

# **BIMB ESG SUKUK FUND**

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED  
31 OCTOBER 2021

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN BERAKHIR*  
*31 OKTOBER 2021*



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 ESG Sukuk Fund for the financial year ended 31 October 2021.

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

<b>Fund Name</b>	BIMB ESG Sukuk Fund (BSF)
<b>Fund Type</b>	Income
<b>Fund Category</b>	Sukuk
<b>Investment Objective</b>	<p>The Fund seeks to provide a stable income stream and an opportunity for capital appreciation over the medium to long term by investing in Sukuk both locally and globally.</p> <p>Medium to long term refers to an investment horizon of three (3) years or more.</p> <p><i>Any material changes to the Fund's investment objective would require Unit Holders' approval.</i></p>
<b>Benchmark</b>	Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad 1-year rate.
<b>Distribution Policy</b>	Subject to availability of income, the Fund will distribute income on an annual basis.

### 1.2 Performance for the Financial Year Ended 31 October 2021

#### 1.2.1 Performance Review for BIMB ESG Sukuk Fund

For the financial year under review, BIMB ESG Sukuk Fund (the Fund)'s Class A and Class D (RM Class), Class B and Class E (USD Class) and Class C (SGD Class) registered a total return of -0.91%, -0.56% and -1.85% respectively, as compared to Benchmark return for all classes of 1.85%, whereby the selected performance benchmark for the Fund is based on 1-year Bank Islam Malaysia Berhad Term Deposit-i Tawarruq (TDT-i). Thus, the Fund had underperformed the Benchmark's return during the financial year under review.

The Fund continues to be managed in line with its stated objective of providing a stable income and an opportunity for capital appreciation over the medium to long term by investing in Sukuk both locally and globally. During its financial year ended 31 October 2021, the Fund managed to provide income to unit holders by declaring distribution of 0.67 sen per unit for Class A and Class D (RM Class), 0.66 cent per unit for Class B and Class E (USD Class), and 0.65 cent per unit for Class C (SGD Class), representing a yield of 2.64%, 2.63% and 2.61%, respectively.

As at 31 October 2021, the Fund has circa 73.63% exposure in Sukuk, and the remaining in Shariah-compliant cash and cash equivalents. The total Net Asset Value (NAV) of the Fund as at 31 October 2021 is RM193.31 million while the NAV per unit of the Fund is RM0.2444 for Class A and Class D (RM Class), USD0.2425 for Class B and Class E (USD Class) and SGD0.2378 for Class C (SGD Class).

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

### 1.2.2 Total Return and Average Total Return as at 31 October 2021

Period	Class A (RM Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	(0.91%)	(0.91%)	1.85%	1.85%
3-Year	10.26%	3.42%	8.15%	2.72%
Since Inception	10.83%	3.33%	9.11%	2.80%

Period	Class B (USD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	(0.56%)	(0.56%)	1.85%	1.85%
3-Year	11.55%	3.85%	8.15%	2.72%
Since Inception	9.95%	3.06%	9.11%	2.80%

Period	Class C (SGD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	(1.85%)	(1.85%)	1.85%	1.85%
3-Year	8.45%	2.82%	8.15%	2.72%
Since Inception	7.84%	2.41%	9.11%	2.80%

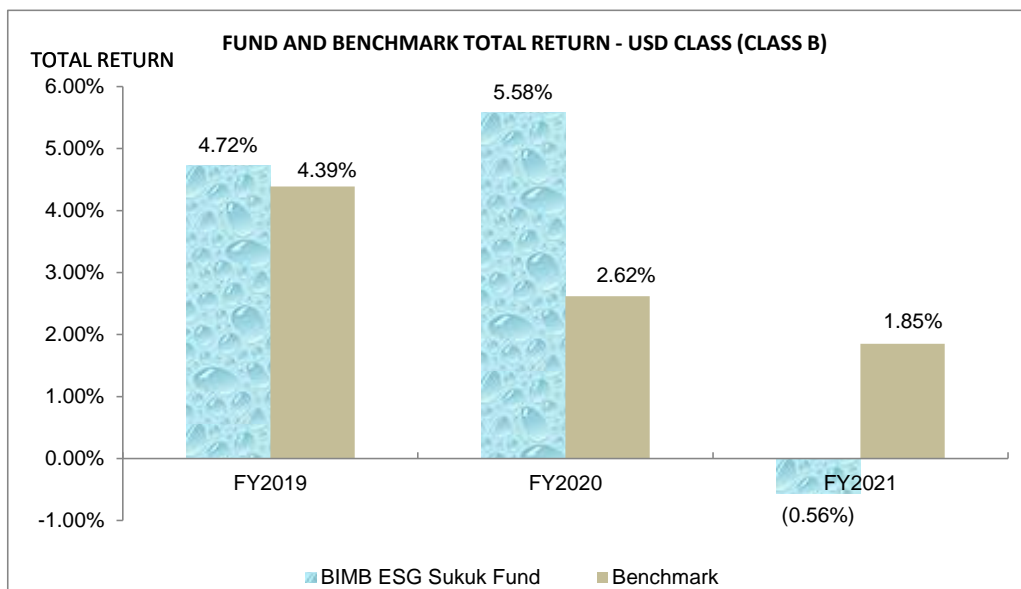
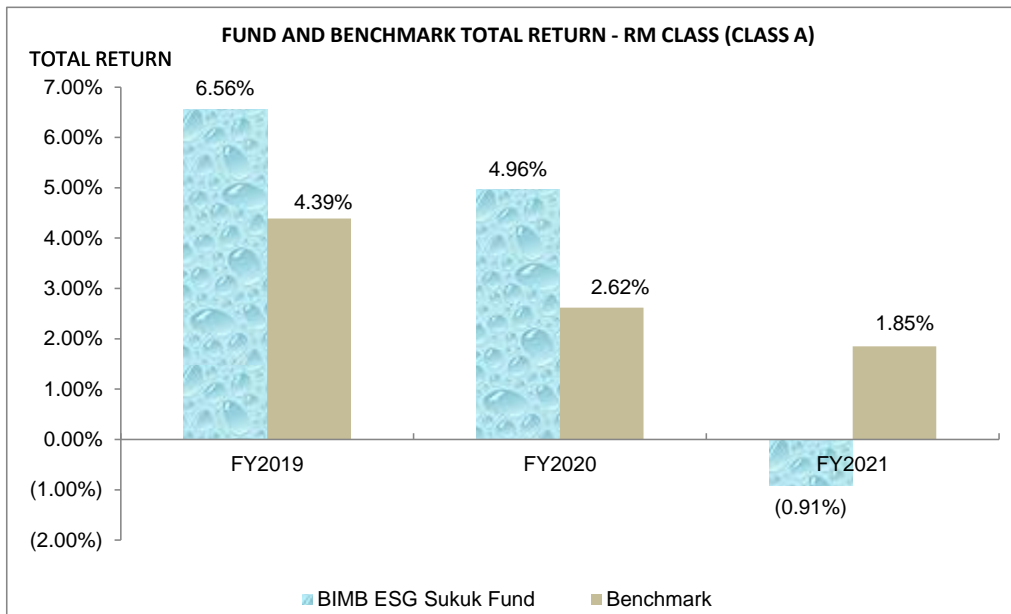
Period	Class D (RM Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	(0.91%)	(0.91%)	1.85%	1.85%
3-Year	10.26%	3.42%	8.15%	2.72%
Since Inception	10.83%	3.33%	9.11%	2.80%

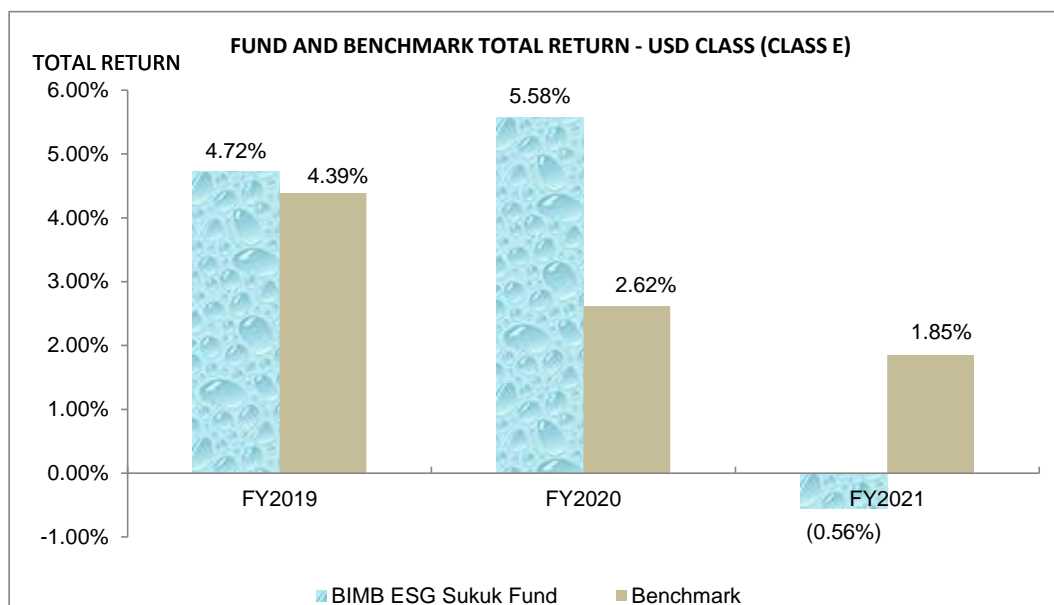
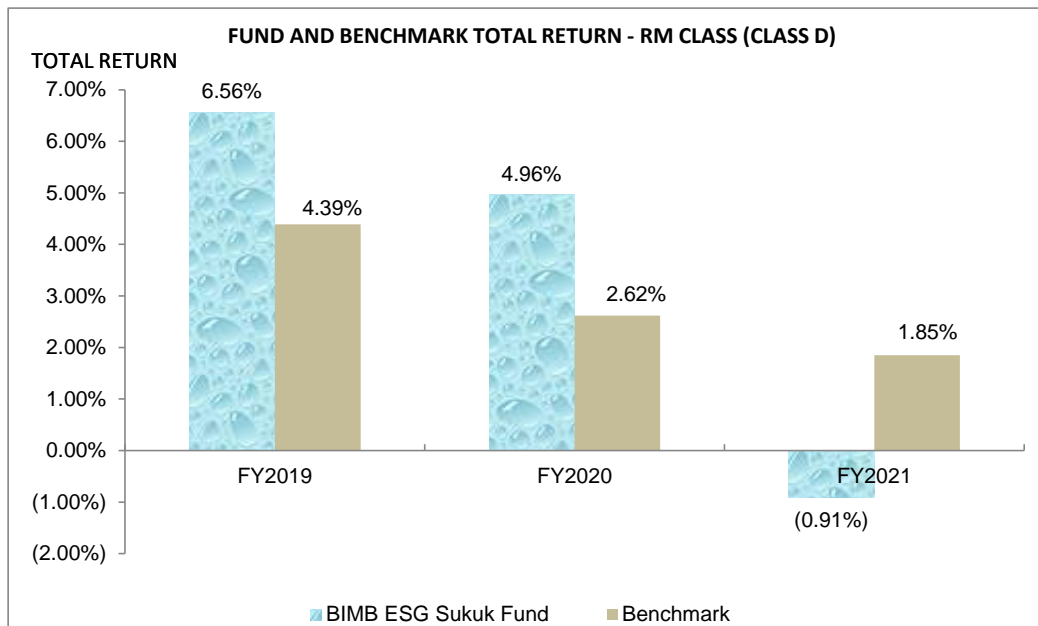
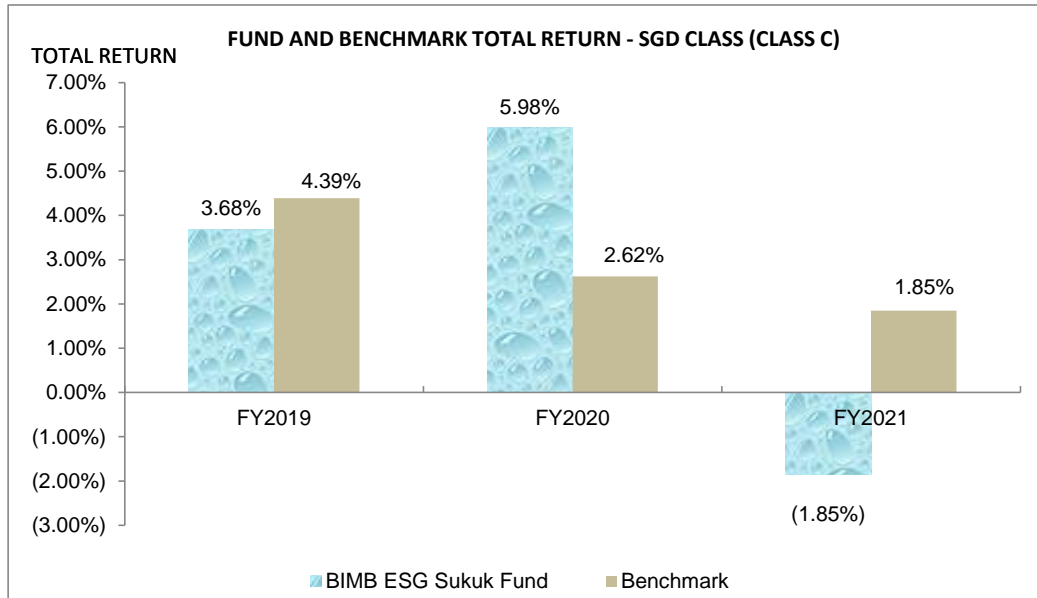
Period	Class E (USD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	(0.56%)	(0.56%)	1.85%	1.85%
3-Year	11.55%	3.85%	8.15%	2.72%
Since Inception	9.95%	3.06%	9.11%	2.80%

### 1.2.3 Total Return for the Previous Financial Years

Class	FYE 31 October 2021		FYE 31 October 2020		FYE 31 October 2019	
	BIMB ESG Sukuk Fund (%)	Benchmark (%)	BIMB ESG Sukuk Fund (%)	Benchmark (%)	BIMB ESG Sukuk Fund (%)	Benchmark (%)
Class A	(0.91%)	1.85%	4.96%	2.62%	6.56%	4.39%
Class B	(0.56%)	1.85%	5.58%	2.62%	4.72%	4.39%
Class C	(1.85%)	1.85%	5.98%	2.62%	3.68%	4.39%
Class D	(0.91%)	1.85%	4.96%	2.62%	6.56%	4.39%
Class E	(0.56%)	1.85%	5.58%	2.62%	4.72%	4.39%

Figure 1: Fund and Benchmark Total Return





*Data Source* : BIME Investment Management Berhad  
*Data verified by* : Novagni Analytics & Advisory Sdn. Bhd.  
*Benchmark* : Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad 1-year rate.

**Notes:**

1. **Total Return** of the Fund has been verified by Novagni Analytics & Advisory Sdn. Bhd. (363145-W)

2. **Average Total return** is derived by this formula:

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

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

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

### 1.3 Economy and Market Review

#### Economy

##### a) Global

- Gross Domestic Product (GDP) of the United States (US) expanded by 4.9% in the third quarter of 2021 over the same quarter of the previous year. The increase reflected increases in investment activity, consumption, and state and local government spending.
- The Euro area economy expanded by 3.7% in the third quarter of 2021 over the same quarter of the previous year, as countries began reopening their economies.
- China's economy slowed down in the third quarter of 2021 with a year-on-year (YoY) growth rate of 4.9% due to supply shocks and power shortages.

*(Source: Bureau of Economic Analysis, CNBC, Trading Economics)*

##### b) Local

- Malaysia's GDP shrank by 4.5% in the third quarter dragged down by strict restrictions to contain rising cases of the Delta strain, particularly in July.
- For the financial year under review, BNM had maintained the overnight policy rate (OPR) at 1.75%, reiterating that the rate remains appropriate and accommodative amid persistent downside risks to the growth outlook.

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

## Market Review

### a) Global

- For the financial year under review, global bond yields have been heading north in line with the anticipation of improvement in the global economy and expectation of tightening of interest rate by central banks. Although there was no actual increase in the interest rate by the US Fed, fixed income market players are already pricing in the increase in interest rates.

### b) Local

- Malaysia benchmark yields spiked between 3 to 38 basis points (bps) in the third quarter of 2021, sparked by several factors including uncertainties over the change in Malaysian government and increase in fiscal deficit target to between 6.5 – 7.0% of GDP, in addition to the proposal to increase statutory debt limit from 60% to 65%.

*(Source: Bloomberg, MARC, RHB Research)*

## 1.4 Market Outlook and Strategy

Moving forward, we expect global central banks to start sounding more hawkish in their monetary policies as the focus on inflation and growth became key agendas. The Fund's strategy is to invest mostly in the shorter tenure of the yield curve, given the likelihood of rate hikes implementation by central banks.

## 1.5 Asset Allocation as at 31 October

<b>BIMB ESG Sukuk Fund</b>	<b>31 October 2021 (%)</b>	<b>31 October 2020 (%)</b>	<b>31 October 2019 (%)</b>
<b>Investment in Sukuk</b>			
Communications	4.10	5.07	0.99
Construction and Engineering	5.64	11.30	3.45
Plantation & Agriculture	-	-	3.22
Diversified Holdings	-	7.18	-
Financial Services	13.21	3.42	1.36
Infrastructures and Utilities	42.72	62.86	48.19
Property and Real Estate	7.98	11.10	13.03
Logistics	-	-	1.43
Cash and other net assets:	26.35	-0.93	28.33
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>



## 1.6 Other Performance Data for the Financial Year Ended 31 October

<b>BIMB ESG Sukuk Fund</b>	<b>31 October 2021</b>	<b>31 October 2020</b>	<b>31 October 2019</b>
Net Asset Value			
- Class A	25,166,584	17,043,392	12,693,692
- Class B	4,553	4,595	4,378
- Class C	3,314	3,344	3,186
- Class D	168,126,647	130,364,569	141,116,622
- Class E	4,553	4,595	4,378
Units in Circulation			
- Class A	102,985,018	67,271,665	49,560,192
- Class B	4,534	4,414	4,162
- Class C	4,535	4,414	4,162
- Class D	687,875,437	514,473,317	550,922,400
- Class E	4,534	4,414	4,162
NAV per Unit in RM			
- Class A	0.2444	0.2534	0.2561
- Class B	1.0041	1.0411	1.0519
- Class C	0.7307	0.7575	0.7655
- Class D	0.2444	0.2534	0.2561
- Class E	1.0041	1.0411	1.0519
NAV per Unit in respective class			
- Class A	0.2444	0.2534	0.2561
- Class B	0.2425	0.2505	0.2516
- Class C	0.2378	0.2489	0.2491
- Class D	0.2444	0.2534	0.2561
- Class E	0.2425	0.2505	0.2516
Highest NAV per unit in respective class currencies			
- Class A	0.2539	0.2687	0.2676
- Class B	0.2601	0.2672	0.2635
- Class C	0.2498	0.2658	0.2644
- Class D	0.2540	0.2687	0.2676
- Class E	0.2601	0.2672	0.2635
Lowest NAV per unit in respective class currencies			
- Class A	0.2444	0.2533	0.2500
- Class B	0.2425	0.2363	0.2460
- Class C	0.2378	0.2473	0.2456
- Class D	0.2444	0.2534	0.2500
- Class E	0.2425	0.2363	0.2460

**1.6 Other Performance Data for the Financial Year Ended 31 October (continued)**

<b>BIMB ESG Sukuk Fund</b>	<b>31 October 2021</b>	<b>31 October 2020</b>	<b>31 October 2019</b>
Total Return (%) <sup>a</sup>			
- Class A	-0.91	4.96	6.56
- Class B	-0.56	5.58	4.72
- Class C	-1.85	5.98	3.68
- Class D	-0.91	4.96	6.56
- Class E	-0.56	5.58	4.72
Capital Return (%) <sup>b</sup>			
- Class A	-3.55	-1.05	2.44
- Class B	-3.19	-0.42	0.64
- Class C	-4.46	-0.04	-0.36
- Class D	-3.55	-1.05	2.44
- Class E	-3.19	-0.42	0.64
Income Return (%) <sup>c</sup>			
- Class A	2.64	6.01	4.12
- Class B	2.63	6.00	4.08
- Class C	2.61	6.02	4.04
- Class D	2.64	6.01	4.12
- Class E	2.63	6.00	4.08
Gross Distribution per Unit (Sen)			
- Class A	0.67	1.54	1.03
- Class B	0.66	1.51	1.02
- Class C	0.65	1.50	1.01
- Class D	0.67	1.54	1.03
- Class E	0.66	1.51	1.02
Net Distribution per Unit (Sen)			
- Class A	0.67	1.54	1.03
- Class B	0.66	1.51	1.02
- Class C	0.65	1.50	1.01
- Class D	0.67	1.54	1.03
- Class E	0.66	1.51	1.02
NAV per Unit before Distribution (MYR)			
- Class A	0.2511	0.2688	0.2664
- Class B	0.2491	0.2649	0.2618
- Class C	0.2443	0.2625	0.2592
- Class D	0.2511	0.2688	0.2664
- Class E	0.2491	0.2649	0.2618
NAV per Unit after Distribution (MYR)			
- Class A	0.2444	0.2534	0.2561
- Class B	0.2425	0.2498	0.2516
- Class C	0.2378	0.2475	0.2491
- Class D	0.2444	0.2534	0.2561
- Class E	0.2425	0.2498	0.2516
Date of Distribution	29 October	26 October	31 October
Management Expense Ratio (MER)(%) <sup>d</sup>	1.33	1.27	1.21
Portfolio Turnover Ratio (PTR)(times) <sup>e</sup>	0.24	0.11	0.31

**Note:**

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

**1.7 Unit Holdings as at 31 October 2021**

Size of Holdings	Class A (RM Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	7,841	97.19	2,825,258.98	2.74
5,001 to 10,000	123	1.52	858,419.71	0.83
10,001 to 50,000	93	1.15	1,825,956.42	1.77
50,001 to 500,000	7	0.09	1,045,999.61	1.02
500,001 and above	4	0.05	96,429,383.54	93.64
<b>Units Held by Holders</b>	<b>8,068</b>	<b>100.00</b>	<b>102,985,018.26</b>	<b>100.00</b>
Units Held by Manager	-	-	-	-
<b>Grand Total for the Fund</b>	<b>8,068</b>	<b>100.00</b>	<b>102,985,018.26</b>	<b>100.00</b>

Size of Holdings	Class B (USD Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
<b>Units Held by Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Units Held by Manager	1	100.00	4,533.88	100.00
<b>Grand Total for the Fund</b>	<b>1</b>	<b>100.00</b>	<b>4,533.88</b>	<b>100.00</b>

Size of Holdings	Class C (SGD Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
<b>Units Held by Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Units Held by Manager	1	100.00	4,535.07	100.00
<b>Grand Total for the Fund</b>	<b>1</b>	<b>100.00</b>	<b>4,535.07</b>	<b>100.00</b>

## 1.7 Unit Holdings as at 31 October 2021 (continued)

Size of Holdings	Class D (RM Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	5	100.00	687,875,436.55	100.00
<b>Units Held by Holders</b>	5	100.00	687,875,436.55	100.00
Units Held by Manager	-	-	-	-
<b>Grand Total for the Fund</b>	5	100.00	687,875,436.55	100.00

Size of Holdings	Class E (USD Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
<b>Units Held by Holders</b>	-	-	-	-
Units Held by Manager	1	100.00	4,533.88	100.00
<b>Grand Total for the Fund</b>	1	100.00	4,533.88	100.00

## 1.8 Policy on Rebate and Soft Commission

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

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 are of demonstrable benefit to Unit Holders of the Fund.

For and on behalf of

The Manager

**BIMB INVESTMENT MANAGEMENT BERHAD**

Date: 28 December 2021

## 1.0 LAPORAN PENGURUS

### Para Pemegang Unit,

Kami dengan sukacitanya membentangkan Laporan Pengurus Dana BIMB ESG Sukuk bagi tahun kewangan berakhir 31 Oktober 2021.

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

<b>Nama Dana</b>	Dana BIMB ESG Sukuk (BSF)
<b>Jenis Dana</b>	Pendapatan
<b>Kategori Dana</b>	Sukuk
<b>Objektif Pelaburan</b>	<p>Dana ini menawarkan aliran pendapatan yang stabil dan peluang peningkatan modal dalam jangka masa sederhana hingga panjang dengan melabur di dalam pasaran Sukuk dalam dan luar negara.</p> <p>Jangka masa sederhana hingga panjang merujuk kepada tiga tahun atau lebih.</p> <p><i>Sebarang perubahan kepada objektif pelaburan memerlukan kelulusan daripada Pemegang Unit.</i></p>
<b>Penanda Aras</b>	Kadar 1-tahun Deposit Bertempoh-i Tawarruq Bank Islam Malaysia Berhad.
<b>Polisi Agihan</b>	Tertakluk kepada ketersediaan pendapatan, Dana akan mengagihkan pendapatan secara tahunan.

### 1.2 Prestasi untuk Tahun Kewangan Berakhir 31 Oktober 2021

#### 1.2.1 Kajian Pencapaian bagi Dana BIMB ESG Sukuk

Bagi tahun kewangan dalam kajian, Kelas A dan Kelas D (Kelas RM), Kelas B dan Kelas E (Kelas USD) dan Kelas C (Kelas SGD) Dana BIMB ESG Sukuk (Dana) masing-masing mencatatkan pulangan sebanyak -0.91%, -0.56% dan -1.85% berbanding dengan pulangan penanda aras sebanyak 1.85% untuk semua kelas, di mana prestasi penanda aras yang dipilih untuk Dana adalah berdasarkan Kadar 1-tahun Deposit Bertempoh-i Tawarruq (TDT-i) Bank Islam Malaysia Berhad. Dengan itu, prestasi Dana adalah lebih rendah berbanding pulangan Penanda Aras semasa tahun kewangan dalam kajian..

Dana terus diuruskan selari dengan objektifnya untuk memberikan pendapatan yang stabil dan peluang peningkatan modal dalam jangka masa sederhana hingga panjang dengan melabur dalam pasaran Sukuk domestik dan luar negara. Bagi tahun kewangan berakhir 31 Oktober 2021, Dana telah berjaya memberikan pendapatan kepada pemegang unit dengan pengagihan sebanyak 0.67 sen seunit untuk Kelas A dan Kelas D (Kelas RM), 0.66 cent seunit untuk Kelas B dan Kelas E (Kelas USD), dan 0.65 cent seunit untuk Kelas C (Kelas SGD), masing-masing mewakili hasil sebanyak 2.64%, 2.63% dan 2.61%.

Setakat 31 Oktober 2021, Dana mempunyai sekitar 73.63% pegangan dalam Sukuk dan selebihnya dalam pasaran tunai dan setara tunai patuh Syariah. Jumlah Nilai Aset Bersih (NAB) Dana pada 31 Oktober 2021 adalah sebanyak RM193.31 juta manakala NAB seunit Dana adalah RM0.2444 untuk Kelas A dan Kelas D (Kelas RM), USD0.2425 untuk Kelas B dan Kelas E (Kelas USD) dan SGD0.2378 untuk Kelas C (Kelas SGD).

Bagi tempoh kewangan dalam kajian, tiada sebarang perubahan yang ketara dalam hal ehwal pengurusan Dana dan tidak berlaku sebarang keadaan yang secara material memberi kesan kepada kepentingan pemegang unit sehingga tarikh Laporan Pengurus ini disediakan.

### 1.2.2 Jumlah Pulangan dan Jumlah Pulangan Purata setakat 31 Oktober 2021

Tempoh	Kelas A (Kelas RM)		Penanda Aras	
	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)
1-Tahun	(0.91%)	(0.91%)	1.85%	1.85%
3-Tahun	10.26%	3.42%	8.15%	2.72%
Sejak Pelancaran	10.83%	3.33%	9.11%	2.80%

Tempoh	Kelas B (Kelas USD)		Penanda Aras	
	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)
1-Tahun	(0.56%)	(0.56%)	1.85%	1.85%
3-Tahun	11.55%	3.85%	8.15%	2.72%
Sejak Pelancaran	9.95%	3.06%	9.11%	2.80%

Tempoh	Kelas C (Kelas SGD)		Penanda Aras	
	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)
1-Tahun	(1.85%)	(1.85%)	1.85%	1.85%
3-Tahun	8.45%	2.82%	8.15%	2.72%
Sejak Pelancaran	7.84%	2.41%	9.11%	2.80%

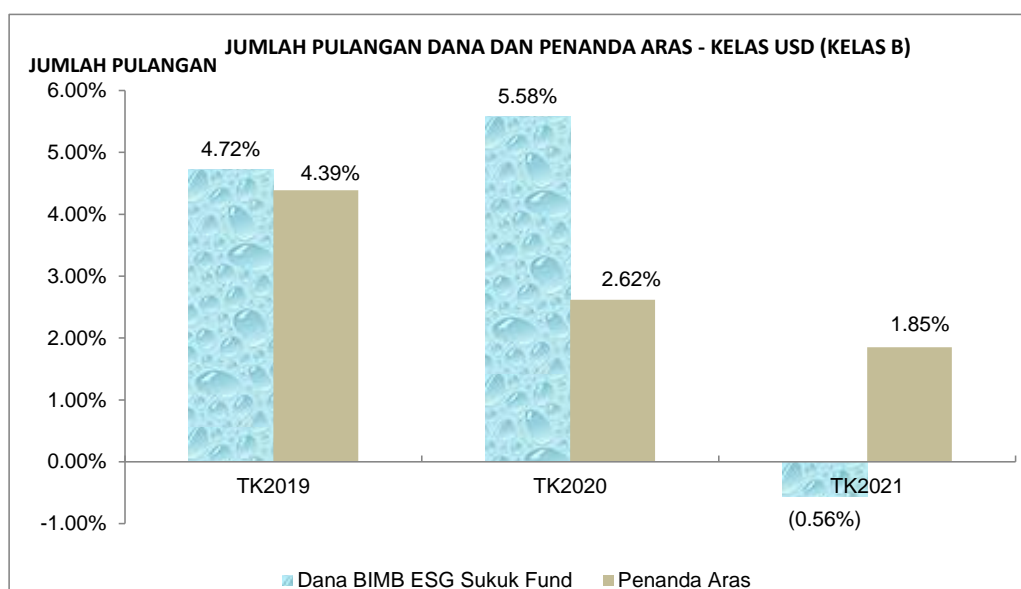
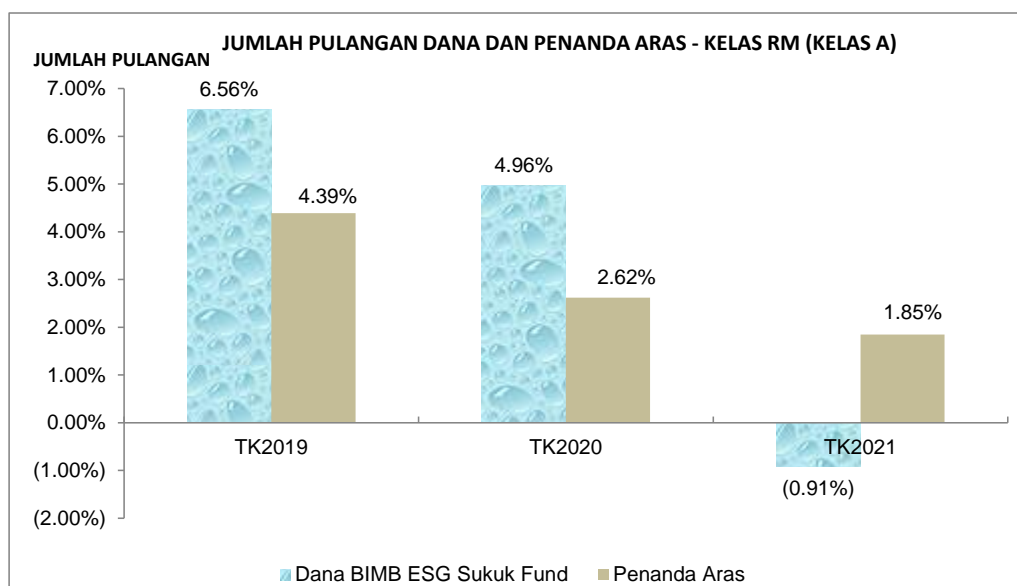
Tempoh	Kelas D (Kelas RM)		Penanda Aras	
	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)
1-Tahun	(0.91%)	(0.91%)	1.85%	1.85%
3-Tahun	10.26%	3.42%	8.15%	2.72%
Sejak Pelancaran	10.83%	3.33%	9.11%	2.80%

Tempoh	Kelas E (Kelas USD)		Penanda Aras	
	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)	Jumlah Pulangan (%)	Jumlah Pulangan Purata (%)
1-Tahun	(0.56%)	(0.56%)	1.85%	1.85%
3-Tahun	11.55%	3.85%	8.15%	2.72%
Sejak Pelancaran	9.95%	3.06%	9.11%	2.80%

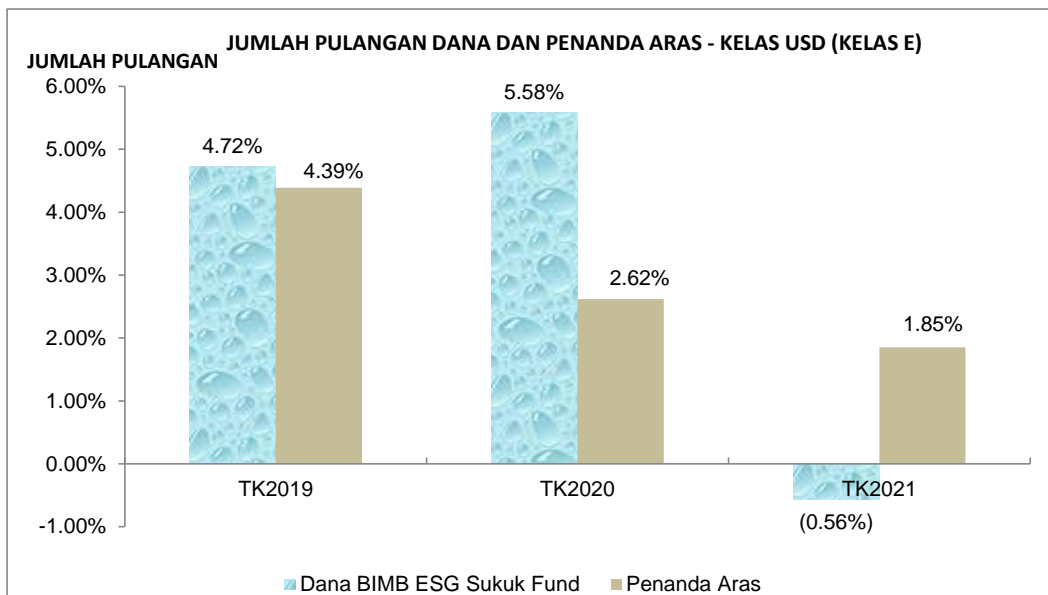
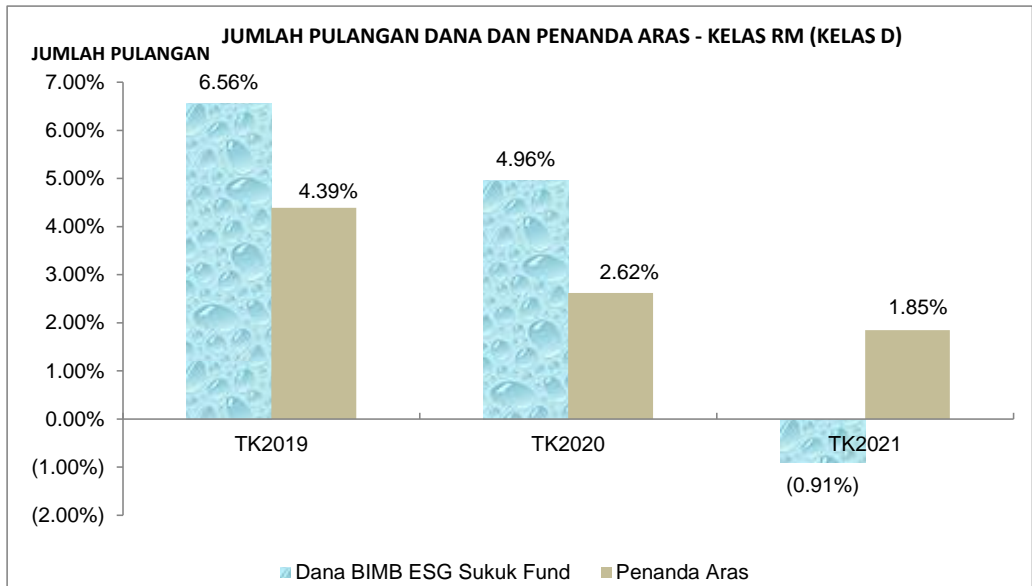
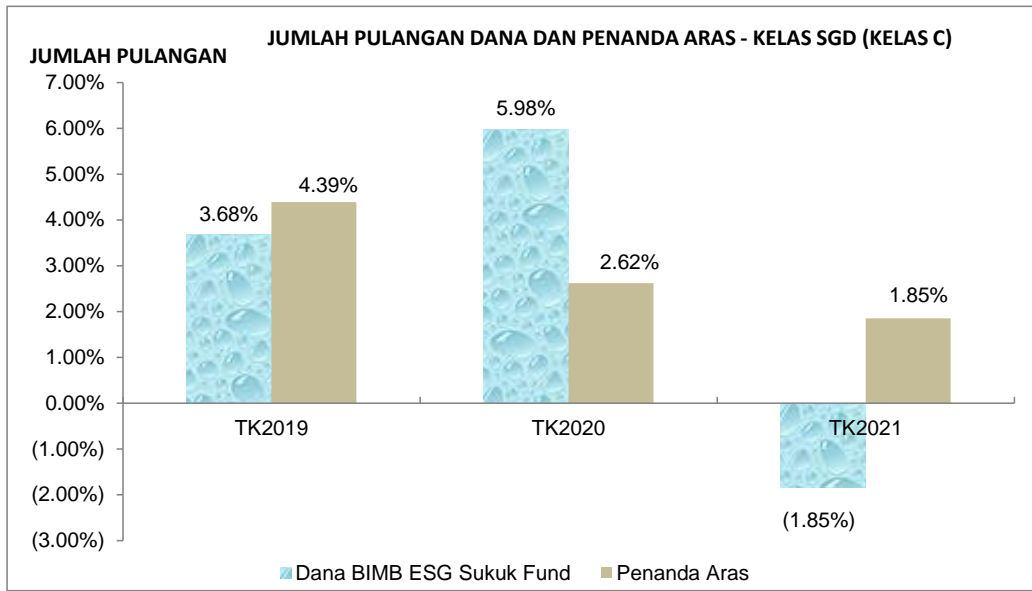
### 1.2.3 Jumlah Pulangan bagi Tahun-Tahun Kewangan yang Lalu

Kelas	Tahun Kewangan Berakhir 31 Oktober 2021		Tahun Kewangan Berakhir 31 Oktober 2020		Tahun Kewangan Berakhir 31 Oktober 2019	
	Dana BIMB ESG Sukuk (%)	Penanda Aras (%)	Dana BIMB ESG Sukuk (%)	Penanda Aras (%)	Dana BIMB ESG Sukuk (%)	Penanda Aras (%)
Kelas A	(0.91%)	1.85%	4.96%	2.62%	6.56%	4.39%
Kelas B	(0.56%)	1.85%	5.58%	2.62%	4.72%	4.39%
Kelas C	(1.85%)	1.85%	5.98%	2.62%	3.68%	4.39%
Kelas D	(0.91%)	1.85%	4.96%	2.62%	6.56%	4.39%
Kelas E	(0.56%)	1.85%	5.58%	2.62%	4.72%	4.39%

Rajah 1: Jumlah Pulangan Dana dan Penanda Aras



**Rajah 1: Jumlah Pulangan Dana dan Penanda Aras (sambungan)**





*Sumber Data : BIMB Investment Management Berhad  
Data disahkan oleh : Novagni Analytics & Advisor Sdn. Bhd.  
Penanda Aras : Kadar 1-tahun 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. **Jumlah Pulangan Purata** adalah berpandukan formula berikut:

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

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

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

### 1.3 Ekonomi dan Semakan Pasaran

#### Ekonomi

##### a) Global

- Keluaran Dalam Negara Kasar (KDNK) Amerika Syarikat (AS) mencatatkan peningkatan sebanyak 4.90% pada suku ketiga 2021 berbanding suku yang sama tahun sebelumnya. Peningkatan ini menampakkan kesan daripada peningkatan dalam aktiviti pelaburan, penggunaan, dan perbelanjaan kerajaan negeri dan tempatan.
- Ekonomi zon Euro meningkat sebanyak 3.7% pada suku ketiga 2021 berbanding suku yang sama tahun sebelumnya, di kala negara-negara mula membuka semula ekonomi mereka.
- Ekonomi negara China berkembang lebih perlahan pada suku ketiga 2021 dengan kadar pertumbuhan tahun-ke-tahun sebanyak 4.9% disebabkan oleh kekurangan bekalan dan tenaga.

*(Sumber: Biro Analisis Ekonomi, CNBC, Ekonomi Perdagangan)*

##### b) Dalam Negara

- KDNK Malaysia menyusut 4.5% pada suku ketiga disebabkan oleh sekatan ketat pergerakan dalam membendung peningkatan kes varian Delta, terutamanya pada bulan Julai.
- Bagi tempoh tahun kewangan dalam kajian, BNM telah mengekalkan Kadar Polisi Semalaman (OPR) pada paras 1.75%, dan menegaskan bahawa kadar ini kekal sesuai dan akomodatif di kala terdapatnya risiko penurunan yang berterusan terhadap prospek pertumbuhan

*(Sumber: Bank Negara Malaysia dan Jabatan Perangkaan Malaysia)*

## Semakan Pasaran

### a) Global

- Bagi tahun kewangan dalam kajian, kadar hasil bon global telah meningkat sejajar dengan jangkaan bertambah baiknya ekonomi global dan jangkaan peningkatan kadar faedah oleh bank-bank pusat. Walaupun kadar faedah belum dinaikkan oleh Federal Reserve AS, para pelabur pasaran instrumen berpendapatan tetap menyelaraskan harga seperti berlakunya kenaikan kadar faedah.

### b) Dalam Negara

- Kadar hasil penanda aras Malaysia melonjak antara 3 hingga 38 mata asas pada suku ketiga tahun 2021, dicetuskan oleh beberapa faktor antaranya ketidaktentuan akibat perubahan kerajaan pemerintah Malaysia dan peningkatan sasaran defisit fiskal kepada antara 6.5 – 7.0% daripada jumlah KDNK, selain cadangan meningkatkan had hutang berkanun daripada 60% kepada 65%.

(Sumber: Bloomberg, MARC)

## 1.4 Tinjauan Pasaran dan Strategi

Untuk masa mendatang, kami menjangkakan bank-bank pusat global akan mula cenderung untuk mengetatkan dasar monetari mereka bila mana tumpuan terhadap inflasi dan pertumbuhan menjadi agenda penting. Strategi Dana adalah untuk menumpukan pelaburan dalam instrumen yang bertempoh lebih singkat dalam keluk hasil, memandangkan kebarangkalian peningkatan kadar faedah oleh bank-bank pusat.

## 1.5 Peruntukan Aset Pada 31 Oktober

Dana BIMB ESG Sukuk	31 Oktober 2021 (%)	31 Oktober 2020 (%)	31 Oktober 2019 (%)
<b>Pelaburan dalam Sukuk</b>			
Komunikasi	4.10	5.07	0.99
Pembinaan dan Kejuruteraan	5.64	11.30	3.45
Perladangan dan Pertanian	-	-	3.22
Pemegangan Pelbagai	-	7.18	-
Perkhidmatan Kewangan	13.21	3.42	1.36
Infrastruktur dan Utiliti	42.72	62.86	48.19
Hartanah	7.98	11.10	13.03
Logistik	-	-	1.43
Tunai dan aset bersih yang lain:	26.35	-0.93	28.33
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

Dana BIBM ESG Sukuk	31 Oktober 2021	31 Oktober 2020	31 Oktober 2019
Nilai Aset Bersih (NAB)			
- Kelas A	25,166,584	17,043,392	12,693,692
- Kelas B	4,553	4,595	4,378
- Kelas C	3,314	3,344	3,186
- Kelas D	168,126,647	130,364,569	141,116,622
- Kelas E	4,553	4,595	4,378
Unit Dalam Edaran (UDE)			
- Kelas A	102,985,018	67,271,665	49,560,192
- Kelas B	4,534	4,414	4,162
- Kelas C	4,535	4,414	4,162
- Kelas D	687,875,437	514,473,317	550,922,400
- Kelas E	4,534	4,414	4,162
NAB seunit dalam RM			
- Kelas A	0.2444	0.2534	0.2561
- Kelas B	1.0041	1.0411	1.0519
- Kelas C	0.7307	0.7575	0.7655
- Kelas D	0.2444	0.2534	0.2561
- Kelas E	1.0041	1.0411	1.0519
NAB seunit dalam setiap kelas			
- Kelas A	0.2444	0.2534	0.2561
- Kelas B	0.2425	0.2505	0.2516
- Kelas C	0.2378	0.2489	0.2491
- Kelas D	0.2444	0.2534	0.2561
- Kelas E	0.2425	0.2505	0.2516
NAB tertinggi seunit dalam setiap kelas matawang			
- Kelas A	0.2539	0.2687	0.2676
- Kelas B	0.2601	0.2672	0.2635
- Kelas C	0.2498	0.2658	0.2644
- Kelas D	0.2540	0.2687	0.2676
- Kelas E	0.2601	0.2672	0.2635
NAB terendah seunit dalam setiap kelas matawang			
- Kelas A	0.2444	0.2533	0.2500
- Kelas B	0.2425	0.2363	0.2460
- Kelas C	0.2378	0.2473	0.2456
- Kelas D	0.2444	0.2534	0.2500
- Kelas E	0.2425	0.2363	0.2460
Jumlah Pulangan (%) <sup>a</sup>			
- Kelas A	-0.91	4.96	6.56
- Kelas B	-0.56	5.58	4.72
- Kelas C	-1.85	5.98	3.68
- Kelas D	-0.91	4.96	6.56
- Kelas E	-0.56	5.58	4.72

**1.6 Lain-lain Data Prestasi bagi Tahun Kewangan Berakhir 31 Oktober (sambungan)**

<b>Dana BIMB ESG Sukuk</b>	<b>31 Oktober 2021</b>	<b>31 Oktober 2020</b>	<b>31 Oktober 2019</b>
Pulangan Modal (%) <sup>b</sup>			
- Kelas A	-3.55	-1.05	2.44
- Kelas B	-3.19	-0.42	0.64
- Kelas C	-4.46	-0.04	-0.36
- Kelas D	-3.55	-1.05	2.44
- Kelas E	-3.19	-0.42	0.64
Pulangan Pendapatan (%) <sup>c</sup>			
- Kelas A	2.64	6.01	4.12
- Kelas B	2.63	6.00	4.08
- Kelas C	2.61	6.02	4.04
- Kelas D	2.64	6.01	4.12
- Kelas E	2.63	6.00	4.08
Agihan Kasar seunit (Sen)			
- Kelas A	0.67	1.54	1.03
- Kelas B	0.66	1.51	1.02
- Kelas C	0.65	1.50	1.01
- Kelas D	0.67	1.54	1.03
- Kelas E	0.66	1.51	1.02
Agihan Bersih seunit (Sen)			
- Kelas A	0.67	1.54	1.03
- Kelas B	0.66	1.51	1.02
- Kelas C	0.65	1.50	1.01
- Kelas D	0.67	1.54	1.03
- Kelas E	0.66	1.51	1.02
NAB sebelum Pengagihan (RM)			
- Kelas A	0.2511	0.2688	0.2664
- Kelas B	0.2491	0.2649	0.2618
- Kelas C	0.2443	0.2625	0.2592
- Kelas D	0.2511	0.2688	0.2664
- Kelas E	0.2491	0.2649	0.2618
NAB selepas Pengagihan (RM)			
- Kelas A	0.2444	0.2534	0.2561
- Kelas B	0.2425	0.2498	0.2516
- Kelas C	0.2378	0.2475	0.2491
- Kelas D	0.2444	0.2534	0.2561
- Kelas E	0.2425	0.2498	0.2516
Tarikh Pengagihan	29 October	26 October	31 October
Nisbah Perbelanjaan Pengurusan (NPP) (%) <sup>d</sup>	1.33	1.27	1.21
Nisbah Pusing Ganti Portfolio (Kali) <sup>e</sup>	0.24	0.11	0.31

**Nota:**

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

**1.7 Pecahan Pegangan Unit Setakat 31 Oktober 2021**

Saiz Dipegang	Kelas A (Kelas RM)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	7,841	97.19	2,825,258.98	2.74
5,001 hingga 10,000	123	1.52	858,419.71	0.83
10,001 hingga 50,000	93	1.15	1,825,956.42	1.77
50,001 hingga 500,000	7	0.09	1,045,999.61	1.02
500,001 dan ke atas	4	0.05	96,429,383.54	93.64
<b>Unit Dipegang oleh Pemegang</b>	<b>8,068</b>	<b>100.00</b>	<b>102,985,018.26</b>	<b>100.00</b>
Unit Dipegang oleh Pengurus	-	-	-	-
<b>Jumlah Keseluruhan Dana</b>	<b>8,068</b>	<b>100.00</b>	<b>102,985,018.26</b>	<b>100.00</b>

Saiz Dipegang	Kelas B (Kelas USD)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	-	-	-	-
<b>Unit Dipegang oleh Pemegang</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unit Dipegang oleh Pengurus	1	100.00	4,533.88	100.00
<b>Jumlah Keseluruhan Dana</b>	<b>1</b>	<b>100.00</b>	<b>4,533.88</b>	<b>100.00</b>

1.7 Pecahan Pegangan Unit Setakat 31 Oktober 2021 (sambungan)

Saiz Dipegang	Kelas C (Kelas SGD)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	-	-	-	-
<b>Unit Dipegang oleh Pemegang</b>	-	-	-	-
Unit Dipegang oleh Pengurus	1	100.00	4,535.07	100.00
<b>Jumlah Keseluruhan Dana</b>	<b>1</b>	<b>100.00</b>	<b>4,535.07</b>	<b>100.00</b>

Saiz Dipegang	Kelas D (Kelas RM)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	5	100.00	687,875,436.55	100.00
<b>Unit Dipegang oleh Pemegang</b>	5	100.00	687,875,436.55	100.00
Unit Dipegang oleh Pengurus	-	-	-	-
<b>Jumlah Keseluruhan Dana</b>	<b>5</b>	<b>100.00</b>	<b>687,875,436.55</b>	<b>100.00</b>

Saiz Dipegang	Kelas E (Kelas USD)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	-	-	-	-
5,001 hingga 10,000	-	-	-	-
10,001 hingga 50,000	-	-	-	-
50,001 hingga 500,000	-	-	-	-
500,001 dan ke atas	-	-	-	-
<b>Unit Dipegang oleh Pemegang</b>	-	-	-	-
Unit Dipegang oleh Pengurus	1	100.00	4,533.88	100.00
<b>Jumlah Keseluruhan Dana</b>	<b>1</b>	<b>100.00</b>	<b>4,533.88</b>	<b>100.00</b>

### **1.8 Polisi Rebat dan Komisen Ringan (Bukan Tunai)**

Sebarang rebat broker saham 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 semakan, 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.

Untuk dan bagi pihak

Pengurus

**BIMB INVESTMENT MANAGEMENT BERHAD**

Tarikh: 28 Disember 2021

Nota:

Laporan ini telah diterjemahkan daripada laporan asal (dalam Bahasa Inggeris). Jika terdapat sebarang perbezaan, laporan Bahasa Inggeris dianggap betul.

## **2.0 DIRECTORS' DECLARATION**

### **TO THE UNIT HOLDER OF BIMB ESG SUKUK 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 29 to 62 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 October 2021 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 Manager

.....  
**DATO' DR. MOHAMAD ZABIDI BIN AHMAD**  
(Non-Executive Independent Director)

.....  
**NAJMUDDIN BIN MOHD LUTFI**  
Director

Kuala Lumpur

Date: 28 December 2021



### **3.0 TRUSTEE'S REPORT**

#### **TO THE UNIT HOLDERS OF BIMB ESG SUKUK FUND**

We, SCBMB Trustee Berhad, being the Trustee of BIMB ESG Sukuk Fund (the "Fund"), are of the opinion that BIMB Investment Management Berhad (the "Manager"), has managed the Fund for the financial period from 1 November 2020 to 31 October 2021 in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing for the Fund has been carried out in accordance with the Deeds and applicable regulatory requirements; and
- (c) creation and cancellation of units is carried out in accordance with the Deeds and applicable regulatory requirements.

We are of the view that the distributions made during this financial year ended 31 October 2021 by the Manager is not inconsistent with the objectives of the Fund.

For and on behalf of the Trustee  
**SCBMB Trustees Berhad**

.....  
**PRASAD A/L S VIJAYASUNDRAM**  
Chief Executive Officer

Kuala Lumpur

Date: 28 December 2021

#### **4.0 SHARIAH ADVISER'S REPORT**

##### **TO THE UNIT HOLDERS OF BIMB ESG SUKUK 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 during the financial year period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Advisers,

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

Date: 28 December 2021

## **5.0 INDEPENDENT AUDITORS' REPORT**

### **TO THE UNIT HOLDERS OF BIMB ESG SUKUK FUND**

#### **REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

##### Our opinion

In our opinion, the financial statements of BIMB ESG Sukuk Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 October 2021, and of its financial performance and its cash flows for the period 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 October 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 29 to 62.

##### 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' 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 ESG SUKUK FUND (CONTINUED)

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

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

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

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

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

#### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Manager is also responsible for such internal control as the Manager determine 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 has no realistic alternative but to do so.

The Manager is also responsible for overseeing the Fund's financial reporting process.

#### 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 ESG SUKUK FUND (CONTINUED)

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF BIMB ESG SUKUK FUND (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

Date: 28 December 2021

## 6.0 FINANCIAL STATEMENTS (AUDITED)

### BIMB ESG SUKUK FUND

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 31 OCTOBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>INVESTMENT INCOME</b>			
Profit income from Sukuk at fair value through profit or loss		4,849,233	6,586,713
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		845,829	1,392,578
Realised (loss)/gain on disposal of Sukuk	9	(132,796)	5,676,802
Realised gain on foreign exchange		10,573	118,785
Other unrealised gain/(loss) on foreign exchange		10,307	(153,339)
Unrealised loss from financial instruments at fair value through profit or loss	9	(4,681,753)	(938,355)
Hibah		152	-
		<u>901,545</u>	<u>12,683,184</u>
<b>EXPENSES</b>			
Management fee	4	2,170,398	2,469,828
Trustee's fee	5	72,348	82,326
Audit fee		11,400	12,998
Tax agent's fee		5,453	3,997
Administrative expenses		161,560	55,380
		<u>2,421,159</u>	<u>2,624,529</u>
<b>(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION</b>		<b>(1,519,614)</b>	<b>10,058,655</b>
Finance cost	6	(5,235,283)	(8,839,677)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(6,754,897)</b>	<b>1,218,978</b>
Taxation	7	-	-
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>(6,754,897)</b>	<b>1,218,978</b>
<b>(Decrease)/increase in net assets attributable to unit holders consist of:</b>			
Realised amount		(2,083,451)	2,310,673
Unrealised amount		(4,671,446)	(1,091,695)
		<u>(6,754,897)</u>	<u>1,218,978</u>

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

## BIMB ESG SUKUK FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
Cash and cash equivalents (Shariah-compliant)	8	64,521,049	5,279,761
Financial assets at fair value through profit or loss	9	142,340,124	148,793,983
Amount due from Manager		3,963	19,509
<b>TOTAL ASSETS</b>		<u>206,865,136</u>	<u>154,093,253</u>
<b>LIABILITIES</b>			
Amount due to Dealers		10,285,070	-
Amount due to Manager		256,141	-
Accrued management fee		187,393	196,576
Amount due to Trustee		6,247	6,553
Audit fee payable		11,400	12,400
Tax agent's fee payable		4,453	4,000
Distributions payable		2,803,944	6,445,751
Other payables		4,837	7,478
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>13,559,485</u>	<u>6,672,758</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>193,305,651</u>	<u>147,420,495</u>
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class A (RM)		25,166,584	17,043,392
- Class B (USD)		4,553	4,595
- Class C (SGD)		3,314	3,344
- Class D (RM)		168,126,647	130,364,569
- Class E (USD)		4,553	4,595
		<u>193,305,651</u>	<u>147,420,495</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- Class A		102,985,019	67,271,665
- Class B		4,535	4,414
- Class C		4,535	4,414
- Class D		687,875,437	514,473,317
- Class E		4,535	4,414
	10	<u>790,874,061</u>	<u>581,758,224</u>



## BIMB ESG SUKUK FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021 (CONTINUED)

	Note	<u>2021</u> RM	<u>2020</u> RM
NET ASSET VALUE ("NAV") PER UNIT (SEN)			
- Class A		24.44 sen	25.34 sen
- Class B		100.41 sen	104.11 sen
- Class C		73.07 sen	75.75 sen
- Class D		24.44 sen	25.34 sen
- Class E		<u>100.41 sen</u>	<u>104.11 sen</u>
NAV PER UNIT IN RESPECTIVE CURRENCIES			
Class A (RM)		24.44 cent	25.34 cent
Class B (USD)		24.25 cent	25.05 cent
Class C (SGD)		23.78 cent	24.89 cent
Class D (RM)		24.44 cent	25.34 cent
Class E (USD)		<u>24.25 cent</u>	<u>25.05 cent</u>

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

## BIMB ESG SUKUK FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	<u>2021</u> RM	<u>2020</u> RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	147,420,495	153,822,256
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class A	14,994,496	22,063,114
- Class D	54,257,640	75,293,673
	<u>69,252,136</u>	<u>97,356,787</u>
- Creation of units from distribution		
- Class A	668,213	986,238
- Class B	121	262
- Class C	88	191
- Class D	1,762,795	1,406,974
- Class E	121	262
	<u>2,431,338</u>	<u>2,393,927</u>
- Cancellation of units		
- Class A	(6,676,048)	(18,636,616)
- Class D	(12,367,373)	(88,734,837)
	<u>(19,043,421)</u>	<u>(107,371,453)</u>
(Decrease)/increase in net assets attributable to unit holders during the financial year	<u>(6,754,897)</u>	1,218,978
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>193,305,651</u>	<u>147,420,495</u>

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

## BIMB ESG SUKUK FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2021

	Note	<u>2021</u> RM	<u>2020</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceed from disposal of Sukuk		49,850,713	236,671,986
Purchase of Sukuk		(37,926,332)	(265,200,416)
Gain from foreign exchange		10,573	118,785
Profit Income from Shariah-compliant deposits with licensed Islamic financial institutions		845,981	1,392,578
Profit income from Sukuk at fair value through profit or loss		4,849,233	6,586,713
Management fee paid		(2,179,581)	(2,421,404)
Trustee fee paid		(72,654)	(80,711)
Audit fee paid		(12,400)	(13,598)
Tax agent fee paid		(5,000)	(3,997)
Payment for other administrative expenses		(164,201)	(52,786)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>		<u>15,196,332</u>	<u>(23,002,850)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash receipt for creation of units		69,267,681	97,351,063
Cash payment for cancellation of units		(18,787,280)	(108,384,406)
Distributions paid		(6,445,751)	(578)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>		<u>43,034,650</u>	<u>(11,033,921)</u>
Net increase/(decrease) in cash and cash equivalents		59,230,982	(34,036,770)
Effects of foreign exchange fluctuations		10,306	(153,339)
Cash and cash equivalents at beginning of the financial year		<u>5,279,761</u>	<u>39,469,870</u>
Cash and cash equivalents at end of the financial year	8	<u><u>64,521,049</u></u>	<u><u>5,279,761</u></u>
Cash and cash equivalents comprise of:			
Shariah-compliant deposits with licensed Islamic financial institutions		64,162,945	5,065,576
Cash at bank		358,104	214,185
	8	<u><u>64,521,049</u></u>	<u><u>5,279,761</u></u>

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021

#### 1 INFORMATION ON THE FUND

BIMB ESG Sukuk Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 20 April 2018 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 Deed, which include investment in Islamic debt securities both locally and globally and short term placements.

The Fund is established with a multi-class structure comprising of five (5) different classes of Class A for retail investors denominated in Ringgit Malaysia, Class B for retail investors denominated in US Dollar, Class C for retail investors denominated in SG Dollar, Class D for institutional investors denominated in Ringgit Malaysia and Class E for institutional investors denominated in US Dollar.

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 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 period.

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

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Basis of preparation (continued)

###### (i) Standards, amendments to published standards and interpretations that are effective

The Fund has applied the following standards and amendments for the first time for the financial year beginning on 1 November 2020:

- IC Interpretation 23 'Uncertainty over Income Tax Treatments'
- Annual Improvements to MFRSs 2015 – 2017 Cycle

The adoption of amendments listed above did not have any impact on the current period or any prior period and is not likely to affect future periods.

###### (ii) Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'onerous contracts—cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

##### (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.

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial assets (continued)

###### (i) Recognition and initial measurement (continued)

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.

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.

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

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

###### (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)).

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial assets (continued)

###### (iii) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

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

###### Significant increase in credit risk

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

###### Definition of default and credit-impaired financial assets

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

###### 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 debtor’s sources of income or assets to generate sufficient future cash flows to repay 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.

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial liabilities

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

Amortised cost

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

(d) Income recognition

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

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

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

(e) Cash and cash equivalents

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

Cash and cash equivalents are categorised and measured as amortised cost.

(f) Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date.

(g) Distribution

A distribution to the Fund's unit holders is accounted for as finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee of the Fund.



## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Creation and cancellation of units

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in five classes of units, known respectively as Class A, Class B, Class C, Class D and Class E which are cancelled at the unit holder's option. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of statement of financial position 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 NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes. In accordance with the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for creations and cancellations.

(i) Increase/Decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders.

(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.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- i) Significant portion of the Fund's investments are denominated in RM.
- ii) Significant portion of the Fund's cash is denominated in RM.
- iii) Significant portion of the Fund's expenses are denominated in RM.

(k) Use of estimates and judgements

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

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (k) Use of estimates and judgements (continued)

###### Estimate of fair value of unquoted Sukuk

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

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

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments of the Fund are as follows:

	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at amortised <u>cost</u> RM	<u>Total</u> RM
<u>2021</u>			
Cash and cash equivalents (Shariah-compliant)	-	64,521,049	64,521,049
Financial assets at fair value through profit or loss	142,340,124	-	142,340,124
Amount due from Manager	-	3,963	3,963
	<u>142,340,124</u>	<u>64,525,012</u>	<u>206,865,136</u>
<u>2020</u>			
Cash and cash equivalents (Shariah-compliant)	-	5,279,761	5,279,761
Financial assets at fair value through profit or loss	148,793,983	-	148,793,983
Amount due from Manager	-	19,509	19,509
	<u>148,793,983</u>	<u>5,299,270</u>	<u>154,093,253</u>

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with Shariah principles.

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, profit rate risk and foreign currency risk), credit risk and liquidity 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 on Unit Trust Fund.

(a) Market risk

(i) Price risk

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

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

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- Quoted Sukuk*	7,914,804	7,475,209
- Unquoted Sukuk^	134,425,320	141,318,774
	<u>142,340,124</u>	<u>148,793,983</u>

\* Includes interest receivable of MYR83,741 (2020:82,862).

^ Includes interest receivable of MYR1,468,450 (2020:1,154,920).

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (a) Market risk (continued)

##### (i) Price risk

	Change in <u>price</u> %	Impact on loss <u>or loss/NAV</u> RM
<u>2021</u>		
Investments in quoted and unquoted Sukuk*	5	7,039,397
<u>2020</u>		
Investments in quoted and unquoted Sukuk*	5	6,201,917

\* Excludes total interest receivable of MYR1,552,191 (2020:1,237,782) before Calculation.

##### (ii) Profit rate risk

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

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

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

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (a) Market risk (continued)

##### (ii) Profit rate risk (continued)

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

	Change in profit rate %	Impact on profit or loss/NAV RM
<u>2021</u>		
Quoted Sukuk	+1	16,133
	-1	(16,193)
Unquoted Sukuk	+1	261,002
	-1	(228,696)
<u>2020</u>		
Quoted Sukuk	+1	119,169
	-1	77,625
Unquoted Sukuk	+1	286,101
	-1	(207,559)

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (a) Market risk (continued)

##### (iii) Foreign currency risk

Foreign currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus USD based on considerations of economic fundamentals such as profit risk differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currencies:

	Cash and cash <u>equivalents</u> RM	Net assets attributable to <u>unit holders</u> RM	<u>Total</u> RM
<u>2021</u>			
USD	8,428	(9,107)	(679)
SGD	3,073	(3,314)	(241)
<u>2020</u>			
USD	8,459	(9,190)	(731)
IDR	12,795	-	12,795
SGD	3,043	(3,344)	(301)

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (a) Market risk (continued)

##### (iii) Foreign currency risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	<u>% Change in foreign exchange rate</u>	<u>Impact on profit or loss/NAV</u>	
		<u>2021</u>	<u>2020</u>
	%	RM	RM
USD	+/-5	(34)	(37)
IDR	+/-5	-	640
SGD	+/-5	(12)	(15)

##### (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, amount due from Manager, quoted and unquoted sukuk.

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:

	<u>Financial asset at fair value through profit or loss</u>	<u>Cash and cash equivalents</u>	<u>Amount due from manager</u>	<u>Total</u>
		RM	RM	RM
<u>2021</u>				
Finance				
- AAA	-	358,104	-	358,104
- AA3	-	11,827,000	-	11,827,000
- A1	-	23,465,399	-	23,465,399
- Non-rated	-	28,870,546	3,963	28,874,509
Quoted sukuk				
- AAA	7,914,804	-	-	7,914,804
Unquoted sukuk				
- AAA	45,139,435	-	-	45,139,435
- AA1	10,329,741	-	-	10,329,741
- AA3	21,210,234	-	-	21,210,234
- AA-	37,117,130	-	-	37,117,130
- Non-rated	20,565,780	-	-	20,565,780
	<u>142,320,124</u>	<u>64,521,049</u>	<u>3,963</u>	<u>206,865,136</u>

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (b) Credit risk (continued)

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

	Financial asset at fair value through profit or <u>loss</u>	Cash and cash <u>equivalents</u> RM	Amount due from <u>manager</u> RM	<u>Total</u> RM
<u>2020</u>				
Finance				
- AAA	-	214,185	-	214,185
- Non-rated	-	5,065,576	19,509	5,085,085
Quoted sukuk				
- AAA	7,475,209	-	-	7,475,209
Unquoted sukuk				
- AAA	47,562,590	-	-	47,562,590
- AA1	11,221,041	-	-	11,221,041
- AA2	16,552,450	-	-	16,552,450
- AA3	33,000,587	-	-	33,000,587
- AA-	32,982,106	-	-	32,982,106
	<u>148,793,983</u>	<u>5,279,761</u>	<u>19,509</u>	<u>154,093,253</u>

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

##### (c) Liquidity risk

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

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



## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (d) Liquidity risk (continued)

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 <u>than 1 month</u> RM	Between 1 month <u>to 1 year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Dealers	10,285,070	-	10,285,070
Amount due to Manager	256,141	-	256,141
Accrued management fee	187,393	-	187,393
Amount due to Trustee	6,247	-	6,247
Audit fee payable	-	11,400	11,400
Tax agent's fee payable	-	4,453	4,453
Distribution payable	2,803,944	-	2,803,944
Other payables	-	4,837	4,837
Net assets attributable to unit holders*	<u>193,305,651</u>	<u>-</u>	<u>193,305,651</u>
Contractual undiscounted cash flows	<u>206,844,446</u>	<u>20,690</u>	<u>206,865,136</u>
<u>2020</u>			
Accrued management fee	196,576	-	196,576
Amount due to Trustee	6,553	-	6,553
Audit fee payable	-	12,400	12,400
Tax agent's fee payable	-	4,000	4,000
Distribution payable	6,445,751	-	6,445,751
Other payables	-	7,478	7,478
Net assets attributable to unit holders*	<u>147,420,495</u>	<u>-</u>	<u>147,420,495</u>
Contractual undiscounted cash flows	<u>154,069,375</u>	<u>23,878</u>	<u>154,093,253</u>

\* Outstanding units are redeemed on demand at the unit holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (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.

##### (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 period/year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

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

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

##### (i) Fair value hierarchy

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

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

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

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (e) Fair value estimation (continued)

##### (i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss:				
- Quoted Sukuk	-	7,914,804	-	7,914,804
- Unquoted Sukuk	-	134,425,320	-	134,425,320
	<u>-</u>	<u>142,340,124</u>	<u>-</u>	<u>142,340,124</u>
<u>2020</u>				
Financial assets at fair value through profit or loss:				
- Quoted Sukuk	-	7,475,209	-	7,475,209
- Unquoted Sukuk	-	141,318,774	-	141,318,774
	<u>-</u>	<u>148,793,983</u>	<u>-</u>	<u>148,793,983</u>

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

The carrying values of cash and cash equivalents, amount due from Manager, other receivables and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 4 MANAGEMENT FEE

The manager's fee payable to the Manager of the Fund is based on 1.20% (2020: 1.20%) 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 0.04% (2020: 0.04%) per annum subject to a minimum of RM 18,000 (2020: RM18,000) of the net asset value of the Fund calculated on a daily basis.

#### 6 FINANCE COST

	<u>2021</u> RM	<u>2020</u> RM
Finance cost is derived from the following sources:		
Income from Sukuk	4,434,919	6,866,460
Income from Shariah-compliant deposits with licensed Islamic financial institutions	845,829	1,389,437
Realised gain on disposal of Sukuk	-	3,053,713
Realised gain on foreign exchange	10,573	118,785
Prior year realized income	<u>2,357,703</u>	<u>-</u>
	7,649,023	11,428,395
Less:		
Expenses	<u>(2,413,741)</u>	<u>(2,588,718)</u>
Net distribution amount	<u>5,235,283</u>	<u>8,839,677</u>
- Class A	674,514	1,001,580
- Class B	121	262
- Class C	88	191
- Class D	4,560,439	7,837,382
- Class E	<u>121</u>	<u>262</u>
	<u>5,235,283</u>	<u>8,839,677</u>

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 6 FINANCE COST (CONTINUED)

	<u>2021</u> RM	<u>2020</u> RM
<u>Distribution on 29 October 2021</u>		
Gross/net distribution per unit in respective currencies:		
- Class A (RM)	0.67 cent	1.54 cent
- Class B (USD)	0.66 cent	1.51 cent
- Class C (SGD)	0.65 cent	1.50 cent
- Class D (RM)	0.67 cent	1.54 cent
- Class E (USD)	0.66 cent	1.51 cent

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

During the financial year ended 31 October 2021, the Fund incurred unrealised loss of RM 4,681,753 (2020: RM 938,355).

#### 7 TAXATION

	<u>2021</u> RM	<u>2020</u> RM
Taxation		
- Current taxation	-	-

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

(Loss)/Profit before taxation	(6,754,897)	1,218,978
Taxation at Malaysian statutory rate of 24% (2020: 24%)	(1,621,175)	292,555
Tax effects of:		
- Investment income not subject to tax	(216,371)	(3,043,964)
- Expenses not deductible for tax purposes	1,305,251	2,148,697
- Restrictions on the tax-deductible expenses for unit trust funds	532,295	602,712
	-	-

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 8 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>2021</u> RM	<u>2020</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:		
Commodity Murabahah	52,334,908	5,065,576
Wafiyah Investment Account*	<u>11,828,037</u>	<u>-</u>
Cash at bank	<u>358,104</u>	<u>214,185</u>
	<u><u>64,521,049</u></u>	<u><u>5,279,761</u></u>

\* Wafiyah Investment Account is placed with Bank Islam Malaysia Berhad, the holding company of the Manager.

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

	<u>2021</u> %	<u>2020</u> %
Shariah-compliant deposits with licensed Islamic financial institutions	<u>1.80%</u>	<u>1.75</u>

Deposits with licensed Islamic financial institutions of the Fund have an average maturity of 5 days (2020: 3 days).

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

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- Quoted Sukuk	7,914,804	7,475,209
- Unquoted Sukuk	<u>134,425,320</u>	<u>141,318,774</u>
	<u><u>142,340,124</u></u>	<u><u>148,793,983</u></u>
Net gain/(loss) on financial asset at fair value through profit or loss:		
- Realised gain on disposals	(132,796)	5,676,802
- Net unrealised (loss)/gain on fair value movement	<u>(4,681,753)</u>	<u>(938,355)</u>
	<u><u>(4,814,549)</u></u>	<u><u>4,738,447</u></u>

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2021 are set out as follows:

<u>Name of issuer</u>	<u>Nominal value</u> Units	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
<u>Quoted Sukuk:</u>				
<u>Communications</u>				
Indosat Tbk Pt 8.65% 09/11/2027 (AAA)	15,000,000,000	4,513,586	4,865,738	2.52
Indosat Tbk Pt 9.00% 23/07/2022 (AAA)	10,000,000,000	3,087,032	3,049,066	1.58
	<u>25,000,000,000</u>	<u>7,600,618</u>	<u>7,914,804</u>	<u>4.10</u>
<u>Unquoted Sukuk:</u>				
<u>Property &amp; real estate</u>				
Axis Reit Sukuk Bhd. 4.50% 12/07/2024 (AAA)	5,000,000	5,196,980	5,143,192	2.66
Putrajaya Bina Sdn. Bhd. 4.20% 08/05/2030 (AAA)	10,000,000	11,087,759	10,275,268	5.32
	<u>15,000,000</u>		<u>15,418,460</u>	<u>7.98</u>
<u>Infrastructures &amp; utilities</u>				
BGSM Management Sdn. Bhd. 5.45% 28/06/2024 (AA3)	10,000,000	10,857,567	10,776,351	5.57
GLT12 IMTN 3.550% 12.08.2025	5,000,000	5,061,135	5,004,168	2.59
Jimah East Power Sdn. Bhd. 5.79% 04/06/2030 (AA-)	5,000,000	5,960,964	5,531,336	2.86
Malakoff Power Bhd. 5.35% 16/12/2022 (AA-)	5,000,000	5,219,930	5,246,838	2.71
Southern Power Generation Sdn. Bhd. 4.82% 30.04.2024 (AA-)	5,000,000	5,246,726	5,191,060	2.68
Southern Power Generation Sdn. Bhd. 5.09% 30/04/2029 (AA-)	5,000,000	5,658,536	5,248,847	2.72
Tatau Energy Sdn. Bhd. 5.70% 27/07/2028 (AA3)	5,000,000	5,599,814	5,399,028	2.79
Telekom Malaysia Bhd. 4.55% 07/10/2024 (AAA)	10,000,000	10,629,433	10,441,271	5.40
Telekom Malaysia Bhd. 4.74% 27/06/2024 (AAA)	5,000,000	5,381,185	5,306,881	2.75
Tenaga Nasional Bhd. 2.90% 12/08/2030 (AAA)	5,000,000	5,031,384	4,615,534	2.39
Tenaga Nasional Bhd. 3.55% 10/08/2040(AAA)	5,000,000	5,038,418	4,383,968	2.27

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2021 are set out as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> Units	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
<u>Unquoted Sukuk (continued)</u>				
<u>Infrastructures &amp; utilities (continued):</u>				
Telekosang Hydro One Sdn. Bhd. 5.60% 06/08/2035 (AA3)	5,000,000	5,350,590	5,034,855	2.60
YTL Power International Bhd. 5.05% 03/05/2027 (AA1)	10,000,000	10,967,818	10,392,741	5.38
	<u>80,000,000</u>	<u>86,003,498</u>	<u>82,572,879</u>	<u>42.72</u>
<u>Financial services</u>				
Cagamas Bhd. 2.23% 26.10.2023 (AAA)	5,000,000	5,001,222	4,973,322	2.57
GII MURABAHAH 3/2019 3.726% 31.03.2026	10,000,000	10,646,149	10,280,709	5.32
GII MURABAHAH 4/2019 3.655% 15.10.2024	10,000,000	10,285,070	10,285,070	5.32
	<u>25,000,000</u>	<u>25,932,441</u>	<u>25,539,101</u>	<u>13.21</u>
<u>Construction &amp; engineering</u>				
MMC Corporation Bhd. 5.70% 24.03.2028 (AA-)	5,000,000	5,540,189	5,388,217	2.79
MMC CORP IMTN 5.800% 12.11.2025	5,000,000	5,516,234	5,506,663	2.85
	<u>10,000,000</u>	<u>11,056,423</u>	<u>10,894,880</u>	<u>5.64</u>
Total quoted and unquoted Sukuk as at 31 October 2021	<u>25,130,000,000</u>	<u>146,877,720</u>	<u>142,340,124</u>	<u>73.63</u>
Accumulated unrealised gain on financial assets at fair value through profit or loss			<u>(4,537,596)</u>	
Total Sukuk at fair value through profit or loss			<u>142,340,124</u>	



## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2020 are set out as follows:

<u>Name of issuer</u>	<u>Nominal value</u> Units	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
<b>Quoted Sukuk:</b>				
<u>Communications</u>				
Indosat Tbk Pt 8.65% 09/11/2027 (AAA)	15,000,000,000	4,535,649	4,491,323	3.05
Indosat Tbk Pt 9.00% 23/07/2022 (AAA)	10,000,000,000	3,145,183	2,983,886	2.02
	<u>25,000,000,000</u>	<u>7,680,832</u>	<u>7,475,209</u>	<u>5.07</u>
<b>Unquoted Sukuk:</b>				
<u>Property &amp; real estate</u>				
Axis Reit Sukuk Bhd. 4.50% 12/07/2024 (AAA)	4,000,000	4,156,647	4,197,967	2.85
Axis Reit Sukuk Bhd. 4.50% 12/07/2024 (AAA)	1,000,000	1,043,362	1,049,492	0.71
Putrajaya Bina Sdn. Bhd. 4.20% 08/05/2030 (AAA)	10,000,000	11,181,182	11,109,621	7.54
	<u>15,000,000</u>	<u>16,381,191</u>	<u>16,357,080</u>	<u>11.10</u>
<u>Infrastructures &amp; utilities</u>				
BGSM Management Sdn. Bhd. 5.45% 28/06/2024 (AA3)	10,000,000	11,096,945	11,107,351	7.53
Jimah East Power Sdn. Bhd. 5.79% 04/06/2030 (AA-)	5,000,000	6,044,327	6,053,079	4.11
Malakoff Power Bhd. 5.15% 17/12/2021 (AA-)	10,000,000	10,215,051	10,226,590	6.94
Malakoff Power Bhd. 5.35% 16/12/2022 (AA-)	5,000,000	5,324,112	5,367,871	3.64
Southern Power Generation Sdn. Bhd. 5.09% 30/04/2029 (AA-)	5,000,000	5,735,394	5,718,097	3.88
Tatau Energy Sdn. Bhd. 5.70% 27/07/2028 (AA3)	10,000,000	11,334,758	11,371,918	7.71
Telekom Malaysia Bhd. 4.55% 07/10/2024 (AAA)	10,000,000	10,825,060	10,814,118	7.34
Telekom Malaysia Bhd. 4.74% 27/06/2024 (AAA)	5,000,000	5,489,157	5,484,281	3.72
Tenaga Nasional Bhd. 2.90% 12/08/2030 (AAA)	5,000,000	5,031,781	4,990,831	3.39
Tenaga Nasional Bhd. 3.55% 10/08/2040(AAA)	5,000,000	5,038,904	4,878,904	3.31

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2020 are set out as follows (continued):

<u>Name of issuer</u>	<u>Nominal value</u> Units	<u>Aggregate cost</u> RM	<u>Market value</u> RM	<u>Percentage of NAV</u> %
<u>Unquoted Sukuk (continued)</u>				
<u>Infrastructures &amp; utilities (continued):</u>				
Telekosang Hydro One Sdn. Bhd. 5.60% 06/08/2035 (AA3)	5,000,000	5,365,437	5,449,473	3.70
YTL Power International Bhd. 5.05% 03/05/2027 (AA1)	10,000,000	11,083,499	11,221,041	7.61
	<u>85,000,000</u>	<u>92,584,425</u>	<u>92,683,554</u>	<u>62.88</u>
<u>Financial services</u>				
Cagamas Bhd. 2.23% 26.10.2023 (AAA)	5,000,000	5,001,527	5,037,377	3.42
	<u>5,000,000</u>	<u>5,001,527</u>	<u>5,037,377</u>	<u>3.42</u>
<u>Construction &amp; engineering</u>				
Encorp Systembilt Sdn. Bhd. 5.52% 18.05.2028 (AA1)	5,000,000	5,952,492	5,965,273	4.05
Gamuda Land Sdn. Bhd. 3.75% 12.08.2027 (AA3)	5,000,000	5,041,096	5,071,846	3.44
MMC Corporation Bhd. 5.70% 24.03.2028 (AA-)	5,000,000	5,609,556	5,616,467	3.81
	<u>15,000,000</u>	<u>16,603,144</u>	<u>16,653,586</u>	<u>11.30</u>
<u>Diversified holdings</u>				
UMW Holdings Bhd. 4.65% 13.09.2023 (AA2)	10,000,000	10,398,708	10,587,177	7.18
	<u>10,000,000</u>	<u>10,398,708</u>	<u>10,587,177</u>	<u>7.18</u>
Total quoted and unquoted Sukuk as at 31 October 2020	<u>25,130,000,000</u>	<u>148,649,827</u>	<u>148,793,983</u>	<u>100.95</u>
Accumulated unrealised gain on financial assets at fair value through profit or loss		<u>144,156</u>		
Total Sukuk at fair value through profit or loss		<u>148,793,983</u>		

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
Class A	102,985,019	67,271,665
Class B	4,535	4,414
Class C	4,535	4,414
Class D	687,875,437	514,473,317
Class E	4,535	4,414
	<u>790,874,061</u>	<u>581,758,224</u>
 (a) <u>Class A</u>		
At beginning of the financial year	67,271,665	49,560,192
Creation of units arising from applications	62,138,926	88,635,315
Cancellation of units	(26,425,572)	(70,923,842)
At the end of the financial year	<u>102,985,019</u>	<u>67,271,665</u>
 (b) <u>Class B</u>		
At beginning of the financial year	4,414	4,162
Creation of units arising from applications	121	252
At the end of the financial year	<u>4,535</u>	<u>4,414</u>

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
<u>(c) Class C</u>		
At beginning of the financial year	4,414	4,162
Creation of units arising from applications	121	252
At the end of the financial year	<u>4,535</u>	<u>4,414</u>
<u>(d) Class D</u>		
At beginning of the financial year	514,473,317	550,922,400
Creation of units arising from distributions	1,762,795	1,460,974
Creation of units arising from applications	220,630,794	294,782,836
Cancellation of units	(48,991,469)	(332,638,893)
At the end of the financial year	<u>687,875,437</u>	<u>514,473,317</u>
<u>(e) Class E</u>		
At beginning of the financial year	4,414	4,162
Creation of units arising from applications	121	252
At the end of the financial year	<u>4,535</u>	<u>4,414</u>

#### 11 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2021</u>	<u>2020</u>
MER	<u>1.33</u>	<u>1.27</u>

MER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee's and custodian fees
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM 181,586,333 (2020: RM206,139,055).

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 12 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR (Times)	<u>0.24</u>	<u>0.11</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period/year = RM48,194,332 (2020:RM264,584,465)

total disposal for the financial period/year = RM38,254,932 (2020:RM220,668,800)

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

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

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

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

	<u>2021</u>		<u>2020</u>	
	Units	RM	Units	RM
<u>Manager</u>				
BIMB Investment Management Berhad				
- Class B	4,534	1,099	4.414	1,106
- Class C	4,535	1,078	4.414	1,099
- Class E	<u>4,534</u>	<u>1,099</u>	<u>4.414</u>	<u>1,106</u>

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

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

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</u>		<u>Balance as at</u>	
	<u>the financial year</u>		<u>2021</u>	<u>2020</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM	RM	RM	RM
<u>The Manager</u>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	3,963	19,509
- Amount due to Manager	-	-	256,141	-
- Management fee	2,170,398	2,469,828	(187,393)	(196,576)
<hr/>				
<u>Holding company of the Manager</u>				
Bank Islam Malaysia Berhad				
- Income from Shariah-compliant deposits with licensed Islamic financial institutions	(43,333)	(415,309)	64,162,944	5,065,576
- Bank balance	-	-	358,104	214,185
<hr/>				
<u>The Trustee</u>				
SCBMB Trustee Berhad				
- Trustee fee	72,348	82,326	(6,247)	(6,553)
<hr/>				

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 14 TRANSACTIONS WITH TOP 10 BROKERS

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

	Value of trade RM	Percentage of total trade %
<b>Islamic debt securities</b>		
<u>2021</u>		
CIMB BANK BERHAD	31,790,921	36.50
RHB Investment Bank Berhad	22,441,901	25.77
Hong Leong Bank Berhad	21,714,218	24.94
BANK ISLAM MALAYSIA BERHAD	6,100,586	7.01
Affin Hwang Investment Bank Berhad	5,029,000	5.78
	81,076,626	100.00
<u>2020</u>		
RHB Investment Bank Berhad	205,247,573	41.57
Hong Leong Bank Berhad	100,317,992	20.32
Affin Hwang Investment Bank Berhad	87,562,666	17.74
Standard Chartered Bank	37,938,792	7.68
Alliance Islamic Bank Berhad	16,945,414	3.43
PT. Bank CIMB Niaga, Tbk	10,997,851	2.23
Bank Islam Malaysia Berhad	10,607,240	2.15
CIMB Bank Berhad	10,000,000	2.03
Malayan Banking Berhad	10,000,000	2.03
J.P. Morgan Chase Bank Berhad	4,064,960	0.82
	493,682,488	100.00

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

## BIMB ESG SUKUK FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2021 (CONTINUED)

#### 15 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The current macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

#### 16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Manager on 28 December 2021.



## 7.0 CORPORATE DIRECTORY

<p><b>Manager</b></p>	<p><b>BIMB Investment Management Berhad</b> [199301021508 (276246-X)]</p> <p><b>Registered Office</b> Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p><b>Business Office</b> Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
<p><b>Board of Directors</b></p>	<p>Mohamed Ridza Mohamed Abdulla (Chairman Non-Executive Independent Director) Dato' Ghazali Awang (Non-Executive Independent Director) – resigned wef 31 October 2021 Dato' Dr. Mohamad Zabidi Ahmad (Non-Executive Independent Director) – appointed wef 8 October 2021 Dr. Mohd Hatta Dagap (Non-Executive Independent Director) Datin Maznah Mahbob (Non-Executive Independent Director) Azizan Abd Aziz (Non-Executive Non Independent Director) Najmuddin Mohd Lutfi (Chief Executive Officer)</p>
<p><b>Shariah Advisers</b></p>	<p>Dr. Ahmad Shahbari @ Sobri Salamon Assoc. Prof. Dr. Asmak Ab. Rahman Dr. Shamsiah Mohamad</p>
<p><b>Investment Committee</b></p>	<p>Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Datin Maznah Mahbob (Independent Director)</p>
<p><b>Board Audit &amp; Risk Committee</b></p>	<p>Dato' Ghazali Awang (Chairman - Independent Director) – resigned wef 31 October 2021 Dato' Dr. Mohamad Zabidi Ahmad (Chairman - Independent Director) – appointed wef 8 October 2021 Dr. Mohd Hatta Dagap (Independent Director) Azizan Abd Aziz (Non Independent Director)</p>
<p><b>Company Secretaries</b></p>	<p>Maria binti Mat Said (LS 009400) – effective 1 June 2021 Level 32, Menara Bank Islam, No. 22 Jalan Perak, 50450 Kuala Lumpur.</p> <p>Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No. 22, Jalan Perak, 50450 Kuala Lumpur.</p>

<b>Key Management</b>	Najmuddin Mohd Lutfi (Chief Executive Officer) Mohd Amir Shah Basir (Chief Operating Officer) Abd Razak Salimin (Head of Investment) Angelena Joseph (Senior Manager, Compliance)
<b>Principal Banker</b>	<b>Standard Chartered Saadiq Bank Berhad</b> Level 13A, Menara Standard Chartered 30, Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Trustee</b>	<b>SCBMB Trustee Berhad [201201021301 (1005793T)]</b> Level 26, Plaza Equatorial 30, Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Auditors</b>	<b>PRICEWATERHOUSECOOPERS PLT (LLP0014401-LCA &amp; AF 1146)</b> Level 10, 1 Sentral Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192 50706 Kuala Lumpur
<b>Federation of Investment Managers Malaysia (FIMM)</b>	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
<b>Distributors</b>	Bank Islam Malaysia Berhad IFast Capital Sdn Bhd Phillip Mutual Berhad Bank Simpanan Nasional Johor Bahru Agency Office Kota Bharu Agency Office Registered Unit Trust Consultant with the Manager
<b>Toll Free Number: 1-800-88-1196</b>	
<b><a href="http://www.bimbinvestment.com.my">www.bimbinvestment.com.my</a></b>	

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# BIMB INVESTMENT

A BANK ISLAM  
SUBSIDIARY

**BIMB Investment Management Berhad** 199301021508 (276246-X)

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