

BIMB DANA AL-FALAH

ANNUAL REPORT FOR THE FINANCIAL YEAR
ENDED 31 AUGUST 2023

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN
BERAKHIR 31 OGOS 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 Dana Al-Falah (the "Fund") for the financial year ended 31 August 2023.

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

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

1.2 Performance for the Financial Year Ended 31 August 2023

1.2.1 Performance review

For the financial year under review, the Fund registered a return of -1.78% as compared to its benchmark's return of 1.68%. The Fund did not manage to achieve its investment objective of providing income and capital appreciation due to the challenging equity market conditions in Malaysia as the FBM KLCI Index was one of Asia's worst performing bourse in 1H of 2023.

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

The Fund's strategy had been focusing on well-established companies that had resilient earnings quality as well as carrying good prospects for earnings growth which offered good potential for share price appreciation in the future.

As at 31 August 2023, the Fund had 79.36% exposure in Shariah-compliant equities and the remaining in cash and cash equivalents. In terms of total Net Asset Value (NAV), the Fund size as at 31 August 2023 was at RM2.26 million, as compared to RM2.46 million as at the previous financial year end.

During the financial year under review, the Fund had not undertaken any securities lending or repurchase transactions nor cross trade transactions. There was no significant change to the state of affairs of the Fund and no circumstances that materially affect the interests of Unit Holders had occurred up to the date of this Manager's Report.

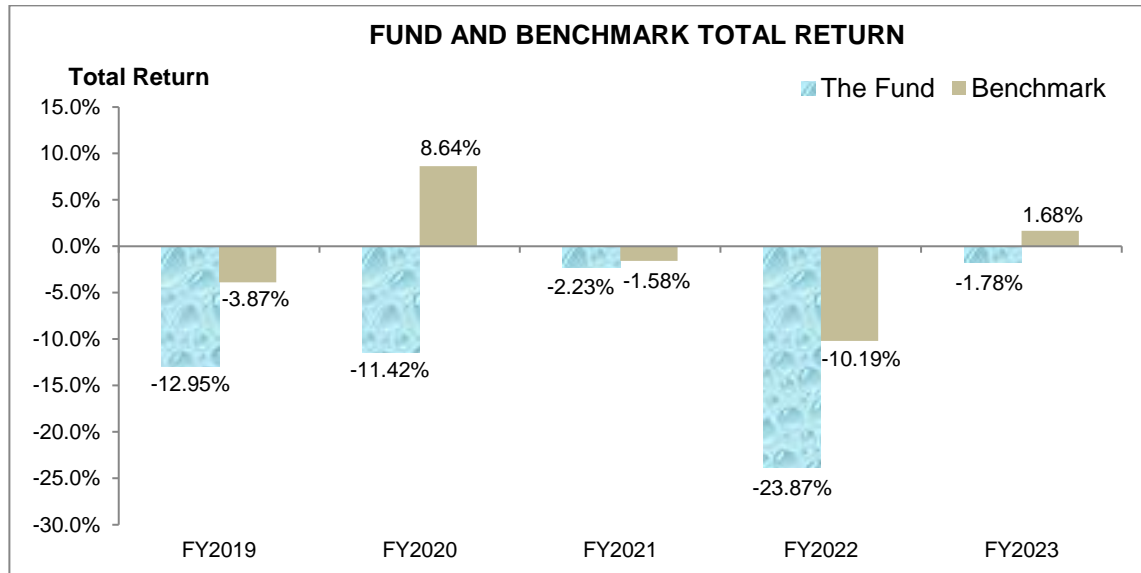
1.2.2 Total Return and Average Total Return for the Financial Year Ended 31 August 2023

Period	BIMB Dana Al-Falah		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-1.78	-1.78	1.68	1.68
3-Year	-26.90	-8.97	-10.12	-3.37
5-Year	-43.63	-8.73	-6.14	-1.22

1.2.3 Annual Total Return for the Previous Financial Years

Financial Years	Annual Total Return	
	BIMB Dana Al-Falah (%)	Benchmark (%)
FY2023	-1.78	1.68
FY2022	-23.87	-10.19
FY2021	-2.23	-1.58
FY2020	-11.42	8.64
FY2019	-12.95	-3.87
FY2018	1.53	1.50

Figure 1: Movement of the Fund versus the Benchmark



Data Source : BIMB Investment Management Berhad
Data Verified : Novagni Analytics & Advisory Sdn. Bhd.
Benchmark : 70:30 ratio of the FBM Emas Shariah Index and 12-month Term Deposit-i Tawarruq (TDT-i) of Bank Islam Malaysia Berhad

Notes:

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

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

The calculation of average total return was based on method 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 Economic and Market Review

1.3.1 Economy

Global

The United States (US) economy accelerated 2.6% year-on-year during the second quarter of 2023, up from 1.8% in the first quarter and 0.9% in the preceding period.

The Euro zone economy grew by 0.6% year-on-year in the second quarter of 2023, easing from a 1.1% expansion in the previous period but slightly surpassing market consensus of 0.5%, a preliminary estimate showed.

The China economy expanded by 6.3% year-on-year in the second quarter of 2023, showing faster growth compared to the 4.5% recorded in the first quarter, but falling short of market estimated of 7.3%. For the first half of 2023, the economy had grown by 5.5%.

(Source: Trading Economics)

Local

The Malaysian economy grew by 2.9% in the second quarter of 2023, decelerating sharply from a 5.6% growth in the previous quarter, due to weaker external demand amid a global technology downcycle, lower commodity production and a high base effect from the second quarter of 2022.

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

1.3.2 Equity Market Review

FTSE Bursa Malaysia EMAS Shariah Index (FBM Shariah) commenced the year under review at 10,813.46 points on 30 August 2022. Subsequently, it declined to a low of 9,767.64 points on 13 October 2022 before increasing to the highest level of 11,212.27 points on 3 February 2023 and closing at 10,920.64 points on 30 August 2023. For the financial year under review, FBM Shariah increased by 107 points or 0.99%.

Sukuk Market and Money Market

Global

For the year under review, US treasury yields turned higher as it became evident that the market anticipated the hawkish stance by the Fed. US treasury yields moved higher due to mostly hawkish narrative from the Fed. At the Jackson Hole Symposium, Fed chair Jerome Powell reiterated that the Fed may be ready to raise rates and hold at an elevated level until inflation shown sign of slowing towards the Fed's 2% target.

Local

The local bond market witnessed a bull-flattening of the Malaysian Government Securities (MGS) curve during the period under review amid a continuation in Bank Negara Malaysia (BNM)'s Monetary Policy tightening in May, demand for duration and increased participation by onshore institutional and non-resident investors.

BNM raised the Overnight Policy Rate (OPR) by 25bps to 3.00% in May 2023, after putting a halt to two (2) consecutive pauses in January and March 2023 and paused in July 2023 Monetary Policy Committee (MPC) meeting. The rate hike generally surprised the markets but was in line with market consensus view for a 25bps hike. The rate hike decision was premised on resilient domestic growth outlook, no signs of excessive tightening that was affecting consumption and investment activities, risks to domestic growth outlook was fairly balanced and upside risks to inflation.

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

1.4 Market Outlook and Strategy

Equity

As the COVID-19 pandemic is entering an endemic phase, most countries around the world including Malaysia will have to adopt a new strategy that is to live with the virus with yearly vaccination booster drive for its vaccinated population. While the Omicron strain continues to evolve along with the emergence of Monkeypox virus, full lockdown implemented in the past during the early stage of the pandemic seems to be off the table for now.

The war between Russia and Ukraine as well as rising COVID-19 cases and rising interest rates remains a key risk to the global market. The Fund will continue to focus on growth-oriented and economy re-opening beneficiaries to capture NAV upside potential within the medium-term horizon.

With the conclusion of six (6) states election in August, Malaysia can now enjoy a more stable political situation and thus allowing the federal government to implement more infrastructure related project in the next 3-year. The Fund also plans to increase its exposure in property sector to benefit from this trend in the future.

Sukuk Market and Money Market

BNM is expected to maintain the OPR in their final two (2) meetings for 2023 which will be held in September and November. However, the future stance of Monetary Policy will remain data dependent on the market condition.

Our current strategy is to extend the duration of investments in Islamic money market instruments with the expectation of OPR unchanged and a rate cut next year.

1.5 Asset Allocation

BIMB Dana Al-Falah	2023 (%)	2022 (%)	2021 (%)	2020 (%)
Investment in Islamic Collective Investment Scheme				
BIMB-Arabesque i Global Dividend Fund 1 - RM Class	-	-	-	19.64
Investment in quoted Shariah-compliant Securities in Malaysia				
Construction	2.55	-	-	2.10
Consumer products & services	15.70	22.75	7.30	11.01
Energy	-	-	-	3.06
Financial	-	-	-	5.08
Health care	9.43	-	-	10.02
Industrial products & services	4.92	9.89	29.50	6.01
Property	9.90	1.94	5.05	1.72
Technology	29.19	44.37	38.66	3.98
Telecommunications & media	5.72	-	-	2.80
Transportation & logistic	-	-	-	2.44
Utilities	1.95	-	-	-
	79.36	78.95	80.51	67.86
Shariah-compliant Cash and Short Term Investments:	20.64	21.05	19.49	32.14
	100.00	100.00	100.00	100.00

1.6 Other Performance Data for the Financial Year Ended 31 August

BIMB Dana Al-Falah	2023	2022	2021	2020
Unit Prices (MYR)				
Highest NAV per unit for the year	0.2602	0.3463	0.3546	0.3915
Lowest NAV per unit for the year	0.2312	0.2276	0.3056	0.2990
Net Asset Value (NAV) and Units in Circulation (UIC) as at the end of the year				
Total NAV (MYR)	2,261,541	2,456,332	3,293,627	4,442,568
Units in Circulation (UIC)	9,341,290	9,963,825	10,171,114	13,414,857
NAV per unit (MYR)	0.2421	0.2465	0.3238	0.3312
Total Return of the Fund (%)				
Capital Growth (%) ^(b)	-1.78	-23.87	-2.23	-11.42
Income Return (%) ^(c)	-	-	-	-
Return of the Fund (%)^(a)	-1.78	-23.87	-2.23	-11.42
Total Expense Ratio (TER) (%)^(d)	3.13	3.29	2.74	2.81
Portfolio Turnover Ratio (PTR) (times)^{(e)*}	1.06	1.00	2.99	2.42

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

Note:

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

1.7 Unit Holdings as at 31 August 2023

Size of Holdings	BIMB Dana Al-Falah			
	No. of Unit Holders		No. of Units Held	
	No.	%	Unit	%
5,000 and below	962	86.12	985,329.15	10.55
5,001 to 10,000	51	4.57	363,017.30	3.89
10,001 to 50,000	91	8.15	1,954,691.47	20.93
50,001 to 500,000	12	1.07	1,480,746.16	15.85
500,001 and above	1	0.09	4,557,505.96	48.78
Units Held by Unit Holders	1,117	100.00	9,341,290.04	100.00
Grand Total for The Fund	1,117	100.00	9,341,290.04	100.00

1.8 Policy on Rebate and Soft Commission

Any rebates received by the Manager would be directed to the account of the Fund. Any soft commissions received from the brokers who were in the form of research and advisory services that assist in the decision-making process relating to the Fund's investment might be retained by the Manager.

For the financial year under review, the Manager had received on behalf of the Fund, soft commissions from brokers in the form of research and advisory services which were of demonstrable benefit to Unit holders of the Fund and the Manager also confirmed there was no churning of trades.

For and on behalf of

The Manager

BIMB INVESTMENT MANAGEMENT BERHAD

Date: 31 October 2023

1.0 LAPORAN PENGURUS

Para Pemegang Unit,

Kami dengan sukacitanya membentangkan Laporan Pengurus BIMB Dana Al-Falah (“Dana”) bagi tahun kewangan berakhir 31 Ogos 2023.

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

Nama Dana	BIMB Dana Al-Falah
Jenis Dana	Pertumbuhan
Kategori Dana	Aset Bercampur
Objektif Pelaburan Dana	<p>Objektif utama pelaburan Dana adalah untuk mencapai peningkatan modal pada harga unit dalam jangkamasa panjang dengan melabur dalam pelbagai portfolio ekuiti patuh Shariah, sukuk dan instrumen pasaran wang Islam. Sehubungan dengan itu, semua pendapatan pelaburan (jika ada) akan dilaburkan semula untuk pertumbuhan modal jangkamasa panjang berbanding pengagihan setiap tahun.</p> <p><i>Nota:</i> <i>Sebarang perubahan ketara kepada objektif pelaburan Dana memerlukan kelulusan daripada pemegang unit.</i></p>
Penanda Aras Dana	<p>Nisbah 70:30 Indeks FBM Emas Shariah dan kadar 12-bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad. Maklumat mengenai penanda aras yang dipilih dapat diperoleh dari laman web Bursa Malaysia dan laman web Bank Islam.</p> <p><i>Nota:</i> <i>Pelabur perlu ambil perhatian bahawa profil risiko Dana mungkin lebih tinggi daripada profil risiko penanda aras.</i></p>
Polisi Agihan Dana	<p>Pengagihan pendapatan* (jika ada) adalah sampingan.</p> <p><i>*Nota:</i> <i>Pengagihan pendapatan akan dilaburkan semula secara automatik. Oleh itu, Pemegang Unit akan menerima Unit tambahan daripada pelaburan semula pengagihan pendapatan.</i></p>

1.2 Prestasi bagi Tahun Kewangan Berakhir pada 31 Ogos 2023

1.2.1 Kajian Prestasi

Bagi tahun kewangan dalam kajian, Dana telah mencatatkan pulangan sebanyak -1.78% berbanding pulangan penanda arasnya sebanyak 1.68%. Dana ini tidak berjaya mencapai objektif pelaburannya untuk mencapai pendapatan dan peningkatan modal disebabkan oleh keadaan pasaran ekuiti Malaysia yang agak mencabar. Ini adalah disebabkan oleh indeks FBM KLCI yang telah menjadi salah satu pasaran Asia Pasifik yang merosot paling teruk pada setengah tahun pertama di 2023.

Penanda aras prestasi yang dipilih untuk Dana ini adalah berdasarkan nisbah 70:30 Indeks Syariah Emas FBM dan kadar Deposit-i Tawarruq (TDT-i) 12 bulan Bank Islam Malaysia Berhad.

Strategi Dana adalah untuk memberi tumpuan kepada syarikat-syarikat yang kukuh yang mempunyai kualiti pendapatan yang berdaya tahan serta mempunyai prospek yang baik untuk pertumbuhan pendapatan yang menawarkan potensi kenaikan harga saham pada masa hadapan.

Pada 31 Ogos 2023, Dana mempunyai 79.37% pendedahan dalam ekuiti patuh Syariah dan selebihnya dalam tunai dan setara tunai. Dari segi jumlah Nilai Aset Bersih (NAB), saiz Dana pada 31 Ogos 2023 adalah RM2.26 juta berbanding RM2.46 juta pada akhir tahun kewangan sebelumnya.

Sepanjang tahun kewangan dalam kajian, Dana tidak menjalankan sebarang pinjaman sekuriti atau transaksi pembelian semula mahupun transaksi perdagangan silang. Tiada perubahan ketara kepada hal ehwal Dana dan tidak berlaku keadaan yang secara material menjejaskan kepentingan Pemegang Unit sehingga tarikh Laporan Pengurus ini.

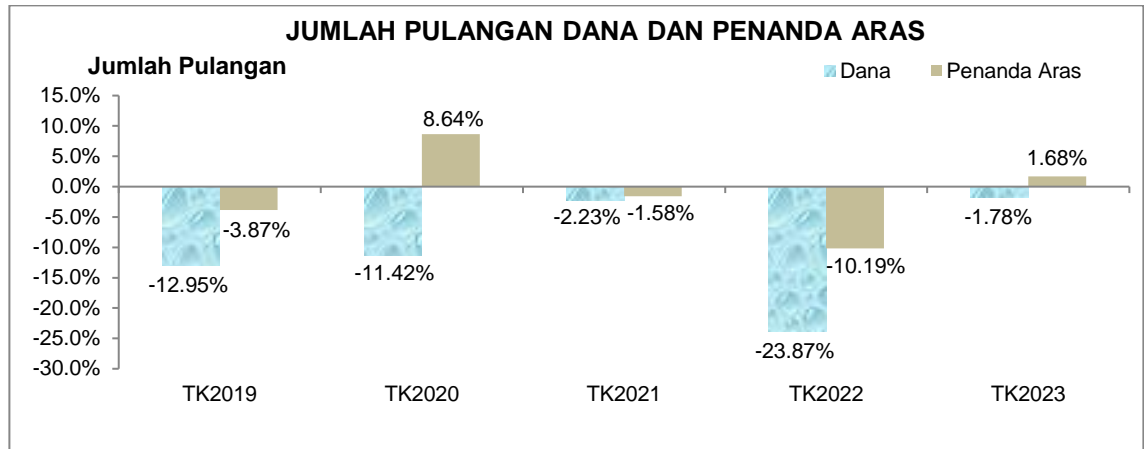
1.2.2 Jumlah Pulangan dan Purata Jumlah Pulangan bagi Tahun Kewangan Berakhir 31 Ogos 2023

Tempoh	BIMB Dana Al-Falah		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	-1.78	-1.78	1.68	1.68
3-Tahun	-26.90	-8.97	-10.12	-3.37
5-Tahun	-43.63	-8.73	-6.14	-1.22

1.2.3 Jumlah Pulangan bagi Tahun-Tahun Kewangan yang Lalu

Tahun Kewangan	Jumlah Pulangan	
	BIMB Dana Al-Falah (%)	Penanda Aras (%)
TK2023	-1.78	1.68
TK2022	-23.87	-10.19
TK2021	-2.23	-1.58
TK2020	-11.42	8.64
TK2019	-12.95	-3.87
TK2018	1.53	1.50

Rajah 1: Pergerakan Dana berbanding Penanda Aras



Sumber Data : BIMB Investment Management Berhad
 Data disahkan oleh : Novagni Analytics & Advisory Sdn. Bhd.
 Penanda Aras : Nisbah 70:30 Indeks FBM Emas Syariah dan 12 bulan Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad

Nota:

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

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

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

Harga unit dan pulangan pelaburan mungkin turun dan naik. Oleh itu, prestasi masa lalu tidak menjadi petunjuk prestasi masa hadapan.

1.3 Kajian Ekonomi dan Pasaran

1.3.1 Ekonomi

Global

Ekonomi Amerika Syarikat (AS) telah meningkat sebanyak 2.6% tahun-ke-tahun pada suku kedua tahun 2023, lebih tinggi berbanding 1.8% yang dicatatkan pada suku pertama dan 0.9% yang dicatatkan tempoh sebelumnya.

Ekonomi zon Euro telah meningkat sebanyak 0.6% tahun-ke-tahun pada suku kedua 2023 berdasarkan kiraan awal, iaitu lebih rendah berbanding pertumbuhan 1.1% yang dicatatkan pada suku sebelumnya, namun lebih tinggi berbanding jangkaan pertumbuhan pasaran sebanyak 0.5%.

Ekonomi negara China telah berkembang sebanyak 6.3% tahun-ke-tahun pada suku kedua tahun 2023, pertumbuhan yang lebih pantas berbanding 4.5% yang dicatat dalam suku pertama, tetapi lebih rendah berbanding anggaran pasaran sebanyak 7.3%. Bagi separuh tahun pertama 2023, ekonominya bertumbuh sebanyak 5.5%.

(Sumber: Bureau of Economic Analysis, CNBC, Trading Economics)

Lokal

Ekonomi Malaysia telah berkembang sebanyak 2.9% pada suku kedua 2023, meningkat lebih rendah berbanding daripada pertumbuhan 5.6% pada suku sebelumnya disebabkan kemerosotan permintaan Semicon dunia oleh kejatuhan permintaan produk teknologi, kadar pengeluaran komoditi yang lebih rendah dan kesan asas yang lebih tinggi pada suku kedua 2022.

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

1.3.2 Kajian Pasaran Ekuiti

Indeks FTSE Bursa Malaysia EMAS Shariah (FBM Shariah) memulakan tahun dalam kajian pada 10,813.46 mata pada 31 Ogos 2022. Selepas itu, ia merosot kepada paras terendah 9,767.64 mata pada 13 Oktober 2022 sebelum meningkat ke paras tertinggi 11,212.27 mata pada 3 Februari 2023 dan ditutup pada 10,920.64 mata pada 31 Ogos 2023. Bagi tahun kewangan dalam kajian, FBM Shariah naik sebanyak 107 mata atau 0.99%

Pasaran Sukuk dan Pasaran Wang

Global

Bagi tahun dalam kajian, hasil Sijil Perbendaharaan Amerika Syarikat (UST) meningkat, dan ini membuktikan bahawa pasaran menjangkakan pendirian Rizab Persekutuan Amerika Syarikat (Fed) menaikkan lagi kadar faedah Fed. Hasil UST meningkat lebih tinggi kerana naratif daripada Fed menjangkakan menaikkan lagi kadar Fed. Di Simposium Jackson Hole, pengerusi mengulangi bahawa Fed mungkin bersedia untuk menaikkan kadar dan mengekalkannya pada tahap yang tinggi sehingga inflasi menunjukkan tanda-tanda perlahan kearah sasaran 2%.

Lokal

Pasaran bon tempatan menunjukkan keluk Sekuriti Kerajaan Malaysia (MGS) yang menjadi lebih rata di sepanjang tempoh kajian dengan berterusan bersamaan dengan pengetatan Dasar Monetari oleh Bank Negara Malaysia (BNM) pada bulan Mei, permintaan untuk durasi dan peningkatan dalam penyertaan oleh pelabur institusi tempatan dan pelabur luar.

BNM telah menaikkan Kadar Dasar Semalaman (OPR) pada bulan Mei, selepas menghentikan kenaikan OPR pada bulan Januari dan Mac 2023 dan juga pada bulan Julai 2023 melalui mesyuarat Jawatankuasa Dasar Monetari. Kenaikan OPR mengejutkan pasaran tetapi sejajar dengan pandangan konsensus pasaran untuk kenaikan sebanyak 25bps. Keputusan kenaikan kadar ini berdasarkan pada prospek pertumbuhan domestik yang kukuh, tiada tanda-tanda pengetatan berlebihan yang mempengaruhi aktiviti penggunaan dan pelaburan, risiko terhadap prospek pertumbuhan domestik adalah agak seimbang dan risiko ke atas inflasi adalah positif.

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

1.4 Tinjauan Pasaran dan Strategi

Ekuiti

Memandangkan pandemik COVID-19 sedang memasuki fasa endemik, kebanyakan negara di seluruh dunia termasuk Malaysia perlu menggunakan strategi baharu iaitu untuk hidup dengan virus tersebut dengan sokongan vaksinasi penggalak tahunan untuk penduduknya yang telah divaksinasi. Walaupun varian Omicron masih berkembang serta adanya kemunculan virus Monkeypox, kawalan pergerakan penuh yang pernah dilaksanakan semasa peringkat awal penyebaran pandemik berkemungkinan tidak diperkenalkan semula buat masa ini.

Peperangan antara negara Rusia dan Ukraine serta peningkatan kes COVID-19 kekal sebagai risiko utama kepada pasaran global. Dana ini akan terus memberi fokus kepada sektor-sektor berorientasikan pertumbuhan dan kaunter-kaunter yang mendapat manfaat daripada pembukaan semula ekonomi untuk menjana potensi peningkatan NAB dalam jangka masa sederhana.

Dengan berakhirnya enam (6) pilihan raya negeri pada bulan Ogos, Malaysia kini dapat menikmati situasi politik yang lebih stabil dan oleh itu membolehkan kerajaan persekutuan untuk melaksanakan lebih banyak projek berkaitan infrastruktur dalam tempoh tiga (3) tahun yang akan datang. Dana ini juga merancang untuk meningkatkan pendedahan dalam sektor hartanah untuk mendapat manfaat daripada trend ini pada masa hadapan.

Pasaran Bon dan Pasaran Wang

BNM dijangka akan mengekalkan kadar OPR dalam dua mesyuarat terakhir mereka untuk tahun 2023 yang akan diadakan pada bulan September dan November. Walaubagaimanapun, pendirian Dasar Monetari pada masa hadapan akan kekal bergantung kepada keadaan data.

Strategi kami ketika ini adalah untuk memanjangkan durasi pelaburan dalam instrumen pasaran wang Islam kerana menjangkan tiada lagi kenaikan kadar OPR dan menjangkakan akan ada potongan pada kadar OPR tahun hadapan.

1.5 Peruntukan Aset

BIMB Dana Al-Falah	2023 (%)	2022 (%)	2021 (%)	2020 (%)
Pelaburan dalam Skim Pelaburan Kolektif Islam				
BIMB-Arabesque i Global Dividend Fund 1 - Kelas RM	-	-	-	19.64
Pelaburan Sekuriti Tersiarharga patuh Syariah Malaysia:				
Pembinaan	2.55	-	-	2.10
Barangan pengguna & perkhidmatan	15.70	22.75	7.30	11.01
Tenaga	-	-	-	3.06
Kewangan	-	-	-	5.08
Kesihatan	9.43	-	-	10.02
Barangan industri & perkhidmatan	4.92	9.89	29.50	6.01
Harta benda	9.90	1.94	5.05	1.72
Teknologi	29.19	44.37	38.66	3.98
Telekomunikasi & media	5.72	-	-	2.80
Pengangkutan & logistik	-	-	-	2.44
Utiliti	1.95	-	-	-
	79.36	78.95	80.51	67.86
Tunai dan Pelaburan Jangka Pendek patuh Syariah:	20.64	21.05	19.49	32.14
	100.00	100.00	100.00	100.00

1.6 Lain-Lain Data Prestasi bagi Tahun Kewangan Berakhir 31 Ogos

BIMB Dana AI-Falah	2023	2022	2021	2020
Harga Unit (MYR)				
NAB tertinggi seunit dalam tahun	0.2602	0.3463	0.3546	0.3915
NAB terendah seunit dalam tahun	0.2312	0.2276	0.3056	0.2990
Nilai Aset Bersih (NAB) dan Unit Dalam Edaran (UDE) pada Akhir Tahun				
Jumlah NAB (MYR)	2,261,541	2,456,332	3,293,627	4,442,568
Unit Dalam Edaran (UDE)	9,341,290	9,963,825	10,171,114	13,414,857
NAB seunit (MYR)	0.2421	0.2465	0.3238	0.3312
Jumlah Pulangan Dana (%)^(a)				
Pertumbuhan Modal (%) ^(b)	-1.78	-23.87	-2.23	-11.42
Pulangan Pendapatan (%) ^(c)	-	-	-	-
Jumlah Pulangan Dana (%)	-1.78	-23.87	-2.23	-11.42
Nisbah Jumlah Perbelanjaan (NJP) (%)^(d)	3.13	3.29	2.74	2.81
Nisbah Pusing Ganti Portfolio (NPGP) (Kali)^{(e)*}	1.06	1.00	2.99	2.42

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

Nota:-

- a) Jumlah Pulangan = $\frac{\text{Harga seunit (pada akhir tahun)} - 1}{\text{Harga seunit (pada awal tahun)}}$
- b) Pulangan Modal = Pulangan Ke atas Dana – Pulangan Pendapatan
- c) Pulangan Pendapatan = $\frac{\text{Pengagihan Pendapatan seunit} / \text{NAB seunit pada awal tahun}}{\times 100}$
- d) Nisbah Jumlah Perbelanjaan = Ia dikira dengan mengambil jumlah perbelanjaan sepertimana yang dinyatakan sebagai peratusan tahunan daripada jumlah purata NAB Dana.
- e) Nisbah Pusing Ganti Portfolio = Ia dikira dengan mengambil purata jumlah perolehan dan pelupusan pelaburan dalam Dana bagi tempoh setahun dibahagi dengan purata NAB Dana yang dikira pada asas harian.

1.7 Pegangan Unit pada 31 Ogos 2023

Saiz Pegangan	BIMB Dana AI-Falah			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	962	86.12	985,329.15	10.55
5,001 hingga 10,000	51	4.57	363,017.30	3.89
10,001 hingga 50,000	91	8.15	1,954,691.47	20.93
50,001 hingga 500,000	12	1.07	1,480,746.16	15.85
500,001 dan ke atas	1	0.09	4,557,505.96	48.78
Unit yang dipegang oleh Pemegang Unit	1,117	100.00	9,341,290.04	100.00
Jumlah Keseluruhan Dana	1,117	100.00	9,341,290.04	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 telah 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 Pengurus juga mengesahkan tidak berlaku pergolakan dagangan.

Untuk dan bagi pihak

Pengurus

BIMB INVESTMENT MANAGEMENT BERHAD

Tarikh: 31 Oktober 2023

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 DANA AL-FALAH** ("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 set out on pages 22 to 47 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 August 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 of the Board of Directors,

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

.....
AZDINI NOR AZMAN
Director

Kuala Lumpur,
31 October 2023

3.0 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF **BIMB DANA AL-FALAH** ("Fund")

We have acted as Trustee of BIMB Dana Al- Falah ("the Fund") for the financial year ended 31 August 2023. To the best of our knowledge, BIMB Investment Management Berhad ("the Manager" or "the Management Company") has managed the Fund in accordance with the following:

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

For and on behalf of the Trustee
SCBMB Trustees Berhad

.....
LOR YUEN CHING
Trustee Services Manager

.....
LEE KAM WENG
Trustee Services Manager

Kuala Lumpur
31 October 2023

4.0 SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF **BIMB DANA AL-FALAH ("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 August 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
31 October 2023

5.0 INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF BIMB DANA AL-FALAH

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of BIMB Dana Al-Falah (the "Fund") give a true and fair view of the financial position of the Fund as at 31 August 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 August 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, including a summary of significant accounting policies, as set out on pages 22 to 47.

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 DANA AL-FALAH (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 DANA AL-FALAH (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 DANA AL-FALAH (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
31 October 2023

6.0 FINANCIAL STATEMENTS (AUDITED)

BIMB DANA AL-FALAH

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

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
INVESTMENT INCOME/(LOSS)			
Dividend income (Shariah-compliant)		36,953	31,387
Profit income from quoted Islamic deposit with licensed Islamic financial institutions		11,461	7,779
Realised loss on disposal of quoted Shariah-compliant securities	7	(250,179)	(412,891)
Net unrealised gain/(loss) from financial instruments at fair value through profit or loss	7	220,895	(308,409)
Other income		12,229	-
		<u>31,359</u>	<u>(682,134)</u>
EXPENSES			
Management fee	4	35,494	43,012
Trustee's fee	5	18,050	18,000
Audit fee		12,980	11,800
Shariah Adviser's fee		3,500	-
Tax agent's fee		1,500	2,178
Administrative expenses		2,484	19,348
		<u>74,008</u>	<u>94,338</u>
LOSS BEFORE TAXATION		(42,649)	(776,472)
Taxation	6	-	-
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(42,649)</u>	<u>(776,472)</u>
Total comprehensive loss for the year consists of:			
Realised amount		(263,544)	(468,063)
Unrealised amount		220,895	(308,409)
		<u>(42,649)</u>	<u>(776,472)</u>

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

BIMB DANA AL-FALAH

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	493,374	536,961
Financial assets at fair value through profit or loss (Shariah-compliant)	7	1,794,835	1,938,703
Amount due from stockbrokers		61,399	22,225
Amount due from Manager		695	724
Dividend receivables		2,250	2,899
TOTAL ASSETS		<u>2,352,553</u>	<u>2,501,512</u>
LIABILITIES			
Amount due to stockbrokers		63,618	-
Amount due to Manager		-	8,325
Accrued management fee		2,772	3,293
Amount due to Trustee		1,528	1,578
Audit fee payable		13,580	12,400
Shariah Adviser's fee payable		3,500	-
Tax agent's fee payable		2,992	7,334
Other payables		3,022	12,250
TOTAL LIABILITIES		<u>91,012</u>	<u>45,180</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>2,261,541</u>	<u>2,456,332</u>
EQUITY			
Unit holders' capital	9	11,853,340	12,005,482
Accumulated losses		(9,591,799)	(9,549,150)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>2,261,541</u>	<u>2,456,332</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	9	<u>9,341,290</u>	<u>9,963,824</u>
NET ASSET VALUE PER UNIT (SEN)		<u>24.21</u>	<u>24.65</u>

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

BIMB DANA AL-FALAH

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

	<u>Unit holders' capital</u> RM	<u>Accumulated losses</u> RM	<u>Total</u> RM
Balance as at 1 September 2022	12,005,482	(9,549,150)	2,456,332
Movement in unit holders' contributions:			
- Creation of units from applications	37,298	-	37,298
- Cancellation of units	(189,440)	-	(189,440)
Total comprehensive loss for the financial year	-	(42,649)	(42,649)
Balance as at 31 August 2023	<u>11,853,340</u>	<u>(9,591,799)</u>	<u>2,261,541</u>
Balance as at 1 September 2021	12,066,305	(8,772,678)	3,293,627
Movement in unit holders' contributions:			
- Creation of units from applications	293,298	-	293,298
- Cancellation of units	(354,121)	-	(354,121)
Total comprehensive loss for the financial year	-	(776,472)	(776,472)
Balance as at 31 August 2022	<u>12,005,482</u>	<u>(9,549,150)</u>	<u>2,456,332</u>

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

BIMB DANA AL-FALAH

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

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from disposal of quoted Shariah-compliant securities		2,402,387	2,624,733
Purchase of quoted Shariah-compliant securities		(2,263,359)	(2,654,921)
Dividends received (Shariah-compliant)		37,602	29,941
Profit income received from Islamic deposit with licensed Islamic financial institution		11,461	7,779
Management fee paid		(36,015)	(43,834)
Trustee fee paid		(18,100)	(17,902)
Audit fee paid		(11,800)	(11,200)
Tax agent's fee paid		-	(4,388)
Payment for administrative expenses		(5,325)	(19,140)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		<u>116,851</u>	<u>(88,932)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from creation of units		37,327	292,574
Payments for cancellation of units		(197,765)	(378,398)
NET CASH USED IN FINANCING ACTIVITIES		<u>(160,438)</u>	<u>(85,824)</u>
Net decrease in cash and cash equivalents		(43,587)	(174,756)
Cash and cash equivalents at the beginning of the financial year		<u>536,961</u>	<u>711,717</u>
Cash and cash equivalents at the end of the financial year	8	<u>493,374</u>	<u>536,961</u>
Cash and cash equivalents comprise of:			
Commodity Murabahah		430,067	450,239
Cash at bank		63,307	86,722
	8	<u>493,374</u>	<u>536,961</u>

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

BIMB DANA AL-FALAH

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

1 INFORMATION ON THE FUND

BIMB Dana-Al Falah (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 6 December 2001, Fifth Master Supplemental Deed dated 9 August 2012, Sixth Master Supplemental deed dated 18 August 2017, Seventh Master Supplemental Deed dated 6 April 2018, Eighth Master Supplemental Deed dated 25 March 2019, Ninth Master Supplemental Deed dated 9 March 2020, Tenth Master Supplemental Deed dated 30 November 2021 and Eleventh Master Supplemental Deed dated 30 December 2022 between the Manager - BIMB Investment Management Berhad and the Trustee - SCBMB Trustee Berhad.

The principal activity of the Fund is to invest in authorised investments as defined in the Deeds, which include Shariah-compliant securities of companies listed on Bursa Malaysia and short term placements.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 judgement 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(k) to the financial statements.

BIMB DANA AL-FALAH

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 annual periods beginning on 1 September 2022 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 period beginning after 1 September 2022. None of these is 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 entity'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 September 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

For listed quoted Shariah-compliant securities, valuation shall be based on the last done market price quoted by the respective stock exchanges on the relevant date. However, if a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant securities, for example during abnormal market conditions; or no market price is available, including in the event of a suspension in the quotation of the quoted Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant securities should be valued at fair value, as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or 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 using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward-looking information in determining any expected credit loss. 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 expected credit losses 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 DANA AL-FALAH

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 from short term investments is recognised as it accrues, using the effective profit method in profit or loss.

Dividend income (Shariah-compliant) is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gains and losses on sale of Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on weighted average cost basis.

(e) Amount due from/(to) stockbrokers

Amount due from/(to) stockbrokers represent receivables/(payables) for Shariah-compliant securities sold/(bought) and receivables/(payables) for that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

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 amounts due from the stockbroker 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 the loss allowance at an amount equal to 12-month expected credit losses.

BIMB DANA AL-FALAH

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Amount due from/(to) stockbrokers (continued)

Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a loss allowance may be required.

If 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 the Manager as any contractual payment which is more than 30 days past due.

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

Cash and cash equivalents (Shariah-compliant) consist of cash at bank and short term placements with Islamic licensed 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.

(g) 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.

(h) Management fee rebate

Management fee rebate is derived from Target Fund on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Target Fund.

(i) 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 Unit Trust Funds in Malaysia, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

BIMB DANA AL-FALAH

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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.

(j) 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.

(k) Use of estimates and judgements

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

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

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments of the Fund are as follows:

	Financial asset at fair value through <u>profit or loss</u> RM	Financial asset at amortised <u>cost</u> RM	<u>Total</u> RM
<u>2023</u>			
Cash and cash equivalents (Shariah-compliant)	-	493,374	493,374
Quoted Shariah-compliant securities	1,794,835	-	1,794,835
Amount due from stockbrokers	-	61,399	61,399
Amount due from Manager	-	695	695
Dividend receivables	-	2,250	2,250
	<u>1,794,835</u>	<u>557,718</u>	<u>2,352,553</u>

BIMB DANA AL-FALAH

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments of the Fund are as follows (continued):

	Financial asset at fair value through <u>profit or loss</u> RM	Financial asset at amortised <u>cost</u> RM	<u>Total</u> RM
<u>2022</u>			
Cash and cash equivalents (Shariah-compliant)	-	536,961	536,961
Quoted Shariah-compliant securities	1,938,703	-	1,938,703
Amount due from stockbrokers	-	22,225	22,225
Amount due from Manager	-	724	724
Dividend receivables	-	2,899	2,899
	<u>1,938,703</u>	<u>562,809</u>	<u>2,501,512</u>

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

The Fund aims to provide investors with long term capital appreciation by investing in a diversified portfolio of Shariah-compliant equities, Sukuk and Islamic money market instruments.

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 and capital 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 Deeds 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 net asset value ("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 Deeds.

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

	<u>2023</u> RM	<u>2022</u> RM
Quoted Shariah-compliant securities measured at fair value through profit or loss	<u>1,794,835</u>	<u>1,938,703</u>

BIMB DANA AL-FALAH

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit/(loss) before taxation and NAV risk movements at the end of each reporting year. The analysis is based on the assumptions that the 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/(loss) before taxation/NAV RM
<u>2023</u>		
Quoted Shariah-compliant securities measured at fair value through profit or loss	<u>5</u>	<u>89,742</u>
<u>2022</u>		
Quoted Shariah-compliant securities measured at fair value through profit or loss	<u>5</u>	<u>96,935</u>

(ii) Profit rate risk

Profit rate risk is a general economic indicator that will have an impact on the management of the Fund.

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and Islamic deposits are in accordance with Shariah.

Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value profit rate risk arises from Shariah-compliant investment in Islamic money market instruments. The profit rate risk is expected to be minimal as the Fund's investments comprise mainly short term Islamic deposits with approved licensed Islamic financial institutions.

Cash flow profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Fund is not exposed to cash flow profit rate risk as the Fund does not hold any financial instruments at variable profit rate.

BIMB DANA AL-FALAH

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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), amount due from stockbrokers, amount due from Manager, management fee rebate receivable and dividend receivables.

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.

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

	Cash and cash equivalents (Shariah- compliant) RM	Amount due from stockbroker RM	Amount due from Manager RM	Dividend receivables RM	Total RM
<u>2023</u>					
Finance					
- AAA	493,374	-	-	-	493,374
Others					
- Not-rated	-	61,399	695	2,250	64,344
	<u>493,374</u>	<u>61,399</u>	<u>695</u>	<u>2,250</u>	<u>557,718</u>
<u>2022</u>					
Finance					
- AAA	536,961	-	-	-	536,961
Others					
- Not-rated	-	22,225	724	2,899	25,848
	<u>536,961</u>	<u>22,225</u>	<u>724</u>	<u>2,899</u>	<u>562,809</u>

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

BIMB DANA AL-FALAH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 amount due to stockbrokers, amount due to Manager, accrued management fee, amount due to Trustee, audit fee payable, tax agent's fee payable, Shariah adviser's fee payable and 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>			
Amount due to Stockbroker	63,618	-	63,618
Accrued management fee	2,772	-	2,772
Amount due to Trustee	1,528	-	1,528
Audit fee payable	-	13,580	13,580
Shariah Adviser's fee payable	-	3,500	3,500
Tax agent's fee payable	-	2,992	2,992
Other payables	-	3,022	3,022
Contractual undiscounted cash flows	<u>67,918</u>	<u>23,094</u>	<u>91,012</u>
<u>2022</u>			
Amount due to Manager	8,325	-	8,325
Accrued management fee	3,293	-	3,293
Amount due to Trustee	1,578	-	1,578
Audit fee payable	-	12,400	12,400
Tax agent's fee payable	-	7,334	7,334
Other payables	-	12,250	12,250
Contractual undiscounted cash flows	<u>13,196</u>	<u>31,984</u>	<u>45,180</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.

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) 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 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.

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.

BIMB DANA AL-FALAH

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

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The determination of what constitutes 'observable' requires significant judgement 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:				
- Quoted Shariah-compliant securities	<u>1,794,835</u>	<u>-</u>	<u>-</u>	<u>1,794,835</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
- Quoted Shariah-compliant securities	<u>1,938,703</u>	<u>-</u>	<u>-</u>	<u>1,938,703</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include quoted Shariah-compliant securities. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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).

- (ii) The carrying values of cash and cash equivalents (Shariah-compliant), amount due from stockbrokers, amount due from Manager, dividend receivables, management fee rebate receivable and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

BIMB DANA AL-FALAH

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

4 MANAGEMENT FEE

The manager's fee payable to the Manager of the Fund is based on 1.50% (2022: 1.50%) 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 is based on 0.05% (2022: 0.05%) per annum subject to a minimum of RM18,000 (2022: RM18,000) of the net asset value of the Fund calculated on a daily basis.

6 TAXATION

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

A numerical reconciliation between the loss 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
Loss before taxation	<u>(42,649)</u>	<u>(776,472)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(10,236)	(186,353)
Tax effects of:		
- (Investment income not subject to tax)/Investment loss not deductible for tax purposes	(7,526)	163,712
- Expenses not deductible for tax purposes	5,535	5,106
- Restrictions on the tax deductible expenses for unit trust funds	12,227	17,535
	<u>-</u>	<u>-</u>

BIMB DANA AL-FALAH

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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		
- Quoted Shariah-compliant securities	<u>1,794,835</u>	<u>1,938,703</u>
Net loss on financial assets at fair value through profit or loss		
- Realised loss on disposal	(250,179)	(412,891)
- Unrealised gain/(loss) on fair value movement	<u>220,895</u>	<u>(308,409)</u>
	<u>(29,284)</u>	<u>(721,300)</u>

Details of quoted Shariah-compliant securities as at 31 August 2023 are set out as follows:

<u>Name of counter</u>	<u>Quantity</u> Unit	<u>Aggregate</u> <u>cost</u> RM	<u>Market</u> <u>value</u> RM	<u>Percentage</u> <u>of NAV</u> %
<u>Main market</u>				
<u>Construction</u>				
MGB Berhad	80,000	57,166	57,600	2.55
<u>Consumer products & services</u>				
Only World Group Holdings Berhad	80,000	49,728	45,600	2.02
Perak Transit Berhad	74,000	63,885	99,160	4.38
Power Root Berhad	68,000	120,946	145,520	6.43
QL Resources Berhad	12,000	65,660	64,800	2.87
	<u>234,000</u>	<u>300,219</u>	<u>355,080</u>	<u>15.70</u>
<u>Health care</u>				
Hartalega Holdings Berhad	61,500	121,840	119,925	5.30
Top Glove Corporation Berhad	122,000	98,147	93,330	4.13
	<u>183,500</u>	<u>219,987</u>	<u>213,255</u>	<u>9.43</u>
<u>Industrial products & services</u>				
Press Metal Aluminium Holdings Berhad	23,000	110,158	111,550	4.92
<u>Property</u>				
LBS Bina Group Berhad	180,000	99,067	107,100	4.74
UEM Sunrise Berhad	160,000	98,134	116,800	5.16
	<u>340,000</u>	<u>197,201</u>	<u>223,900</u>	<u>9.90</u>

BIMB DANA AL-FALAH

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

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

Details of quoted Shariah-compliant securities as at 31 August 2023 are set out as follows:
(continued)

<u>Name of counter</u>	<u>Quantity</u> Unit	<u>Aggregate</u> <u>cost</u> RM	<u>Market</u> <u>value</u> RM	<u>Percentage</u> <u>of NAV</u> %
<u>Main market (continued)</u>				
<u>Technology</u>				
D&O Green Technologies Berhad	28,500	34,690	100,890	4.46
Frontken Corporation Berhad	36,000	102,102	126,000	5.57
Inari Amertron Berhad	15,000	37,574	47,250	2.10
Malaysian Pacific Industries Berhad	2,300	63,618	66,240	2.93
Pentamaster Corporation Berhad	15,000	63,752	79,350	3.51
Unisem (M) Berhad	41,000	120,716	134,070	5.93
ViTrox Corporation Berhad	14,000	104,848	106,120	4.69
	<u>151,800</u>	<u>527,300</u>	<u>659,920</u>	<u>29.19</u>
<u>Telecommunications & media</u>				
TIME dotCom Berhad	23,500	129,340	129,250	5.72
<u>Utilities</u>				
Tenaga Nasional Berhad	4,500	44,979	44,280	1.95
Total quoted Shariah-compliant securities as at 31 August 2023	<u>1,040,300</u>	<u>1,586,350</u>	<u>1,794,835</u>	<u>79.36</u>
Accumulated unrealised gain on financial assets at fair value through profit or loss		<u>208,485</u>		
Total financial assets at fair value through profit or loss		<u>1,794,835</u>		

BIMB DANA AL-FALAH

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

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

Details of quoted Shariah-compliant securities as at 31 August 2022 are set out as follows:

<u>Name of counter</u>	<u>Quantity</u> Unit	<u>Aggregate</u> <u>cost</u> RM	<u>Market</u> <u>value</u> RM	<u>Percentage</u> <u>of NAV</u> %
<u>Main market</u>				
<u>Consumer products & services</u>				
Mr D.I.Y Group (M) Berhad	18,000	36,259	39,060	1.59
Perak Transit Berhad	206,000	155,925	180,250	7.34
Only World Group Holdings Berhad	100,000	65,733	52,500	2.14
Power Root Berhad	81,000	120,107	149,040	6.07
QL Resources Berhad	27,000	135,216	137,700	5.61
	<u>432,000</u>	<u>513,240</u>	<u>558,550</u>	<u>22.75</u>
<u>Industrial products & services</u>				
Frontken Corporation Berhad	63,500	180,097	176,530	7.19
SKP Resources Berhad	39,000	64,128	66,300	2.70
	<u>102,500</u>	<u>224,225</u>	<u>242,830</u>	<u>9.89</u>
<u>Technology</u>				
D&O Green Technologies Berhad	45,500	55,383	177,905	7.24
CTOS Digital Berhad	111,000	222,242	159,840	6.51
Cypark Resources Berhad	65,000	28,937	24,700	1.01
Dagang Nexchange Berhad	169,000	135,927	145,340	5.92
GHL Systems Berhad	20,000	36,772	22,200	0.90
Inari Amertron Berhad	43,000	167,811	116,530	4.74
JHM Consolidation Berhad	56,000	71,744	66,080	2.69
Malaysian Pacific Industries Berhad	5,300	188,363	163,028	6.64
Unisem (M) Berhad	41,000	120,716	113,160	4.61
ViTrox Corporation Berhad	14,000	104,848	100,940	4.11
	<u>569,800</u>	<u>1,132,743</u>	<u>1,089,723</u>	<u>44.37</u>
<u>Properties</u>				
LBS Bina Group Bhd	112,000	60,905	47,600	1.94
Total quoted Shariah-compliant securities as at 31 August 2022	<u>1,216,300</u>	1,951,113	<u>1,938,703</u>	<u>78.95</u>
Accumulated unrealised loss on financial assets at fair value through profit or loss		<u>(12,410)</u>		
Total financial assets at fair value through profit or loss or loss		<u>1,938,703</u>		

BIMB DANA AL-FALAH

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

8 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>2023</u> RM	<u>2022</u> RM
Islamic deposit with licensed Islamic financial institution:		
- Commodity Murabahah	430,067	450,239
- Cash at bank	63,402	86,722
	<u>493,469</u>	<u>536,961</u>

The weighted average effective profit rate per annum is as follows:

	<u>2023</u> %	<u>2022</u> %
Islamic deposit with licensed Islamic financial institution	<u>2.90</u>	<u>2.15</u>

Islamic deposit with licensed Islamic financial institution of the Fund has an average maturity of 1 day (2022: 3 days).

9 UNIT HOLDERS' CAPITAL

	<u>No. of units</u>	<u>RM</u>
As at 1 September 2022	9,963,824	12,005,482
Creation of units	153,177	37,298
Cancellation of units	(775,711)	(189,440)
As at 31 August 2023	<u>9,341,290</u>	<u>11,853,340</u>
As at 1 September 2021	10,171,114	12,066,305
Creation of units	928,740	293,298
Cancellation of units	(1,136,030)	(354,121)
As at 31 August 2022	<u>9,963,824</u>	<u>12,005,482</u>

BIMB DANA AL-FALAH

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

10 TOTAL EXPENSE RATIO (“TER”)

	<u>2023</u> %	<u>2022</u> %
TER	<u>3.13</u>	<u>3.29</u>

TER is derived from the following calculation:

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

A = Management fee (net of management fee rebate)

B = Trustee's fees

C = Audit fee

D = Tax agent's fee

E = Shariah adviser fee

F = Other expenses including Sales and Services Tax (“SST”) on transaction costs

G = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is RM2,365,607 (2022: RM2,866,171).

11 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2023</u>	<u>2022</u>
PTR (times)	<u>1.06</u>	<u>1.00</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = RM2,326,977 (2022: RM2,654,921)

total disposal for the financial year = RM2,691,740 (2022: RM3,059,849)

BIMB DANA AL-FALAH

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

12 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	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
SCBMB Trustees Berhad	Trustee of the Fund

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

	<u>As at 31 August 2023</u>		<u>As at 31 August 2022</u>	
	Units	RM	Units	RM
<u>Immediate holding company of the Manager</u>				
Bank Islam Malaysia Berhad	<u>181,952</u>	<u>44,051</u>	<u>181,952</u>	<u>44,851</u>

The Manager did not hold any unit in the Fund as at 31 August 2023 and 31 August 2022.

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.

	<u>Transactions during the financial year</u>		<u>Balance as at</u>	
	<u>2023</u>	<u>2022</u>	<u>31.08.2023</u>	<u>31.08.2022</u>
	RM	RM	RM	RM
<u>The Manager</u>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	695	-
- Amount due to Manager	-	-	-	(8,325)
- Management fee	<u>35,494</u>	<u>43,012</u>	<u>(2,772)</u>	<u>(3,293)</u>

BIMB DANA AL-FALAH

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

12 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	
	2023 RM	2022 RM	31.08.2023 RM	31.08.2022 RM
<u>Holding company of the Manager</u>				
Bank Islam Malaysia Berhad				
- Income from short term placements	-	-	-	-
<u>Related company of the Manager</u>				
BIMB Securities Sdn Bhd				
- Sales	899,837	771,534	-	-
- Purchase	973,375	877,203	-	-
- Brokerage fee	3,349	2,921	-	-
- Shariah Adviser's fee	(3,500)	-	(3,500)	-
<u>The Trustee</u>				
SCBMB Trustee Berhad				
- Trustee fee	(18,050)	(18,000)	(1,528)	(1,578)

13 SHARIAH INFORMATION OF THE FUND

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

- a) Securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia; and
- b) Liquid assets in local market, which are placed in Shariah-compliant investment and/or instruments.

BIMB DANA AL-FALAH

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

14 TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers are as follows:

	Value of trade RM	Percentage of total trade %	Brokerage fee RM	Percentage of total brokerage fee %
<u>2023</u>				
BIMB Securities Sdn Bhd*	1,873,212	39.28	3,349	39.34
Hong Leong Investment Bank Bhd.	487,957	10.23	862	10.13
TA Securities Holdings Bhd.	440,212	9.23	770	9.05
RHB Investment Bank Bhd	403,204	8.45	719	8.45
KAF Seagroatt & Campbell Securities Sdn. Bhd.	378,070	7.93	671	7.88
CIMB Investment Bank Bhd.	307,694	6.45	543	6.38
Maybank Investment Bank Bhd.	293,514	6.15	526	6.18
AmInvestment Bank Bhd.	246,741	5.17	432	5.08
MIDF Amanah Investment Bank Bhd.	185,322	3.89	355	4.17
Public Investment Bank Bhd.	112,352	2.36	214	2.51
Other brokers	40,810	0.86	71	0.83
	<u>4,769,088</u>	<u>100.00</u>	<u>8,512</u>	<u>100.00</u>
<u>2022</u>				
BIMB Securities Sdn Bhd*	1,648,737	31.11	2,921	24.52
Kenanga Investment Bank Bhd.	484,570	9.14	848	7.12
AmanahRaya	407,419	7.69	714	5.99
CIMB Investment Bank Bhd.	397,400	7.50	695	5.83
KAF Seagroatt & Campbell Securities Sdn. Bhd.	391,451	7.39	692	5.81
AmBank Investment Bank Bhd	310,300	5.85	3,103	26.04
Public Investment Bank Bhd	285,474	5.39	500	4.20
Maybank Investment Bank Bhd	253,593	4.78	460	3.86
RHB Investment Bank Bhd	245,872	4.64	430	3.61
Hong Leong Investment Bank Bhd	239,420	4.52	439	3.69
Other brokers	635,625	11.99	1,112	9.33
	<u>5,299,861</u>	<u>100.00</u>	<u>11,914</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 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Manager on 31 October 2023.

7.0 CORPORATE DIRECTORY

Manager	<p>BIMB Investment Management Berhad [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 binti 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 Siti Nur Huda Sufian (Chief Financial Officer) – appointed wef 1 April 2023 Mohd Shahir Seberi (Head of Fixed Income) – appointed wef 3 July 2023 Ahmad Razli Sabri (Head of Fund Operations & Admin) 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	SCBMB Trustee Berhad [201201021301 (1005793T)] Level 25, Plaza Equatorial Jalan Sultan Ismail 50250 Kuala Lumpur
Auditor	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) 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 IFast Capital Sdn Bhd Phillip Mutual Berhad Areca Capital Sdn Bhd Amanahraya Investment Sdn Bhd Genexus Advisory Sdn Bhd BEST Invest Registered Unit Trust Consultant with the Manager
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BIMB INVESTMENT

A BANK ISLAM
SUBSIDIARY

BIMB Investment Management Berhad 199301021508 (276246-X)

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