

# **BIMB DANA AL-FAKHIM**

UNAUDITED INTERIM REPORT FOR THE  
6 MONTHS ENDED 28 FEBRUARY 2017

*LAPORAN INTERIM TIDAK DIAUDIT BAGI TEMPOH  
6 BULAN BERAKHIR 28 FEBRUARI 2017*

**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 AI-Fakhim for the financial period from 1 September 2016 to 28 February 2017.

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

<b>Fund Name</b>	BIMB Dana AI-Fakhim
<b>Fund Type</b>	Income
<b>Fund Category</b>	Money market
<b>Fund Investment Objective</b>	<p>The Fund seeks to provide a regular* stream of income by investing in Shariah-compliant short-term debentures, money market instruments and placement in short-term deposits.</p> <p><b>Note:</b> <i>*The Fund shall distribute income (if any) on a quarterly basis. The distribution of income will automatically be reinvested. Hence, Unit Holders will receive additional Units from the reinvestment of income distribution.</i></p> <p><i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Fund Performance Benchmark</b>	1-month Term Deposit-i Taw arruq (TDT-i) of Bank Islam Malaysia Berhad.
<b>Fund Distribution Policy</b>	<p>The Fund shall distribute income* (if any) on a quarterly basis.</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 review for BIMB Dana Al-Fakhim**

### **1.2.1 Performance review**

For the 6 months period under review, BIMB Dana Al-Fakhim (“the Fund”) registered a return of 1.45% as compared to its Benchmark’s return of 1.15%, thus outperformed the benchmark return by 0.30%.

The selected performance benchmark for the Fund is based on 1-month Bank Islam Term Deposit-i Taw arruq (TDT-i) rates.

From its commencement on 27 December 2001 to 28 February 2017, the Fund registered a total return of 70.07% as compared to its Benchmark’s return of 36.89%, thus outperformed the Benchmark’s return by 33.18%.

Our strategy has consistently been to manage the Fund in a fairly conservative manner with the primary aim of outperforming traditional investment account returns. This resulted in the Fund achieving moderate stability in the unit price besides providing quarterly income to the investors.

As at 28 February 2017, the Fund is 100% exposed to Islamic money market instruments and cash. Thus far, the Fund continues to be managed in line with its stated objective by investing in Shariah-compliant short-term debentures, money market instruments and placement in short-term deposits. The total NAV is RM19.04 million whereas the NAV per unit of the Fund is RM0.5176. The Fund declared quarterly income distributions on 30 November 2016 and 28 February 2017 respectively.

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.

During the financial period under review , the Fund declared the first and second quarter income distribution, detailed as follow s:-

Distribution date	Distribution rate	Change in NAV per unit before income distribution (RM)	Change in NAV per unit after income distribution (RM)
30 Nov 2016	0.38 sen per unit	0.5212	0.5174
28 Feb 2017	0.36 sen per unit	0.5212	0.5176

**1.2.2 Total return and average total return for the respective financial period ended 28 February 2017**

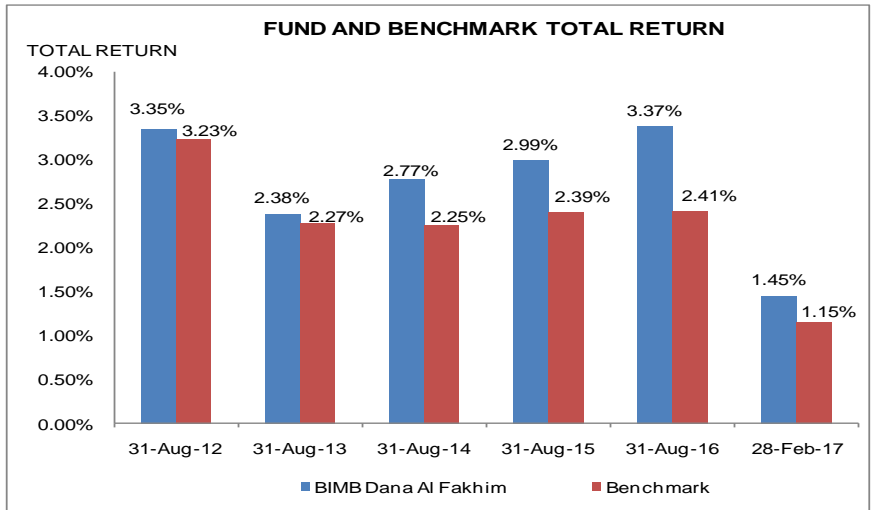
	BIMB Dana Al-Fakhim		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)*	Average Total Return (%)*
6-Months Period	1.45	2.90	1.15	2.30
1-Year Period	3.15	3.15	2.36	2.36
3-Year Period	9.61	3.20	7.36	2.45
5-Year Period	14.91	2.98	10.92	2.18

\* The Benchmark return is after corporate tax of 24%

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

Financial Years	Total Return	
	BIMB Dana Al-Fakhim (%)	Benchmark (%)
31 August 2016	3.37	2.41
31 August 2015	2.99	2.39
31 August 2014	2.77	2.25
31 August 2013	2.38	2.27
31 August 2012	3.35	3.23

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



**Note:**

*Data Source* : BIMB Investment Management Berhad

*Data verified by* : Novagni Analytics & Advisory Sdn. Bhd. (formerly known as Perkasa Normandy Advisers Sdn. Bhd).

*Benchmark* : 1-month Term Deposit-i Tawarruq (TDT-i) of Bank Islam Malaysia Berhad.

**Notes:**

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

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

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

## 1.3 Economic and Market Review

### 1.3.1 Economy

- United States (US) Gross Domestic Product (GDP) grew at an annualized rate of 1.9% in the fourth quarter 2016. During the period, consumer spending rose faster than anticipated while business investment was lower.
- US annual inflation rate increased to 2.5% in January 2017 from 1.5% in September 2016 as higher energy prices result in steady gains in fuel and transportation costs.
- US unemployment rate in February 2017 fell to 4.7% from 4.9% in September 2016 as the US economy continues the pace of robust hiring.
- Euro zone economy grew by 0.4% in the fourth quarter of 2016 as GDP growth picked up in France, Germany, Belgium and Latvia. The positive contribution to GDP came mainly from household consumption expenditure, gross fixed capital formation, changes in business inventories and government spending.
- Euro zone annual inflation rose to 2.0% in February 2017 from 0.4% in September 2016 as rising cost of energy continued to lift the prices of food, alcohol and tobacco for the quarter.
- Euro zone unemployment rate declined to 9.8% in January 2017 from 10.0% in August 2016. The lowest unemployment rates were recorded in Czech Republic and Germany while the highest were in Greece and Spain.
- China's GDP growth was 6.8% in the fourth quarter 2016. China's GDP for 2016 dwindled to 6.7% on an annual basis, the slowest growth rate in 25 years.

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

#### Local

- Malaysia's real GDP growth was 4.5% in the fourth quarter of 2016, supported by the manufacturing and services sector. However, for 2016, the GDP grew at a slower pace of 4.2% compared with the 5% expansion in 2015.
- Malaysia's annual inflation rate rose to 3.5% in January 2017 from 1.5% in September 2016 driven by higher prices of food, housing, utilities and transport costs.
- Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 3.00% at the Monetary Policy Committee (MPC) meeting on 19 January 2017. The monetary policy will remain accommodative and supportive to the domestic economy as heightened risks in the global economic and financial environment persist.

- Bank Negara Malaysia's (BNM) international reserves remains steady at USD95.0 billion (equivalent to RM426.3 billion) as at 28 February 2017. The reserves position is sufficient to finance 8.5 months of retained imports and is 1.1 times the short-term external debt.

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

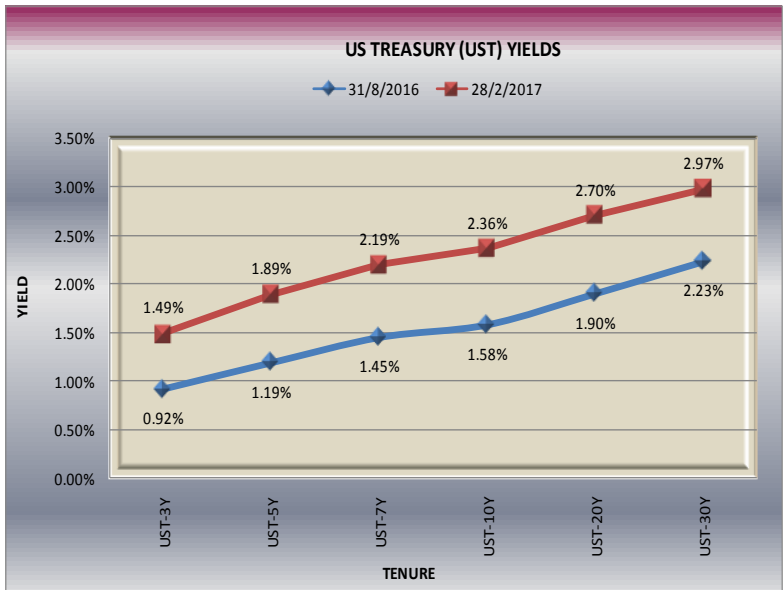
### 1.3.2 Market Review

#### Bond Market and Money Market

##### a) Global

- US Treasury (UST) yields increased across the yield curve during the period under review with 10-year bond yields increasing by 78 basis points to 2.36% and the 30-year bond yields increasing by 74 basis points to 2.97%. Demand for UST was aided by buying-on-dips and safe haven flows due to geopolitical concerns including developments ahead of French elections this year. On the flipside, pressure on UST came from hawkish statements by Fed members, as well as anticipation of pro-growth Trump's fiscal announcements.

**Figure 4: US Treasury Yields**



Source: US Treasury Department, 28 February 2017



**b) Local**

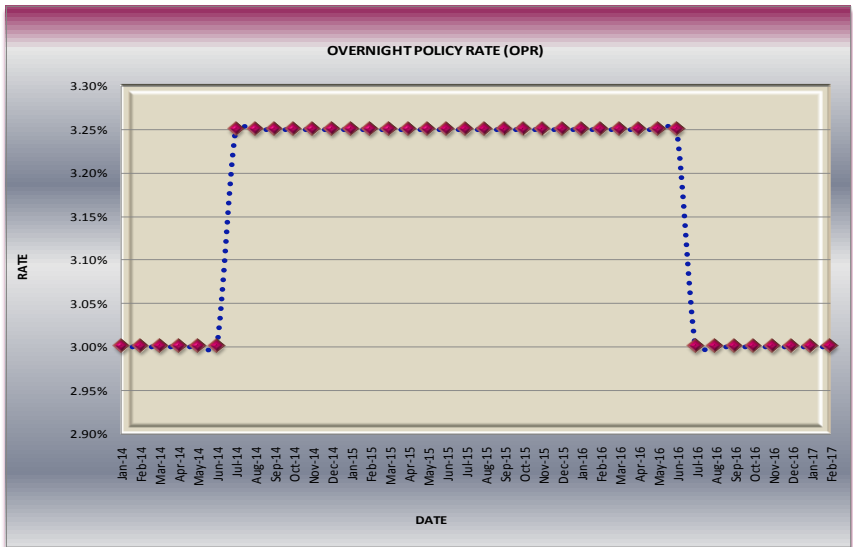
- The Malaysian Government Securities (MGS) and Government Investment Issue (GII) dominated the local bond market activities with traded volume of RM432.80 billion for the period under review. The government bond yields increased across the yield curve amid the global bond rout, tracking the weaker US Treasuries post US election.
- There was net buying interest in Ringgit government bonds on the mid and longer tenure of the curve in Feb, pressuring the curve flatter on a month-on-month basis. Gains were supported by firmer UST early in the month, as players recalibrated their outlook for growth and inflation amid a lack of information on Trump's fiscal and tax plans with mixed signals on Fed direction.

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

<b>Tenure/Date</b>	<b>28 February 2017 (%)</b>	<b>30 August 2016 (%)</b>	<b>Change * (bps)</b>
<b>3-Year Bonds</b>			
GII	3.60	2.85	<b>(75.0)</b>
AAA Corporate	4.11	3.84	<b>(27.0)</b>
<b>5-Year Bonds</b>			
GII	3.84	3.27	<b>(57.1)</b>
AAA Corporate	4.25	4.04	<b>(21.0)</b>
<b>7-Year Bonds</b>			
GII	3.96	3.52	<b>(44.0)</b>
AAA Corporate	4.39	4.16	<b>(23.0)</b>
<b>10-Year Bonds</b>			
GII	4.05	3.64	<b>(41.0)</b>
AAA Corporate	4.59	4.33	<b>(26.0)</b>

**Source: Bond Pricing Agency Malaysia (BPAM), 28 February 2017**

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



**Source: Bank Negara Malaysia (BNM), 28 February 2017**

## 1.4 Market Outlook and Strategy

### a) Sukuk Market and Money Market

- The Sukuk market is expected to see positive flow, but gains were pretty mild amid the tight levels. Despite the tighter levels, it is expected to see two-way flows going forward, while profit-taking pressure should be well-absorbed, underpinned by prevailing investor demand.
- Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 3.00% and future changes in OPR will depend on economic data on growth and inflation.
- Our Sukuk strategy is to invest in good quality Sukuk with minimum AA3/AA-rating by Rating Agency Malaysia (RAM)/Malaysian Rating Corporation Berhad (MARC) and attractive profit rate. Our money market strategy is to invest in money market investments to maximize return while providing liquidity and regular income for investors.

**1.5 Asset allocation as at 28 February 2017 and as at 31 August 2016, 2015 and 2014**

<b>BIMB Dana Al-Fakhim</b>	<b>28.2.2017 (%)</b>	<b>31.8.2016 (%)</b>	<b>31.8.2015 (%)</b>	<b>31.8.2014 (%)</b>
INVESTMENT IN ISLAMIC DEBT SECURITIES	-	10.9	9.0	29.4
CASH AND SHORT TERM INVESTMENTS	100.0	89.1	91.0	70.6
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**1.6 Other Performance Data for the 6 months ended 28 February 2017 and three financial years ended 31 August**

<b>BIMB Dana Al-Fakhim</b>	<b>6 months ended 28.2.2017</b>	<b>31.8.2016</b>	<b>31.8.2015</b>	<b>31.8.2014</b>
<b>Unit Prices (RM)</b>				
Highest NAV per unit for the period/year*	0.5212	0.5214	0.5207	0.5211
Low est NAV per unit for the period/year*	0.5174	0.5165	0.5163	0.5170
<b>Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Period/Year</b>				
Total NAV (RM)	19,043,478	18,483,152	16,920,044	15,326,852
Units in Circulation (UIC)	36,790,082	35,718,525	32,772,540	29,647,583
<b>NAV per unit (RM) *</b>	<b>0.5176</b>	<b>0.5175</b>	<b>0.5163</b>	<b>0.5170</b>
<b>Return of Fund (%)<sup>(a)</sup></b>				
Capital Growth (%) <sup>(b)</sup>	0.02	0.27	(0.10)	(0.31)
Income Return (%) <sup>(c)</sup>	1.43	3.10	3.09	3.08
<b>Return of Fund (%)</b>	<b>1.45</b>	<b>3.37</b>	<b>2.99</b>	<b>2.77</b>
Gross Distribution per Unit (Sen)	0.74	1.60	1.60	1.60
Net Distribution per Unit (Sen)	0.74	1.60	1.60	1.60
<b>1<sup>st</sup> Quarter</b>				
NAV per Unit before Distribution (RM)	0.5212	0.5206	0.5207	0.5221
NAV per Unit after Distribution (RM)*	0.5174	0.5166	0.5167	0.5181
Date of Distribution	30 November 2016	30 November 2015	28 November 2014	29 November 2013

**1.6 Other Performance Data for the 6 months ended 28 February 2017 and three financial years ended 31 August (continued)**

<b>BIMB Dana Al-Fakhim (continued)</b>	<b>6 months ended 28.2.2017</b>	<b>31.8.2016</b>	<b>31.8.2015</b>	<b>31.8.2014</b>
<b>2<sup>nd</sup> Quarter</b>				
NAV per Unit before Distribution (RM)	0.5212	0.5209	0.5206	0.5214
NAV per Unit after Distribution (RM)*	0.5176	0.5169	0.5166	0.5174
Date of Distribution	28 February 2017	29 February 2016	27 February 2015	28 February 2014
<b>3<sup>rd</sup> Quarter</b>				
NAV per Unit before Distribution (RM)	-	0.5213	0.5205	0.5210
NAV per Unit after Distribution (RM)*	-	0.5173	0.5165	0.5170
Date of Distribution	-	31 May 2016	29 May 2015	30 May 2014
<b>4<sup>th</sup> Quarter /Annual Distribution</b>				
NAV per Unit before Distribution (RM)	-	0.5215	0.5203	0.5210
NAV per Unit after Distribution (RM)*	-	0.5175	0.5163	0.5170
Date of Distribution	-	30 August 2016	28 August 2015	29 August 2014
<b>Management Expense Ratio (MER)(%)<sup>(d)</sup></b>	<b>0.65</b>	<b>0.64</b>	<b>0.70</b>	<b>0.63</b>
<b>Portfolio Turnover Ratio (PTR) (times)<sup>(e)</sup></b>	<b>4.32</b>	<b>5.82</b>	<b>7.32</b>	<b>13.52</b>

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

**Note:**

- a) **Return of the Fund** =  $\frac{\text{NAV per unit (end of period)} - 1}{\text{NAV per unit (beginning of period)}}$
- b) **Capital Growth** = Total Return of the Fund – Income Return
- c) **Income Return** =  $\{\text{Income Distribution per Unit} / \text{NAV per Unit at 31 August 2016}\} \times 100$
- 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 2017**

Size of Holdings	BIMB Dana Al-Fakhim			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	17	45.95	31,202.30	0.09
5,001 to 10,000	3	8.11	27,239.59	0.07
10,001 to 50,000	9	24.32	154,430.73	0.42
50,001 to 500,000	4	10.81	383,522.56	1.04
500,001 and above *	4	10.81	36,193,686.69	98.38
<b>Units Held by Holders</b>	<b>37</b>	<b>100.00</b>	<b>36,790,081.87</b>	<b>100.00</b>
<b>Unit Held by Manager</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total for the Fund</b>	<b>37</b>	<b>100.00</b>	<b>36,790,081.87</b>	<b>100.00</b>

*\* included under this category are nominee accounts*

## **1.8 Policy on Rebate and Soft Commission**

Any stock broking rebates received by the Manager will be directed into 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 soft commission from brokers during the period under review .

For and on behalf of

The Manager

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Date: 26 April 2017**

## 1.0 Laporan Pengurus

Para Pemegang Unit yang Dihormati,

Kami dengan sukacitanya membentangkan laporan Pengurus BIMB Dana Al-Fakhim bagi tempoh kewangan bermula 1 September 2016 hingga 28 Februari 2017.

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

<b>Nama Dana</b>	BIMB Dana Al-Fakhim
<b>Jenis Dana</b>	Pendapatan
<b>Kategori Dana</b>	Pasaran Wang
<b>Objektif Pelaburan Dana</b>	<p>Dana ini menawarkan aliran pendapatan yang berkala* dengan melabur di dalam debentur-debentur patuh Syariah, instrumen pasaran wang dan deposit jangka pendek.</p> <p><i>Nota:</i> <i>*Dana mengagihkan pendapatan (jika ada) pada setiap suku tahun. Pengagihan pendapatan akan dilaburkan semula secara automatik. Oleh itu, Pemegang Unit akan menerima unit tambahan daripada pelaburan semula pengagihan pendapatan tersebut.</i></p> <p><i>Sebarang perubahan kepada objektif pelaburan memerlukan kelulusan daripada Pemegang Unit.</i></p>
<b>Penanda Aras Dana</b>	1 bulan Deposit Bertempoh-i Taw arruq (TDT-i) Bank Islam Malaysia Berhad.
<b>Polisi Agihan Dana</b>	<p>Dana akan mengagihkan pendapatan* (jika ada) pada setiap suku tahun.</p> <p><i>*Nota:</i> <i>Pengagihan pendapatan akan dilaburkan semula secara automatik. Oleh itu, Pemegang Unit akan menerima unit tambahan daripada pelaburan semula pengagihan pendapatan tersebut.</i></p>

## **1.2 Kajian Pencapaian bagi BIMB Dana Al-Fakhim**

### **1.2.1 Kajian Pencapaian**

Bagi tempoh 6 bulan dalam kajian, BIMB Dana Al-Fakhim (“Dana”) mencatatkan pulangan sebanyak 1.45% berbanding penanda aras sebanyak 1.15%, sekaligus memperlihatkan pencapaian lebih baik sebanyak 0.30%.

Penanda aras prestasi Dana adalah berdasarkan kadar 1 bulan Deposit Bertempoh-i Taw arruq (TDT-i) Bank Islam.

Sejak penubuhannya pada 27 Disember 2001 hingga 28 Februari 2017, Dana mencatatkan jumlah pulangan sebanyak 70.07% berbanding pulangan penanda aras sebanyak 36.89%, mew akili pencapaian lebih baik berbanding penanda aras sebanyak 33.18%.

Strategi kami secara konsistennya adalah menguruskan Dana secara agak konservatif dengan matlamat utama memberikan pulangan lebih baik berbanding akaun pelaburan tradisional. Keadaan ini menjadikan harga unit Dana lebih stabil selain turut menyediakan pendapatan sukuan kepada para pelabur.

Setakat 28 Februari 2017, Dana mempunyai pendedahan sebanyak 100% dalam instrumen pasaran wang Islam dan tunai. Sehingga kini, Dana terus diuruskan sejajar dengan objektif yang ditetapkan iaitu melabur dalam debentur jangka pendek patuh Syariah, instrumen pasaran wang dan deposit jangka pendek. Jumlah Nilai Aset Bersih (NAB) ialah RM19.04 juta manakala NAB seunit Dana adalah RM0.5176. Al-Fakhim telah mengumumkan agihan pendapatan sukuan pada 30 November 2016 dan 28 Februari 2017.

Bagi tempoh kew angan dalam kajian, tidak terdapat sebarang perubahan ketara dalam hal ehwal pengurusan Dana dan tidak juga berlaku sebarang keadaan yang boleh menjejaskan kepentingan para pemegang unit sehingga tarikh Laporan Pengurus disediakan.



Bagi tempoh kewangan dalam kajian, Dana telah mengisytiharkan pengagihan pendapatan bagi suku pertama dan kedua, seperti berikut:-

Tarikh pengagihan	Kadar pengagihan	Perubahan NAB seunit sebelum pengagihan pendapatan (RM)	Perubahan NAB seunit selepas pengagihan pendapatan (RM)
30 Nov 2016	0.38 sen per unit	0.5212	0.5174
28 Feb 2017	0.36 sen per unit	0.5212	0.5176

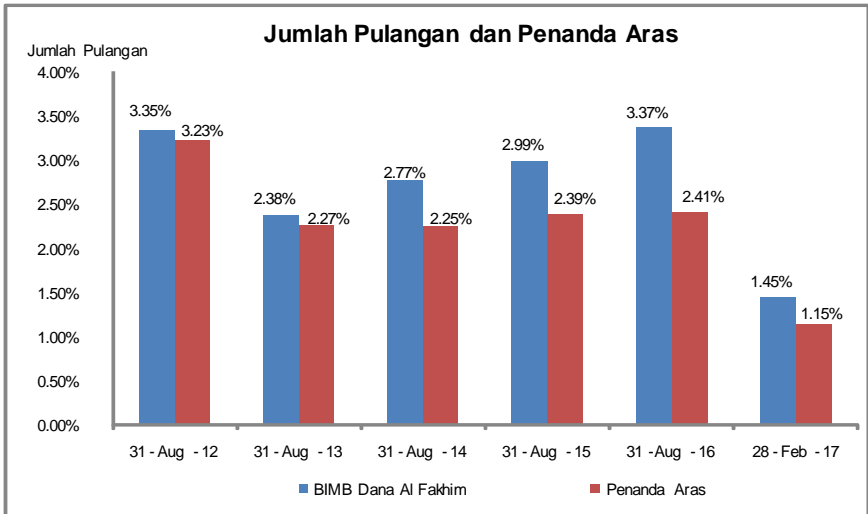
### 1.2.2 Jumlah pulangan dan purata jumlah pulangan bagi setiap tempoh berakhir 28 Februari 2017

	BIMB Dana Al-Fakhim		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)*	Purata Jumlah Pulangan (%)*
Jangkamasa 6-Bulan	1.45	2.90	1.15	2.30
Jangkamasa 1-Tahun	3.15	3.15	2.36	2.36
Jangkamasa 3-Tahun	9.61	3.20	7.36	2.45
Jangkamasa 5-Tahun	14.91	2.98	10.92	2.18

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

Tahun Kewangan	Jumlah Pulangan	
	BIMB Dana Al-Fakhim (%)	Penanda Aras (%)
31 Ogos 2016	3.37	2.41
31 Ogos 2015	2.99	2.39
31 Ogos 2014	2.77	2.25
31 Ogos 2013	2.38	2.27
31 Ogos 2012	3.35	3.23

## Rajah 1: Pergerakan Dana Berbanding Penanda Aras



**Nota:**

*Sumber Data* : BMB Investment Management Berhad

*Data disahkan oleh* : Novagni Analytics & Advisory Sdn. Bhd. (dahulunya dikenali sebagai Perkasa Normandy Managers Sdn.Bhd)

*Penanda Aras* : Kadar 1 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 Ekonomi

- Keluaran Dalam Negara Kasar (KDNK) Amerika Syarikat (AS) berkembang pada kadar tahunan sebanyak 1.9% dalam suku keempat 2016. Perbelanjaan pengguna meningkat lebih pantas berbanding jangkaan manakala pelaburan perniagaan adalah lebih rendah sepanjang tempoh kajian.
- Kadar inflasi tahunan AS meningkat kepada 2.5% pada bulan Januari 2017 daripada 1.5% pada bulan September 2016 kerana harga minyak mentah yang lebih tinggi mengakibatkan berlaku kenaikan yang stabil dalam kos bahan api dan pengangkutan.
- Kadar pengangguran AS pada bulan Februari 2017 jatuh kepada 4.7% daripada 4.9% pada bulan September 2016 apabila ekonomi AS terus mencatat kadar pengambilan pekerja yang pesat.
- Ekonomi zon Euro meningkat sebanyak 0.4% pada suku keempat 2016 apabila pertumbuhan KDNK meningkat di Perancis, Jerman, Belgium dan Latvia. Sumbangan positif kepada KDNK diraih terutamanya daripada perbelanjaan penggunaan isirumah, pembentukan modal tetap kasar, perubahan inventori perniagaan dan perbelanjaan kerajaan.
- Kadar inflasi tahunan zon Euro meningkat kepada 2.0% pada bulan Februari 2017 daripada 0.4% pada bulan September 2016 apabila peningkatan kos minyak mentah mengakibatkan kenaikan harga makanan, alkohol dan tembakau bagi suku berkenaan.
- Kadar pengangguran zon Euro menyusut kepada 9.8% dalam bulan Januari 2017 berbanding 10.0% pada bulan Ogos 2016. Kadar pengangguran terendah dicatatkan di Republik Czech dan Jerman manakala jumlah yang tertinggi dicatatkan di Greece dan Sepanyol.
- Pertumbuhan KDNK China adalah 6.8% pada suku keempat 2016. KDNK China bagi tahun 2016 menyusut kepada 6.7% berdasarkan pada asas tahunan, iaitu kadar pertumbuhan paling perlahan dalam tempoh 25 tahun.

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

## **Dalam Negara**

- KDNK benar Malaysia berkembang sebanyak 4.5% pada suku keempat tahun 2016, disokong oleh sektor pembuatan dan perkhidmatan. Walau bagaimanapun, bagi tahun 2016, KDNK berkembang pada kadar lebih perlahan sebanyak 4.2% berbanding dengan peningkatan sebanyak 5% pada tahun 2015.
- Kadar inflasi tahunan Malaysia meningkat kepada 3.5% pada bulan Januari 2017 berbanding 1.5% pada bulan September 2016 didorong oleh kenaikan lebih tinggi dalam harga makanan, perumahan, utiliti dan kos pengangkutan.
- Bank Negara Malaysia memutuskan untuk mengekalkan Kadar Dasar Semalaman (OPR) pada 3.00% dalam mesyuarat Jaw atankuasa Dasar Monetari (MPC) pada 19 Januari 2017. Dasar monetari akan kekal akomodatif dan menyokong ekonomi domestik berikutan risiko yang terus memuncak dalam ekonomi global dan persekitaran kewangan.
- Rizab Antarabangsa Bank Negara Malaysia (BNM) kekal stabil pada AS\$95.0 bilion (bersamaan dengan RM426.3 bilion) pada 28 Februari 2017. Paras rizab ini memadai untuk membiayai 8.5 bulan import tertanggung dan mewakili 1.1 kali hutang jangka pendek luar negara.

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

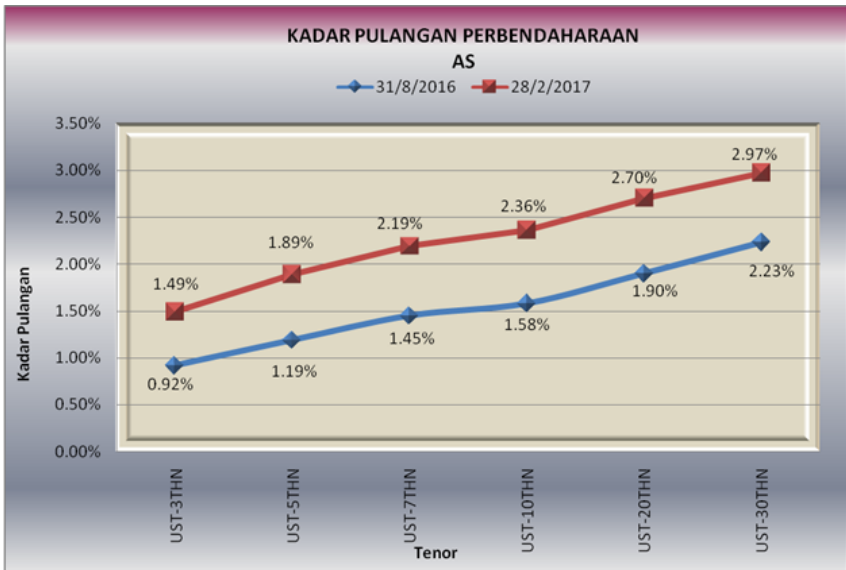
### **1.3.2 Kajian Pasaran**

#### **Pasaran Bon dan Pasaran Wang**

##### **a) Sejagat**

- Bon perbendaharaan AS menyaksikan peningkatan di seluruh keluk sepanjang tempoh kajian dengan hasil bon 10 tahun meningkat sebanyak 78 mata asas kepada 2.36% dan kadar hasil bon 30 tahun bertambah sebanyak 74 mata asas kepada 2.97%. Permintaan bagi bon perbendaharaan AS dibantu oleh pembelian ketika harga jatuh dan aliran dana ke dalam pelaburan selamat disebabkan oleh kebimbangan geopolitik termasuk perkembangan menjelang pilihan raya Perancis tahun ini. Dalam perkembangan yang sebaliknya, tekanan terhadap bon perbendaharaan AS datangnya daripada kenyataan agresif oleh ahli-ahli Rizab Persekutuan dan jangkaan pengumuman fiskal oleh Trump yang menyokong pertumbuhan ekonomi.

**Rajah 4: Kadar Pulangan Perbendaharaan AS**



**Sumber: Jabatan Perbendaharaan AS, 28 Februari 2017**

**b) Dalam Negara**

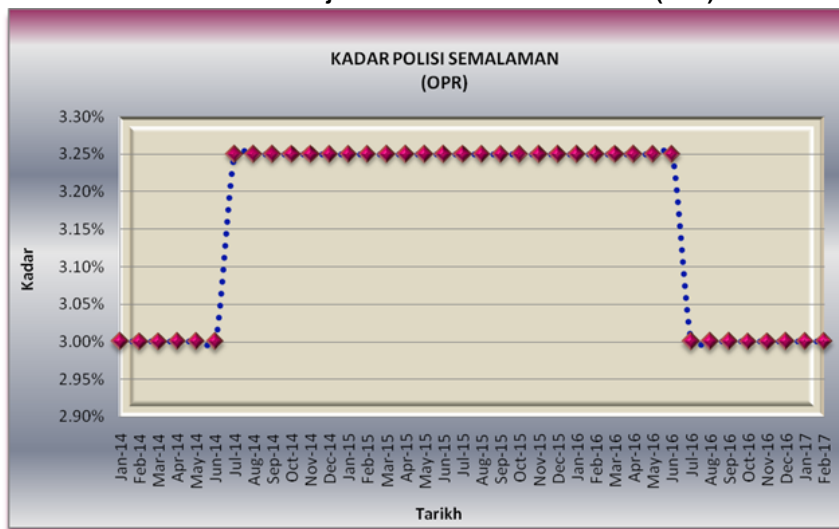
- Sekuriti Kerajaan Malaysia (MGS) dan Terbitan Pelaburan Kerajaan (GII) mendominasi aktiviti pasaran bon tempatan dengan dagangan berjumlah RM432.80 bilion bagi tempoh dalam kajian. Kadar hasil bon kerajaan meningkat di seluruh keluk walaupun ketika kejatuhan bon global yang menjejaki prestasi Perbendaharaan AS yang semakin lemah selepas pilihan raya AS.
- Bon kerajaan dalam mata wang Ringgit menunjukkan terdapatnya minat belian bersih ketika di paras sederhana dan pada tempoh keluk yang lebih panjang pada bulan Februari, menyebabkan keluk mendatar berdasarkan perbandingan bulanan. Keuntungan disokong oleh bon perbendaharaan AS yang lebih kukuh pada awal bulan ini apabila para pelabur menyelaras semula tinjauan mereka tentang pertumbuhan dan inflasi walaupun ketika kekurangan maklumat tentang pelan fiskal dan cukai Trump dan juga isyarat bercampur-campur tentang hala tuju Rizab Persekutuan.

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

Tempoh/ Tarikh	28 Februari 2017 (%)	30 Ogos 2016 (%)	Perubahan * (bps)
<b>Bon 3 Tahun</b>			
Gil	3.60	2.85	<b>(75.0)</b>
Korporat AAA	4.11	3.84	<b>(27.0)</b>
<b>Bon 5 Tahun</b>			
Gil	3.84	3.27	<b>(57.1)</b>
Korporat AAA	4.25	4.04	<b>(21.0)</b>
<b>Bon 7 Tahun</b>			
Gil	3.96	3.52	<b>(44.0)</b>
Korporat AAA	4.39	4.16	<b>(23.0)</b>
<b>Bon 10 Tahun</b>			
Gil	4.05	3.64	<b>(41.0)</b>
Korporat AAA	4.59	4.33	<b>(26.0)</b>

**Sumber: Agensi Penetapan Harga Bon Malaysia (BPAM), 28 Februari 2017**

**Rajah 5: Kadar Polisi Semalaman (OPR)**



**Sumber: Bank Negara Malaysia (BNM), 28 Februari 2017**

## 1.4 Tinjauan Pasaran dan Strategi

### a) Pasaran Sukuk dan Pasaran Wang

- Pasaran Sukuk dijangka menyaksikan aliran positif, tetapi keuntungannya agak sederhana di tengah-tengah paras urus niaga yang ketat. Walaupun lebih ketat, ia dijangka menyaksikan aliran dua hala pada masa depan, manakala tekanan pengambilan untung dapat diserap dengan baik disokong oleh permintaan pelabur.
- Bank Negara Malaysia memutuskan untuk mengekalkan Kadar Dasar Semalaman (OPR) pada 3.00% dan perubahan OPR pada masa depan akan bergantung kepada data ekonomi tentang pertumbuhan dan inflasi.
- Strategi Sukuk kami adalah melabur dalam Sukuk berkualiti sekurang-kurangnya bertaraf AA3/AA-oleh Rating Agency Malaysia (RAM)/Malaysian Rating Corporation Berhad (MARC) dan menawarkan kadar keuntungan yang menarik. Strategi pasaran wang kami adalah melabur dalam pelaburan pasaran wang untuk memaksimumkan pulangan di samping menyediakan kecairan atau mudah tunai dan pendapatan tetap kepada pelabur.

**1.5 Peruntukan aset pada 28 Februari 2017 dan pada 31 Ogos 2016, 2015 dan 2014**

<b>BIMB Dana Al-Fakhim</b>	<b>28.2.2017 (%)</b>	<b>31.8.2016 (%)</b>	<b>31.8.2015 (%)</b>	<b>31.8.2014 (%)</b>
PELABURAN DALAM SEKURITI HUTANG SECARA ISLAM TUNAI DAN PELABURAN JANGKA PENDEK	-	10.9	9.0	29.4
	100.0	89.1	91.0	70.6
	<b>100.0</b>	<b>100.00</b>	<b>100.0</b>	<b>100.0</b>

**1.6 Lain-Lain data prestasi bagi tempoh 6 bulan berakhir 28 Februari 2017 dan tiga tahun kewangan berakhir 31 Ogos**

<b>BIMB Dana Al-Fakhim</b>	<b>6 bulan berakhir 28.2.2017</b>	<b>31.8.2016</b>	<b>31.8.2015</b>	<b>31.8.2014</b>
<b>Harga Unit (RM)</b>				
NAB tertinggi seunit dalam tempoh/tahun*	0.5212	0.5214	0.5207	0.5211
NAB terendah seunit dalam tempoh/tahun*	0.5174	0.5165	0.5163	0.5170
<b>Nilai asset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada Akhir Tempoh/ Tahun</b>				
Jumlah NAB (RM)	19,043,478	18,483,152	16,920,044	15,326,852
Unit Dalam Edaran (UDE)	36,790,082	35,718,525	32,722,540	29,647,583
<b>NAB seunit (RM)*</b>	<b>0.5176</b>	<b>0.5175</b>	<b>0.5163</b>	<b>0.5170</b>
<b>Jumlah Pulangan Dana (%)<sup>(a)</sup></b>				
Pertumbuhan Modal (%) <sup>(b)</sup>	0.02	0.27	(0.10)	(0.31)
Pulangan Pendapatan (%) <sup>(c)</sup>	1.43	3.10	3.09	3.08
<b>Jumlah Pulangan Dana (%)</b>	<b>1.45</b>	<b>3.37</b>	<b>2.99</b>	<b>2.77</b>
Agihan Kasar seunit (Sen)	0.74	1.60	1.60	1.60
Agihan Bersih seunit (Sen)	0.74	1.60	1.60	1.60

\* Harga NAB selepas pengagihan pendapatan.



**1.6 Lain-Lain data prestasi bagi tempoh 6 bulan berakhir 28 Februari 2017 dan tiga tahun kewangan berakhir 31 Ogos (sambungan)**

<b>BIMB Dana Al-Fakhim (sambungan)</b>	<b>6 bulan berakhir 28.2.2017</b>	<b>31.8.2016</b>	<b>31.8.2015</b>	<b>31.8.2014</b>
<b>Harga Unit (RM)</b>				
<b>Suku Pertama</b>				
Nilai Aset Bersih sebelum Pengagihan (RM)	0.5212	0.5206	0.5207	0.5221
Nilai Aset Bersih selepas Pengagihan (RM)*	0.5174	0.5166	0.5167	0.5181
Tarikh Pengagihan	30 November 2016	30 November 2015	28 November 2014	29 November 2013
<b>Suku Kedua</b>				
Nilai Aset Bersih sebelum Pengagihan (RM)	0.5212	0.5209	0.5206	0.5214
Nilai Aset Bersih selepas Pengagihan (RM)*	0.5176	0.5169	0.5166	0.5174
Tarikh Pengagihan	28 Februari 2017	29 Februari 2016	27 Februari 2015	28 Februari 2014
<b>Suku Ketiga</b>				
Nilai Aset Bersih sebelum Pengagihan (RM)	-	0.5213	0.5205	0.5210
Nilai Aset Bersih selepas Pengagihan (RM)*	-	0.5173	0.5165	0.5170
Tarikh Pengagihan	-	31 Mei 2016	29 Mei 2015	30 Mei 2014
<b>Suku Keempat/ Pengagihan Tahunan</b>				
Nilai Aset Bersih sebelum Pengagihan (RM)	-	0.5215	0.5203	0.5210
Nilai Aset Bersih selepas Pengagihan (RM)*	-	0.5175	0.5163	0.5170
Tarikh Pengagihan	-	30 Ogos 2016	28 Ogos 2015	29 Ogos 2014
<b>Nisbah Perbelanjaan Pengurusan (NPP) (%)<sup>(d)</sup></b>	<b>0.65</b>	<b>0.64</b>	<b>0.70</b>	<b>0.63</b>
<b>Nisbah Pusing Ganti Portfolio (Kali)<sup>(e)</sup></b>	<b>4.32</b>	<b>5.82</b>	<b>7.32</b>	<b>13.52</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** =  $\{ \text{Pengagihan Pendapatan Se Unit} / \text{NAB se unit pada 31 Ogos 2016} \} \times 100$
- 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 2017**

Saiz Dipegang	BIMB Dana Al-Fakhim			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit-unit	%
5,000 dan ke bawah	17	45.95	31,202.30	0.09
5,001 hingga 10,000	3	8.11	27,239.59	0.07
10,001 hingga 50,000	9	24.32	154,430.73	0.42
50,001 hingga 500,000	4	10.81	383,522.56	1.04
500,001 dan ke atas *	4	10.81	36,193,686.69	98.38
<b>Unit yang dipegang oleh Pemegang unit</b>	<b>37</b>	<b>100.00</b>	<b>36,790,081.87</b>	<b>100.00</b>
<b>Unit yang dipegang oleh Pengurus</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Jumlah Keseluruhan Dana</b>	<b>37</b>	<b>100.00</b>	<b>36,790,081.87</b>	<b>100.00</b>

\* Akaun penama juga termasuk di bawah kategori ini

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

Sebarang rebat broker saham yang diterima oleh Pengurus akan dimasukkan secara terus ke dalam akaun Dana. Sebarang komisen ringan (bukan tunai) yang diterima daripada broker dalam bentuk perkhidmatan penyelidikan dan perundingan bertujuan membantu proses membuat keputusan berkaitan dengan pelaburan Dana boleh disimpan oleh Pengurus. Pengurus tidak menerima komisen bukan tunai daripada broker bagi tempoh dalam kajian.

Untuk dan bagi pihak Pengurus

**BIMB INVESTMENT MANAGEMENT BERHAD**

**Tarikh: 26 April 2017**

*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

### ABB TRUSTEE BERHAD

#### UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

To the Unit Holders of

#### **BIMB Dana Al-Fakhim**

We have acted as Trustee of **BIMB Dana Al-Fakhim** (“the Fund”) for the financial period ended 28 February 2017. 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;
3. The creation and cancellation of units of the Funds are carried out in accordance with the Deed and any regulatory requirement; and
4. The income distribution by BIMB Dana Al-Fakhim is relevant and reflects the investment objective of the Fund.

#### **For ABB Trustee Berhad**

.....  
**Tan Ping Ying**

Authorised Signatory

.....  
**Wong Chiew Leng**

Authorised Signatory

**Date: 26 April 2017**

### 3.0 Shariah Committee's Report

**UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED  
28 FEBRUARY 2017**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

To the Unit Holders of  
**BIMB Dana AI-Fakhim**

We have acted as the Shariah Committee of BIMB Dana AI-Fakhim.

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 are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed BIMB Dana AI-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 2016 to 28 February 2017.

In addition, we also confirm that the investment portfolio of BIMB Dana AI-Fakhim comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council (SAC) of the Securities Commission, as the case may be and that all deposits and money market instruments placed by the Fund are Shariah-compliant.

والله أعلم

For and on behalf of the Shariah Committee

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

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

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

**Date: 26 April 2017**

## 4.0 Directors' Declaration

### UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017

To the Unit Holders of  
**BIMB Dana AI-Fakhim**

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-Fakhim 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 2017 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: 26 April 2017**

## **5.0 Financial Statement (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 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.

## 5.1 Unaudited Statement of Financial Position as at 28 February 2017

	Note	As at 28.2.2017 (unaudited) RM	As at 31.8.2016 (audited) RM
<b>Assets</b>			
Islamic debt securities	4	-	2,011,315
Short term investments	5	15,693,703	15,139,367
Other receivables		74,084	231,152
Cash and cash equivalent	6	3,299,206	1,150,552
<b>Total assets</b>		<u>19,066,993</u>	<u>18,532,386</u>
<b>Liabilities</b>			
Amount due to Manager		7,726	8,554
Other payables		15,789	40,680
<b>Total liabilities</b>		<u>23,515</u>	<u>49,234</u>
		<u>19,043,478</u>	<u>18,483,152</u>
<b>Unitholders' fund</b>			
Unitholders' capital	7	18,954,083	18,400,275
Retained profits		89,395	82,877
		<u>19,043,478</u>	<u>18,483,152</u>
<b>Number of units in circulation</b>	7	<u>36,790,082</u>	<u>35,718,525</u>
<b>Net asset value attributable to unitholders</b>		<u>19,043,478</u>	<u>18,483,152</u>
<b>Net asset value per unit</b>			
– Ex distribution (sen)		<u>51.76 sen</u>	<u>51.75 sen</u>

*The notes on pages 36 to 53 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 2017**

	Note	1.9.2016 to 28.2.2017 RM	1.9.2015 to 29.2.2016 RM
<b>Income</b>			
Income from Islamic debt securities		35,449	55,726
Income from short term investments		310,813	333,358
Hibah from Al-Wadiah account		248	202
Net unrealised (loss)/gain from financial instruments at fair value through profit or loss		(2,879)	3,854
		<u>343,631</u>	<u>393,140</u>
Less: Amortisation of premium		(8,436)	(15,364)
<b>Gross income</b>		<u>335,195</u>	<u>377,776</u>
<b>Expenses</b>			
Manager's fee	8	46,958	48,220
Trustee's fee	9	1,878	1,929
Audit fee		5,400	5,550
Tax agent's fee		986	1,013
Administrative expenses		5,344	4,791
		<u>60,566</u>	<u>61,503</u>
<b>Net income before taxation</b>		<u>274,629</u>	<u>316,273</u>
Tax expense	10	-	-
<b>Net income after taxation</b>		<u>274,629</u>	<u>316,273</u>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u>274,629</u>	<u>316,273</u>
Total comprehensive income for the period consist of:			
Realised amount		277,508	312,419
Unrealised amount		(2,879)	3,854
		<u>274,629</u>	<u>316,273</u>

*The notes on pages 36 to 53 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 2017

	Note	Unitholders' capital RM	Retained profits RM	Total RM
<b>As at 31 August 2015/ 1 September 2015</b>		16,886,718	33,326	16,920,044
Movement in unitholders' contribution				
Creation of units via cash		3,723,205	-	3,723,205
Reinvestment of distribution		293,721	-	293,721
Cancellation of units		(1,430,465)	-	(1,430,465)
Distributions	11	-	(293,721)	(293,721)
Total attributable to unitholders		2,586,461	(293,721)	2,292,740
Net income for the period		-	316,273	316,273
<b>As at 29 February 2016</b>		<u>19,473,179</u>	<u>55,878</u>	<u>19,529,057</u>
<b>As at 31 August 2016/ 1 September 2016</b>		18,400,275	82,877	18,483,152
Movement in unitholders' contribution				
Creation of units via cash		954,816	-	954,816
Reinvestment of distribution		268,111	-	268,111
Cancellation of units		(669,119)	-	(669,119)
Distributions	11	-	(268,111)	(268,111)
Total attributable to unitholders		553,808	(268,111)	285,697
Net income for the period		-	274,629	274,629
<b>As at 28 February 2017</b>		<u>18,954,083</u>	<u>89,395</u>	<u>19,043,478</u>

*The notes on pages 36 to 53 form an integral part of these financial statements.*

**5.4 Unaudited Statement of Cash Flows for the 6 months financial period ended 28 February 2017**

	<b>1.9.2016 to 28.2.2017 RM</b>	<b>1.9.2015 to 29.2.2016 RM</b>
<b>Cash flows from operating activities</b>		
Purchase of Islamic debt securities	-	(1,105,575)
Proceed from maturity of Islamic debt securities	2,000,000	1,100,000
Purchase of short term investments	(554,336)	(4,256,948)
Income from Islamic debt securities and short term investments	503,578	328,987
Management fee paid	(47,740)	(46,468)
Trustee fee paid	(1,910)	(1,844)
Audit fee paid	(22,000)	-
Tax agent fee paid	(4,500)	-
Payment for administrative expenses	(10,136)	(2,545)
<b>Net cash generated from/(used in) operating activities</b>	<u>1,862,956</u>	<u>(3,984,393)</u>
<b>Cash flows from financing activities</b>		
Cash receipt for creation of units	954,817	4,854,909
Cash payment for cancellation of units	(669,119)	(1,429,977)
<b>Net cash generated from financing activities</b>	<u>285,698</u>	<u>3,424,932</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,148,654	(559,461)
Cash and cash equivalents at beginning of the financial period	1,150,552	1,585,570
<b>Cash and cash equivalents at end of the financial period</b>	<u>3,299,206</u>	<u>1,026,109</u>
<b>Cash and cash equivalents comprise:</b>		
Short term placements	3,200,406	905,419
Cash at bank	98,800	120,690
	<u>3,299,206</u>	<u>1,026,109</u>

*The notes on pages 36 to 53 form an integral part of these financial statements.*

## **5.5 Notes to the Financial Statements**

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

BIMB Dana Al-Fakhim (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 - ABB Trustee Berhad and the registered unitholders of the Fund. The address of the registered office and principal place of business of the Fund are as follows:

#### **Registered office**

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

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

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

The principal activity of the Fund is to invest in authorised investments as defined in the Deed, which include Islamic debt securities 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 26 April 2017.

### **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.

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

## 2. Basis of preparation (continued)

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

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017***

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

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

- MFRS 16, *Leases*

#### ***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, amendments and interpretations, where applicable:

- from the annual period beginning on 1 September 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 September 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.
- from the annual period beginning on 1 September 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

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

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

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

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

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

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

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

#### (a) Financial instruments

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

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

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

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

The Fund categorises financial instruments as follows:

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

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

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

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

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

Financing and receivables category are debt instruments that are not quoted in an active market and these comprises of other receivables, cash and cash equivalents and short term investments.

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

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

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

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

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

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

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

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

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the 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.

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

##### **(i) 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.

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

Islamic debt securities are investments in sukuk which are held for trading. It 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) Short term investments**

Short term investments are mainly Commodity Murabahah, Term Deposit i Tawarruq, Wafiyah Investment Account and Hong Leong Term Deposits-*i* with maturity more than 30 days and less than 1 year. Short term investments are categorised and measured as financing and receivables in accordance with Note 3(a)(ii).



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

#### **(e) 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 financing and receivables in accordance with policy Note 3(a)(ii)(b).

#### **(f) Impairment**

##### **Financial assets**

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

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

#### **(g) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

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

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

#### **(h) Unitholders' capital**

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

Units are created and cancelled at the unitholder's option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net asset attributable to unitholders with the total number of outstanding units. In accordance with the Securities Commission's Guidelines on Unit Trust Funds in Malaysia, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

The units in the Fund are puttable instruments, classified as equity, which entitle the unitholders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units are based on the change in the net asset of the Fund.

#### **(i) 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 an equity in the year in which they are declared.

#### **(j) Net Asset Value**

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

### 3. Significant accounting policies (continued)

#### (k) 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. Islamic debt securities

There is no holding of Islamic debt securities for the Fund as at 28 February 2017.

As at 31 August 2016	Maturity date	Rating*	Cost RM	Fair value RM	Percentage of value of Fund at 31.8.2016 %
BGSM Management Sdn. Bhd.	28.12.2016	AA3	1,507,947	1,510,425	8.17
Malakoff Power Bhd.	28.12.2016	AA-IS	500,489	500,890	2.71
			<u>2,008,436</u>	<u>2,011,315</u>	<u>10.88</u>

\* Ratings is either by Rating Agency Malaysia Berhad or Malaysian Rating Corporation Berhad whichever applicable.

#### 5. Short term investments

	As at 28.2.2017 RM	As at 31.8.2016 RM
<i>Short term investments with maturity more than 30 days:</i>		
Commodity Murabahah	10,405,031	13,504,576
Term Deposit-i Taw arruq*	1,666,617	1,634,791
Wafiyah Investment Account*	1,600,000	-
Hong Leong Term Deposit-i	2,022,055	-
	<u>15,693,703</u>	<u>15,139,367</u>

\* Term Deposits-i Taw arruq and Wafiyah Investment Account are placed with the holding company of the Manager, Bank Islam Malaysia Berhad.

#### 6. Cash and cash equivalents

	As at 28.2.2017 RM	As at 31.8.2016 RM
<i>Short term placements with maturity less than 30 days:</i>		
Commodity Murabahah	2,700,406	1,000,000
Wafiyah Investment Account*	500,000	-
	<u>3,200,406</u>	<u>1,000,000</u>
Cash at bank*	98,800	150,552
	<u>3,299,206</u>	<u>1,150,552</u>

\* Cash at bank and Wafiyah Investment Account are placed with the holding company of the Manager, Bank Islam Malaysia Berhad.

## 7. Unitholders' capital

	No. of units	RM
<b>As at 31 August 2015/1 September 2015</b>	32,772,540	16,886,718
Creation of units	8,455,980	4,371,883
Cancellation of units	(5,509,995)	(2,858,326)
<b>As at 31 August 2016/1 September 2016</b>	<u>35,718,525</u>	<u>18,400,275</u>
Creation of units	2,358,756	1,222,927
Cancellation of units	(1,287,199)	(669,119)
<b>As at 28 February 2017</b>	<u><u>36,790,082</u></u>	<u><u>18,954,083</u></u>

In accordance with the Deed, the maximum number of units that can be issued out for circulation is 400,000,000 units. As at 28 February 2017, the number of units yet to be issued was 363,209,918 units (31.8.2016: 364,281,475 units).

Based on historical information over the last 6 months, redemption levels are expected to approximate RM669,000 (31.8.2016: RM2,858,000) and the average monthly level of creation net of redemption are expected to approximate RM92,000 (31.8.2016: RM126,000). However, the actual level of redemptions may differ significantly from the historical experience.

## 8. Manager's fee

The manager's fee payable to the Manager of the Fund is based on 0.50% (29.2.2016: 0.50%) 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 0.02% (29.2.2016: 0.02%) per annum of the net asset value of the Fund calculated on a daily basis.

## 10. Tax expense

	1.9.2016 to 28.2.2017 RM	1.9.2015 to 29.2.2016 RM
Tax expense		
- Current period	-	-
<b>Reconciliation of effective tax expense</b>		
Net income before tax	<u>274,629</u>	<u>316,273</u>
Income tax using Malaysian tax rate @ 24% (2016: 25%)	65,911	79,068
Non-deductible expenses	16,560	19,217
Income not subject to tax	<u>(82,471)</u>	<u>(98,285)</u>
	<u>-</u>	<u>-</u>

## 11. Distribution

	<b>1.9.2016 to 28.2.2017 RM</b>	<b>1.9.2015 to 29.2.2016 RM</b>
Distribution to unitholders is from the following sources:		
Income from Islamic debt securities and short term investments	346,262	389,084
Hibah from Al-Wadiah account	248	202
	<hr/> 346,510	<hr/> 389,286
<i>Less:</i>		
Expenses	(60,566)	(61,503)
Amortisation of premium	(8,436)	(15,364)
Undistributed income	(9,397)	(18,698)
<b>Net distribution</b>	<hr/> <hr/> 268,111	<hr/> <hr/> 293,721

The manager had declared a net distribution of 0.74 sen (2016:0.80 sen) per unit based on quarterly units in circulation amounting to RM268,111 (2016: RM293,721) in respect of the current financial period.

<b>Distribution Date</b>	<b>1.9.2016 to 28.2.2017</b>		<b>1.9.2015 to 29.2.2016</b>	
	<b>Sen</b>	<b>RM</b>	<b>Sen</b>	<b>RM</b>
30 November 2016/ 30 November 2015	0.38	136,581	0.40	143,757
28 February 2017/ 29 February 2016	0.36	131,530	0.40	149,964
	<hr/> 0.74	<hr/> 268,111	<hr/> 0.80	<hr/> 293,721

## 12. Unit held by related parties

The number and value of units held legally or beneficially by related parties of the Manager are as follow s:

	As at 28.2.2017		As at 31.8.2016	
	Units	RM	Units	RM
Bank Islam Malaysia Berhad	2,298,909	1,189,915	2,266,385	1,172,854
BIMB Holdings Berhad	26,779,061	13,860,842	26,400,200	13,662,104

The Manager does not hold any unit in the Fund (2016: Nil).

## 13. Transactions with related parties

Other than as disclosed in Note 5, 6 and 12 of the financial statements, other transactions with related parties are as follow s:

	Transaction as at		Balance as at	
	28.2.2017	31.8.2016	28.2.2017	31.8.2016
	RM	RM	RM	RM
<i>The Manager</i>				
BIMB Investment Management Berhad				
- Management fee	46,958	96,444	(7,288)	(8,554)
<i> Holding company of the Manager</i>				
Bank Islam Malaysia Berhad				
- Income from short term placements	(32,570)	(70,794)	28,489	16,339
<i>The Trustee</i>				
ABB Trustee Berhad				
- Trustee fee	1,878	3,858	(292)	(323)

#### 14. Transactions with financial institutions

	Value of trade RM	Percentage of total trade %
<i>Islamic debt securities and short term investments</i>		
<b>1.9.2016 to 28.2.2017</b>		
Alliance Islamic Bank Berhad	53,711,092	33.32
MDF Amanah Investment Bank Berhad	35,843,505	22.24
Bank Kerjasama Rakyat Malaysia Berhad	16,950,867	10.52
Bank Simpanan Nasional Berhad	15,221,237	9.44
Amslamic Bank Berhad	9,288,162	5.76
Bank Islam Malaysia Berhad*	8,675,331	5.38
CIMB Islamic Bank Berhad	7,033,717	4.36
Hong Leong Islamic Bank Berhad	6,044,110	3.75
Al Rajhi Banking & Investment Corporation (M) Berhad	5,640,551	3.50
RHB Islamic Bank Berhad	2,780,438	1.73
	<u>161,189,010</u>	<u>100.00</u>

#### **1.9.2015 to 29.2.2016**

MDF Amanah Investment Bank Berhad	54,970,458	41.83
Alliance Islamic Bank Berhad	17,280,018	13.15
Amslamic Bank Berhad	15,774,772	12.01
Bank Islam Malaysia Berhad*	14,853,633	11.30
Bank Simpanan Nasional Berhad	7,020,638	5.34
RHB Islamic Bank Berhad	6,400,000	4.87
Bank Muamalat Malaysia Berhad	4,532,726	3.45
Hong Leong Islamic Bank Berhad	3,590,203	2.73
Al Rajhi Banking & Investment Corporation (M) Berhad	2,800,000	2.13
Bank Kerjasama Rakyat Malaysia Berhad	2,600,000	1.98
Other financial institution	1,579,483	1.21
	<u>131,401,931</u>	<u>100.00</u>

\*Transactions with the related party have been entered into in the normal course of business and have been transacted at arm's length basis.

#### 15. Management Expense Ratio ("MER")

The management expense ratio for the financial period is 0.65% (29.2.2016: 0.64%). 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.



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

The portfolio turnover ratio for the financial period is 4.32 times (29.2.2016: 3.44 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.

## 17. Financial instruments

### 17.1 Categories of financial instruments

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

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

	<b>Carrying amount RM</b>	<b>F&amp;R/ (FL) RM</b>	<b>FVTPL RM</b>
<b>As at 28 February 2017</b>			
<b>Financial assets</b>			
Islamic debt securities	-	-	-
Short term investments	15,693,703	15,693,703	-
Other receivables	74,084	74,084	-
Cash and cash equivalents	3,299,206	3,299,206	-
	<u>19,066,993</u>	<u>19,066,993</u>	-
<b>Financial liabilities</b>			
Other payables	(23,515)	(23,515)	-
<b>As at 31 August 2016</b>			
<b>Financial assets</b>			
Islamic debt securities	2,011,315	-	2,011,315
Short term investments	15,139,367	15,139,367	-
Other receivables	231,152	231,152	-
Cash and cash equivalents	1,150,552	1,150,552	-
	<u>18,532,386</u>	<u>16,521,071</u>	<u>2,011,315</u>
<b>Financial liabilities</b>			
Other payables	(49,234)	(49,234)	-

## 17. Financial instruments (continued)

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

	1.9.2016 to 28.2.2017 RM	1.9.2015 to 29.2.2016 RM
Net gains on:		
Fair value through profit or loss:		
- Designated upon initial recognition	24,134	44,216
Financing and receivables	311,061	333,560
	<u>335,195</u>	<u>377,776</u>

### 17.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Investment risk

### 17.4 Credit risk

Credit risk is the risk of a financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund's exposure to credit risk arises principally from its short term investments 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*

At balance sheet date, 100% (31.8.2016: 100%) of the Fund's short term investment are with 9 (31.8.2016: 6) licensed financial institution.

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.

The financial assets of the Fund are neither carried past due or impaired as at date of statement of financial position.

## 17. Financial instruments (continued)

### 17.5 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. This may come about when realisation of units is in excess of investment amounts. The Fund's exposure to liquidity risk arises principally from its various payables.

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 short term investments, which are capable of being converted into cash within 7 days.

### 17.6 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:

	<b>As at 28.2.2017 RM</b>	<b>As at 31.8.2016 RM</b>
<b>Fixed rate instruments</b>		
Islamic debt securities	-	2,011,315
Short term investments	15,693,703	15,139,367
Cash and cash equivalents		
- Short term placements with maturity less than 30 days	3,200,406	1,000,000
	<hr/> <hr/>	<hr/> <hr/>

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

The Fund accounts for the Islamic debt securities and short term investments with licensed financial institutions at fair value through profit and loss, and financing and receivables, respectively.

An increase of 100 basis points (bp) in profit rates of Islamic debt securities at the end of the reporting period would have decreased on the unitholder's fund and profit or loss by RM Nil (31.8.2016: RM6,272). A decrease of 100 basis point (bp) in profit rates would have equal but opposite effect on the equity and profit or loss respectively.

The Fund's fixed rate of short term investments and placements are not significantly exposed to profit rate risk.

## 17. Financial instruments (continued)

### 17.7 Investment risk

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

Investment risks for fixed income funds are in the form of profit rate and credit risks. To manage these risks, investments will be in investment grade sukuk.

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

The Manager has written policies and guidelines on risk management, which set out the overall investment risks strategies and general risk management philosophies. These processes monitor, measure and control risks associated with the business. Matters relating to investment risks in respect of funds portfolio are discussed during the Investment Committee meetings of the Manager held at least 6 (2016: 6) times a year.

### 17.8 Fair value of financial instruments

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

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

	Fair value of financial instruments carried at fair value				Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM
<b>As at 28.2.2017</b>					
<b>Financial assets</b>					
Islamic debt securities	-	-	-	-	-
<b>As at 31.8.2016</b>					
<b>Financial assets</b>					
Islamic debt securities	-	2,011,315	-	2,011,315	2,011,315

#### 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.

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

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

#### **Level 1 fair value**

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

#### **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 arising 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 (2016: no transfer in either direction).

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

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

## **18. 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

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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

Khairul Kamarudin (Chairman - Non-Executive Non Independent Director)

Dato' Ghazali Aw ang (Non-Executive Independent Director)

Datuk Noripah Kamso (Non-Executive Independent Director)

Dr. Mohd Hatta Dagap (Non-Executive Independent Director)

Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director)

Najmuddin Mohd Lutfi (Chief Executive Officer)

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### Shariah Committee

Ustaz Dr. Ahmad Shahbari @ Sobri Salamon

Ustaz Dr. Yusof Ramli

Ustazah Dr. Asmak Ab. Rahman

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### Investment Committee

Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member)

Datuk Noripah Kamso (Independent Member)

Daraw ati Hussain (Independent Member)

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### Audit Committee

Dato' Ghazali Aw ang (Chairman - Independent Member)

Dr. Mohd Hatta Dagap (Independent Member)

Malkiat Singh @ Malkit Singh Maan (Non-Executive Non-Independent Member)

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### Company Secretaries

Aidil Haznul Zulkifli (MACS 01638)

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

Norhidayati Mohamat Salim (MIA 27364)

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

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**Key Management**

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

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**Principal Banker**

**Bank Islam Malaysia Berhad**  
Ground Floor, Menara Bank Islam  
No.22, Jalan Perak  
50450 Kuala Lumpur

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**Trustee**

**ABB Trustee Berhad (5004-P)**  
Ground Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur

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**Federation of  
Investment Managers  
Malaysia (FIMM)**

19-06-1, 6th Floor, Wisma Tune  
No.19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

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Bank Simpanan Nasional  
Registered Unit Trust Consultant with BIMB Investment  
Management Berhad

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

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

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