

BIMB SHARIAH INCOMEPLUS FUND

ANNUAL REPORT FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2023

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN
BERAKHIR 31 DISEMBER 2023*

BIMB INVESTMENT
A BANK ISLAM
SUBSIDIARY

MANAGER:

BIMB INVESTMENT MANAGEMENT BERHAD 199301021508 (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 Shariah IncomePlus Fund ("BSIF") for the financial year ended 31 December 2023.

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

Fund Name	BIMB Shariah IncomePlus Fund ("BSIF")
Fund Type	Income
Fund Category	Wholesale Islamic Fixed Income Fund
Fund Investment Objective	<p>The Fund seeks to provide regular income* whilst maintaining capital stability**.</p> <p><i>Note:</i> <i>*Income will be in the form of cash or additional Units.</i> <i>**The Fund is not a capital guaranteed fund or a capital protected fund.</i></p> <p><i>Any material changes to the investment objective would require Unit Holders' approval.</i></p>
Fund Performance Benchmark	<p>Bank Islam's 1-month Term-Deposit <i>i</i> (Tawarruq).</p> <p>Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark.</p>
Fund Distribution Policy	Subject to availability of income, the Fund will distribute income on a monthly basis.

1.2 Performance for the Financial Year Ended 31 December 2023

1.2.1 Performance review

For the financial year under review, BIMB Shariah IncomePlus Fund (“the Fund”) registered a return of 3.56% as compared to its benchmark’s return of 1.98%.

The selected performance benchmark for the Fund is Bank Islam’s 1-month Term-Deposit *i* (Tawarruq).

During the financial year, the Fund managed to provide regular income while maintaining capital stability for investors in accordance with its investment objective. The Fund’s strategy was to invest in a diversified portfolio of approved Islamic money market instruments, Islamic deposits, Islamic investment accounts and Islamic sukuk that provided a steady stream of income.

For the financial year under review, the Fund had not undertaken any securities lending or repurchased transactions nor cross trade transactions. There were changes to the Information Memorandum for the Fund that took place during the year under review and no circumstances that may have significant changes affecting unit holders that occurred up to the date of this Manager’s Report. For further information, please refer to Section 1.9 below.

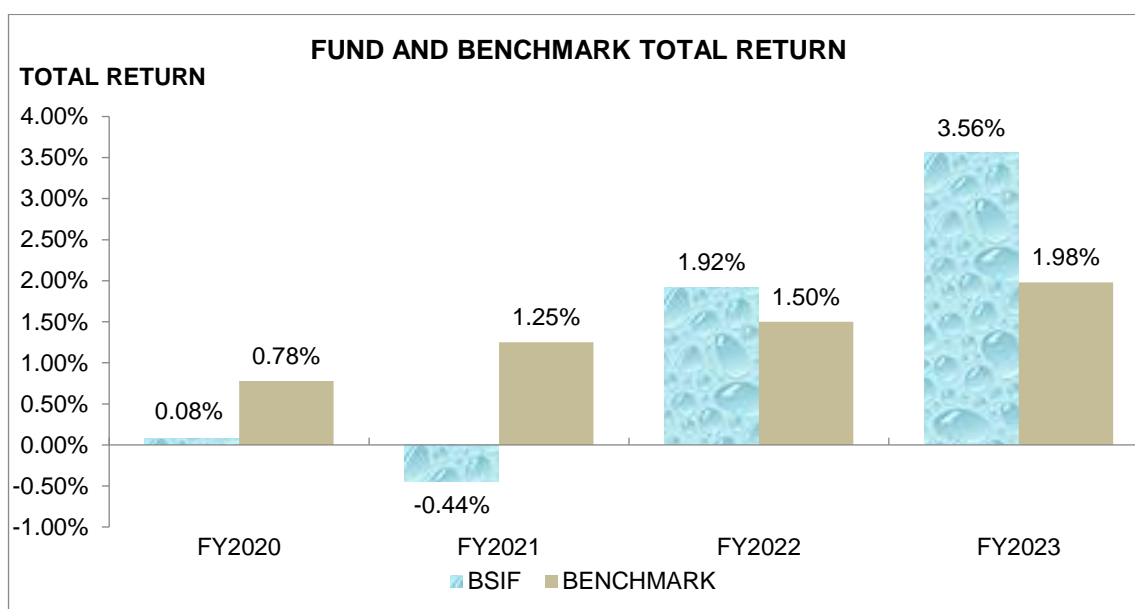
1.2.2 Total return and Average Total Return for the Financial Year Ended 31 December 2023

Period	The Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1 Year	3.56%	3.56%	1.98%	1.98%
2 Years	5.55%	2.78%	3.51%	1.76%
3 Years	5.08%	1.69%	4.81%	1.60%
Since Inception	5.16%	1.44%	5.79%	1.61%

1.2.3 Total Return for the Previous Financial Years

Financial Year Ended	Total Return	
	Fund (%)	Benchmark (%)
31 December 2023	3.56%	1.98%
31 December 2022	1.92%	1.50%
31 December 2021	-0.44%	1.25%
31 December 2020 (May '20 - Dec '20)	0.08%	0.78%

Figure 1: Performance of the Fund versus the benchmark



*Data Source : BIMB Investment Management Berhad
Data verified by : Novagni Analytics & Advisory Sdn. Bhd.
Benchmarks : Bank Islam's 1-month Term-Deposit i (Tawarruq)*

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:

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

The calculation of average total return is based on methods obtained from Refinitiv Lipper.

Unit prices and return on investment may fluctuate, hence, past performance shall not be an indicator of future performance.

1.3 Economy and Market Review

1.3.1 Economy

Global

The United States (US) economy grew at an annualised rate of 4.9% quarter-on-quarter (q-o-q) in the third quarter of 2023, above market expectation and up from 2.1% growth in the second quarter. The solid growth was contributed by strong consumer spending, increased inventories, exports, residential investment and government spending.

The Eurozone economy contracted 0.1% q-o-q in the third quarter of 2023 according to a flash estimate by Eurostat amidst strong headwinds from high inflation and recorded high interest rates as well as a tighter fiscal policy. The economy grew 0.3% in the second quarter of 2023.

The Chinese economy expanded by 4.9% year-on-year (y-o-y) in the third quarter of 2023, above market expectation as sustained government stimulus helped to offset the impact of a prolonged property crisis and weak external trade. The economy grew 6.3% year-on-year in the second quarter of 2023.

(Source: Reuters, CNBC, Trading Economics)

Local

The Malaysian economy expanded by 3.3% y-o-y in the third quarter of 2023, anchored by resilient domestic demand on the back of continued growth in employment and wages. Meanwhile, the progress of multi-year projects and capacity expansion supported investment activity. The economy grew 2.9% y-o-y in the second quarter of 2023.

(Source: Trading Economic, Department of Statistics Malaysia)

1.3.2 Market Review

Sukuk Market and Money Market

In 2023, the US Federal Reserve Bank (Fed) increased the Federal Fund Rate by a total 100 basis points (bps), to 5.25% - 5.5% range to fight inflation. However, the 10-year US Treasury yield closed relatively unchanged y-o-y at 3.88% after the Fed signalled for lower interest rates in 2024 towards the end of 2023.

In Malaysia, as inflation risk cools and to support economic growth, Bank Negara Malaysia (BNM) only raised the Overnight Policy Rate (OPR) by 25bps to 3.0%. Despite the OPR hike, Malaysian bonds ended the year on a strong note, boosted by expectation of lower US interest rates in 2024. The 10-year MGS yield closed 36 bps lower y-o-y at 3.73% at the end of the December 2023.

1.4 Market Outlook and Strategy

BNM is expected to maintain the OPR at 3.0% throughout 2024 on expectation of stronger economic growth. Nonetheless, future monetary policy stance will remain data dependent. In terms of strategy, the Manager intends to continue investing principally in Islamic money market instruments and short term sukuk with the objective to optimise return while providing regular income and liquidity for investors.

1.5 Asset Allocation

BIMB Shariah IncomePlus Fund	2023 (%)	2022 (%)	2021 (%)
Investment in Sukuk	11.13	4.43	-
Shariah-compliant Cash and Short Term Investment:	88.87	95.57	100.00
	100.00	100.00	100.00

1.6 Other Performance Data for the Financial Year Ended 31 December

BIMB Shariah IncomePlus Fund	2023	2022	2021
Unit Prices (RM)			
Highest NAV per unit for the year	1.0028	0.9877	1.0026
Lowest NAV per unit for the year	0.9845	0.9820	0.9807
Net Asset Value (NAV) and Units in Circulation (UIC) as at the end of the year			
Total NAV (RM)	136,684,594	112,648,157	11,771,973
Units in Circulation (UIC)	136,481,741	114,422,748	11,987,684
NAV per unit (RM)	1.0015	0.9845	0.9820
Return of Fund (%)			
Capital Growth (%) ^(b)	1.75	0.27	-1.89
Income Return (%) ^(c)	1.81	1.65	1.45
Return of Fund (%)^(a)	3.56	1.92	-0.44
Total Gross Distribution per Unit (sen)	1.78	1.62	1.45
Total Net Distribution per Unit (sen)	1.78	1.62	1.45
Monthly distribution - January			
NAV per Unit before Distribution (RM)	0.9867	0.9831	1.0020
NAV per Unit after Distribution (RM)	0.9854	0.9827	1.0008
Monthly distribution - February			
NAV per Unit before Distribution (RM)	0.9884	0.9841	0.9996
NAV per Unit after Distribution (RM)	0.9869	0.9831	0.9981
Monthly distribution - March			
NAV per Unit before Distribution (RM)	0.9897	0.9847	-
NAV per Unit after Distribution (RM)	0.9882	0.9837	-
Monthly distribution - April			
NAV per Unit before Distribution (RM)	0.9910	0.9852	0.9995
NAV per Unit after Distribution (RM)	0.9895	0.9832	0.9974
Monthly distribution - May			
NAV per Unit before Distribution (RM)	0.9923	0.9845	0.9996
NAV per Unit after Distribution (RM)	0.9908	0.9832	0.9986
Monthly distribution - June			
NAV per Unit before Distribution (RM)	0.9938	0.9850	1.0002
NAV per Unit after Distribution (RM)	0.9923	0.9835	0.9985
Monthly distribution - July			
NAV per Unit before Distribution (RM)	0.9956	0.9851	1.0014
NAV per Unit after Distribution (RM)	0.9941	0.9836	1.0004
Monthly distribution - August			
NAV per Unit before Distribution (RM)	0.9969	0.9856	1.0026
NAV per Unit after Distribution (RM)	0.9954	0.9841	1.0006
Monthly distribution - September			
NAV per Unit before Distribution (RM)	0.9984	0.9863	1.0012
NAV per Unit after Distribution (RM)	0.9969	0.9848	1.0002
Monthly distribution - October			
NAV per Unit before Distribution (RM)	1.0000	0.9869	0.9976
NAV per Unit after Distribution (RM)	0.9985	0.9854	0.9961

BIMB Shariah IncomePlus Fund	2023	2022	2021
Monthly distribution - November			
NAV per Unit before Distribution (RM)	1.0015	0.9880	0.9999
NAV per Unit after Distribution (RM)	1.0000	0.9865	0.9984
Monthly distribution - December			
NAV per Unit before Distribution (RM)	1.0029	0.9867	-
NAV per Unit after Distribution (RM)	1.0014	0.9852	-
Total Expense Ratio (%)^(d)	0.19	0.22	0.21
Portfolio Turnover Ratio (times)^{(e)*}	7.36	16.42	14.97

* PTR for the financial year ended 31 December 2023 was lower than the previous financial year due to lower average purchases and sales amount by the Fund during the financial year.

Note:

- a) **Return of the Fund** = $\frac{\text{NAV per unit (end of year)} - 1}{\text{NAV per unit (opening of year)}}$
- b) **Capital Growth** = Total Return of the Fund – Income Return
- c) **Income Return** = $(\text{Income Distribution per Unit} / \text{NAV per Unit}) \times 100$
- d) **Total Expense Ratio** = It is the total 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 year over the average Net Asset Value of the Fund calculated on a daily basis

1.7 Unit Holdings as at 31 December 2023

Size of Holdings	BIMB Shariah IncomePlus Fund			
	No. of Unit Holder		No. of Units Held	
	No.	%	Unit	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	3	33.33	31,114.17	0.02
50,001 to 500,000	-	-	-	-
500,001 and above	5	55.56	136,449,577.25	99.98
Units Held by the Unit Holders	8	88.89	136,480,691.42	100.00
Unit Held by the Manager	1	11.11	1,050.06	0.00
Grand Total for the Fund	9	100.00	136,481,741.48	100.00

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 brokers which are goods and services in the form of research and advisory services that assist in the decision-making process related to the Fund's investments and are of demonstrable benefit to Unit Holders, maybe retained by the Manager.

For the financial year under review, the Manager did not receive on behalf of the Fund, soft commissions from brokers in the form of research and advisory services which are of demonstrable benefit to Unit Holders of the Fund and there was no churning of trades.

1.9 Update on Changes

A First Supplemental Information Memorandum dated 30 November 2023 was issued during the financial year under review to reflect the changes made to the Fund.

Unit Holders may view the complete detailed changes made to the Fund's Information Memorandum at <https://www.bimbinvestment.com.my/funds/bimb-shariah-incomeplus-fund>.

For and on behalf of The Manager

BIMB INVESTMENT MANAGEMENT BERHAD

Date: 29 February 2024

1.0 LAPORAN PENGURUS

Para Pemegang Unit,

Kami dengan sukacitanya membentangkan Laporan Pengurus Dana BIMB Syariah IncomePlus Fund ("BSIF") bagi tahun kewangan berakhir 31 Disember 2023.

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

Nama Dana	BIMB Syariah IncomePlus Fund ("BSIF")
Jenis Dana	Pendapatan
Kategori Dana	Dana Borong Islam Pendapatan Tetap
Objektif Pelaburan Dana	<p>Dana bertujuan untuk memberikan pendapatan tetap* di samping mengekalkan kestabilan modal **.</p> <p><i>Nota:</i> <i>*Pendapatan adalah berupa wang tunai atau Unit tambahan.</i> <i>**Dana ini adalah dana yang bukan dijamin modal atau dana yang dilindungi modal.</i></p> <p>Sebarang perubahan ketara pada objektif pelaburan Dana memerlukan kelulusan Pemegang Unit.</p>
Penanda Aras Dana	<p>Kadar 1-bulan Deposit-Bertempoh i (Tawarruq) Bank Islam.</p> <p>Pelabur perlu ambil perhatian bahawa profil risiko Dana mungkin lebih tinggi daripada profil risiko penanda aras.</p>
Polisi Agihan Dana	Tertakluk pada ketersediaan pendapatan, Dana akan mengagihkan pendapatan setiap bulan.

1.2 Prestasi Dana bagi Tahun Kewangan Berakhir 31 Disember 2023

1.2.1 Kajian Prestasi

Bagi tahun kewangan dalam kajian, BMB Syariah IncomePlus Fund (“Dana”) telah mencatatkan pulangan sebanyak 3.56% berbanding dengan pulangan penanda arasnya sebanyak 1.98%.

Penanda aras terpilih untuk Dana ini adalah Kadar 1-bulan Deposit-Bertempoh i (Tawarruq) Bank Islam.

Sepanjang tahun kewangan dalam kajian, Dana berjaya menyediakan aliran pendapatan sambil mengekalkan kestabilan modal untuk para pelabur sebagaimana objektif pelaburannya. Strategi Dana adalah melabur dalam portfolio yang dipelbagaikan yang terdiri daripada instrumen pasaran wang Islam, deposit Islam, akaun pelaburan Islam dan sukuk yang menghasilkan aliran pendapatan yang stabil.

Bagi tahun kewangan dalam kajian, tiada sebarang perubahan ketara dalam hal ehwal Dana dan tidak berlaku sebarang keadaan yang secara material memberi kesan kepada kepentingan pemegang unit sehingga tarikh Laporan Pengurus ini disediakan. Terdapat perubahan pada Memorandum Informasi Dana dalam tempoh kajian. Sila rujuk Bahagian 1.9 untuk maklumat lanjut.

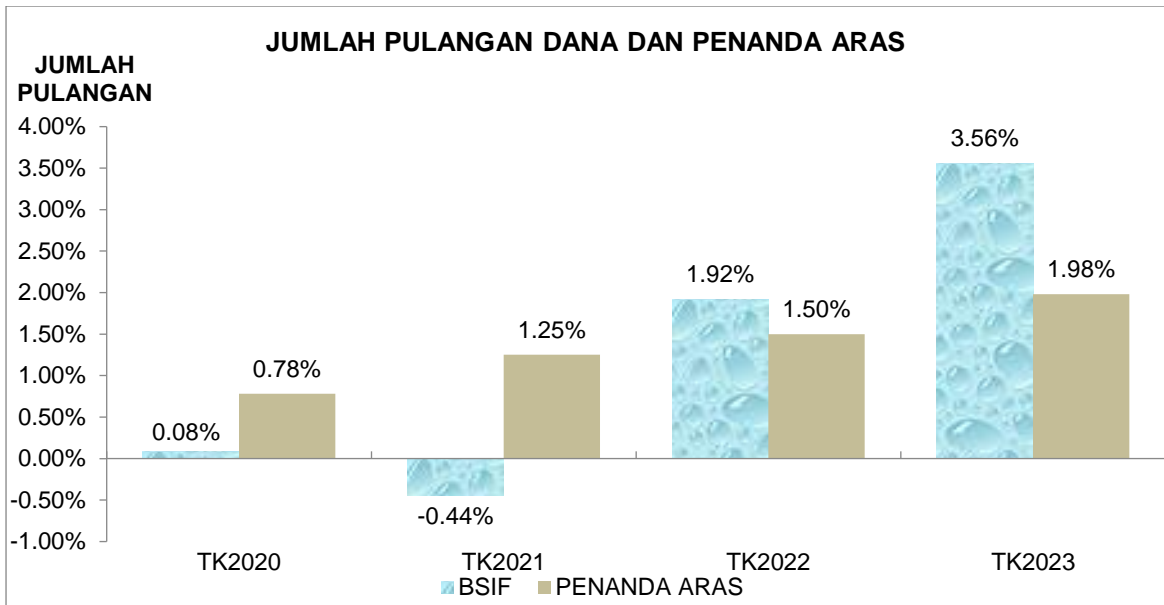
1.2.2 Jumlah Pulangan dan Purata Jumlah Pulangan bagi Tahun Kewangan Berakhir 31 Disember 2023

Tempoh	Dana		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1 Tahun	3.56%	3.56%	1.98%	1.98%
2 Tahun	5.55%	2.78%	3.51%	1.76%
3 Tahun	5.08%	1.69%	4.81%	1.60%
Sejak Pelancaran	5.16%	1.44%	5.79%	1.61%

1.2.3 Jumlah Pulangan bagi Tahun-Tahun Kewangan yang lalu

Tahun Kewangan Berakhir	Jumlah Pulangan	
	Dana (%)	Penanda Aras (%)
31 Disember 2023	3.56%	1.98%
31 Disember 2022	1.92%	1.50%
31 Disember 2021	-0.44%	1.25%
31 Disember 2020 (Mei '20 - Dis '20)	0.08%	0.78%

Rajah 1: Prestasi Dana berbanding penanda aras



Sumber Data : BIMB Investment Management Berhad
 Data disahkan oleh : Novagni Analytics & Advisory Sdn. Bhd.
 Penanda Aras : 1-bulan Deposit-Bertempoh i (Tawarruq) Bank Islam.

Nota:

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

$$\frac{\text{Jumlah Pulangan}}{\text{Bilangan Tahun Dalam kajian}}$$

Pengiraan purata jumlah pulangan adalah berdasarkan kaedah yang diperolehi dari Refinitiv Lipper.

Prestasi masa lepas tidak semestinya menjadi petunjuk prestasi masa depan dan harga unit serta pulangan pelaburan mungkin turun atau naik.

1.3 Ekonomi dan Kajian Pasaran

1.3.1 Ekonomi

Global

Ekonomi Amerika Syarikat (AS) berkembang pada kadar tahunan 4.9% suku ke suku (q-o-q) pada suku ketiga 2023, melebihi ramalan pasaran dan meningkat daripada pertumbuhan 2.1% pada suku kedua. Peningkatan kukuh ini adalah di pacu oleh kekuatan perbelanjaan pengguna, peningkatan kadar stok, eksport, perbelanjaan sektor perumahan dan perbelanjaan kerajaan.

Ekonomi zon Euro menguncup 0.1% q-o-q pada suku ketiga 2023 berdasarkan oleh Eurostat di tengah-tengah cabaran inflasi dan kadar faedah yang tinggi disamping perbelanjaan fiskal yang lebih ketat. Ekonomi zon Euro berkembang pada kadar 0.3% pada suku kedua 2023.

Ekonomi China berkembang pada kadar 4.9% tahun ke tahun (y-o-y) pada suku ketiga 2023, melebihi ramalan pasaran oleh sebab suntikan ransangan ekonomi yang berterusan dari kerajaan untuk mengimbangi kesan buruk dari krisis berpanjangan dalam sektor hartanah dan perdagangan luar negara yang lemah. Ekonomi China berkembang pada kadar 6.3% y-o-y pada suku kedua 2023.

(Source: Reuters, CNBC, Trading Economics)

Lokal

Ekonomi Malaysia berkembang pada kadar 3.3% y-o-y pada suku ketiga 2023, di sokong oleh kekukuhan sektor pekerjaan and penggajian. Sementara itu, sektor pelaburan pula di pacu oleh kemajuan projek-projek berjangka panjang dan penambahan kapasiti. Ekonomi Malaysia berkembang pada kadar 2.9% y-o-y pada suku kedua 2023.

(Source: Trading Economic, Jabatan Statistik Malaysia)

1.3.2 Kajian Pasaran

Pasaran Bon dan Pasaran Wang

Pada tahun 2023, Bank Pusat Amerika Syarikat (AS) telah menaikkan kadar faedah sebanyak 100 mata asas kepada 5.25% - 5.5% dalam usaha mereka mengekang inflasi. Walau bagaimanapun kadar faedah atas nota Perbendaharaan AS bertempoh sepuluh tahun ditutup tidak berubah sekitar 3.88% setelah Bank Pusat AS mengisytiharkan kadar faedah yang lebih rendah pada tahun 2024.

Sementara itu, bersandarkan kepada tekanan inflasi yang lebih terkawal dan untuk menyokong pertumbuhan ekonomi, Bank Negara Malaysia (BNM) hanya menaikkan Kadar Faedah Semalaman (OPR) sebanyak 25 mata asas kepada 3.0%. Namun begitu, pasaran bon tempatan menutup tahun 2023 lebih kukuh dari tahun sebelumnya atas isyarat kadar faedah yang lebih rendah di Amerika Syarikat pada tahun 2024. Kadar faedah atas Sekuriti Hutang Kerajaan (MGS) bertempoh sepuluh tahun turun sekitar 36 mata asas ke 3.73% berbanding tahun sebelumnya.

1.4 Kajian Pasaran dan Strategi

BNM dijangka mengekalkan OPR pada 3.0% untuk sepanjang tahun 2024 berdasarkan prospek pertumbuhan ekonomi yang lebih kukuh. Namun begitu, dasar monetari akan terus bergantung kepada data-data ekonomi terkini.

Berdasarkan jangkaan di atas, Pengurus adalah untuk terus melabur dalam pasaran wang Islam dan sukuk berjangka pendek dengan objektif untuk memaksimumkan pulangan sambil menyediakan pendapatan tetap dan kecairan untuk pelabur.

1.5 Peruntukan Aset

BIMB Syariah IncomePlus Fund	2023 (%)	2022 (%)	2021 (%)
Pelaburan dalam Sukuk	4.43	-	-
Tunai dan Pelaburan Jangka Pendek Patuh Syariah:	95.57	100.00	100.00
	100.00	100.00	100.00

1.6 Lain-lain Data Prestasi bagi Tahun Kewangan Berakhir 31 Disember

BIMB Syariah IncomePlus Fund	2023	2022	2021
Harga Unit (RM)			
NAB terendah seunit dalam tahun	1.0028	0.9877	1.0026
NAB terendah seunit dalam tahun	0.9845	0.9820	0.9807
Nilai Aset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada akhir tahun			
Jumlah NAB (RM)	136,684,594	112,648,157	11,771,973
Unit Dalam Edaran (UDE)	136,481,741	114,422,748	11,987,684
NAB seunit (RM)	1.0015	0.9845	0.9820
Jumlah Pulangan Dana (%)^(a)			
Pertumbuhan Modal (%) ^(b)	1.75	0.27	-1.89
Pulangan Pendapatan (%) ^(c)	1.81	1.65	1.45
Jumlah Pulangan Dana (%)	3.56	1.92	-0.44
Jumlah Agihan Kasar seunit (Sen) setahun	1.78	1.62	1.45
Jumlah Agihan Bersih seunit (Sen) setahun	1.78	1.62	1.45
Pengagihan bulanan - Januari			
NAB seunit sebelum Pengangihan (RM)	0.9867	0.9831	1.0020
NAB seunit selepas Pengangihan (RM)	0.9854	0.9827	1.0008
Pengagihan bulanan - Februari			
NAB seunit sebelum Pengangihan (RM)	0.9884	0.9841	0.9996
NAB seunit selepas Pengangihan (RM)	0.9869	0.9831	0.9981
Pengagihan bulanan - Mac			
NAB seunit sebelum Pengangihan (RM)	0.9897	0.9847	-
NAB seunit selepas Pengangihan (RM)	0.9882	0.9837	-
Pengagihan bulanan - April			
NAB seunit sebelum Pengangihan (RM)	0.9910	0.9852	0.9995
NAB seunit selepas Pengangihan (RM)	0.9895	0.9832	0.9974
Pengagihan bulanan - Mei			
NAB seunit sebelum Pengangihan (RM)	0.9923	0.9845	0.9996
NAB seunit selepas Pengangihan (RM)	0.9908	0.9832	0.9986
Pengagihan bulanan - Jun			
NAB seunit sebelum Pengangihan (RM)	0.9938	0.9850	1.0002
NAB seunit selepas Pengangihan (RM)	0.9923	0.9835	0.9985
Pengagihan bulanan - Julai			
NAB seunit sebelum Pengangihan (RM)	0.9956	0.9851	1.0014
NAB seunit selepas Pengangihan (RM)	0.9941	0.9836	1.0004
Pengagihan bulanan - Ogos			
NAB seunit sebelum Pengangihan (RM)	0.9969	0.9856	1.0026
NAB seunit selepas Pengangihan (RM)	0.9954	0.9841	1.0006
Pengagihan bulanan - September			
NAB seunit sebelum Pengangihan (RM)	0.9984	0.9863	1.0012
NAB seunit selepas Pengangihan (RM)	0.9969	0.9848	1.0002
Pengagihan bulanan - Oktober			
NAB seunit sebelum Pengangihan (RM)	1.0000	0.9869	0.9976
NAB seunit selepas Pengangihan (RM)	0.9985	0.9854	0.9961

BIMB Syariah IncomePlus Fund	2023	2022	2021
Pengagihan bulanan - November			
NAB seunit sebelum Pengangihan (RM)	1.0015	0.9880	0.9999
NAB seunit selepas Pengangihan (RM)	1.0000	0.9865	0.9984
Pengagihan bulanan - Disember			
NAB seunit sebelum Pengangihan (RM)	1.0029	0.9867	-
NAB seunit selepas Pengangihan (RM)	1.0014	0.9852	-
Nisbah Jumlah Perbelanjaan (NJP) (%)^(d)	0.19	0.22	0.21
Nisbah Pusing Ganti Portfolio (Kali)^{(e)*}	7.36	16.42	14.97

* NPGP bagi tahun kewangan berakhir 31 Disember 2023 lebih rendah berbanding tahun kewangan sebelumnya disebabkan oleh jumlah purata belian dan jualan Dana yang lebih rendah dalam tahun kewangan.

Nota:

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

1.7 Pegangan Unit pada 31 Disember 2023

Saiz Pegangan	BIMB Syariah IncomePlus Fund			
	Pemegang Unit		Pegangan Unit	
	Bilangan	%	Bilangan Unit	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	3	33.33	31,114.17	0.02
50,001 hingga 500,000	-			
500,001 dan ke atas	5	55.56	136,449,577.25	99.98
Unit yang dipegang oleh Pemegang Unit	8	88.89	136,480,691.42	100.00
Unit yang dipegang oleh Pengurus	1	11.11	1,050.06	0.00
Jumlah Keseluruhan Dana	9	100.00	136,481,741.48	100.00

1.8 Polisi Rebat dan Komisen Ringan (Bukan Tunai)

Sebarang rebat yang diterima oleh Pengurus akan dimasukkan ke dalam akaun Dana. Mana-mana komisen ringan (bukan tunai) yang diterima daripada broker dalam bentuk perkhidmatan penyelidikan dan khidmat nasihat bertujuan membantu proses membuat keputusan berkaitan dengan pelaburan Dana boleh disimpan oleh Pengurus.

Bagi tahun kewangan dalam kajian, Pengurus tidak menerima komisen ringan (bukan tunai) bagi pihak Dana, daripada broker dalam bentuk perkhidmatan penyelidikan dan khidmat nasihat yang bermanfaat untuk para Pemegang Unit Dana dan tiada pergolakan dagangan.

1.9 Kemaskini Perubahan

Perubahan dibuat dalam Memorandum Informasi Dana melalui terbitan Memorandum Informasi Tambahan Pertama Bertarikh 30 November 2023.

Pemegang Unit boleh melihat perincian penuh perubahan yang dibuat kepada Memorandum Informasi Dana tersebut di <https://www.bimbinvestment.com.my/funds/bimb-shariah-incomeplus-fund>.

Untuk dan bagi pihak Pengurus

BIMB INVESTMENT MANAGEMENT BERHAD

Tarikh: 29 Februari 2024

Nota:

Laporan ini telah diterjemahkan daripada laporan asal (dalam Bahasa Inggeris). Jika terdapat perbezaan, sila rujuk kepada laporan Bahasa Inggeris.

2.0 DIRECTORS' DECLARATION REPORT

TO THE UNIT HOLDERS OF **BIMB SHARIAH INCOMEPLUS FUND** ("Fund")

We, being the Directors of BIMB Investment Management Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance, changes in equity and cash flows for the financial year then ended in accordance with the provisions of Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf on the Board of Directors,

.....
DATO' DR. MOHAMAD ZABIDI AHMAD

Director

.....
AZDINI NOR AZMAN

Director

Kuala Lumpur, Malaysia
29 February 2024

3.0 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF **BIMB SHARIAH INCOMEPLUS FUND** ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **BIMB Investment Management Berhad** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflect the investment objective of the Fund.

For and on behalf of
CIMB Islamic Trustee Berhad

.....
DATIN EZREEN ELIZA ZULKIPLEE
Chief Executive Officer

Kuala Lumpur, Malaysia
29 February 2024

4.0 SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF **BIMB SHARIAH INCOMEPLUS FUND ("FUND")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, BIMB Investment Management Berhad has operated and managed the Fund for the period covered by these financial statements namely, the year ended 31 December 2023, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

.....
NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur, Malaysia
29 February 2024

5.0 INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF BIMB SHARIAH INCOMEPLUS FUND

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of BIMB Shariah IncomePlus Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information, as set out on pages 22 to 50.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF BIMB SHARIAH INCOMEPLUS FUND (CONTINUED)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF BIMB SHARIAH INCOMEPLUS FUND (CONTINUED)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BIMB SHARIAH INCOMEPLUS FUND (CONTINUED)**

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
29 February 2024

6.0 FINANCIAL STATEMENTS (AUDITED)

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
INVESTMENT INCOME			
Profit income from unquoted sukuk at fair value through profit or loss		391,771	91,000
Profit income from Islamic deposits with licensed Islamic financial institutions at fair value through profit or loss		4,230,930	646,097
Realised gain/(loss) on disposal of financial instrument at fair value through profit or loss	7	-	-
Unrealised (loss)/gain from financial instruments at fair value through profit or loss	7	(3,954)	1,941
Other income		19,799	-
		<u>4,638,546</u>	<u>739,038</u>
EXPENSES			
Management fee	4	187,471	48,619
Trustee's fee	5	37,494	12,000
Audit fee		11,782	9,900
Tax agent's fee		1,166	1,500
Shariah Adviser's fee		3,500	-
Administrative expenses		415	228
		<u>241,828</u>	<u>72,247</u>
PROFIT BEFORE TAXATION		4,396,718	666,791
Taxation	6	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>4,396,718</u>	<u>666,791</u>
Total comprehensive income for the year consist of:			
Realised amount		4,400,672	664,850
Unrealised amount		(3,954)	1,941
		<u>4,396,718</u>	<u>666,791</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Distribution for the financial year	10		
Distribution on 27 January 2023 / 28 January 2022			
Net distributions		<u>157,984</u>	<u>14,191</u>
Net distributions per unit (sen)		<u>0.13</u>	<u>0.04</u>
Gross distributions per unit (sen)		<u>0.13</u>	<u>0.04</u>
Distribution on 28 February 2023 / 25 February 2022			
Net distributions		<u>180,575</u>	<u>36,509</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.10</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.10</u>
Distribution on 29 March 2023 / 30 March 2022			
Net distributions		<u>181,718</u>	<u>36,153</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.10</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.10</u>
Distribution on 27 April 2023 / 29 April 2022			
Net distributions		<u>183,356</u>	<u>74,414</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.20</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.20</u>
Distribution on 26 May 2023 / 27 May 2022			
Net distributions		<u>196,871</u>	<u>45,827</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.13</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.13</u>
Distribution on 26 June 2023 / 30 June 2022			
Net distributions		<u>182,526</u>	<u>52,945</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Distribution on 31 July 2023 / 27 July 2022			
Net distributions		<u>185,360</u>	<u>52,999</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Distribution on 29 August 2023 / 26 August 2022			
Net distributions		<u>184,355</u>	<u>51,554</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Distribution for the financial year (continued)	10		
Distribution on 29 September 2023 / 28 September 2022			
Net distributions		<u>203,074</u>	<u>67,886</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Distribution on 31 October 2023 / 27 October 2022			
Net distributions		<u>202,332</u>	<u>52,751</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Distribution on 30 November 2023 / 29 November 2022			
Net distributions		<u>201,678</u>	<u>51,627</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Distribution on 28 December 2023 / 27 December 2023			
Net distributions		<u>203,818</u>	<u>19,243</u>
Net distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>
Gross distributions per unit (sen)		<u>0.15</u>	<u>0.15</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	100,227	266,854
Financial assets at fair value through profit or loss (Shariah-compliant)	7	134,887,957	12,417,967
Amount due from Manager		<u>1,732,168</u>	<u>100,000,000</u>
TOTAL ASSETS		<u>136,720,352</u>	<u>112,684,821</u>
LIABILITIES			
Accrued management fee		16,092	1,962
Amount due to Trustee		3,218	2,669
Audit fee payable		11,782	9,900
Tax agent's fee payable		1,166	3,000
Shariah Adviser's fee payable		3,500	-
Other payables		-	19,133
TOTAL LIABILITIES		<u>35,758</u>	<u>36,664</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>136,684,594</u>	<u>112,648,157</u>
EQUITY			
Unit holders' capital	9	135,145,249	113,241,883
Retained earning/(accumulated loss)		1,539,345	(593,726)
NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS		<u>136,684,594</u>	<u>112,648,157</u>
NUMBER OF UNITS IN CIRCULATION	9	136,481,741	114,422,748
NET ASSET VALUE PER UNIT (SEN)		<u>100.15</u>	<u>98.45</u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unit holders' capital RM	Retained earning/ (accumulated loss) RM	Total RM
<u>2023</u>				
As at 1 January 2023		113,241,883	(593,726)	112,648,157
Movement in unit holders' contributions:				
- Creation of units from applications	9	35,061,008	-	35,061,008
- Creation of units from distribution	9	2,263,647	-	2,263,647
- Cancellation of units	9	(15,421,289)	-	(15,421,289)
Distribution	10	-	(2,263,647)	(2,263,647)
Total comprehensive income for the financial year		-	4,396,718	4,396,718
Balance as at 31 December 2023		135,145,249	1,539,345	136,684,594
<u>2022</u>				
As at 1 January 2022		12,476,391	(704,418)	11,771,973
Movement in unit holders' contributions:				
- Creation of units from applications	9	137,236,456	-	137,236,456
- Creation of units from distribution	9	556,099	-	556,099
- Cancellation of units	9	(37,027,063)	-	(37,027,063)
Distribution	10	-	(556,099)	(556,099)
Total comprehensive income for the financial year		-	666,791	666,791
Balance as at 31 December 2022		113,241,883	(593,726)	112,648,157

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Placement of Islamic deposit with licensed Islamic financial institution		(966,531,086)	(525,352,565)
Proceeds from maturity of Islamic deposits with licensed Islamic financial institution		855,493,865	524,268,656
Profit income received from Islamic deposit with licensed Islamic financial institution		3,016,074	621,617
Proceed from sale and maturity of unquoted sukuk		5,000,000	5,390,815
Proceed from sale and maturity commercial paper		19,820,616	9,940,644
Profit income from unquoted sukuk		246,588	-
Realised gain on disposal of financial instrument at fair value through profit or loss		-	59,356
Purchase of Islamic commercial paper		(14,861,301)	(14,899,959)
Purchase of unquoted sukuk		(20,036,000)	-
Management fee paid		(173,341)	(49,454)
Trustee fee paid		(36,945)	(9,890)
Audit fee paid		(9,900)	(9,900)
Tax agent fee paid		(1,166)	(1,000)
Payment for administrative expenses		(1,582)	(1,514)
NET CASH USED IN OPERATING ACTIVITIES		<u>(118,074,178)</u>	<u>(43,194)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds for creation of units		133,328,840	37,236,456
Cash payment for cancellation of units		<u>(15,421,289)</u>	<u>(37,027,063)</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES		<u>117,907,551</u>	<u>209,393</u>
Net (decrease)/increase in cash and cash equivalents		(166,627)	166,199
Cash and cash equivalents at beginning of the financial year		<u>266,854</u>	<u>100,655</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>100,227</u></u>	<u><u>266,854</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash at bank	8	<u><u>100,227</u></u>	<u><u>266,854</u></u>

The accompanying notes to the financial statements form an integral part of these financial statements.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 INFORMATION ON THE FUND

BIMB Shariah IncomePlus Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 15 May 2020 between the Manager - BIMB Investment Management Berhad and the Trustee – CIMB Islamic Trustee Berhad (hereinafter referred to as “the Fund”).

The principal activity of the Fund is to invest in authorised investments as defined in the Deed, which include short term Islamic money market instruments, Islamic deposits, Islamic investment accounts, Islamic commercial papers, Sukuk and Malaysian Government Investment Issues.

The Manager, BIMB Investment Management Berhad, a company incorporated in Malaysia, is a subsidiary of Bank Islam Malaysia Berhad.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

(a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss (“FVTPL”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported year.

It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(j) to the financial statements.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

- (i) Standards, amendments to published standards and interpretations to existing standard that are effective:

There are no other standards, amendments to standards or interpretations that are effective for the annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Fund.

- (ii) Standards and amendments that have been issued but not yet effective:

A number of new standards, and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2023. None of these are expected to have a significant effect on the financial statements of the Fund, except the following set out below:

Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting year. Classification is unaffected by the Fund's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting year beginning on or after 1 January 2024.

The amendment shall be applied retrospectively.

(b) Financial assets

- (i) Recognition and initial 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 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.

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 year following the change of the business model.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets (continued)

(i) Recognition and initial measurement (continued)

The Fund categorises financial instruments as follows:

(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 2 (b)(iv)) where the effective profit rate is applied to the amortised cost.

(b) Fair value through profit or loss

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

Islamic deposits with licensed Islamic financial institutions are stated at fair value. Due to the short term nature of the Islamic deposits, the cost plus accrued profit calculated based on the effective profit rate method over the period from the date of placement to the date of maturity of the respective Islamic deposits is the reasonable estimate of fair value.

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

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets (continued)

(ii) Financial instrument categories and subsequent measurement

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(b)(iv)).

(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 expired 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 expired. 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.

(iv) Impairment for assets carried at amortised cost

The Fund measures credit risk and expected credit loss (“ECL”) using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 90 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Financial assets (continued)

(iv) Impairment for assets carried at amortised cost (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

(c) Financial liabilities

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.

(d) Income recognition

Profit income from Islamic deposits with licensed Islamic financial institutions and Sukuk is recognised as it accrues, using the effective profit method in profit or loss.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gains or losses on disposal of Shariah-compliant investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

(e) Cash and cash equivalents (Shariah-compliant)

Cash and cash equivalents (Shariah-compliant) consist of cash at bank and short term placements with licensed Islamic financial institutions which have insignificant risk of changes in fair value with original maturities of 3 months or less, and are used by the Fund in the management of its short term commitments.

Cash and cash equivalents (Shariah-compliant) are categorised and measured as amortised cost.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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 year, using tax rates enacted or substantively enacted at the statement of financial position date.

(g) Amount due from/(to) dealers

Amount due from and to dealers represent receivables for Shariah-compliant investment sold and payables for Shariah-compliant investment purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from dealers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from dealer at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the dealers, probability that the dealers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

(h) Unit holders' capital

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

Units are created and cancelled at the unit holder'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 unit holders' with the total number of outstanding units. In accordance with the Securities Commission's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework 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.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Unit holders' capital (continued)

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

(i) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

(j) Use of estimates and judgements

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

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

Estimate of fair value of unquoted sukuk

In undertaking any of the Fund's Shariah-compliant investments, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's guidelines on Unit Trust Funds in Malaysia.

Ringgit-denominated unquoted Sukuk are valued using fair value prices quoted by a BPA. Where the Manager is of the view that the price quoted by BPA for a specific unquoted Sukuk differs from the market price by more than 20 bps, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price

(k) Distribution

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution to unit holders is recognised in the statement of changes in equity upon approval by the Trustee.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments of the Fund are as follows:

	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at amortised <u>cost</u> RM	<u>Total</u> RM
<u>2023</u>			
Cash and cash equivalents (Shariah-compliant)	-	100,227	100,227
Unquoted sukuk	15,210,814	-	15,210,814
Islamic deposit with licensed Islamic financial institution	119,677,143	-	119,677,143
Amount due from Manager	-	1,732,168	1,732,168
	<u>134,887,957</u>	<u>1,832,395</u>	<u>136,720,352</u>
<u>2022</u>			
Cash and cash equivalents (Shariah-compliant)	-	266,854	266,854
Unquoted Islamic commercial paper	4,992,900	-	4,992,900
Islamic deposit with licensed Islamic financial institution	7,425,067	-	7,425,067
Amount due from Manager	-	100,000,000	100,000,000
	<u>12,417,967</u>	<u>100,266,854</u>	<u>112,684,821</u>

All liabilities are financial liabilities which are carried at amortised cost.

The Fund aims to provide investors with regular income, whilst maintaining capital stability by investing primarily in short-term Islamic money market instruments, Islamic deposits and/or Islamic Investment Accounts with Islamic Financial Institutions.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and profit rate risk), credit risk, liquidity risk, capital risk and Shariah status reclassification risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and the Guidelines.

(a) Market risk

(i) Price risk

The Fund is exposed to price risk because of investments held by the Fund and classified as at fair value through profit or loss. Price risk is the risk that fair value of investment will fluctuate because of the changes in market prices (other than those arising from profit rate risk). Such fluctuation may cause the Fund's NAV and price of units to fall as well as rise, and income produced by the Fund may also fluctuate. The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deed.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The table below shows the financial instruments of the Fund which is exposed to price risk.

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss:		
- Unquoted sukuk*	15,210,814	-
- Unquoted commercial paper^	-	4,992,900
	<u>15,210,814</u>	<u>4,992,900</u>

* Includes profit receivable of RM191,219 (2022: RMNil)

^ Includes profit receivable of RMNil (2022: RMNil)

The following table summarises the sensitivity of the Fund's profit or loss before taxation and NAV to movement in prices of unquoted sukuk and unquoted commercial paper at the end of each reporting year. The analysis is based on the assumptions that market price increased and decreased by 5% (2022: 5%) with all other variables held constant and that fair value of the Fund's investments move according to the historical correlation of the index. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit or loss before taxation/NAV RM
<u>2023</u>		
Unquoted sukuk*	5	750,980
<u>2022</u>		
Unquoted commercial paper*	5	249,645

(ii) Profit rate risk

In general, when profit rates rise, unquoted Sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold unquoted Sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Profit rate risk (continued)

Investors should note that the movement in prices of unquoted Sukuk are correlated to the movement in profit rates. As such, the investments in unquoted Sukuk are exposed to the movement of the profit rates. The profit rate referred herein is to the general profit rate of the country, which may affect the value of the investment of the Fund. However, it does not in any way suggest that this Fund will invest in conventional financial instruments. All investments carried out for the Fund including placement and Islamic deposits are in accordance with Shariah.

This risk is crucial since unquoted Sukuk portfolio management depends on forecasting profit rate movements. Prices of unquoted Sukuk move inversely to profit rate movements, therefore as profit rates rise, the prices of unquoted Sukuk decrease and vice versa. Furthermore, unquoted Sukuk with longer maturity and lower yield profit rates are more susceptible to profit rate movements.

Such investments may be subject to unanticipated rise in profit rates which may impair the ability of the issuers to meet the obligation under the instrument, especially if the issuers are highly leveraged. An increase in profit rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of unquoted Sukuk held by the Fund as a result of movement in profit rate at the end of each reporting year. The analysis is based on the assumptions that the profit rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the profit rate, having regard to the historical volatility of the profit rate.

	<u>Change in profit rate</u> %	<u>Impact on profit/NAV</u> RM
<u>2023</u>		
- Unquoted sukuk	+1	10,473
	<u>-1</u>	<u>10,293</u>

The Fund's exposure to profit rates associated with Islamic deposits with licensed Islamic financial institutions is not material as the Islamic deposits are held on short-term basis.

(b) 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 cash and cash equivalents (Shariah-compliant), unquoted Sukuk, amount due from dealer and amount due from Manager.

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.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents (Shariah- compliant) RM	Financial asset at fair value through profit or loss RM	Amount due from Manager RM	Total RM
<u>2023</u>				
Finance				
- AAA	100,227	18,644,679	-	18,744,906
- AA1	-	9,221,918	-	9,221,918
- AA2	-	32,312,086	-	32,312,086
- AA3	-	35,669,744	-	35,669,744
- A1	-	16,708,026	-	16,708,026
- A2	-	7,120,690	-	7,120,690
Unquoted sukuk				
- AAA IS (S)	-	5,108,066	-	5,108,066
- AAA (S)	-	5,069,118	-	5,069,118
- AA2	-	5,033,630	-	5,033,630
Others				
- Not-rated	-	-	1,732,168	1,732,168
	<u>100,227</u>	<u>134,887,957</u>	<u>1,732,168</u>	<u>136,720,352</u>

	Cash and cash equivalents (Shariah- Compliant) RM	Financial asset at fair value through profit or loss RM	Amount due from Manager RM	Total RM
<u>2022</u>				
Finance				
- AAA	266,854	-	-	266,854
- A2	-	2,170,698	-	2,170,698
- A3	-	5,254,369	-	5,254,369
- MARC-1 IS	-	4,992,900	-	4,992,900
Others				
- Not-rated	-	-	100,000,000	100,000,000
	<u>266,854</u>	<u>12,417,967</u>	<u>100,000,000</u>	<u>112,684,821</u>

All the financial assets of the Fund as at end of the financial year are neither past due nor impaired.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) 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 other payables which are due within one year.

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

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<u>2023</u>			
Accrued management fee	16,092	-	16,092
Amount due to Trustee	3,218	-	3,218
Audit fee payable	-	11,782	11,782
Tax agent's fee payable	-	1,166	1,166
Shariah Adviser's fee payable	-	3,500	3,500
	<u>19,310</u>	<u>16,448</u>	<u>35,758</u>
<u>2022</u>			
Accrued management fee	1,962	-	1,962
Amount due to Trustee	2,669	-	2,669
Audit fee payable	-	9,900	9,900
Tax agent's fee payable	-	3,000	3,000
Other payables	-	19,133	19,133
	<u>4,631</u>	<u>32,033</u>	<u>36,664</u>

(d) Capital risk management

The Fund's capital is represented by the unit holders' capital 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.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Shariah status reclassification risk

This risk refers to the risk of a possibility that the currently held Islamic deposits or Islamic money market instruments or sukuk invested by the Fund may be reclassified or declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such investments. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the said investments.

(f) Fair value estimation

Fair value is defined 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 (i.e. an exit price).

The fair value of financial assets traded in active markets (such as trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- Unquoted sukuk	-	15,210,814	-	15,210,814
- Islamic deposit with licensed Islamic financial institution	-	119,677,143	-	119,677,143
	<u>-</u>	<u>134,887,957</u>	<u>-</u>	<u>134,887,957</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- Unquoted Islamic commercial paper	-	4,992,900	-	4,992,900
- Islamic deposit with licensed Islamic financial institution	-	7,425,067	-	7,425,067
	<u>-</u>	<u>12,417,967</u>	<u>-</u>	<u>12,417,967</u>

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted Sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b) and 2(j).

The carrying values of cash and cash equivalents (Shariah-compliant) and amount due from Manager and all liabilities are a reasonable approximation of their fair values due to their short-term nature.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 MANAGEMENT FEE

The manager's fee payable to the Manager of the Fund is based on 0.15% (2022: 0.15%) per annum of the net asset value of the Fund calculated on a daily basis.

There will be no further liability to the Manager in respect of management fee other than amounts recognised above.

5 TRUSTEE'S FEE

The trustee's fee is payable to the trustee of the Fund is based on 0.03% (2022: 0.03%) per annum of the net asset value of the Fund, calculated on a daily basis subject to a minimum fee of RM12,000 per annum.

6 TAXATION

	<u>2023</u> RM	<u>2022</u> RM
Taxation		
- Current taxation	-	-

A numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	<u>2023</u> RM	<u>2022</u> RM
Profit before taxation	<u>4,396,718</u>	<u>666,791</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	1,055,212	160,029
Tax effects of:		
- Investment income not subject to tax	(1,108,499)	(177,368)
- Expenses not deductible for tax purposes	10,218	3,240
- Restrictions on the tax deductible expenses for unit trust funds	<u>43,069</u>	<u>14,099</u>
	-	-

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss		
- Unquoted sukuk	15,210,814	-
- Unquoted Islamic commercial paper	-	4,992,900
- Islamic deposit with licensed financial institution*	119,677,143	7,425,067
	<u>134,887,957</u>	<u>12,417,967</u>
Net gain/(loss) on financial asset at fair value through profit or loss:		
- Realised gain/(loss) on disposals	-	-
- Net unrealised (loss)/gain on fair value movement	(3,954)	1,941
	<u>(3,954)</u>	<u>1,941</u>

* Islamic deposit with licensed financial institution includes profit receivable of RM1,239,738 (2022: RM24,882).

Weighted average rates of return are as follows:

	<u>2023</u> %	<u>2022</u> %
Islamic deposit with licensed Islamic financial institution	<u>3.93</u>	<u>3.45</u>

Islamic deposits have an average maturity of 100 days (2022: 8 days).

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Details of unquoted sukuk paper as at 31 December 2023 are set out as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
Unquoted Islamic commercial paper:				
<u>Financial</u>				
RHBA 4.320% 21.05.2029 (Series 3) (AA2)	5,000,000	5,036,079	5,033,630	3.68
<u>Infrastructure</u>				
PLUS BERHAD IMTN 4.560% 12.01.2024 -Sukuk PLUS T2 (Not- rated)	5,000,000	5,108,163	5,108,066	3.74
<u>Transportation</u>				
TOYOTA CAP IMTN 3.300% 26.01.2024 - IMTN 5 (AAA)	5,000,000	5,069,037	5,069,118	3.71
Total unquoted sukuk as at 31 December 2023	15,000,000	15,213,279	15,210,814	11.13
Accumulated unrealised loss on financial assets at fair value through profit or loss		(2,465)		
Total unquoted sukuk at fair value through profit or loss		15,210,814		

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT) (CONTINUED)

Details of unquoted Islamic commercial paper as at 31 December 2022 are set out as follows:

<u>Name of issuer</u>	<u>Nominal value</u> RM	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
Unquoted Islamic commercial paper:				
<u>Financial</u>				
SME BANK ICP 90D 19.01.2023 (S004/T001)	5,000,000	4,990,959	4,992,900	4.43
Total unquoted Islamic commercial paper as at 31 December 2022	<u>5,000,000</u>	4,990,959	<u>4,992,900</u>	<u>4.43</u>
Accumulated unrealised gain on financial assets at fair value through profit or loss		<u>1,941</u>		
Total unquoted Islamic commercial paper at fair value through profit or loss		<u>4,992,900</u>		

8 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>2023</u> RM	<u>2022</u> RM
Cash at bank	<u>100,227</u>	<u>266,854</u>

9 UNIT HOLDERS' CAPITAL

	<u>No of units</u>	<u>RM</u>
As at 1 January 2023	114,422,748	113,241,883
Creation of units from applications	35,322,142	35,061,008
Creation of units from distribution	2,278,347	2,263,647
Cancellation of units	(15,541,496)	(15,421,289)
As at 31 December 2023	<u>136,481,741</u>	<u>135,145,249</u>
As at 1 January 2022	11,987,685	12,476,391
Creation of units from applications	139,413,691	137,236,456
Creation of units from distribution	565,060	556,099
Cancellation of units	(37,543,688)	(37,027,063)
As at 31 December 2022	<u>114,422,748</u>	<u>113,241,883</u>

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

10 DISTRIBUTION

	<u>2023</u> RM	<u>2022</u> RM
Distribution to unit holders is from the following sources:		
Profit income from Shariah-compliant investment	2,480,431	606,800
Less:		
Expenses	<u>(216,784)</u>	<u>(50,701)</u>
Net distribution amount	<u>2,263,647</u>	<u>556,099</u>
GROSS/NET DISTRIBUTION PER UNIT (SEN)		
Distribution on 27 January 2023 / 28 January 2022	<u>0.13</u>	<u>0.04</u>
Distribution on 28 February 2023 / 25 February 2022	<u>0.15</u>	<u>0.10</u>
Distribution on 29 March 2023 / 30 March 2022	<u>0.15</u>	<u>0.10</u>
Distribution on 27 April 2023 / 29 April 2022	<u>0.15</u>	<u>0.20</u>
Distribution on 26 May 2023 / 27 May 2022	<u>0.15</u>	<u>0.13</u>
Distribution on 26 June 2023 / 30 June 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 31 July 2023 / 27 July 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 29 August 2023 / 26 August 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 29 September 2023 / 28 September 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 31 October 2023 / 27 October 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 30 November 2023 / 29 November 2022	<u>0.15</u>	<u>0.15</u>
Distribution on 28 December 2023 / 27 December 2023	<u>0.15</u>	<u>0.15</u>

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current financial years' realised gain.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

During the financial year ended 31 December 2023, the Fund incurred unrealised loss of RM3,954 (2022: unrealised gain of RM1,941).

As at 31 December 2023, the Fund has accumulated unrealised loss of RM2,465 (2022: unrealised gain of RM1,941).

Distributions are automatically reinvested into the Fund (by issuing additional units) based on the net asset value per unit on the distribution date, unless the unit holders specifically request for cash distribution.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 TOTAL EXPENSE RATIO (“TER”)

	<u>2023</u>	<u>2022</u>
	%	%
TER	<u>0.19</u>	<u>0.22</u>

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E + F)}{G} \times 100$$

A	=	Management fee
B	=	Trustee's fees
C	=	Audit fee
D	=	Tax agent's fee
E	=	Shariah Adviser's fee
F	=	Other expenses including Sales and Services Tax (“SST”) on transaction costs
G	=	Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM125,420,673 (2022: RM32,721,077).

12 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2023</u>	<u>2022</u>
PTR (times)	<u>7.36</u>	<u>16.42</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year})}{\text{Average NAV of the Fund for the financial year calculated on a daily basis}} \div 2$$

where:

total acquisition for the financial year = RM986,567,086 (2022: RM540,252,524)

total disposal for the financial year = RM860,504,365 (2022: RM530,209,300)

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
BIMB Investment Management Berhad	The Manager
Bank Islam Malaysia Berhad (“Bank Islam”)	Immediate holding company of the Manager
Directors of BIMB Investment Management Berhad	Directors of the Manager
Subsidiaries and associates of Bank Islam as disclosed in its financial statements	Subsidiaries and associate companies of the immediate holding company of the Manager
CIMB Islamic Trustee Berhad	Trustee of the Fund

The total number and value of units held legally or beneficially by parties related to the Manager are as follows:

	Units	<u>2023</u> RM	Units	<u>2022</u> RM
<u>The Manager</u>				
BIMB Investment Management Berhad	<u>1,050</u>	<u>1,052</u>	<u>1,031</u>	<u>1,015</u>
<u>Immediate holding company of the Manager</u>				
Bank Islam Malaysia Berhad	<u>101,726,552</u>	<u>101,879,142</u>	<u>101,574,403</u>	<u>100,000,000</u>
<u>Related company of the Manager</u>				
Syarikat Al-Ijarah Sdn Bhd	<u>12,367,922</u>	<u>12,386,474</u>	<u>-</u>	<u>-</u>

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The Manager is of the opinion that all transactions with the related companies have been entered into the normal course of business at agreed terms between the related parties.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Transactions during the financial year		Balance as at	
	<u>2023</u> RM	<u>2022</u> RM	<u>2023</u> RM	<u>2022</u> RM
<u>The Manager</u>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	1,732,168	100,000,000
- Management fee	187,471	48,619	(16,092)	(1,962)
<u>Immediate holding company of the Manager</u>				
Bank Islam Malaysia Berhad				
- Profit income from Islamic deposit	(688,866)	(234,090)	-	-
<u>Related company of the Manager</u>				
BIMB Securities Sdn Bhd				
- Shariah Adviser's fee	3,500	-	(3,500)	-
<u>The Trustee</u>				
CIMB Islamic Trustee Berhad				
- Trustee fee	37,494	12,000	(3,218)	(2,669)

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14 TRANSACTIONS WITH FINANCIAL INSTITUTION

Details of transaction with top 10 financial institution is as follows:

	Value of trade RM	Percentage of total trade %
<u>2023</u>		
Alliance Islamic Bank Berhad	238,523,635	23.99
MBSB Bank	230,044,020	23.14
Bank Islam Malaysia Berhad*	219,679,509	22.10
KAF Investment Bank Berhad	118,558,108	11.93
Bank Kerjasama Rakyat Malaysia Berhad	47,502,633	4.78
CIMB Islamic Bank Berhad	40,367,745	4.06
Al Rajhi Banking & Investment Corporation (M) Berhad	36,413,366	3.66
Kuwait Finance House (Malaysia) Berhad	29,363,000	2.95
Bank Simpanan Nasional	18,507,000	1.86
RHB Investment Bank Berhad	10,179,785	1.02
Other	5,073,514	0.51
	<u>994,212,315</u>	<u>100.00</u>
<u>2022</u>		
MBSB Bank	333,732,922	31.06
Alliance Islamic Bank Berhad	260,524,773	24.25
Bank Islam Malaysia Berhad*	205,326,866	19.11
CIMB Islamic Bank Berhad	207,317,756	19.30
Al Rajhi Banking & Investment Corporation (M) Berhad	47,678,219	4.44
Malayan Banking Berhad	19,881,288	1.85
	<u>1,074,461,824</u>	<u>100.00</u>

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

15 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- a) Local sukuk as per the list of sukuk available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and
- b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investment and/or instruments.

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Manager on 29 February 2024.

7.0 CORPORATE DIRECTORY

Manager	<p>BIMB Investment Management Berhad [Registration No.: 199301021508 (276246-X)]</p> <p>Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Business Office Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Board of Directors	<p>Datin Maznah Mahbob (Chairman Non-Executive Independent Director) – appointed wef 1 December 2022 Dato' Dr. Mohamad Zabidi Ahmad (Non-Executive Independent Director) Sharifah Sarah Syed Mohamed Tahir (Non-Executive Non-Independent Director) – appointed wef 1 March 2023 Mashitah Haji Osman (Non-Executive Independent Director) – appointed wef 1 April 2023 Azdini Nor Azman (Chief Executive Officer) – appointed wef 1 August 2023</p>
Shariah Adviser	<p>BIMB SECURITIES SDN BHD [Registration No.: 199401004484 (290163-X)]</p> <p>Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Business Office Level 34, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Investment Committee	<p>Khairul Muzamel Perera Abdullah (Chairman – Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Dato' Dr. Mohamad Zabidi Ahmad (Independent Member) – appointed wef 1 December 2022</p>
Board Audit & Risk Committee	<p>Dato' Dr. Mohamad Zabidi Ahmad (Chairman Non-Executive Independent Director) Sharifah Sarah Syed Mohamed Tahir (Non-Executive Non-Independent Director) – appointed wef 1 March 2023 Mashitah Haji Osman (Non-Executive Independent Director) – appointed wef 1 April 2023</p>
Company Secretary	<p>Maria Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Key Management	<p>Azdini Nor Azman (Chief Executive Officer) – appointed wef 1 August 2023 Bakri Jamaluddin (Chief Operating Officer) – appointed wef 1 April 2023 Nazifah Mohd Arshad (Head of Equity) – Appointed wef 27 December 2023 Mohd Shahir Seberi (Head of Fixed Income) – appointed wef 2 August 2023 Ahmad Razli Sabri (Head of Fund Operations & Administration) Noorsazreen Nordin (Head of Compliance)</p>

Principal Banker	Bank Islam Malaysia Berhad Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur
Trustee	CIMB Islamic Trustee Berhad [Registration No.: 198801000556 (167913-M)] Registered Office Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur Business Office Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470 Kuala Lumpur.
Auditor	PricewaterhouseCoopers PLT [Registration No.: LLP0014401-LCA & AF1146] Level 10, 1 Sentral Jalan Rakyat, Kuala Lumpur Sentral 50706 Kuala Lumpur
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
Distributors	Bank Islam Malaysia Berhad
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BIMB INVESTMENT

A BANK ISLAM
SUBSIDIARY

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