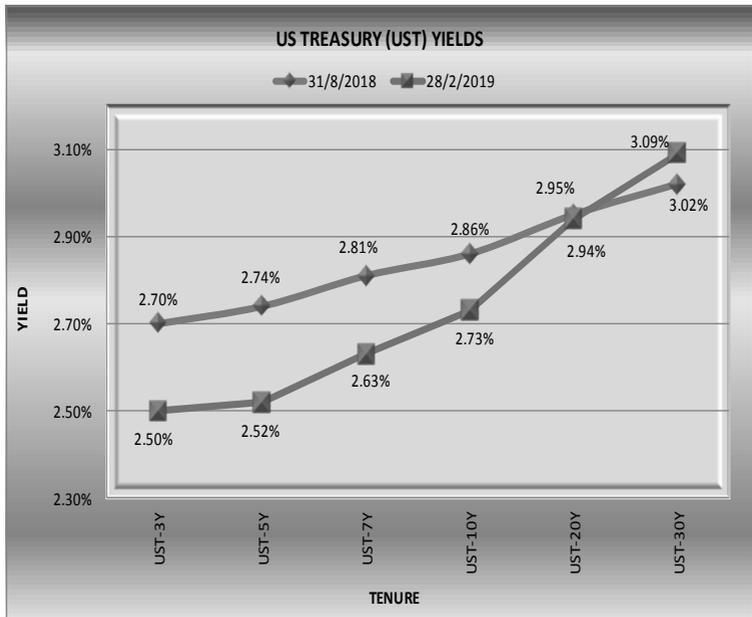
*(Source: Bloomberg and Bank Negara Malaysia)*

### Bond Market and Money Market

#### a) Global

- For the period under review, yields of 10-year US Treasury (UST) ranged between 2.73%-2.86%. It is expected that the yield to continue trading range-bound in UST following a no rate hike Federal Reserve outlook. The recent discussion over the balance sheet reduction was notably addressed in the minutes where Federal Reserve hinted at the prospect of ending the unwind process as early as second half 2019. Investors will be keenly watching the upcoming Federal Open Market Committee (FOMC) as the Federal Reserve could provide more guidance in this policy meeting.

**Figure 4: US Treasury Yields**



*Source: US Treasury Department, 28 February 2019*

**b) Local**

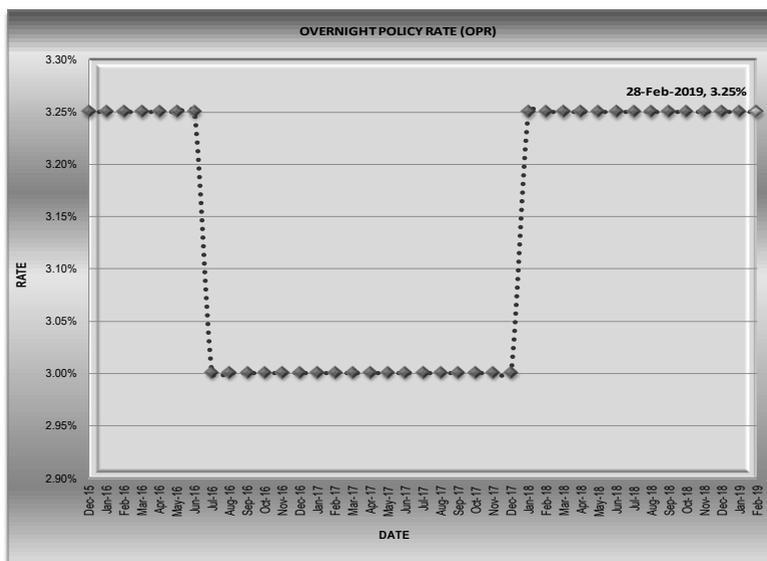
- The Malaysian Government Securities (MGS) and Government Investment Issue (GII) dominated the local bond market activities with traded volume of RM437.55 billion for the period under review. Malaysia ringgit government bond yields continued to stay supported. Notably, 10-year GII yields lowered from previous 4.14% to 4.02% at the end of period under reviewed, as optimism for Emerging Market (EM) Asia bonds continued to gather momentum. Pause in USD strength supported the rebound in EM Asia currencies with the Ringgit's performance improving versus the greenback.

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

Tenure/Date	28 February 2019 (%)	30 August 2018 (%)	Change * (bps)
<b>3-Year Bonds</b>			
GII	3.64	3.63	1.0
AAA Corporate	4.12	4.25	(13.0)
<b>5-Year Bonds</b>			
GII	3.85	3.80	5.0
AAA Corporate	4.23	4.38	(15.0)
<b>7-Year Bonds</b>			
GII	4.00	4.01	(1.0)
AAA Corporate	4.33	4.49	(16.0)
<b>10-Year Bonds</b>			
GII	4.02	4.14	(12.0)
AAA Corporate	4.43	4.62	(19.0)

**Source: Bond Pricing Agency Malaysia (BPAM), 28 February 2019**

**Figure 5: Overnight Policy Rate (OPR)**



**Source: Bank Negara Malaysia (BNM), 28 February 2019**

## 1.4 Market Outlook and Strategy

### a) Equity

- For year 2019, the Malaysian equities are expected to be resilient amid a challenging economic growth environment due to factors such as the outcome of the US-China trade war talks, Federal Reserve rate hike execution, weakening of global and domestic GDP growth, uneven path of global crude oil price recovery as well as lower construction sector activity in Malaysia.
- For the year, global market sentiment will hinge on two main factors, predominantly the outcome of US-China trade war talks and the frequency of Federal Reserve rate hike execution. Overall we are positive that the domestic export sector that will be the beneficiary of global consumer demand on technology products. The electrical and electronics sector's exposure over the fast growing automotive sector will also gain from the resilient consumer spending stemming from regional GDP growth, notwithstanding at a lower rate. Consequently, it is anticipated that, the stronger external demand is expected to spill over to the domestic economy, while domestic demand will continue to be the engine of growth, anchored by strong consumer spending and investments. We project Malaysia's real GDP growth to be sustained at a moderate 4.6% for 2019 with the Central Bank will likely to maintain the OPR at 3.25% for 2019.

### b) Sukuk Market and Money Market

- Bank Negara Malaysia's (BNM) Monetary Policy Committee (MPC) maintained the Overnight Policy Rate (OPR) at 3.25% for the sixth straight meeting. The MPC statement made a more cautious assessment on global economic outlook as trade tensions began to impact global trade performance and investment activity in late- 2018. BNM highlighted country-specific factors as one of the key downside risks for global growth prospects. On the domestic front, BNM projected sustained expansion in private consumption and private investment to offset consolidation in public spending. It is expected that the OPR will be maintained for the rest of the year.
- Our money market strategy is to invest in money market with longer tenure investments to maximize return while providing liquidity and regular income for investors.

1.5 Asset allocation as at 28 February 2019 and as at 31 August of 2018, 2017 and 2016

<b>BIMB Dana AI-Falah</b>	<b>28.2.2019 (%)</b>	<b>31.8.2018 (%)</b>	<b>31.8.2017 (%)</b>	<b>31.8.2016 (%)</b>
<b>Investment in Quoted Securities</b>				
Construction	-	-	-	1.79
Consumer products	3.47	3.58	4.49	0.68
Finance	-	-	-	3.60
Industrial products	19.43	13.61	36.48	22.56
Infrastructure project companies	-	-	-	4.93
Plantation	-	-	-	-
Properties	-	-	0.92	7.28
Technology	49.08	51.82	35.78	22.97
Trading and services	11.57	0.22	0.23	10.95
Warrant	0.32	0.57	-	-
	<b>83.87</b>	<b>69.80</b>	<b>77.90</b>	<b>74.76</b>
CASH AND ISLAMIC DEBT SECURITIES	16.13	30.20	22.10	25.24
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**1.6 Other Performance Data for the 6 months ended 28 February 2019 and three financial years ended 31 August**

<b>BIMB Dana Al-Falah</b>	<b>6 months ended 28.2.2019</b>	<b>Year ended 31.8.2018</b>	<b>Year ended 31.8.2017</b>	<b>Year ended 31.8.2016</b>
<b>Unit Prices (RM)</b>				
Highest NAV per unit for the period/year	0.4408	0.5095*	0.4711	0.4901*
Lowest NAV per unit for the period/year	0.3395	0.3995*	0.4206	0.4297*
<b>Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Period/ Year</b>				
Total NAV (RM)	5,989,823	6,450,860	7,033,452	21,165,930
Units in Circulation (UIC)	15,761,143	15,018,310	14,988,802	49,260,993
<b>NAV per unit (RM)</b>	<b>0.3800</b>	<b>0.4295*</b>	<b>0.4692</b>	<b>0.4297*</b>
<b>Return of Fund (%)<sup>(a)</sup></b>				
Capital Growth (%) <sup>(b)</sup>	-11.53	-11.53	9.19	-6.22
Income Return (%) <sup>(c)</sup>	-	10.00	-	3.01
<b>Return of Fund (%)</b>	<b>-11.53</b>	<b>1.53</b>	<b>9.19</b>	<b>-3.21</b>
Gross Distribution per Unit (Sen)	-	4.69	-	1.38
Net Distribution per Unit (Sen)	-	4.69	-	1.38
NAV per unit before distribution (RM)	-	0.4764	-	0.4435
NAV per unit after distribution (RM)	-	0.4295	-	0.4297*
Date of distribution	-	30 August 2018	-	30 August 2016
<b>Management Expense Ratio (MER)(%)<sup>(d)</sup></b>	<b>2.25</b>	<b>2.48</b>	<b>2.01</b>	<b>1.86</b>
<b>Portfolio Turnover Ratio (PTR) (times)<sup>(e)</sup></b>	<b>0.16</b>	<b>1.50</b>	<b>1.15</b>	<b>1.44</b>

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

**Note:**

- a) **Return of the Fund** =  $\frac{\text{NAV per unit (end of period)}}{\text{NAV per unit (beginning of period)}} - 1$
- b) **Capital Growth** = Total Return of the Fund – Income Return
- c) **Income Return** = {Income Distribution per Unit / NAV per Unit at 31 August 2018} x 100
- d) **Management Expenses Ratio** = The Management Expenses Ratio for the annual period are as above. It is the total management expenses expressed as an annual percentage of the Fund's average Net Asset Value.
- e) **Portfolio Turnover Ratio** = It represents the average of the total acquisitions and disposals of the investment in the Fund for the annual period over the average Net Asset Value of the Fund calculated on a daily basis.

**1.7 Unit Holdings as at 28 February 2019**

Size of Holdings	BIMB Dana Al-Falah			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	1,048	82.91	1,136,631.93	7.21
5,001 to 10,000	68	5.38	485,499.24	3.08
10,001 to 50,000	125	9.89	2,571,849.24	16.32
50,001 to 500,000	22	1.74	2,386,681.33	15.14
500,001 and above	1	0.08	9,180,481.41	58.25
<b>Grand Total for the Fund</b>	<b>1,264</b>	<b>100.00</b>	<b>15,761,143.15</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 period under review.

For and on behalf of

The Manager

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Date: 22 April 2019**

## 1.0 Laporan Pengurus

### Para Pemegang Unit yang Dihormati,

Kami dengan sukacitanya membentangkan laporan Pengurus BIMB Dana Al-Falah bagi tempoh kewangan bermula 1 September 2018 hingga 28 Februari 2019.

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

<b>Nama Dana</b>	BIMB Dana Al-Falah
<b>Jenis Dana</b>	Pertumbuhan
<b>Kategori Dana</b>	Aset Campuran
<b>Objektif Pelaburan Dana</b>	<p>Objektif utama pelaburan Dana adalah untuk mencapai peningkatan modal pada harga unit dalam jangkamasa panjang dengan melabur dalam pelbagai portfolio ekuiti, Sukuk dan instrumen pasaran wang. Sehubungan dengan itu, semua pendapatan pelaburan (jika ada) akan dilaburkan semula untuk pertumbuhan modal jangkamasa panjang berbanding pengagihan setiap tahun.</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>	Indeks FBM Emas Syariah pada nisbah 70:30 dan 12 bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad.
<b>Polisi Agihan Dana</b>	<p>Pengagihan pendapatan* (jika ada) adalah sampingan.</p> <p><b>Nota:</b> <i>*Pengagihan pendapatan akan dilaburkan semula secara automatik. Oleh itu, Pemegang Unit akan menerima Unit tambahan daripada pelaburan semula pengagihan pendapatan.</i></p>

## **1.2 Pencapaian bagi Tempoh Kewangan bermula 1 September 2018 sehingga 28 Februari 2019**

### **1.2.1 Kajian Pencapaian bagi BIMB Dana Al-Falah**

Bagi tempoh 6 bulan dalam kajian, BIMB Dana Al-Falah ("Dana") telah mencatatkan pulangan sebanyak -11.53% berbanding pulangan Penanda Arasnya sebanyak -5.38%, dengan perbezaan dengan pulangan Penanda Arasnya sebanyak -6.15%.

Pencapaian pulangan penanda aras yang terpilih untuk Dana adalah 70:30 ratio Indeks Syariah Emas FBM dan kadar 12 bulan Deposit Bertempoh-i (Tawarruq) Bank Islam Malaysia Berhad.

Sejak penubuhannya pada 27 Disember 2001 sehingga 28 Februari 2019, Dana tersebut telah mencatat jumlah pulangan sebanyak 69.65% berbanding pulangan Penanda Arasnya sebanyak 112.19%, iaitu perbezaan dengan pulangan Penanda Arasnya sebanyak -42.24%.

Strategi kami adalah untuk kekal fokus secara konsisten mengumpul saham dalam syarikat-syarikat yang mampu untuk mencapai pertumbuhan pendapatan melebihi purata dalam jangka sederhana hingga panjang.

Setakat pada 28 Februari 2019, Dana telah mempunyai 83.87% pendedahan kepada ekuiti dan 16.13% pendedahan kepada wang tunai, sekuriti hutang Islam dan instrumen pasaran wang. Setakat ini, Dana diuruskan selari dengan objektifnya sepertimana yang dinyatakan dengan melabur dalam portfolio ekuiti pelbagai, Sukuk dan instrumen pasaran wang Islam. Jumlah Nilai Asset Bersih (NAV) bagi Dana setakat 28 Februari 2019 adalah RM5.98 juta manakala NAB bagi setiap unit dana adalah RM 0.3800. Dana tersebut tidak mengisytiharkan apa-apa agihan interim.

Untuk tempoh kewangan dalam kajian, tiada perubahan ketara terhadap hal ehwal berkaitan pengurusan Dana dan tiada keadaan yang boleh menjejaskan secara langsung kepada kepentingan para Pemegang Unit sehinggalah tarikh penyediaan Laporan Pengurus ini.

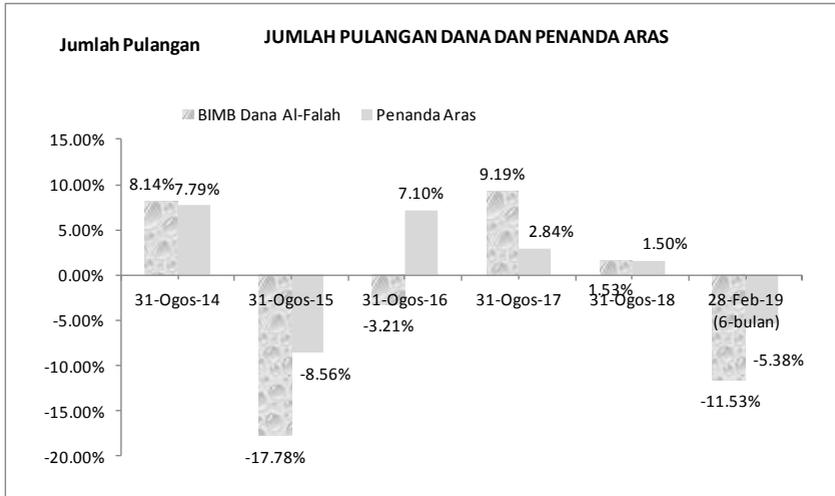
**1.2.2 Jumlah pulangan dan purata jumlah pulangan bagi setiap tempoh berakhir 28 Februari 2019**

Tempoh	BIMB Dana AI-Falah		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
6 bulan (Sep' 18 – Feb' 19)	-11.53	-23.06	-5.38	-10.76
1 Tahun (Mac' 18 – Feb' 19)	-9.82	-9.82	-7.88	-7.88
3 Tahun (Mac' 17 – Feb' 19)	-4.37	-1.46	0.30	0.10
5 Tahun (Mac' 14 – Feb' 19)	-21.00	-4.2	-1.11	-0.22

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

Tahun Kewangan	Jumlah Pulangan	
	BIMB Dana AI- Falah (%)	Penanda Aras (%)
31 Ogos 2018	1.53	1.50
31 Ogos 2017	9.19	2.84
31 Ogos 2016	-3.21	7.10
31 Ogos 2015	-17.78	-8.56
31 Ogos 2014	8.14	7.79

## Rajah 1: Pergerakan Dana Berbanding Penanda Aras



**Nota:**

Sumber Data : BIMB Investment Management Berhad

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

Penanda Aras : Nisbah 70:30 Indeks FBM Emas Shariah dan kadar 12 bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam

**Nota:**

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

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

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

## 1.3 Ekonomi dan Kajian Pasaran

### 1.3.1 Global

- Keluaran Dalam Negeri Kasar (KDNK) Amerika Syarikat (US) telah mencatatkan pertumbuhan sebanyak 2.6% pada suku keempat 2018 berbanding 3.4% pada suku ketiga 2018 dan 4.2% pada suku kedua 2018. Pertumbuhan ekonomi suku keempat telah disokong oleh perbelanjaan pengguna yang kukuh, lonjakan pelaburan inventori, dan perbelanjaan kerajaan yang lebih tinggi, walau bagaimanapun sebahagiannya telah diimbangi oleh penyumbangan negatif dari pelaburan kediaman tetap, dan perbelanjaan negeri dan kerajaan tempatan. Kadar inflasi AS menurun kepada 1.5% pada Februari 2019 berbanding 2.3% pada September 2018. Kadar pengangguran AS meningkat kepada 3.8% pada Februari 2019 berbanding 3.7% pada September 2018.
- Ekonomi zon Euro telah berkembang sebanyak 0.2% untuk suku keempat 2018, tidak berubah dari suku ketiga 2018 tetapi lebih rendah berbanding 0.4% pada suku kedua 2018. Semasa tempoh suku keempat tersebut, prestasi ekonomi zon Euro telah terjejas dengan ketaranya oleh ketidakpastian perdagangan global, pertumbuhan Jerman terhenti sementara Itali pula jatuh dalam kemelesetan. Kadar inflasi zon Euro telah menurun kepada 1.5% pada Februari 2019 berbanding 2.1% pada September 2018. Kadar pengangguran di zon Euro telah menurun kepada 7.8% pada Februari 2019 dari 8.0% pada September 2018.
- Ekonomi China telah berkembang sebanyak 6.4% pada suku keempat 2018 berbanding 6.5% pada suku ketiga 2018 dan 6.7% pada suku kedua 2018. Perkembangan ekonomi yang lebih rendah adalah kesan daripada perang perdagangan dengan A.S di tengah usaha Beijing untuk menanggung risiko hutang yang telah mempengaruhi pertumbuhan ekonomi dalam negeri.

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

### Dalam Negara

- Ekonomi Malaysia telah berkembang sebanyak 4.7% pada suku keempat 2018, berbanding 4.4% pada suku ketiga 2018 dan 4.5% pada suku kedua 2018. Hasil KDNK telah meningkat kerana eksport telah pulih dan pertumbuhan terus disokong oleh sektor swasta dan perkembangan dan permintaan domestik. Manakala inflasi Malaysia telah menurun kepada -0.4% pada Februari 2019, berbanding 0.3% pada September 2018, disebabkan oleh penurunan kos pengangkutan.
- Jawatankuasa Dasar Monetari (MPC) Bank Negara Malaysia (BNM) telah memutuskan untuk mengekalkan Kadar Dasar Semalaman (OPR) pada 3.25% dalam mesyuaratnya pada Januari 2019 untuk menampung dan menyokong prospek

pertumbuhan negara. Rizab antarabangsa Bank Negara Malaysia bernilai USD 102.4 billion setakat 28 Februari 2019. Kedudukan rizab ini memadai untuk membiayai 7.4 bulan import tertanggung dan 1.0 kali hutang luar negeri jangka pendek.

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

### **1.3.2 Kajian Pasaran**

#### **Ekuiti**

Indeks Syariah Emas FTSE Bursa Malaysia ("Indeks Syariah FBM") telah memasuki tempoh kajian bermula pada paras 12,754.68 mata dan telah mencecah paras tertingginya iaitu 12,756.45 pada 4 September 2018. Indeks Syariah FBM ini kemudiannya telah menurun kepada paras matanya terendah iaitu 11,068.25 pada 18 Disember 2018 sebelum ditutup pada 11,732.11 mata pada 28 Febuari 2019. Bagi tempoh dalam kajian, Indeks Syariah FBM telah turun -1,022.57 mata atau -8.02%. Antara faktor-faktor yang telah menyumbang kepada pergerakan indeks ini adalah seperti yang dinyatakan dibawah:

- Pada Oktober 2018, penjualan sektor teknologi di pasaran AS berlaku berikutan kerisauan tentang kenaikan kadar pulangan yang begitu cepat terhadap ekonomi terbesar dunia dan kesannya kepada pendapatan perusahaan AS yang telah menggoyahkan sentimen pasaran global. Jualan pasaran jatuh bertambah merosot disebabkan oleh kebimbangan tentang potensi kekalahan Presiden Trump pada pilhanraya kajian pertengahan pada awal November yang mungkin mengganggu stimulasi pertumbuhan pentadbiran Trump.
- Presiden Trump dan President Xi telah bersetuju untuk menghentikan sementara perang perdagangan selepas mesyuarat G20 mereka pada akhir November 2018. Seperti yang diumumkan sebelum ini, AS akan menahan sementara kenaikan tarif 10% kepada 25% terhadap 200\$ billion import China pada 1 Januari 2019. Ianya akan wujud tempoh perundingan selama 90 hari untuk menangani ketidakseimbangan perdagangan, perubahan struktur China dan isu-isu lain yang berkaitan.

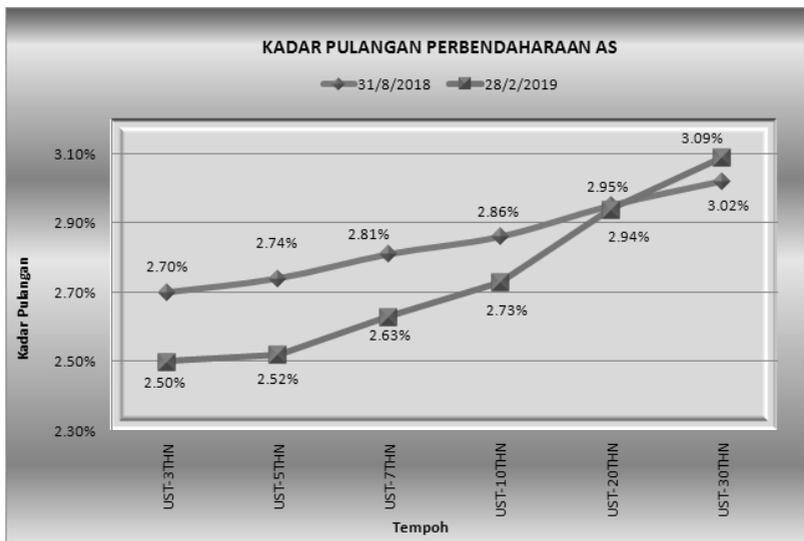
*(Sumber: Bloomberg dan Bank Negara Malaysia)*

## Pasaran Bon dan Pasaran Wang

### a) Global

- Untuk tempoh dalam kajian, hasil 10 tahun Perbendaharaan US (UST) adalah dalam lingkungan antara 2.73% hingga 2.86%. Ianya dijangkakan bahawa kadar hasil untuk terus membuat jajaran perdagangan dalam UST terikat berikutan tiada kadar kenaikan menurut pandangan Rizab Persekutuan. Perbincangan terkini mengenai pengurangan penyata imbalan telah disebut dalam minit yang mana Rizab Persekutuan telah memberi petunjuk pada prospek mengakhiri proses pembetulan seawal separuh kedua 2019. Pelabur akan terus memerhati Jawatankuasa Pasaran Terbuka Persekutuan (FOMC) akan datang yang mana Rizab Persekutuan boleh memberi bimbingan tambahan dalam mesyuarat dasar ini.

**Rajah 4: Kadar Pulangan Perbendaharaan AS**



**Sumber: Jabatan Perbendaharaan AS, 28 Februari 2019**

## b) Dalam Negara

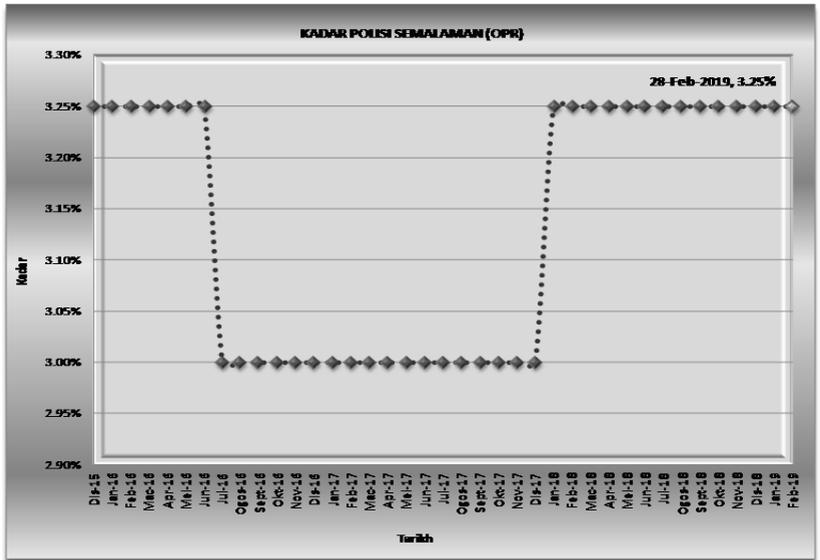
- Sekuriti Kerajaan Malaysia (MGS) dan Isu Pelaburan Kerajaan (GII) telah mendominasi aktiviti pasaran bon tempatan dengan jumlah dagangan yang diniagakan sebanyak RM437.55 billion pada tempoh dalam kajian. Hasil bon kerajaan ringgit Malaysia telah tetap di sokong. Terutamanya, hasil 10 tahun GII adalah lebih rendah dari sebelum iaitu 4.14% kepada 4.02% pada akhir tempoh dalam kajian, yang mana keyakinan untuk Pasaran Baru Muncul Bon (EM) Asia telah berterusan mengumpul momentum. Pemberhentian seketika dalam USD menyokong pemulihan dalam mata wang EM Asia dengan peningkatan Ringgit berbanding dolar AS.

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

Tempoh/ Tarikh	28 Februari 2019 (%)	30 Ogos 2018 (%)	Perubahan * (bps)
<b>Bon 3 Tahun</b>			
GII	3.64	3.63	<b>1.0</b>
Korporat AAA	4.12	4.25	<b>(13.0)</b>
<b>Bon 5 Tahun</b>			
GII	3.85	3.80	<b>5.0</b>
Korporat AAA	4.23	4.38	<b>(15.0)</b>
<b>Bon 7 Tahun</b>			
GII	4.00	4.01	<b>(1.0)</b>
Korporat AAA	4.33	4.49	<b>(16.0)</b>
<b>Bon 10 Tahun</b>			
GII	4.02	4.14	<b>(12.0)</b>
Korporat AAA	4.43	4.62	<b>(19.0)</b>

**Sumber: Agensi Penetapan Harga Bon Malaysia (BPAM), 28 Februari 2019**

Rajah 5: Kadar Polisi Semalaman (OPR)



Sumber: Bank Negara Malaysia (BNM), 28 Februari 2019

## 1.4 Tinjauan Pasaran dan Strategi

### a) Ekuiti

- Bagi tahun 2019, ekuiti Malaysia dijangka dijangka berdaya tahan ditengah-tengah pertumbuhan ekonomi yang mencabar disebabkan oleh faktor-faktor seperti hasil perbincangan perang perdagangan China AS, pelaksanaan kadar kenaikan Rizab Persekutuan, pertumbuhan KDNKK global dan domestik yang lemah, pemulihan harga minyak mentah global yang tidak menentu dan juga aktiviti sektor pembinaan yang lebih rendah di Malaysia.
- Untuk tahun ini, sentimen pasaran global akan bergantung kepada dua factor utama, sebahagian besarnya hasil daripada perbincangan perang perdagangan US-China dan kekerapan kadar kenaikan Rizab Persekutuan. Secara keseluruhannya, kami berpandangan positif bahawa sektor eksport domestik akan menjadi benefisiari permintaan pengguna global terhadap produk-produk teknologi. Pendedahan sektor elektrik dan elektronik berbanding sektor automotif yang semakin berkembang akan juga mendapat keuntungan daripada perbelanjaan pengguna yang berdaya tahan berpunca daripada pertumbuhan KDNK serantau, walaupun dengan kadar yang lebih rendah. Seterusnya, ianya dijangkakan bahawa, permintaan luar yang lebih kuat akan memberi kesan kepada ekonomi domestik, sementara permintaan domestik akan terus menjadi enjin pertumbuhan, dikuatkan lagi oleh perbelanjaan dan pelaburan pelanggan yang kuat. Kami menjangka pertumbuhan sebenar KDNK Malaysia akan bertahan pada kadar sederhana 4.6% untuk 2019 dengan bank Negara akan mengekalkan OPR pada 3.25% untuk 2019.

### b) Pasaran Sukuk dan Pasaran Wang

- Jawatankuasa Dasar Monetari (MPC) Bank Negara Malaysia (BNM) telah mengekalkan Kadar Dasar Semalaman (OPR) pada 3.25% untuk enam mesyuarat berterusan. Kenyataan MPC telah membuat lebih banyak penilaian yang berhati-hati pada tinjauan ekonomi global yang mana ketegangan perdagangan telah mula untuk memberi impak terhadap prestasi perdagangan global dan aktiviti pelaburan pada akhir 2018. BNM telah menekankan faktor spesifik negara sebagai satu daripada kunci penurunan risiko untuk prospek pertumbuhan global. Bagi pasaran domestik, BNM telah menjangkakan pengembangan berterusan dalam penggunaan dan pelaburan swasta untuk mengimbangi penyatuan dalam perbelanjaan awam. Ianya dijangka bahawa OPR akan dikekalkan untuk baki tahun tersebut.
- Strategi pasaran wang kami adalah untuk melabur dalam pasaran wang dengan tempoh pelaburan yang lebih panjang untuk memaksimumkan pulangan pada masa yang sama memberikan kecairan dan pendapatan berterusan untuk para pelabur.

### 1.5 Peruntukan aset pada 28 Februari 2019 dan pada 31 Ogos 2018, 2017 dan 2016

<b>BIMB Dana AI-Falah</b>	<b>28.2.2019 (%)</b>	<b>31.8.2018 (%)</b>	<b>31.8.2017 (%)</b>	<b>31.8.2016 (%)</b>
<b>Pelaburan Sekuriti Tersiarharga:</b>				
Pembinaan	-	-	-	1.79
Barangan pengguna	3.47	3.58	4.49	0.68
Kewangan	-	-	-	3.60
Barangan industri	19.43	13.61	36.48	22.56
Syarikat projek infrastruktur	-	-	-	4.93
Perladangan	-	-	-	-
Hartanah	-	-	0.92	7.28
Teknologi	49.08	51.82	35.78	22.97
Perdagangan dan perkhidmatan	11.57	0.22	0.23	10.95
Waran	0.32	0.57	-	-
	<b>83.87</b>	<b>69.80</b>	<b>77.90</b>	<b>74.76</b>
TUNAI DAN SEKURITI HUTANG ISLAM:	16.13	30.20	22.10	25.24
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**1.6 Lain-Lain data prestasi bagi tempoh 6 bulan berakhir 28 Februari 2019 dan tiga tahun kewangan berakhir 31 Ogos**

<b>BIMB Dana AI-Falah</b>	<b>6 bulan berakhir 28.2.2019</b>	<b>31.8.2018</b>	<b>31.8.2017</b>	<b>31.8.2016</b>
<b>Harga Unit (RM)</b>				
NAB tertinggi seunit dalam tempoh/tahun	0.4408	0.5095*	0.4711	0.4901*
NAB terendah seunit dalam tempoh/tahun	0.3395	0.3995*	0.4206	0.4297*
<b>Nilai asset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada akhir tempoh/ tahun</b>				
Jumlah NAB (RM)	5,989,823	6,450,860	7,033,452	21,165,930
Unit Dalam Edaran (UDE)	15,761,143	15,018,310	14,988,802	49,260,993
<b>NAB seunit (RM)</b>	<b>0.3800</b>	<b>0.4295*</b>	<b>0.4692</b>	<b>0.4297*</b>
<b>Jumlah Pulangan Dana (%)<sup>(a)</sup></b>				
Pertumbuhan Modal (%) <sup>(b)</sup>	-11.53	-11.53	9.19	-6.22
Pulangan Pendapatan (%) <sup>(c)</sup>	-	10.00	-	3.01
<b>Jumlah Pulangan Dana (%)</b>	<b>-11.53</b>	<b>1.53</b>	<b>9.19</b>	<b>-3.21</b>
Agihan Kasar seunit (Sen)	-	4.69	-	1.38
Agihan Bersih seunit (Sen)	-	4.69	-	1.38
Nilai Aset Bersih sebelum pengagihan (RM)	-	0.4764	-	0.4435
Nilai Aset Bersih selepas pengagihan (RM)	-	0.4295*	-	0.4297*
Tarikh pengagihan	-	30 Ogos 2018	-	30 Ogos 2016
<b>Nisbah Perbelanjaan Pengurusan (NPP) (%)<sup>(d)</sup></b>	<b>2.25</b>	<b>2.48</b>	<b>2.01</b>	<b>1.86</b>
<b>Nisbah Pusing Ganti Portfolio (Kali)<sup>(e)</sup></b>	<b>0.16</b>	<b>1.50</b>	<b>1.15</b>	<b>1.44</b>

\* Harga NAB selepas pengagihan pendapatan.

**Nota:-**

- a) **Pulangan ke atas Dana** =  $\frac{\text{Harga seunit (pada akhir tempoh)} - 1}{\text{Harga seunit (pada awal tempoh)}}$
- b) **Penambahan Modal** = Pulangan Ke atas Dana – Pulangan Pendapatan
- c) **Pulangan Pendapatan** = {Penggajian Pendapatan Se Unit / NAB se unit pada 31 Ogos 2018} x 100
- d) **Nisbah Perbelanjaan Pengurusan** = la dikira dengan mengambil jumlah perbelanjaan pengurusan sepertimana yang dinyatakan sebagai peratusan tahunan daripada jumlah purata Nilai Aset Bersih Dana.
- e) **Nisbah Pusing Ganti Portfolio** = la dikira dengan mengambil purata jumlah perolehan dan pelupusan pelaburan dalam Dana bagi tempoh tahunan dibahagi dengan purata Nilai Aset Bersih Dana yang dikira pada asas harian.

**1.7 Pecahan Pegangan Unit pada 28 Februari 2019**

Saiz Dipegang	BIMB Dana AI-Falah			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	1,048	82.91	1,136,631.93	7.21
5,001 hingga 10,000	68	5.38	485,499.24	3.08
10,001 hingga 50,000	125	9.89	2,571,849.24	16.32
50,001 hingga 500,000	22	1.74	2,386,681.33	15.14
500,001 dan ke atas	1	0.08	9,180,481.41	58.25
<b>Jumlah Keseluruhan Dana</b>	<b>1,264</b>	<b>100.00</b>	<b>15,761,143.15</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 dalam kajian.

Untuk dan bagi pihak Pengurus

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Tarikh: 22 April 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

### SCBMB TRUSTEE BERHAD

#### INTERIM REPORT FOR THE 6-MONTH PERIOD ENDED 28 FEBRUARY 2019

To the Unit Holders of

#### **BIMB Dana Ai-Falah**

We have acted as Trustee of **BIMB Dana Ai-Falah** ("the Fund") for the financial period ended 28 February 2019. To the best of our knowledge, **BIMB Investment Management Berhad** ("the Manager" or "the Management Company") has managed the Fund in accordance with the following:

1. The limitations imposed on the investment powers of the Management Company and the Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
2. The valuation or pricing of the Fund is carried out in accordance with the Deed and any regulatory requirement; and
3. The creation and cancellation of units of the Fund are carried out in accordance with the Deed and any regulatory requirement.

#### **For SCBMB Trustee Berhad**

.....

**Prasad A/L S Vijayasundram**

Chief Executive Officer

**Date: 22 April 2019**

### 3.0 Shariah Committee's Report

#### INTERIM REPORT FOR THE 6-MONTH PERIOD ENDED 28 FEBRUARY 2019

To the Unit Holders of  
**BIMB Dana Al-Falah**

We have acted as the Shariah Committee of BIMB Dana Al-Falah.

Our responsibilities are to ensure that the procedures and processes employed by BIMB Investment Management Berhad and that the provisions of the Deed dated 6 December 2001 and the Supplementary Deeds are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB Dana Al-Fakhim 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 period from 1 September 2018 to 28 February 2019.

In addition, we also confirm that the investment portfolio of BIMB Dana Al-Fakhim comprises 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: 22 April 2019**

## 4.0 Directors' Declaration

### INTERIM REPORT FOR THE 6-MONTH PERIOD ENDED 28 FEBRUARY 2019

To the Unit Holders of

**BIMB Dana AI-Falah**

We, Dato' Ghazali Bin Awang and Najmuddin Bin Mohd Lutfi, being two of the directors of the Manager, BIMB Investment Management Berhad, for BIMB Dana AI-Falah 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 28 February 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: 22 April 2019**

## **5.0 Financial Statements (Unaudited)**

### **Fair Value of Financial Instruments**

All Assets and Liabilities of the Fund are carried at fair values. The accounting policies on recognition and measurement of the fair value for the Fund's investments are disclosed in their respective accounting policies.

The fair value for the amount due from/(to) stockbroker, amount due from/(to) Manager, cash at bank, sundry receivables, sundry payables and accruals approximate their respective carrying amounts as at the balance sheet date due to the relatively short-term maturity of these Financial Instruments.

# Financial Statements

## 5.1 Unaudited Statement of Financial Position as at 28 February 2019

		As at 28.2.2019 (unaudited) RM	As at 31.8.2018 (audited) RM
	Note		
<b>Assets</b>			
Quoted securities	4	5,023,952	4,502,567
Islamic debt securities	5	1,008,390	1,003,670
Amount due from Manager		884	515,907
Other receivables		8,611	10,287
Cash and cash equivalents	6	<u>259,432</u>	<u>459,166</u>
<b>Total assets</b>		<u>6,301,269</u>	<u>6,491,597</u>
<b>Liabilities</b>			
Amount due to Manager		288,333	-
Other payables		<u>23,113</u>	<u>40,737</u>
<b>Total liabilities</b>		<u>311,446</u>	<u>40,737</u>
<b>Net asset value</b>		<u>5,989,823</u>	<u>6,450,860</u>
<b>Unitholders' fund</b>			
Unitholders' capital	7	14,030,254	13,532,478
Accumulated losses		<u>(8,040,431)</u>	<u>(7,081,618)</u>
<b>Net asset value attributable to unitholders</b>		<u>5,989,823</u>	<u>6,450,860</u>
<b>Number of units in circulation</b>	7	<u>15,761,143</u>	<u>15,018,310</u>
<b>Net asset value per unit</b>			
- Ex distribution (sen)		<u>38.00</u>	<u>42.95</u>

*The notes on pages 38 to 60 form an integral part of these financial statements.*

**5.2 Unaudited Statement of Profit or Loss and Other Comprehensive Income for the 6 months financial period ended 28 February 2019**

	Note	1.9.2018 to 28.2.2019 RM	1.9.2017 to 28.2.2018 RM
<b>Income</b>			
Gross dividends income from quoted securities		63,375	56,095
(Loss)/gain on sale of quoted securities		(41,248)	342,214
Income from Islamic debt securities		22,438	22,438
Income from short term investments		10,098	5,765
Hibah from Al-Wadiah account		-	24
Net unrealised loss from financial instruments at fair value through profit or loss		<u>(935,595)</u>	<u>(360,440)</u>
		(880,932)	66,096
Amortisation of premium		<u>(987)</u>	-
<b>Gross (loss)/income</b>		<u>(881,919)</u>	<u>66,096</u>
<b>Expenses</b>			
Manager's fee	8	51,632	49,336
Trustee's fee	9	8,306	2,325
Audit fee		7,114	6,465
Tax agent's fee		2,449	1,001
Administrative expenses		<u>7,393</u>	<u>11,894</u>
		<u>76,894</u>	<u>71,021</u>
<b>Net loss before taxation</b>		(958,813)	(4,925)
Taxation	11	-	-
<b>Net loss after taxation</b>		<u>(958,813)</u>	<u>(4,925)</u>
Other comprehensive income for the period		-	-
<b>Total comprehensive loss for the period</b>		<u>(958,813)</u>	<u>(4,925)</u>
Total comprehensive loss for the period consist of:			
Realised amount		(23,218)	355,515
Unrealised amount		<u>(935,595)</u>	<u>(360,440)</u>
		<u>(958,813)</u>	<u>(4,925)</u>

*The notes on pages 38 to 60 form an integral part of these financial statements.*

**5.3 Unaudited Statement of Changes in Net Asset Value for the 6 months financial period ended 28 February 2019**

	<b>Unitholders' capital RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
<b>As at 31 August 2017/ 1 September 2017</b>	13,547,176	(6,513,724)	7,033,452
Creation of units	26,661	-	26,661
Cancellation of units	(1,118,294)	-	(1,118,294)
Total attributable to unitholders	(1,091,633)	-	(1,091,633)
Total comprehensive loss for the period	-	(4,925)	(4,925)
<b>As at 28 February 2018</b>	<b>12,455,543</b>	<b>(6,518,649)</b>	<b>5,936,894</b>
<b>As at 31 August 2018/ 1 September 2018</b>	13,532,478	(7,081,618)	6,450,860
Creation of units	3,180,467	-	3,180,467
Cancellation of units	(2,682,691)	-	(2,682,691)
Total attributable to unitholders	497,776	-	497,776
Total comprehensive loss for the period	-	(958,813)	(958,813)
<b>As at 28 February 2019</b>	<b>14,030,254</b>	<b>(8,040,431)</b>	<b>5,989,823</b>

*The notes on pages 38 to 60 form an integral part of these financial statements.*

**5.4 Unaudited Statement of Cash Flows for the 6 months financial period ended 28 February 2019**

	<b>1.9.2018 to 28.2.2019 RM</b>	<b>1.9.2017 to 28.2.2018 RM</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of quoted securities	332,458	4,389,758
Purchase of quoted securities	(1,836,394)	(3,686,210)
Dividend received	64,635	63,867
Income from Islamic debt securities and short term investments	32,952	28,762
Management fee paid	(51,720)	(50,908)
Trustee fee paid	(9,818)	(11,040)
Tax agent fee paid	(5,500)	(4,500)
Audit fee paid	(13,000)	-
Payment for administrative expenses	(14,480)	(2,736)
<b>Net cash (used in)/generated from operating activities</b>	<u>(1,500,867)</u>	<u>726,993</u>
<b>Cash flows from financing activities</b>		
Cash receipt for creation of units	3,695,491	28,264
Cash payment for cancellation of units	(2,394,358)	(1,065,621)
<b>Net cash generated from/(used in) financing activities</b>	<u>1,301,133</u>	<u>(1,037,357)</u>
<b>Net decrease in cash and cash equivalents</b>	(199,734)	(310,364)
Cash and cash equivalents at 1 September	459,166	570,455
<b>Cash and cash equivalents at 28 February</b>	<u>259,432</u>	<u>260,091</u>
<b>Cash and cash equivalents comprise:</b>		
Short term placements	-	-
Cash at bank	259,432	260,091
	<u>259,432</u>	<u>260,091</u>

*The notes on pages 38 to 60 form an integral part of these financial statements.*

## 5.5 Unaudited notes to the financial statements

### 1. Information on the Fund

BIMB Dana Al-Falah (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 6 December 2001 between the Manager - BIMB Investment Management Berhad, the Trustee and the registered unitholders of the Fund. Effective from 5 September 2017, the trustee has been changed from Affin Hwang Trustee Berhad to SCBMB Trustee Berhad.

The principal activity of the Fund is to invest in authorised investments as defined in the Deed, which include investments in stocks and shares of companies quoted on Bursa Malaysia, short term placements and Islamic debt securities.

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 22 April 2019.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), the Deed and Securities Commission’s Guidelines on Unit Trust Funds (“Guidelines”) in Malaysia.

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

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

## 2. Basis of preparation (continued)

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

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

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits (Plan Amendment, Curtailment or Settlement)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020***

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

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

- MFRS 17, *Insurance Contracts*

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

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

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

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

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

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

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

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

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

The financial statements are prepared on the historical cost basis.

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

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

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

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

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

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

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

###### **Previous financial year**

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

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

The Fund categorises financial instruments as follows:

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

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

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

### 3. Significant accounting policies (continued)

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

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

###### (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.

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.

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

###### Previous financial year

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

###### ***Financing and receivables***

Financing and receivables category comprised 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)).

### 3. Significant accounting policies (continued)

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

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

###### *Financial liabilities*

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

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

###### **Amortised cost**

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

###### **Previous financial year**

All financial liabilities were subsequently measured at amortised cost.

##### (iii) Derecognition

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

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.

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

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

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

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

##### **(ii) Income from short term investments and Islamic debt securities**

Income from short term investments and Islamic debt securities are 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 determined on cost adjusted for accretion for the discount or amortisation of premium.

#### **(c) Islamic debt securities**

Islamic debt securities are investments in sukuk which is categorised as fair value through profit or loss and subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### **(d) 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)

#### (e) Impairment

##### Financial assets

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

##### Current financial year

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

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

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

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

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

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

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

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

#### **(e) Impairment (continued)**

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

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

##### **Previous financial year**

All financial assets (except for financial assets categorised as fair value through profit or loss) 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 financial assets measured at amortised cost (2018: 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.

#### **(f) Income tax**

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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

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

#### **(g) Unitholders' capital**

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

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

#### **(h) Distribution**

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

#### **(i) Net Asset Value**

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

### 3. Significant accounting policies (continued)

#### (j) Fair value measurement

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

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

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

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

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

#### 4. Quoted securities

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of Fund %
<b>As at 28 February 2019</b>				
<b><u>Main Market</u></b>				
<b>(i) Consumer products</b>				
Salutica Bhd.	96,000	55,283	34,080	0.57
UMW Holdings Bhd.	30,000	262,963	174,000	2.90
	<u>126,000</u>	<u>318,246</u>	<u>208,080</u>	<u>3.47</u>
<b>(ii) Industrial products</b>				
Evergreen Fibreboard Bhd.	500,000	355,910	190,000	3.17
HaveaBoard Bhd.	327,000	461,867	196,200	3.28
SKP Resources Bhd.	362,000	525,223	485,080	8.10
V.S. Industry Bhd.	294,000	486,662	292,530	4.88
	<u>1,483,000</u>	<u>1,829,662</u>	<u>1,163,810</u>	<u>19.43</u>
<b>(iii) Technology</b>				
Globetronics Technology Bhd.	218,333	467,857	419,199	7.00
Inari Amertron Bhd.	235,500	508,173	369,735	6.17
JHM Consolidation Bhd.	145,000	190,376	169,650	2.83
Malaysian Pacific Industries Bhd.	49,000	621,221	482,650	8.06
Pentamaster Corporation Bhd.	158,000	364,865	534,040	8.92
Unisem (M) Bhd.	148,000	527,760	414,400	6.92
ViTrox Corporation Bhd.	68,200	391,484	477,400	7.97
Vivocom International Holdings Bhd.	3,635,000	901,900	72,700	1.21
	<u>4,657,033</u>	<u>3,973,636</u>	<u>2,939,774</u>	<u>49.08</u>
<b>(iv) Trading and services</b>				
Frontken Corporation Bhd.	300,000	233,604	280,500	4.68
Perak Transit Bhd.	1,700,000	491,019	399,500	6.67
Velesto Energy Bhd.	53,622	-	13,406	0.22
	<u>2,053,622</u>	<u>724,623</u>	<u>693,406</u>	<u>11.57</u>
<b>(v) Warrant</b>				
Perak Transit Bhd.	190,000	-	11,400	0.19
Power Root Bhd.	25,800	-	7,482	0.13
	<u>215,800</u>	<u>-</u>	<u>18,882</u>	<u>0.32</u>
<b>Total quoted securities as at 28 February 2019</b>				
		<u>6,846,167</u>	<u>5,023,952</u>	<u>83.87</u>

\* Distribution shares of Velesto Energy Bhd. [formerly known as UMW Oil & Gas Corporation Bhd. (UMW-OG)] to the entire shareholders of UMW Holdings Bhd. (UMWH).

#### 4. Quoted securities (continued)

Company's name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
<b>As at 31 August 2018</b>				
<b><u>Main Market</u></b>				
<b>(i) Consumer products</b>				
Salutica Bhd.	96,000	55,283	52,800	0.82
UMW Holdings Bhd.	30,000	262,963	178,200	2.76
	<u>126,000</u>	<u>318,246</u>	<u>231,000</u>	<u>3.58</u>
<b>(ii) Industrial products</b>				
Evergreen Fibreboard Bhd.	500,000	355,910	265,000	4.11
HeveaBoard Bhd.	327,000	461,867	271,410	4.21
SKP Resources Bhd.	232,000	346,882	287,680	4.46
V.S. Industry Bhd.	34,000	56,159	53,720	0.83
	<u>1,093,000</u>	<u>1,220,818</u>	<u>877,810</u>	<u>13.61</u>
<b>(iii) Technology</b>				
Globetronics Technology Bhd.	173,333	359,447	488,799	7.58
Inari Amertron Bhd.	189,500	405,067	424,480	6.58
JHM Consolidation Bhd.	145,000	190,376	179,800	2.79
Malaysian Pacific Industries Bhd.	49,000	621,220	602,700	9.34
Pentamaster Corporation Bhd.	158,000	364,865	541,940	8.40
Unisem (M) Bhd.	168,000	610,056	485,520	7.53
ViTrox Corporation Bhd.	68,200	391,484	528,550	8.19
Vivocom International Holdings Bhd.	3,635,000	901,900	90,875	1.41
	<u>4,586,033</u>	<u>3,844,415</u>	<u>3,342,664</u>	<u>51.82</u>
<b>(iv) Trading/services</b>				
Velesto Energy Bhd.*	53,622	-	14,478	0.22
<b>(v) Warrant</b>				
Perak Transit Bhd.	190,000	-	25,650	0.40
Power Root Bhd.	25,800	-	10,965	0.17
	<u>215,800</u>	<u>-</u>	<u>36,615</u>	<u>0.57</u>
<b>Total quoted securities as at 31 August 2018</b>		<u>5,383,479</u>	<u>4,502,567</u>	<u>69.80</u>

\* Distribution shares of Velesto Energy Bhd. [formerly known as UMW Oil & Gas Corporation Bhd. (UMW-OG)] to the entire shareholders of UMW Holdings Bhd. (UMWH).

## 5. Islamic debt securities

Issuer	Maturity date	Rating	Cost RM	Fair value RM	Percentage of value of Funds %
<b>As at 28 February 2019</b>					
Axis REIT Sukuk Bhd.	12.07.2024	AAA*	1,012,123	1,008,390	16.84
<b>As at 31 August 2018</b>					
Axis REIT Sukuk Bhd.	12.07.2024	AAA*	1,013,111	1,003,670	15.56

\* Rating by Rating Agency Malaysia Berhad.

## 6. Cash and cash equivalents

	As at 28.2.2019 RM	As at 31.8.2018 RM
<i>Short term investments with maturity less than 30 days:</i>		
Commodity Murabahah	-	175,607
<i>Cash at bank</i>		
Standard Chartered Saadiq Berhad	259,432	283,559
	<u>259,432</u>	<u>459,166</u>

## 7. Unitholders' capital

	No. of units	RM
As at 31 August 2017/1 September 2017	14,988,802	13,547,176
Creation of units	4,741,093	2,174,746
Cancellation of units	(4,711,585)	(2,189,444)
As at 31 August 2018/1 September 2018	15,018,310	13,532,478
Creation of units	7,346,752	3,180,467
Cancellation of units	(6,603,919)	(2,682,691)
As at 28 February 2019	<u>15,761,143</u>	<u>14,030,254</u>

## 8. Manager's fee

The manager's fee payable to the Manager of the Fund is based on 1.50% (28.2.2018: 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% (28.2.2018: 0.08%) per annum subject to a minimum of RM18,000 (28.2.2018: RM18,000) per annum of the net asset value of the Fund calculated on a daily basis.

## 10. Unit held by related party

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

	As at 28.2.2019		As at 31.8.2018	
	Units	RM	Units	RM
Bank Islam Malaysia Berhad	<u>181,952</u>	<u>69,142</u>	<u>181,952</u>	<u>78,148</u>

The Manager does not hold any unit in the Fund as at 28 February 2019 and 31 August 2018.

## 11. Taxation

	1.9.2018 to 28.2.2019 RM	1.9.2017 to 28.2.2018 RM
Tax expense		
- Current period	<u>-</u>	<u>-</u>
<b><i>Reconciliation of effective tax expense</i></b>		
Net loss before taxation	<u>(958,813)</u>	<u>(4,925)</u>
Income tax using Malaysian tax rate @ 24%	(230,115)	(1,182)
Non-assessable income	(23,019)	(102,369)
Non-deductible expenses	237,261	87,304
Restrictions on the tax deductible expenses for unit trust funds	<u>15,873</u>	<u>16,247</u>
	<u>-</u>	<u>-</u>

## 12. Transactions with related parties

Other than as disclosed in Note 10 and 13 of the financial statements, other transactions with related parties are as follows:

	Transactions as at		Balance as at	
	28.2.2019	31.8.2018	28.2.2019	31.8.2018
	RM	RM	RM	RM
The Manager				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	884	515,907
- Amount due to Manager	-	-	(288,333)	-
- Management fee	51,632	89,575	(7,290)	(7,378)
	<u>51,632</u>	<u>89,575</u>	<u>(7,290)</u>	<u>(7,378)</u>
Holding company of the Manager				
Bank Islam Malaysia Berhad				
- Income from short term placements	(2,907)	(4,659)	-	175,607
	<u>(2,907)</u>	<u>(4,659)</u>	<u>-</u>	<u>175,607</u>
Related company of the Manager				
BIMB Securities Sdn. Bhd.				
- Sales	(131,200)	(1,273,260)	-	-
- Purchase	-	2,917,414	-	-
- Brokerage fee	467	13,051	-	-
	<u>467</u>	<u>13,051</u>	<u>-</u>	<u>-</u>
The Trustee				
SCBMB Trustee Berhad				
- Trustee fee	8,306	18,000	(1,492)	(3,004)
	<u>8,306</u>	<u>18,000</u>	<u>(1,492)</u>	<u>(3,004)</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>1.9.2018 to 28.2.2019</b>				
Alliance Investment Bank Bhd.	1,313,172	60.67	3,891	62.81
RHB Investment Bank Bhd.	720,250	33.27	1,837	29.65
BIMB Securities Sdn. Bhd.*	131,200	6.06	467	7.54
	<b>2,164,622</b>	<b>100.00</b>	<b>6,195</b>	<b>100.00</b>
<b>1.9.2017 to 28.2.2018</b>				
BIMB Securities Sdn. Bhd.*	1,250,997	14.78	4,280	14.72
Public Investment Bank Bhd.	1,204,807	14.24	4,046	13.91
Alliance Investment Bank Bhd.	1,093,797	12.93	3,770	12.96
Maybank Investment Bank Bhd.	1,016,073	12.01	3,544	12.19
MIDF Amanah Investment Bank Bhd.	934,476	11.04	3,320	11.42
KAF Seagroatt & Campbell Securities Sdn. Bhd.	853,535	10.09	2,986	10.27
CIMB Investment Bank Bhd.	810,362	9.58	2,601	8.94
RHB Investment Bank Bhd.	712,578	8.42	2,473	8.50
TA Securities Holdings Bhd.	368,538	4.35	1,310	4.50
Hong Leong Investment Bank Bhd.	216,810	2.56	753	2.59
	<b>8,461,973</b>	<b>100.00</b>	<b>29,083</b>	<b>100.00</b>

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

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

The management expense ratio for the financial period is 2.25% (28.2.2018: 2.17%). 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 period is 0.16 times (28.2.2018: 0.62 times). It represents the average of total acquisitions and disposals of the investments in the Fund for the financial period over the average net asset value of the Fund calculated on a daily basis.

## 16. Financial instruments

### 16.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as at 28 February 2019 as follows:

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

	Carrying amount RM	AC RM	FVTPL RM
<b>As at 28.2.2019</b>			
<b>Financial assets</b>			
Quoted securities	5,023,952	-	5,023,952
Islamic debt securities	1,008,390	-	1,008,390
Other receivables	9,495	9,495	-
Cash and cash equivalents	259,432	259,432	-
	<u>6,301,269</u>	<u>268,927</u>	<u>6,032,342</u>
<b>Financial liabilities</b>			
Other payables	<u>(311,446)</u>	<u>(311,446)</u>	<u>-</u>

The table below provides an analysis of financial instruments categorised as at 31 August 2018 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>As at 31.8.2018</b>			
<b>Financial assets</b>			
Quoted securities	4,502,567	-	4,502,567
Islamic debt securities	1,003,670	-	1,003,670
Other receivables	526,194	526,194	-
Cash and cash equivalents	459,166	459,166	-
	<u>6,491,597</u>	<u>985,360</u>	<u>5,506,237</u>
<b>Financial liabilities</b>			
Other payables	<u>(40,737)</u>	<u>(40,737)</u>	<u>-</u>

## 16. Financial instruments (continued)

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

	1.9.2018 to 28.2.2019 RM	1.9.2017 to 28.2.2018 RM
Net(loss)/gain on:		
Fair value through profit or loss:		
- Designated upon initial recognition		
Realised profit	43,578	420,747
Unrealised loss	(935,595)	(360,440)
Financing and receivables	-	5,789
Amortised cost	10,098	-
	<u>(881,919)</u>	<u>66,096</u>

### 16.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 16.4 Credit risk

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

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

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

#### *Exposure to credit risk*

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

## 16. Financial instruments (continued)

### 16.5 Liquidity risk

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

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

### 16.6 Market risk

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

#### Profit rate risk

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

	Effective profit rate per annum %	As at 28.2.2019 RM	Effective profit rate per annum %	As at 31.8.2018 RM
<b>Fixed rate instruments</b>				
Islamic debt securities	4.50	1,008,390	4.50	1,003,670
Short term investments with maturity less than 30 days	-	-	3.15	175,607

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

The Fund accounts for Islamic debt securities at fair value through profit or loss whereas short term investments are at amortised cost.

An decrease of 100 basis points (bp) in profit rates of Islamic debt securities at the end of the reporting period would have increased the equity and profit or loss by RM49,305 (31.8.2018: RM53,149). An increase of 100 basis point (bp) in profit rates would have equal but opposite effect on the equity and profit and loss respectively.

## 16. Financial instruments (continued)

### 16.6 Market risk (continued)

#### 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.

*Equity price risk sensitivity analysis*

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

A 10% strengthening in the equity prices at the end of the reporting period would have increased the net asset value and unitholders' fund by RM502,395 (31.8.2018: RM450,257). A 10% weakening in equity prices would have had equal but opposite effect on the net asset value and unitholders' fund respectively.

## 16. Financial instruments (continued)

### 16.7 Fair value of financial instruments

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

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

	Fair value of financial instruments carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
<b>A at 28.2.2019</b>					
<b>Financial assets</b>					
Quoted securities	5,023,952	-	-	5,023,952	5,023,952
Islamic debt securities	-	1,008,390	-	1,008,390	1,008,390
	<u>5,023,952</u>	<u>1,008,390</u>	<u>-</u>	<u>6,032,342</u>	<u>6,032,342</u>
<b>As at 31.8.2018</b>					
<b>Financial assets</b>					
Quoted securities	4,502,567	-	-	4,502,567	4,502,567
Islamic debt securities	-	1,003,670	-	1,003,670	1,003,670
	<u>4,502,567</u>	<u>1,003,670</u>	<u>-</u>	<u>5,506,237</u>	<u>5,506,237</u>

#### Policy on transfer between levels

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

#### Level 1 fair value

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

#### *Quoted equities*

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

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

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

#### **Policy on transfer between levels (continued)**

##### **Level 2 fair value**

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

##### *Islamic debt securities*

Islamic debt securities issued by Malaysian corporations and rated by the Rating Agency of Malaysia Berhad are carried at fair value. In arriving at fair value gain/loss, the acquisition cost is adjusted for the amortisation of any premium or accretion of any discount over their par values at the time of acquisition. The premium or discount is amortised or accreted on a yield to maturity basis over the remaining term of the investments from the date of acquisition.

This adjusted cost (carrying value) is then revalued to reflect its fair value (indicative market value) using the fair price quoted by an independent bond pricing agency (BPA) registered with the Securities Commission. If such quotations are not available, it will be valued on a weekly basis or as and when appropriate by reference to average indicative yield quoted by the three reputable financial institutions in over-the-counter markets as the close of trading. These institutions include investments banks and commercial banks.

##### **Transfers between Level 1 and Level 2 fair values**

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

##### **Level 3 fair value**

Level 3 fair values 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.

## 6.0 Corporate Directory

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

<b>Company Secretaries</b>	<p>Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Aidil Haznul Zulkifli (MACS 01638) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur</p>
<b>Key Management</b>	<p>Najmuddin Mohd Lutfi (Chief Executive Officer) Badrol Ahmad Fathan (Head of Investment) Mohd Hamidullah Che Hassan (Manager, Compliance)</p>
<b>Principal Banker</b>	<p><b>Standard Chartered Saadiq Bank Berhad</b> Level 13A, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur</p>
<b>Trustee</b>	<p><b>SCBMB Trustee Berhad (1005793 T)</b> Level 13A, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur</p>
<b>Federation of Investment Managers Malaysia (FIMM)</b>	<p>19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur</p>
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