

BIMB SHARIAH INCOMEPLUS FUND

QUARTERLY REPORT FOR THE FINANCIAL
PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024



MANAGER:

BIMB INVESTMENT MANAGEMENT BERHAD 199301021508 (276246-X)

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1.0 FUND KEY INFORMATION

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.

2.0 MANAGER'S REPORT

<p>Performance Review</p>	<p>For the financial period under review, BIMB Shariah IncomePlus Fund (“the Fund”) registered a return of 0.94%, compared to its benchmark’s return of 0.45%. The selected performance benchmark for the Fund is Bank Islam’s 1-month Term-Deposit <i>i</i> (“Tawarruq”).</p> <p>The Fund’s strategy has consistently been to invest in a diversified portfolio of approved Islamic money market instruments, Islamic deposits, investment accounts, and sukuk that will provide a steady stream of income.</p> <p>During the financial period under review, the Fund has managed to maintain capital stability for its investors, in line with its investment objective. The Fund has distributed income totaling 0.45 sen per unit to its unit holders during the financial period under review.</p> <p>For the financial period under review, the Fund has 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 interest of unit holders have taken place up to the date of this Manager’s Report.</p>
<p>Economy and Market Review</p>	<p>Economy</p> <p>a) Global</p> <p>The United States (U.S.) economy grew at a 3.0% annualised pace in the second quarter of 2024, according to the “second” estimate, faster than 1.4% increase in the first quarter. The second quarter growth was driven by increases in consumer spending, private inventory investment, and business investment. Inflation, as measured by the Personal Consumption Expenditure (PCE) Index, increased at a 2.5% annualised rate in the quarter, slower than 3.4% in the first quarter while the Core PCE increased by 2.8% against 3.7% recorded in the first quarter. Amidst a cooling inflation, the Federal Reserve (Fed) lowered the benchmark interest rate by 50 basis points (bps) to 4.75%-5.0% range in September.</p> <p>In the Euro Area, the economy grew by 0.3% quarter-on-quarter (q-o-q) in the second quarter of 2024, according to a flash estimate published by Eurostat. In the first quarter, the area’s economy had also grown by 0.3%. The growth was driven by broad-based expansions across the area’s largest economies although Germany reported a contraction of 0.1%. Meanwhile, annual inflation rate eased to 2.2% in August 2024, down from 2.6% in July. Services sector inflation remained high at 4.2%. The core inflation slowed slightly to 2.8%, down from 2.9% in July. Due to weak economic growth outlook and slower inflation, the European Central Bank lowered its key interest rates twice, in June and September.</p> <p>The Chinese economy grew by 4.7% year-on-year (y-o-y) in the second quarter of 2024, slowing from the 5.3% rate posted in the first quarter, amid lingering property market weakness, weak domestic demand, falling yuan, and trade frictions with the West.</p> <p><i>(Source: Bloomberg, Bureau of Economic Analysis, CNBC, Eurostat, Trading Economics)</i></p>

	<p>b) Local</p> <p>The Malaysian economy expanded by 5.9% y-o-y in the second quarter of 2024, surpassing the 4.2% growth rate recorded in the first quarter. The impressive growth was boosted by stronger domestic demand and improvements in external trade. Larger policy support and solid labor market conditions aided consumer spending while continued progress in multi-year projects and capacity expansion by firms buoyed private investment.</p> <p>In the first eight (8) months of the year, inflation has remained benign. Both the headline and core inflation averaged 1.85%.</p> <p>Up to September 2024, Bank Negara Malaysia (BNM) has kept the Overnight Policy Rate (OPR) unchanged at 3.0%. Policymakers believe that the current OPR level will continue to stimulate growth while keeping inflation steady.</p> <p><i>(Source: Bloomberg, Bank Negara Malaysia and Department of Statistics Malaysia)</i></p> <p>Market Review</p> <p>Bond Market and Money Market</p> <p>a) Global</p> <p>For the first nine (9) months of 2024, global bond markets have been somewhat volatile amid constant changes in expectations on the timing of the first interest rates cut by the Federal Reserve. However, the 10-year U.S. Treasury Notes' yield closed at 3.78% at the end of September 2024, 10bps lower compared to 2023's closing level after the Federal Reserve cut interest rates by 50bps.</p> <p>b) Local</p> <p>In the local bond market, as of end-September 2024, government bond yields stood generally firmer compared to 2023's closing levels, amid the steady OPR, while the prospect of the Fed's interest rate cut also attracted foreign investors to Malaysia's debt markets.</p> <p>The yield on the 10-year Malaysia Government Securities stood at 3.71% as of end-September 2024, 2bps firmer compared to 2023's closing level, while the 3-year government bond yields closed around 14bps lower at 3.3%.</p> <p><i>(Source: Bloomberg, Bank Negara Malaysia and Department of Statistics Malaysia)</i></p>
<p>Market Outlook and Strategy</p>	<p>Market Outlook and Strategy</p> <ul style="list-style-type: none"> • The Manager expects major central banks to continue their interest rate cutting cycles in the near term. Domestically, BNM is likely to keep the OPR unchanged in the near term. • Our Sukuk strategy is to invest in Sukuk with short to medium term duration to enhance returns whilst minimising volatility. • Our Islamic money market strategy is to invest with the aim of maximising returns while providing liquidity for investors.

FUND PERFORMANCE DATA**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

BIMB SHARIAH INCOMEPLUS FUND	30 SEPTEMBER 2024
Unit Prices (RM)	
Highest Net Asset Value (NAV) per unit for the period/year	1.0124
Lowest NAV per unit for the period/year	1.0067
Net Asset Value (NAV) and Units in Circulation (UIC) as at the end of the period	
Total NAV (RM)	139,367,188
Units in Circulation (UIC)	137,812,203
NAV per unit (RM)	1.0113
Return of Fund (%)	
Capital Growth (%) ^(b)	0.49
Income Return (%) ^(c)	0.45
Return of the Fund (%)^(a)	0.94
Total Gross Distribution per Unit (sen) per annum	0.45
Total Net Distribution per Unit (sen) per annum	0.45
Monthly distribution - July	
NAV per Unit before Distribution (RM)	1.0096
NAV per Unit after Distribution (RM)	1.0081
Monthly distribution - August	
NAV per Unit before Distribution (RM)	1.0111
NAV per Unit after Distribution (RM)	1.0096
Monthly distribution - September	
NAV per Unit before Distribution (RM)	1.0128
NAV per Unit after Distribution (RM)	1.0113
Total Expense Ratio (%)^(d)	0.15
Portfolio Turnover Ratio (times)^(e)	1.00

Note:

- a) **Return of the Fund** = $\frac{\text{NAV per unit (end of period)} - 1}{\text{NAV per unit (opening of period)}}$
- 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 Expenses Ratio** = It is the total management expenses expressed as an annual percentage of the Fund's average Net Asset Value.
- e) **Portfolio Turnover Ratio** = It represents the average of the total acquisitions and disposals of the investment in the Fund for the period over the average Net Asset Value of the Fund calculated on a daily basis

Total Return and Average Total Return for the Financial Period Ended 30 September 2024

	Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
3 months (1/7/2024 – 30/9/2024)	0.94%	3.76%	0.45%	1.80%
6 months (1/4/2024 – 30/9/2024)	1.83%	3.66%	0.93%	1.86%
9 months (1/1/2024 – 30/9/2024)	2.74%	3.65%	1.43%	1.91%
12 months (1/10/2023 – 30/9/2024)	3.68%	3.68%	1.92%	1.92%

*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. (199501033943 / 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.

Asset Allocation as at 30 September 2024

BIMB Shariah IncomePlus Fund	30 September 2024 (%)
Investment in Unquoted Sukuk Sukuk	10.47
	10.47
SHARIAH-COMPLIANT CASH AND SHORT TERM INVESTMENTS:	89.53
	100.00

Unit Holdings as at 30 September 2024

Size of Holding	BIMB Shariah IncomePlus Fund			
	Number of Unit Holders		Number of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	1	5.26	7,066.64	0.01
10,001 to 50,000	3	15.80	31,656.18	0.02
50,001 to 500,000	1	5.26	349,199.49	0.25
500,001 and above	13	68.42	137,423,212.16	99.72
Units Held by Unit Holders	18	94.74	137,811,134.47	100.00
Units Held by Manager	1	5.26	1,068.35	0.00
Grand Total for the Fund	19	100.00	137,812,202.82	100.00

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 assisted in the decision-making process related to the Fund's investment may be retained by the Manager.

For the financial period 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 were of demonstrable benefit to Unit Holders of the Fund and the Manager also confirmed there was no churning of trades.

3.0 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 period ended 30 September 2024, in accordance with the 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

.....
MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur
26 November 2024

4.0 FINANCIAL STATEMENT (UNAUDITED)

BIMB SHARIAH INCOMEPLUS FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

	<u>1.7.2024 to</u> <u>30.9.2024</u> RM
INVESTMENT INCOME	
Profit income from Islamic deposits with licensed Islamic financial institutions	4,272,589
Profit income from unquoted Sukuk	726,432
Net unrealised loss from financial instruments at fair value through profit or loss	<u>(9,724)</u>
	<u>4,989,297</u>
EXPENSES	
Management fee	199,049
Trustee's fee	39,810
Administrative expenses	<u>11,700</u>
	<u>250,559</u>
INCOME BEFORE TAXATION	
Taxation	<u>-</u>
INCOME AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>4,738,738</u>
Total comprehensive income for the period consists of:	
Realised amount	4,735,358
Unrealised amount	<u>3,380</u>
	<u>4,738,738</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 30 SEPTEMBER 2024

	Note	As at 30.9.2024 RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	2	169,879
Financial assets at fair value through profit or loss (Shariah-compliant)	1	160,884,123
Amount due from Stockbrokers		4,991,171
Amount due from Manager		<u>2,000,000</u>
TOTAL ASSETS		<u>168,045,173</u>
LIABILITIES		
Amount due to Manager		28,607,009
Accrued management fee		20,489
Amount due to Trustee		4,098
Audit fee payable		7,038
Tax agent's fee payable		1,823
Administrative expenses		<u>37,528</u>
TOTAL LIABILITIES		<u>28,677,985</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>139,367,188</u>
EQUITY		
Unit holders' capital		136,125,227
Retained profits		<u>3,241,961</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>139,367,188</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		137,812,203
NET ASSET VALUE PER UNIT (SEN) (EX-DISTRIBUTION)		<u>101.13</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 PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

	Unit holders' capital RM	Retained profits RM	Total RM
Balance as at 1 July 2024	190,297,417	1,539,345	191,836,762
Movement in unit holders' contributions:			
- Creation of units	4,784,445	-	4,784,445
- Reinvestment of distributions	641,665	-	641,665
- Cancellation of units	(59,598,300)	-	(59,598,300)
- Distributions (Note 3)	-	(3,036,122)	(3,036,122)
Total comprehensive income for the financial period	-	4,738,738	4,738,738
Balance as at 30 September 2024	<u>136,125,227</u>	<u>3,241,961</u>	<u>139,367,188</u>

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 PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

	Note	<u>1.7.2024 to</u> <u>30.9.2024</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Placement of Islamic deposits		
with licensed Islamic financial institutions		(159,569,839)
Proceed from maturity Islamic deposits		
with licensed Islamic financial institutions		178,123,100
Proceed from sale of unquoted Sukuk		4,991,171
Profit income received from Islamic deposits		
with licensed Islamic financial institution		4,272,589
Profit income received from Sukuk		690,268
Management fee paid		(200,569)
Trustee fee paid		(40,114)
Audit fee paid		(5,866)
Tax agent fee paid		(433)
Payment for administrative expenses		3,463
		<hr/>
NET CASH USED IN OPERATING ACTIVITIES		28,263,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from creation of units		2,784,445
Payments for cancellation of units		(30,991,290)
NET CASH USED IN FINANCING ACTIVITIES		(28,206,845)
Net cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial period		56,926
		<hr/> 112,953
Cash and cash equivalents at the end of the financial period	2	<hr/> <hr/> 169,879
Cash and cash equivalents comprise:		
Cash at bank		169,879
	2	<hr/> <hr/> 169,879

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 PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

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

Details of quoted and unquoted Sukuk as at 30 September 2024 are set out as follows:

<u>Name of issuer</u>	<u>Nominal value</u> Units	<u>Average cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
<u>Unquoted Sukuk:</u>				
<u>Financials</u>				
CAGAMAS IMTN 3.650% 03.03.2025	4,500,000	4,500,000	4,519,710	3.24
<u>Infrastructures & utilities</u>				
PLNG2 IMTN 2.370% 21.10.2024 - Tranche No 4	5,000,000	4,952,650	5,049,745	3.62
<u>Oil & gas</u>				
GLT12 IMTN 3.550% 12.08.2025	5,000,000	4,988,500	5,016,765	3.60
Total quoted and unquoted Sukuk as at 30 September 2024	<u>14,500,000</u>	<u>14,441,150</u>	<u>14,586,220</u>	<u>10.47</u>
Accumulated unrealised gain on financial assets at fair value through profit or loss		<u>145,070</u>		
Total Sukuk at fair value through profit or loss		<u>14,586,220</u>		

	<u>As at</u> <u>30.9.2024</u> RM
Islamic deposits with licensed Islamic financial institutions:	
Commodity Murabahah	142,136,964
Wafiyah Investment Account	<u>39,623,655</u>
	<u>181,760,619</u>

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

	<u>As at</u> <u>30.9.2024</u> %
Islamic deposits with licensed Islamic financial institutions	<u>3.42</u>

The Islamic deposits have an average maturity of 70 days.

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

2 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at</u> <u>30.9.2024</u> RM
Islamic deposits with licensed Islamic financial institutions:	
Cash at bank	<u>169,879</u>

3 DISTRIBUTION

	<u>1.7.2024 to</u> <u>30.9.2024</u> RM
Distribution to unit holders is from the following sources:	
Profit income from Islamic deposits with licensed Islamic financial institutions	<u>623,001</u>
Less:	
Expenses	<u>(77,801)</u>
Net distribution amount	<u>700,802</u>
 GROSS/NET DISTRIBUTION PER UNIT (SEN)	
Distribution on 31 July 2024	<u>0.15</u>
Distribution on 30 August 2024	<u>0.15</u>
Distribution on 30 September 2024	<u>0.15</u>

BIMB SHARIAH INCOMEPLUS FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

4	TOTAL EXPENSE RATIO (“TER”)	As at <u>30.9.2024</u> %
	TER	<u>0.15</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM168,627,532

5	PORTFOLIO TURNOVER RATIO (“PTR”)	As at 30.9.2024
	PTR (Times)	<u>1.00</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM178,123,100

total disposal for the financial period = RM159,569,839

6 SHARIAH INFORMATION OF THE FUND

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

- 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
- Cash placements and liquid assets in local market, which are placed in Shariah-compliant investment and/or instruments.

7 QUARTERLY REPORT

The quarterly report for the financial period from 1 July 2024 to 30 September 2024 is unaudited.

5.0 CORPORATE DIRECTORY

Manager	BIMB Investment Management Berhad [199301021508 (276246-X)] Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur Business Office Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur
Board of Directors	Datin Maznah Mahbob (Chairman and Non-Executive Independent Director) Dato' Seri Dr. Mohamad Zabidi Ahmad (Non-Executive Independent Director) Mashitah Haji Osman (Non-Executive Independent Director) Azdini Nor Azman (Non-Executive Non-Independent Director))
Shariah Adviser	BIMB SECURITIES SDN BHD [Registration No. 199401004484 (290163-X)] Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur Business Office Level 34, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur
Investment Committee	Khairul Muzamel Perera Abdullah (Chairman – Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Dato' Seri Dr. Mohamad Zabidi Ahmad (Independent Member)
Board Audit and Risk Committee	Dato' Seri Dr. Mohamad Zabidi Ahmad (Chairman Non-Executive Independent Director) Mashitah Haji Osman (Non-Executive Independent Director) Azdini Nor Azman (Non-Executive Non-Independent Director)
Company Secretaries	Maria Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur
Key Management	Nor Zuraini Mohd Saad (Acting Chief Executive Officer) Bakri Jamaluddin (Chief Operating Officer) Salmi Ahmad (Head of Product Development & Management) Nazifah Mohd Arshad (Head of Equity, Investment) Mohd Shahir Seberi (Head of Fixed Income, Investment) Muhammad Izzat Ab Hadi (Head of Finance) Noorsazreen Nordin (Head of Compliance) Meghan Ow Lai Wan (Head of Risk Management) Ahmad Razli Sabri (Head of Quality Assurance & Procurement)
Principal Banker	Bank Islam Malaysia Berhad Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur

Trustee	CIMB Islamic Trustee Berhad 198801000556 (167913-M) Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
Distributor	Bank Islam Malaysia Berhad

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