

BIMB ESG SUKUK FUND

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED
31 OCTOBER 2022

LAPORAN TAHUNAN BAGI TAHUN KEWANGAN BERAKHIR
31 OKTOBER 2022



MANAGER:

BIMB INVESTMENT MANAGEMENT BERHAD 199301021508 (276246-X)

TABLE OF CONTENT

No.	Particulars	Page
1.0	Manager's Report	1
1.1	Fund Name/ Fund Type/ Fund Category/ Investment Objective/ Benchmark/ Distribution Policy	1
1.2	Performance for the Financial Year Ended 31 October 2022	2
1.3	Economy and Market Review	5
1.4	Market Outlook and Strategy	6
1.5	Asset Allocation	6
1.6	Other Performance Data for the Financial Year Ended 31 October	7
1.7	Unit Holdings as at 31 October 2022	9
1.8	Policy on Rebate and Soft Commission	10
2.0	Directors' Declaration Report	22
3.0	Trustee's Report	23
4.0	Shariah Adviser's Report	24
5.0	Independent Auditors' Report	25
6.0	Financial Statements (Audited)	30
7.0	Corporate Directory	64

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 2022.

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

Fund Name	BIMB ESG Sukuk Fund
Fund Type	Income
Fund Category	Sukuk
Investment Objective	<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>
Benchmark	Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad 1-year rate.
Distribution Policy	Subject to availability of income, the Fund will distribute income on an annual basis.

1.2 Performance for the Financial Year ended 31 October 2022

1.2.1 Performance Review

For the financial year under review, BIMB ESG Sukuk Fund ("the Fund")'s Class A and Class D (RM Class) registered total return of 0.16%, Class B and Class E (USD Class) registered total return of -12.33%, while Class C (SGD Class) registered total return of -7.91%.

The selected performance benchmark for the Fund is Term Deposit-i Tawarruq of Bank Islam Malaysia Berhad 1-year rate. All classes underperformed the Benchmark which returned 2.04% for the year.

The Fund was managed in line with its investment objective by investing in Sukuk both locally and globally to provide a stable income stream and an opportunity for capital appreciation over the medium to long term. The Fund declared income distribution of 0.43 sen per unit for Class A and Class D (RM Class), 0.37 cent per unit for Class B and Class E (USD Class), and 0.38 cent per unit for Class C (SGD Class), representing a yield of 1.76%, 1.53% and 1.60%, respectively. The Fund's capital appreciation ability however was impacted by central banks rate hikes and unfavourable currency movement for the USD class and SGD class.

As at 31 October 2022, the Fund has 84.00% 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 2022 is RM160.77 million comprising of Class A and Class D (RM Class), Class B and Class E (USD Class) and Class C (SGD Class).

For the financial year under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds. Its investment strategies adopt United Nations Global Compact (UNGC) and Environmental, Social and Governance (ESG) principles by leveraging information from sources including but not limited to S-Ray® and issuer information. S-Ray® is a proprietary tool of Arabesque S-Ray that measures companies' Global Compact (GC) score based on the normative four core principles of UNGC namely Human Rights, Labour Rights, the Environment, and Anti-Corruption to approximate reputational risk, ESG score which analyses corporate performance based on sector-specific financially material ESG criteria, and preferences filter whereby companies are evaluated based on their business involvement.

For the financial year under review, the Fund has not undertaken any securities lending or repurchase transactions nor cross trade transactions. There was no significant change to the state of affairs of the Fund and no 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 for the Financial Year Ended 31 October 2022

Period	Class A (RM Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	0.16	0.16	2.04	2.04
3-Year	4.18	1.40	6.65	2.22
Since Inception	11.01	2.64	11.33	2.71

Period	Class B (USD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-12.33	-12.33	2.04	2.04
3-Year	-7.95	-2.65	6.65	2.22
Since Inception	-3.61	-0.86	11.33	2.71

Period	Class C (SGD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-7.91	-7.91	2.04	2.04
3-Year	-4.21	-1.40	6.65	2.22
Since Inception	-0.68	-0.16	11.33	2.71

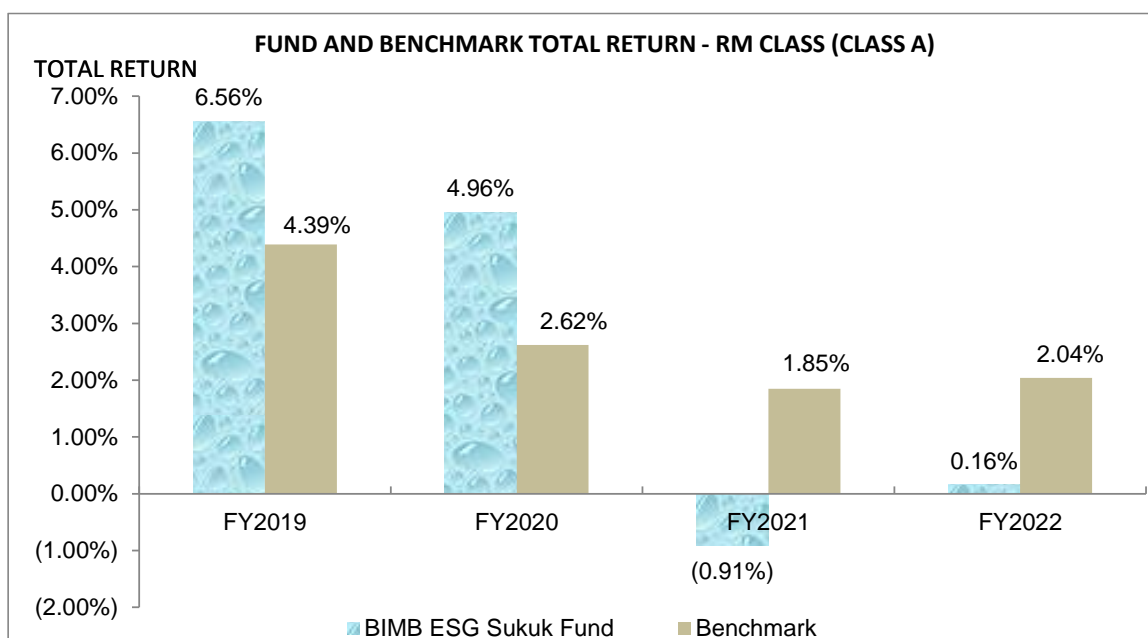
Period	Class D (RM Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	0.16	0.16	2.04	2.04
3-Year	4.18	1.40	6.65	2.22
Since Inception	11.01	2.64	11.33	2.71

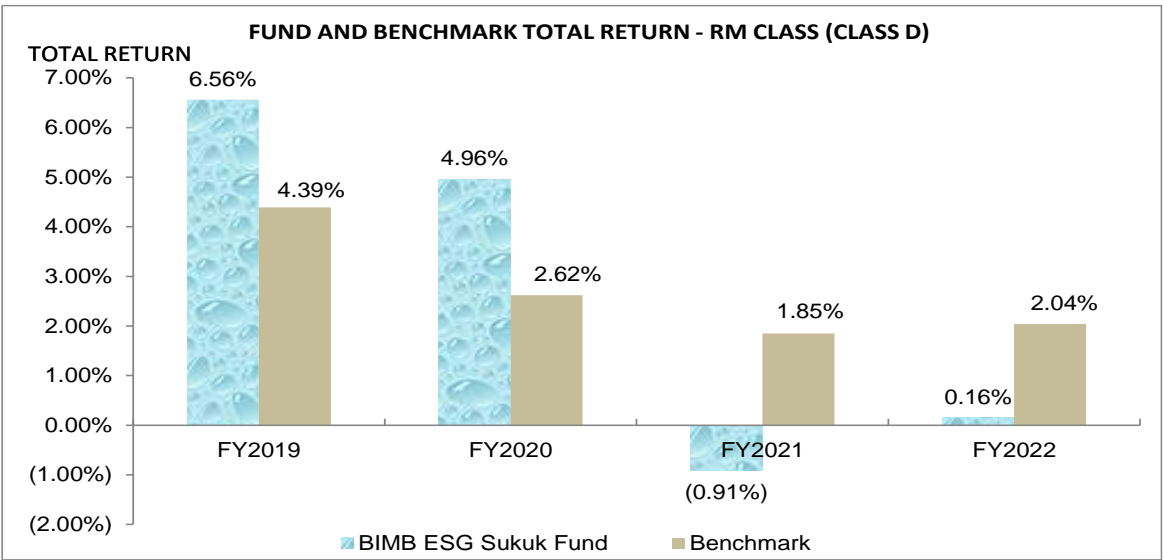
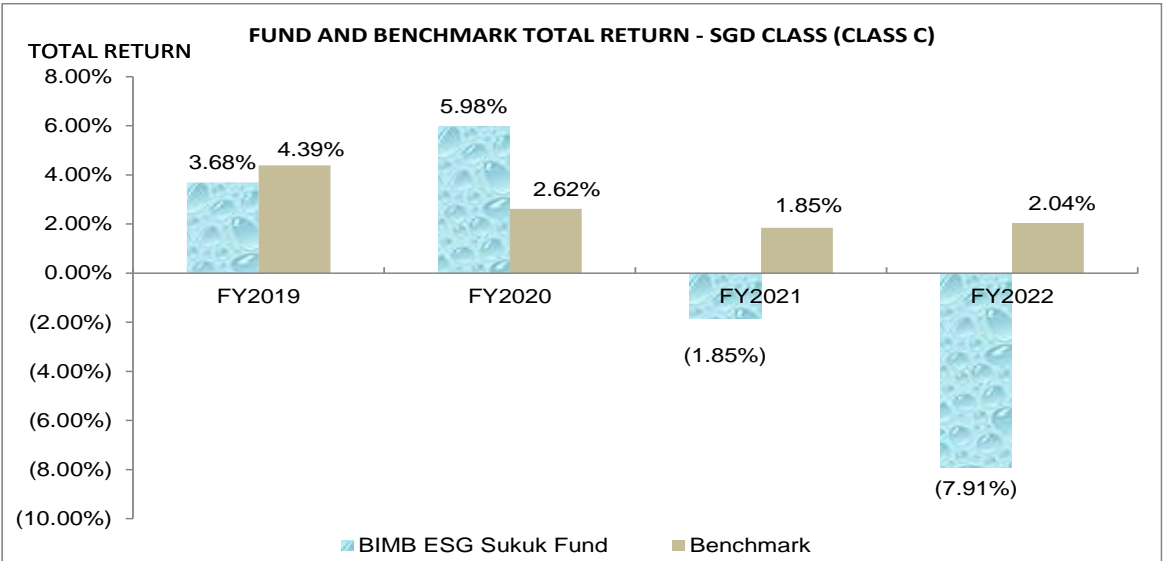
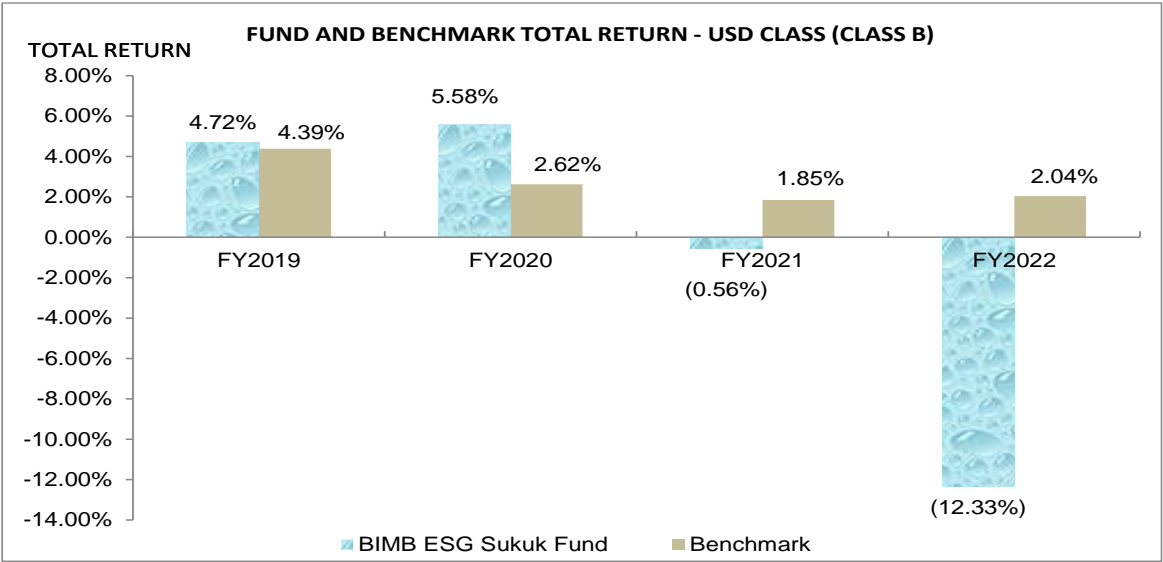
Period	Class E (USD Class)		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-12.33	-12.33	2.04	2.04
3-Year	-7.95	-2.65	6.65	2.22
Since Inception	-3.61	-0.86	11.33	2.71

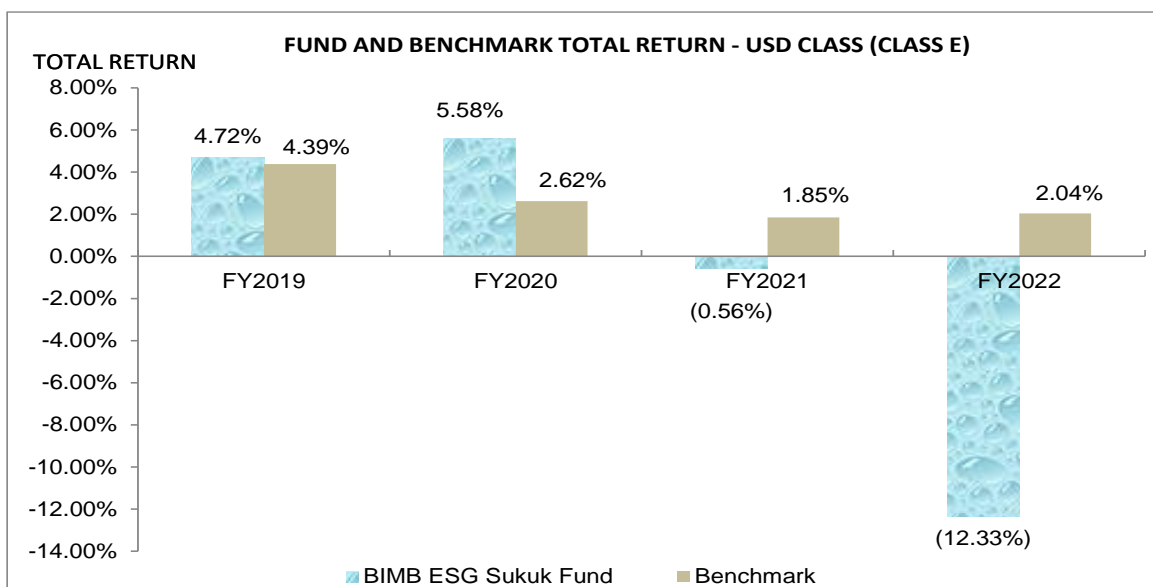
1.2.3 Total Return for the previous financial years

Class	Financial Year Ended 31 October 2022		Financial Year Ended 31 October 2021		Financial Year Ended 31 October 2020		Financial Year Ended 31 October 2019	
	Fund (%)	Benchmark (%)	Fund (%)	Benchmark (%)	Fund (%)	Benchmark (%)	Fund (%)	Benchmark (%)
Class A	0.16	2.04	-0.91	1.85	4.96	2.62	6.56	4.39
Class B	-12.33	2.04	-0.56	1.85	5.58	2.62	4.72	4.39
Class C	-7.91	2.04	-1.85	1.85	5.98	2.62	3.68	4.39
Class D	0.16	2.04	-0.91	1.85	4.96	2.62	6.56	4.39
Class E	-12.33	2.04	-0.56	1.85	5.58	2.62	4.72	4.39

Figure 1: Movement of the Fund versus the Benchmark







Data Source : BIMB 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:

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

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

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

1.3.1 Economy

a) Global

- The United States (US) economy grew an annualized 2.6% quarter-on-quarter in the third quarter of 2022, beating forecasts of a 2.4%, and rebounding from a contraction in the first half of the year. The biggest positive contribution came from net trade.
- The Euro Area economy expanded 0.2% quarter-on-quarter in the third quarter of 2022, following a 0.7% growth in Q2, in line with market expectations. It was the weakest growth since the rebound from COVID-19 restrictions in Q2 2021.
- The Chinese economy expanded at an adjusted rate of 3.9% in the third quarter of 2022. This was the strongest pace of growth since the second quarter of 2020, buoyed by a series of stimulus from Beijing to revive its economy.

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

b) Local

- Malaysia's Gross Domestic Product (GDP) expanded 14.2% year-on-year in the third quarter of 2022, exceeding market forecasts of 11.7%. This was the fastest pace of expansion since Q2 of 2021, boosted by strong domestic demand as well as ongoing policy support.

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

1.3.2 Market Review

- For the year under review, the US Federal Reserve (Fed) commenced tightening its monetary policy with the first hike of 25 basis points delivered in March 2022 followed by cumulatively 275 basis points hike in May, June, July and September 2022. Overall benchmark yields spiked across the yield curve.
- For the local bond market, overall benchmark yields saw Malaysian Government Securities (MGS) and Government Investment Issue (GII) yields rising. This was in reaction to Bank Negara Malaysia's Overnight Policy Rate hike and the Fed's aggressive rate-hiking exercises.

1.4 Market Outlook and Strategy

The yield curve is expected to be steepening in anticipation of monetary policy tightening by the central banks. Our Sukuk strategy is to invest in Sukuk with short-to-medium duration due to the uncertain market outlook.

1.5 Asset Allocation

BIMB ESG Sukuk Fund	2022 (%)	2021 (%)	2020 (%)
Investment in Islamic Debt Securities			
Communications	3.29	4.10	5.07
Construction and Engineering	9.59	5.64	11.30
Diversified Holdings	-	-	7.18
Financial Services	18.62	13.21	3.42
Infrastructures and Utilities	46.43	42.72	62.86
Property and Real Estate	6.07	7.98	11.10
Logistics	-	-	-
	84.00	73.65	100.93
Cash and other net assets:	16.00	26.35	-0.93
	100.00	100.00	100.00

* Negative cash and other net assets as at 31 October 2020 was due to pending payout for redemption closer to financial year end.

1.6 Other Performance Data for the Financial Year Ended 31 October

BIMB ESG Sukuk Fund	2022	2021	2020
Net Asset Value (NAV)			
- Class A	19,389,698	25,166,584	17,043,392
- Class B	4,561	4,553	4,595
- Class C	3,319	3,314	3,344
- Class D	141,370,447	168,126,647	130,364,569
- Class E	4,561	4,553	4,595
Units in Circulation			
- Class A	80,633,274	102,985,018	67,271,665
- Class B	4,615	4,534	4,414
- Class C	4,615	4,535	4,414
- Class D	587,815,481	687,875,437	514,473,317
- Class E	4,615	4,534	4,414
NAV per Unit in RM			
- Class A	0.2405	0.2444	0.2534
- Class B	0.9882	1.0041	1.0411
- Class C	0.7192	0.7307	0.7575
- Class D	0.2405	0.2444	0.2534
- Class E	0.9882	1.0041	1.0411
NAV per Unit in respective class currencies			
- Class A	0.2405	0.2444	0.2534
- Class B	0.2089	0.2425	0.2505
- Class C	0.2152	0.2378	0.2489
- Class D	0.2405	0.2444	0.2534
- Class E	0.2089	0.2425	0.2505
Highest NAV per unit in respective class currencies			
- Class A	0.2463	0.2539	0.2687
- Class B	0.2425	0.2601	0.2672
- Class C	0.2401	0.2498	0.2658
- Class D	0.2464	0.2540	0.2687
- Class E	0.2425	0.2601	0.2672
Lowest NAV per unit in respective class currencies			
- Class A	0.2405	0.2444	0.2533
- Class B	0.2089	0.2425	0.2363
- Class C	0.2152	0.2378	0.2473
- Class D	0.2405	0.2444	0.2534
- Class E	0.2089	0.2425	0.2363
Total Return (%) ^a			
- Class A	0.16	-0.91	4.96
- Class B	-12.33	-0.56	5.58
- Class C	-7.91	-1.85	5.98
- Class D	0.16	-0.91	4.96
- Class E	-12.33	-0.56	5.58

BIMB ESG Sukuk Fund	31 October 2022	31 October 2021	31 October 2020
Capital Return (%) ^b			
- Class A	-1.62	-3.55	-1.05
- Class B	-14.10	-3.19	-0.42
- Class C	-9.67	-4.46	-0.04
- Class D	-1.62	-3.55	-1.05
- Class E	-14.10	-3.19	-0.42
Income Return (%) ^c			
- Class A	1.79	2.64	6.01
- Class B	1.77	2.63	6.00
- Class C	1.77	2.61	6.02
- Class D	1.79	2.64	6.01
- Class E	1.77	2.63	6.00
Gross Distribution per Unit in respective class currencies			
- Class A	0.43	0.67	1.54
- Class B	0.37	0.66	1.51
- Class C	0.38	0.65	1.50
- Class D	0.43	0.67	1.54
- Class E	0.37	0.66	1.51
Net Distribution per Unit in respective class currencies			
- Class A	0.43	0.67	1.54
- Class B	0.37	0.66	1.51
- Class C	0.38	0.65	1.50
- Class D	0.43	0.67	1.54
- Class E	0.37	0.66	1.51
NAV per Unit before Distribution in respective class currencies			
- Class A	0.2448	0.2511	0.2688
- Class B	0.2126	0.2491	0.2649
- Class C	0.2190	0.2443	0.2625
- Class D	0.2448	0.2511	0.2688
- Class E	0.2126	0.2491	0.2649
NAV per Unit after Distribution in respective class currencies			
- Class A	0.2405	0.2444	0.2534
- Class B	0.2089	0.2425	0.2498
- Class C	0.2152	0.2378	0.2475
- Class D	0.2405	0.2444	0.2534
- Class E	0.2089	0.2425	0.2498
Date of Distribution	31 October	29 October	26 October
Total Expense Ratio (TER)(%) ^d	1.38	1.33	1.27
Portfolio Turnover Ratio (PTR)(times) ^e	0.15	0.24	0.11

Note:

- a) **Total Return** = $\frac{\text{NAV per unit (end of year)} - 1}{\text{NAV per unit (beginning of year)}}$
- b) **Capital Return** = Total Return of the Fund – Income Return
- c) **Income Return** = $(\text{Income Distribution per Unit} / \text{NAV per Unit at beginning of year}) \times 100$
- d) **Total Expense 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 2022

Size of Holdings	Class A (RM Class)			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	9,110	97.42	2,659,527.20	3.30
5,001 to 10,000	128	1.37	862,470.65	1.07
10,001 to 50,000	102	1.09	1,959,871.38	2.43
50,001 to 500,000	9	0.10	1,443,439.52	1.79
500,001 and above	2	0.02	73,707,965.36	91.41
Units Held by Holders	9,351	100.00	80,633,274.11	100.00
Units Held by Manager	-	-	-	-
Grand Total for the Fund	9,351	100.00	80,633,274.11	100.00

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	-	-	-	-
Units Held by Holders	-	-	-	-
Units Held by Manager	1	100.00	4,614.21	100.00
Grand Total for the Fund	1	100.00	4,614.21	100.00

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	-	-	-	-
Units Held by Holders	-	-	-	-
Units Held by Manager	1	100.00	4,615.14	100.00
Grand Total for the Fund	1	100.00	4,615.14	100.00

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	587,815,481.16	100.00
Units Held by Holders	5	100.00	587,815,481.16	100.00
Units Held by Manager	-	-	-	-
Grand Total for the Fund	5	100.00	587,815,481.16	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	-	-	-	-
Units Held by Holders	-	-	-	-
Units Held by Manager	1	100.00	4,614.21	100.00
Grand Total for the Fund	1	100.00	4,614.21	100.00

1.8 Policy on Rebate and Soft Commission

Any 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

30 December 2022

1.0 LAPORAN PENGURUS

Para Pemegang Unit,

Kami dengan sukacitanya membentangkan Laporan Pengurus Dana BIMB ESG Sukuk bagi tahun kewangan berakhir 31 Oktober 2022.

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

Nama Dana	Dana BIMB ESG Sukuk
Jenis Dana	Pendapatan
Kategori Dana	Sukuk
Objektif Pelaburan	<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>
Penanda Aras	Kadar 1-tahun Deposit Bertempoh-i Tawarruq Bank Islam Malaysia Berhad.
Polisi Agihan	Tertakluk kepada ketersediaan pendapatan, Dana akan mengagihkan pendapatan secara tahunan.

1.2 Prestasi Dana bagi Tahun Kewangan Berakhir 31 Oktober 2022

1.2.1 Kajian Prestasi

Bagi tahun kewangan dalam kajian, Kelas A dan Kelas D (iaitu Kelas RM) Dana BIMB ESG Sukuk ("Dana") mencatatkan jumlah pulangan sebanyak 0.16%, Kelas B dan Kelas E (iaitu Kelas USD) mencatatkan jumlah pulangan sebanyak -12.33%, manakala Kelas C (iaitu Kelas SGD) mencatatkan jumlah pulangan sebanyak -7.91%.

Penanda aras prestasi bagi Dana adalah Kadar 1-tahun Deposit Bertempoh-i Tawarruq Bank Islam Malaysia Berhad. Prestasi bagi semua kelas Dana adalah lebih rendah berbanding Penanda Aras yang mencatatkan pulangan 2.04% bagi tahun dalam kajian.

Dana diuruskan selaras dengan objektif pelaburannya dengan melabur dalam Sukuk tempatan dan global untuk menyediakan aliran pendapatan yang stabil dan peluang peningkatan modal dalam jangka masa sederhana hingga panjang. Dana mengisytiharkan pengagihan pendapatan sebanyak 0.43 sen seunit untuk Kelas A dan Kelas D (Kelas RM), 0.37 cent seunit untuk Kelas B dan Kelas E (Kelas USD), dan 0.38 cent seunit untuk Kelas C (Kelas SGD), masing-masing mewakili kadar hasil sebanyak 1.76%, 1.53% dan 1.60%. Keupayaan peningkatan modal Dana bagaimanapun dijejaskan kenaikan kadar bank-bank pusat dan pergerakan matawang yang tidak menguntungkan untuk kelas USD dan kelas SGD.

Setakat 31 Oktober 2022, Dana mempunyai 84.00% pendedahan dalam Sukuk dan selebihnya dalam pasaran tunai dan setara tunai patuh Syariah. Jumlah Nilai Aset Bersih (NAB) Dana pada 31 Oktober 2022 ialah RM160.77 juta merangkumi Kelas RM, Kelas USD dan Kelas SGD.

Bagi tempoh kewangan dalam kajian, Dana telah mematuhi keperluan Garis Panduan Dana Pelaburan Mampan dan Bertanggungjawab. Strategi pelaburan Dana mengguna pakai prinsip United Nations Global Compact (UNGC) dan Alam Sekitar, Sosial dan Tadbir Urus (ESG) dengan memanfaatkan data bersumberkan tetapi tidak terhad kepada S-Ray® dan maklumat penerbitan. S-Ray® ialah alat hak milik Arabesque S-Ray yang menilai skor Global Compact (GC) sesuatu syarikat berdasarkan empat prinsip teras normatif UNGC iaitu Hak Asasi Manusia, Hak Pekerja, Alam Sekitar dan Anti Rasuah untuk menganggarkan risiko reputasi, skor ESG yang menganalisa prestasi korporat berdasarkan kriteria ESG yang material dari segi kewangan untuk sektornya secara spesifik, dan penapis keutamaan yang mana sesuatu saham dinilai berdasarkan penglibatan perniagaannya.

Bagi tahun kewangan dalam kajian, Dana tidak menjalankan sebarang transaksi pinjaman atau pembelian semula sekuriti mahupun transaksi jual-beli silang. Tiada berlaku sebarang keadaan yang secara material memberi kesan kepada kepentingan Pemegang Unit sehingga tarikh Laporan Pengurus ini disediakan.

1.2.2 Jumlah Pulangan dan Purata Jumlah Pulangan bagi Tahun Kewangan Berakhir 31 Oktober 2022

Tempoh	Kelas A (Kelas RM)		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	0.16	0.16	2.04	2.04
3-Tahun	4.18	1.40	6.65	2.22
Sejak Pelancaran	11.01	2.64	11.33	2.71

Tempoh	Kelas B (Kelas USD)		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	-12.33	-12.33	2.04	2.04
3-Tahun	-7.95	-2.65	6.65	2.22
Sejak Pelancaran	-3.61	-0.86	11.33	2.71

Tempoh	Kelas C (Kelas SGD)		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	-7.91	-7.91	2.04	2.04
3-Tahun	-4.21	-1.40	6.65	2.22
Sejak Pelancaran	-0.68	-0.16	11.33	2.71

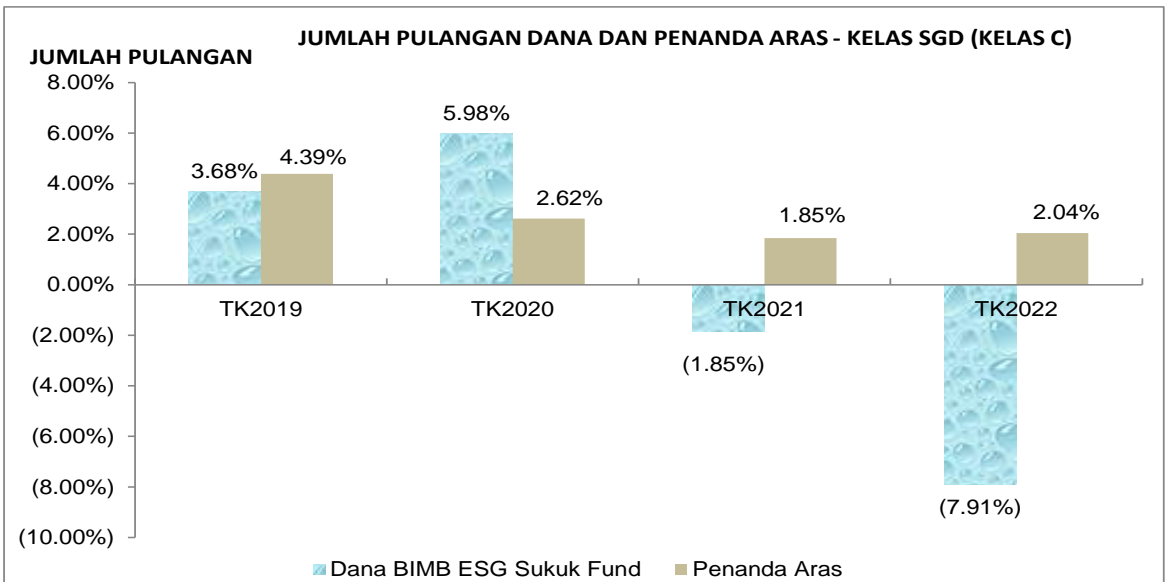
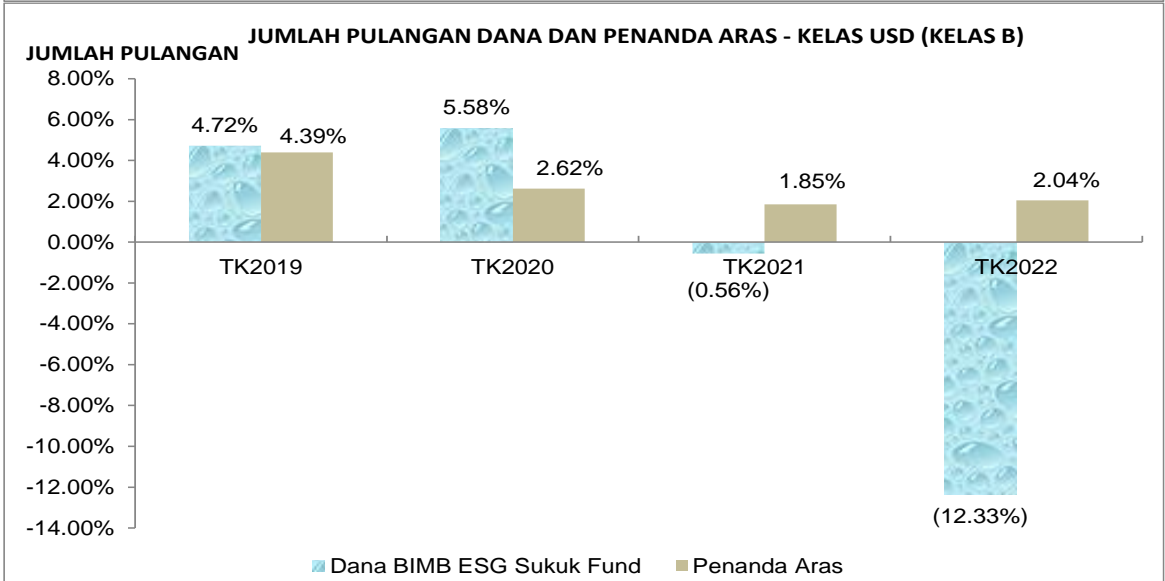
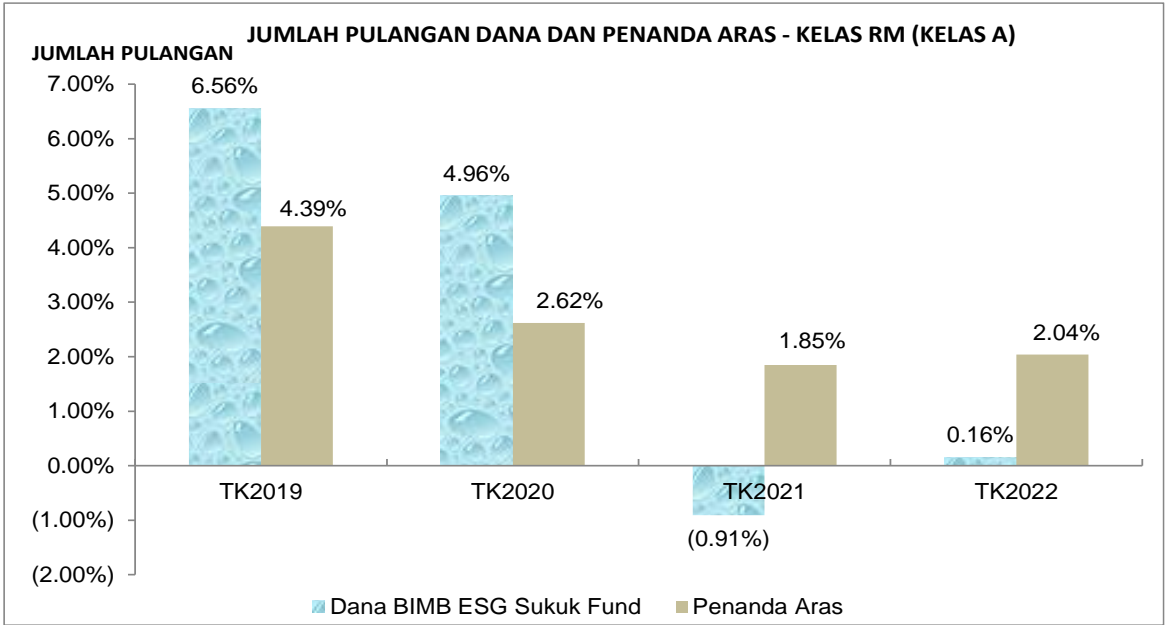
Tempoh	Kelas D (Kelas RM)		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	0.16	0.16	2.04	2.04
3-Tahun	4.18	1.40	6.65	2.22
Sejak Pelancaran	11.01	2.64	11.33	2.71

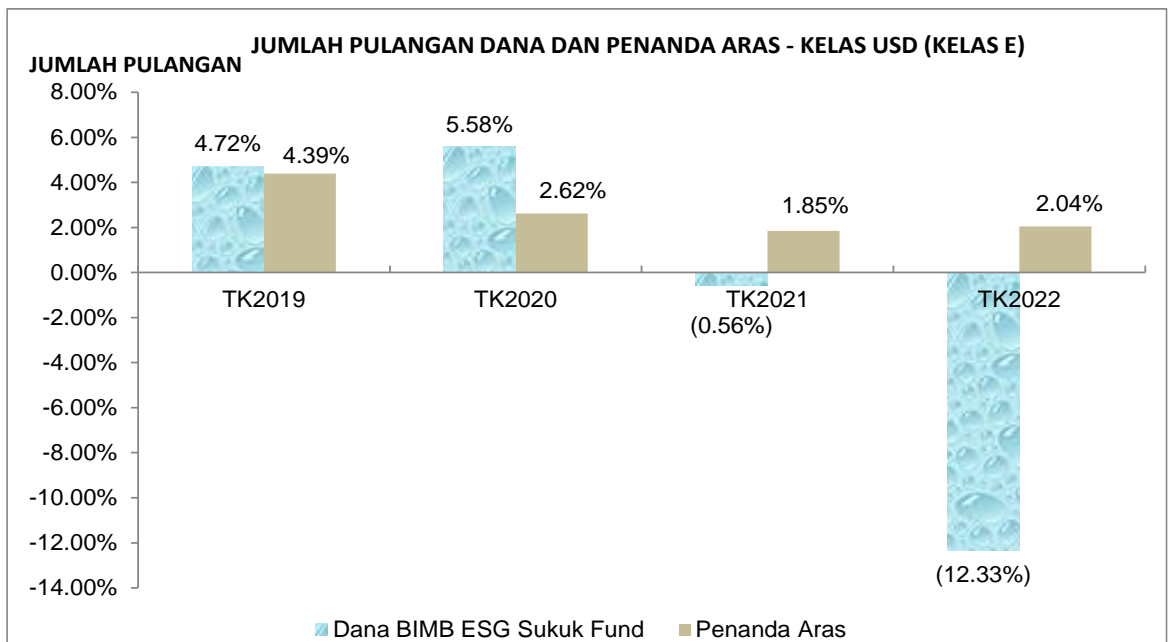
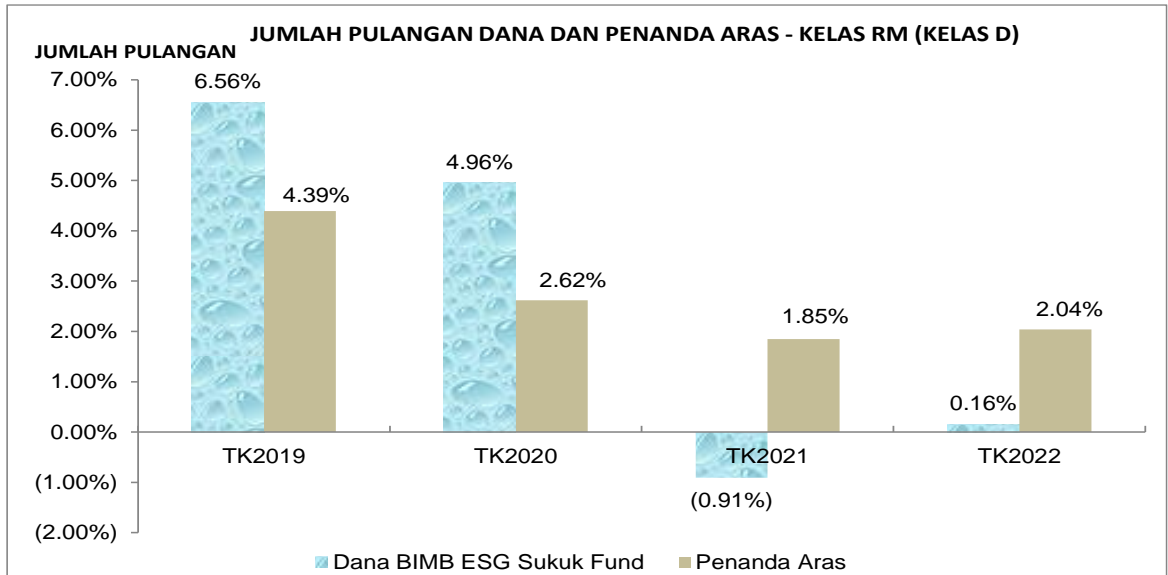
Tempoh	Kelas E (Kelas USD)		Penanda Aras	
	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)	Jumlah Pulangan (%)	Purata Jumlah Pulangan (%)
1-Tahun	-12.33	-12.33	2.04	2.04
3-Tahun	-7.95	-2.65	6.65	2.22
Sejak Pelancaran	-3.61	-0.86	11.33	2.71

1.2.3 Jumlah Pulangan bagi tahun-tahun kewangan yang lalu

Kelas	Tahun Kewangan Berakhir 31 Oktober 2022		Tahun Kewangan Berakhir 31 Oktober 2021		Tahun Kewangan Berakhir 31 Oktober 2020		Tahun Kewangan Berakhir 31 Oktober 2019	
	Dana (%)	Penanda Aras (%)	Dana (%)	Penanda Aras (%)	Dana (%)	Penanda Aras (%)	Dana (%)	Penanda Aras (%)
Kelas A	0.16	2.04	-0.91	1.85	4.96	2.62	6.56	4.39
Kelas B	-12.33	2.04	-0.56	1.85	5.58	2.62	4.72	4.39
Kelas C	-7.91	2.04	-1.85	1.85	5.98	2.62	3.68	4.39
Kelas D	0.16	2.04	-0.91	1.85	4.96	2.62	6.56	4.39
Kelas E	-12.33	2.04	-0.56	1.85	5.58	2.62	4.72	4.39

Rajah 1: Pergerakan Dana berbanding Penanda Aras





Sumber Data : BIMB Investment Management Berhad
Data disahkan oleh : Novagni Analytics & Advisor Sdn. Bhd.
Penanda Aras : Kadar 1-tahun Deposit Bertempoh-i Tawarruq Bank Islam Malaysia Berhad.

Nota:

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

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

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 Kajian Pasaran

1.3.1 Ekonomi

a) Global

- Ekonomi Amerika Syarikat ("AS") berkembang dengan kadar tahunan 2.6% pada suku ketiga 2022 berbanding suku sebelumnya, mengatasi ramalan 2.4%, dan kembali pulih daripada kemerosotan separuh tahun pertama. Sumbangan terbesar datang daripada angka positif perdagangan bersih.
- Ekonomi zon Euro berkembang 0.2% pada suku ketiga 2022 berbanding suku sebelumnya, berikutan pertumbuhan 0.7% pada suku kedua, dan sejajar dengan jangkaan pasaran. Ia merupakan pertumbuhan paling lemah sejak pemulihan daripada sekatan COVID-19 pada suku kedua 2021.
- Ekonomi China berkembang pada kadar terselaras 3.9% pada suku ketiga 2022. Ini merupakan kadar pertumbuhan tertinggi sejak suku kedua 2020, disokong dasar-dasar rangsangan daripada Beijing dalam memulihkan ekonominya.

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

b) Dalam Negara

- Keluaran Dalam Negara Kasar (KDNK) Malaysia berkembang 14.2% tahun ke tahun pada suku ketiga tahun 2022, melebihi jangkaan pasaran sebanyak 11.7%. Ini merupakan pertumbuhan terpantas sejak suku kedua tahun 2021, disokong oleh permintaan domestik yang baik dan dasar-dasar rangsangan semasa

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

1.3.2 Kajian Pasaran

Pasaran Sukuk dan Pasaran Wang

- Bagi tahun dalam kajian, Rizab Persekutuan AS (Fed) mula mengetatkan dasar moneterinya dengan kenaikan pertama sebanyak 25 mata asas pada bulan Mac 2022 diikuti kenaikan pada bulan Mei, Jun, Julai dan September 2022 berjumlah 275 mata asas. Kadar hasil penanda aras keseluruhan meningkat merentasi keluk hasil.
- Bagi pasaran bon tempatan, kadar hasil penanda aras keseluruhan menyaksikan kadar hasil MGS dan GII meningkat. Ini adalah reaksi kepada kenaikan kadar OPR oleh Bank Negara Malaysia (BNM) dan pelaksanaan kenaikan kadar secara agresif oleh Fed.

1.4 Kajian Pasaran dan Strategi

Keluk hasil dijangka terus meningkat dengan jangkaan pengetatan dasar moneteri oleh bank-bank pusat. Strategi Sukuk kami adalah untuk melabur hanya dalam Sukuk berdurasi jangka masa pendek hingga sederhana disebabkan oleh prospek pasaran yang tidak menentu.

1.5 Peruntukan Aset

Dana BIMB ESG Sukuk	2022 (%)	2021 (%)	2020 (%)
Pelaburan dalam Sekuriti Hutang Secara Islam			
Komunikasi	3.29	4.10	5.07
Pembinaan dan Kejuruteraan	9.59	5.64	11.30
Pemegangan Pelbagai	-	-	7.18
Perkhidmatan Kewangan	18.62	13.21	3.42
Infrastruktur dan Utiliti	46.43	42.72	62.86
Harta benda & Hartanah	6.07	7.98	11.10
Logistik	-	-	-
	84.00	73.65	100.93
Tunai dan aset bersih yang lain:	16.00	26.35	-0.93
	100.00	100.00	100.00

* Negatif tunai dan aset bersih lain pada 31 Oktober 2020 disebabkan oleh pembayaran tertangguh untuk penebusan di hujung tahun kewangan.

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

BIMB ESG Sukuk Fund	2022	2021	2020
Nilai Aset Bersih (NAB)			
- Kelas A	19,389,698	25,166,584	17,043,392
- Kelas B	4,561	4,553	4,595
- Kelas C	3,319	3,314	3,344
- Kelas D	141,370,447	168,126,647	130,364,569
- Kelas E	4,561	4,553	4,595
Unit Dalam Edaran (UDE)			
- Kelas A	80,633,274	102,985,018	67,271,665
- Kelas B	4,615	4,534	4,414
- Kelas C	4,615	4,535	4,414
- Kelas D	587,815,481	687,875,437	514,473,317
- Kelas E	4,615	4,534	4,414
NAB seunit dalam RM			
- Kelas A	0.2405	0.2444	0.2534
- Kelas B	0.9882	1.0041	1.0411
- Kelas C	0.7192	0.7307	0.7575
- Kelas D	0.2405	0.2444	0.2534
- Kelas E	0.9882	1.0041	1.0411
NAB seunit dalam setiap kelas matawang			
- Kelas A	0.2405	0.2444	0.2534
- Kelas B	0.2089	0.2425	0.2505
- Kelas C	0.2152	0.2378	0.2489
- Kelas D	0.2405	0.2444	0.2534
- Kelas E	0.2089	0.2425	0.2505
NAB tertinggi seunit dalam setiap kelas matawang			
- Kelas A	0.2463	0.2539	0.2687
- Kelas B	0.2425	0.2601	0.2672
- Kelas C	0.2401	0.2498	0.2658
- Kelas D	0.2464	0.2540	0.2687
- Kelas E	0.2425	0.2601	0.2672
NAB terendah seunit dalam setiap kelas matawang			
- Kelas A	0.2405	0.2444	0.2533
- Kelas B	0.2089	0.2425	0.2363
- Kelas C	0.2152	0.2378	0.2473
- Kelas D	0.2405	0.2444	0.2534
- Kelas E	0.2089	0.2425	0.2363
Jumlah Pulangan (%) ^a			
- Kelas A	0.16	-0.91	4.96
- Kelas B	-12.33	-0.56	5.58
- Kelas C	-7.91	-1.85	5.98
- Kelas D	0.16	-0.91	4.96
- Kelas E	-12.33	-0.56	5.58

BIMB ESG Sukuk Fund	2022	2021	2020
Pulangan Modal (%) ^b			
- Kelas A	-1.62	-3.55	-1.05
- Kelas B	-14.10	-3.19	-0.42
- Kelas C	-9.67	-4.46	-0.04
- Kelas D	-1.62	-3.55	-1.05
- Kelas E	-14.10	-3.19	-0.42
Pulangan Pendapatan (%) ^c			
- Kelas A	1.79	2.64	6.01
- Kelas B	1.77	2.63	6.00
- Kelas C	1.77	2.61	6.02
- Kelas D	1.79	2.64	6.01
- Kelas E	1.77	2.63	6.00
Agihan Kasar seunit dalam setiap kelas matawang			
- Kelas A	0.43	0.67	1.54
- Kelas B	0.37	0.66	1.51
- Kelas C	0.38	0.65	1.50
- Kelas D	0.43	0.67	1.54
- Kelas E	0.37	0.66	1.51
Agihan Bersih seunit dalam setiap kelas matawang			
- Kelas A	0.43	0.67	1.54
- Kelas B	0.37	0.66	1.51
- Kelas C	0.38	0.65	1.50
- Kelas D	0.43	0.67	1.54
- Kelas E	0.37	0.66	1.51
NAB sebelum Pengagihan dalam setiap kelas matawang			
- Kelas A	0.2448	0.2511	0.2688
- Kelas B	0.2126	0.2491	0.2649
- Kelas C	0.2190	0.2443	0.2625
- Kelas D	0.2448	0.2511	0.2688
- Kelas E	0.2126	0.2491	0.2649
NAB selepas Pengagihan dalam setiap kelas matawang			
- Kelas A	0.2405	0.2444	0.2534
- Kelas B	0.2089	0.2425	0.2498
- Kelas C	0.2152	0.2378	0.2475
- Kelas D	0.2405	0.2444	0.2534
- Kelas E	0.2089	0.2425	0.2498
Tarikh Pengagihan	31 October	29 Oktober	26 Oktober
Nisbah Jumlah Perbelanjaan (NJP) (%)^d	1.38	1.33	1.27
Nisbah Pusing Ganti Portfolio (Kali)^e	0.15	0.24	0.11

Nota:

- a) **Jumlah Pulangan** = $\frac{\text{Harga seunit (pada akhir tahun)} - 1}{\text{Harga seunit (pada awal tahun)}}$
- b) **Pulangan Modal** = Pulangan ke atas Dana – Pulangan Pendapatan
- c) **Pulangan Pendapatan** = $\frac{\text{Pengagihan Pendapatan seunit} / \text{NAB seunit pada awal tahun}}{100}$
- d) **Nisbah Jumlah Perbelanjaan** = 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 setahun dibahagi dengan purata Nilai Aset Bersih Dana yang dikira pada asas harian.

1.7 Pegangan Unit Setakat 31 Oktober 2022

Saiz Dipegang	Kelas A (Kelas RM)			
	Bilangan Pemegang Unit		Bilangan Pegangan Unit	
	Bilangan	%	Unit	%
5,000 dan ke bawah	9,110	97.42	2,659,527.20	3.30
5,001 hingga 10,000	128	1.37	862,470.65	1.07
10,001 hingga 50,000	102	1.09	1,959,871.38	2.43
50,001 hingga 500,000	9	0.10	1,443,439.52	1.79
500,001 dan ke atas	2	0.02	73,707,965.36	91.41
Unit Dipegang oleh Pemegang	9,351	100.00	80,633,274.11	100.00
Unit Dipegang oleh Pengurus	-	-	-	-
Jumlah Keseluruhan Dana	9,351	100.00	80,633,274.11	100.00

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	-	-	-	-
Unit Dipegang oleh Pemegang	-	-	-	-
Unit Dipegang oleh Pengurus	1	100.00	4,614.21	100.00
Jumlah Keseluruhan Dana	1	100.00	4,614.21	100.00

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	-	-	-	-
Unit Dipegang oleh Pemegang	-	-	-	-
Unit Dipegang oleh Pengurus	1	100.00	4,615.14	100.00
Jumlah Keseluruhan Dana	1	100.00	4,615.14	100.00

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	587,815,481.16	100.00
Unit Dipegang oleh Pemegang	5	100.00	587,815,481.16	100.00
Unit Dipegang oleh Pengurus	-	-	-	-
Jumlah Keseluruhan Dana	5	100.00	587,815,481.16	100.00

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	-	-	-	-
Unit Dipegang oleh Pemegang	-	-	-	-
Unit Dipegang oleh Pengurus	1	100.00	4,614.21	100.00
Jumlah Keseluruhan Dana	1	100.00	4,614.21	100.00

1.8 Polisi Rebat dan Komisen Ringan (Bukan Tunai)

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

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

Untuk dan bagi pihak

Pengurus

BIMB INVESTMENT MANAGEMENT BERHAD

30 Disember 2022

Nota:

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

2.0 DIRECTORS' DECLARATION REPORT

To the Unit Holders of **BIMB ESG Sukuk Fund ("Fund")**

We, being the Directors of BIMB Investment Management Berhad (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying audited financial statements set out on pages 30 to 63 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 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year then ended in accordance with the provisions of Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Board of Directors

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

.....
AZIZAN ABD AZIZ
Director

Kuala Lumpur
30 December 2022

3.0 TRUSTEE'S REPORT

To the Unit Holders of **BIMB ESG Sukuk Fund**

We have acted as Trustee of **BIMB ESG Sukuk Fund** ("the Fund") for the financial year ended 31 October 2022. To the best of our knowledge, **BIMB Investment Management Berhad** ("the Manager" or "the Management Company") has managed the Fund in accordance with the following:

1. limitations imposed on the investment powers of the Manager under the Deed(s), Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
2. valuation/pricing for the Fund has been carried out in accordance with the Deed(s) and applicable regulatory requirements; and
3. creation and cancellation of units is carried out in accordance with the Deed(s) and applicable regulatory requirements.
4. The distribution of income by the Fund for the year is appropriate and reflects the investment objective of the Fund

For and on behalf of the Trustee
SCBMB Trustee Berhad

.....
LOR YUEN CHING
Trustee Services Manager

.....
LEE KAM WENG
Trustee Services Manager

Kuala Lumpur
30 December 2022

4.0 SHARIAH ADVISER'S REPORT

To the Unit Holders of **BIMB ESG Sukuk Fund ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, BIMB Investment Management Berhad has operated and managed the Fund during the year 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 assets of the Fund comprise instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Advisers

.....
DR. SHAMSIAH BINTI MOHAMAD
Chairman

Kuala Lumpur
30 December 2022

5.0 INDEPENDENT AUDITORS' REPORT

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 2022, 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 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 30 to 63.

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 determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or 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
30 December 2022

6.0 FINANCIAL STATEMENTS (AUDITED)

BIMB ESG SUKUK FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 31 OCTOBER 2022

	<u>Note</u>	<u>2022</u> RM	<u>2021</u> RM
INVESTMENT INCOME			
Profit income from Sukuk at fair value through profit or loss		4,868,204	4,849,233
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		767,220	845,829
Realised loss on disposal of Sukuk	9	(265,166)	(132,796)
Realised (loss)/gain on foreign exchange		(44,926)	10,573
Other unrealised (loss)/gain on foreign exchange		(29,460)	10,307
Unrealised loss from financial instruments at fair value through profit or loss	9	(2,391,115)	(4,681,753)
Hibah		-	152
		<u>2,904,757</u>	<u>901,545</u>
EXPENSES			
Management fee	4	2,098,027	2,170,398
Trustee's fee	5	69,936	72,348
Audit fee		11,400	11,400
Tax agent's fee		1,500	5,453
Administrative expenses		221,666	161,560
		<u>2,402,529</u>	<u>2,421,159</u>
PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION		502,228	(1,519,614)
Finance cost	6	(2,855,544)	(5,235,283)
LOSS BEFORE TAXATION		<u>(2,353,316)</u>	<u>(6,754,897)</u>
Taxation	7	(51,948)	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(2,405,264)</u>	<u>(6,754,897)</u>
Decrease in net assets attributable to unit holders consist of:			
Realised amount		15,311	(2,083,451)
Unrealised amount		(2,420,575)	(4,671,446)
		<u>(2,405,264)</u>	<u>(6,754,897)</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 2022

	Note	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
Cash and cash equivalents (Shariah-compliant)	8	27,951,311	64,521,049
Financial assets at fair value through profit or loss (Shariah-compliant)	9	135,050,407	142,340,124
Amount due from Manager		4,582	3,963
TOTAL ASSETS		<u>163,006,300</u>	<u>206,865,136</u>
LIABILITIES			
Amount due to Dealers		-	10,285,070
Amount due to Manager		72,847	256,141
Accrued management fee		165,595	187,393
Amount due to Trustee		5,520	6,247
Audit fee		12,855	11,400
Tax agent's fee		1,500	4,453
Provision for tax		25,974	-
Distributions payable		1,797,150	2,803,944
Other payables		152,273	4,837
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>2,233,714</u>	<u>13,559,485</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>160,772,586</u>	<u>193,305,651</u>
FAIR VALUE OF OUTSTANDING UNITS			
- Class A		19,389,698	25,166,584
- Class B		4,561	4,553
- Class C		3,319	3,314
- Class D		141,370,447	168,126,647
- Class E		4,561	4,553
		<u>160,772,586</u>	<u>193,305,651</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
- Class A		80,633,275	102,985,019
- Class B		4,615	4,535
- Class C		4,615	4,535
- Class D		587,815,482	687,875,437
- Class E		4,615	4,535
	10	<u>668,462,602</u>	<u>790,874,061</u>

BIMB ESG SUKUK FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022 (CONTINUED)

	<u>2022</u> RM	<u>2021</u> RM
NET ASSET VALUE ("NAV") PER UNIT (SEN)		
- Class A	24.05	24.44
- Class B	98.82	100.41
- Class C	71.92	73.07
- Class D	24.05	24.44
- Class E	98.82	100.41
	<hr/>	<hr/>
NAV PER UNIT IN RESPECTIVE CURRENCIES (CENT)		
Class A (RM)	24.05	24.44
Class B (USD)	20.89	24.25
Class C (SGD)	21.52	23.78
Class D (RM)	24.05	24.44
Class E (USD)	20.89	24.25
	<hr/> <hr/>	<hr/> <hr/>

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 2022

	<u>2022</u> RM	<u>2021</u> RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	193,305,651	147,420,495
Movement due to units created and cancelled during the financial year:		
- Creation of units from applications		
- Class A	666,116	14,994,496
- Class D	500,350	54,257,640
	<u>1,166,466</u>	<u>69,252,136</u>
- Creation of units from distribution		
- Class A	338,934	668,213
- Class B	79	121
- Class C	58	88
- Class D	719,243	1,762,795
- Class E	79	121
	<u>1,058,393</u>	<u>2,431,338</u>
- Cancellation of units		
- Class A	(6,495,698)	(6,676,048)
- Class D	(25,856,962)	(12,367,373)
	<u>(32,352,660)</u>	<u>(19,043,421)</u>
Decrease in net assets attributable to unit holders during the financial year	<u>(2,405,264)</u>	<u>(6,754,897)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u>160,772,586</u>	<u>193,305,651</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 2022

	Note	<u>2022</u> RM	<u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceed from disposal of Sukuk		30,020,166	49,850,713
Purchase of Sukuk		(35,671,800)	(37,926,332)
(Loss)/gain from foreign exchange		(44,926)	10,573
Profit Income from Shariah-compliant deposits with licensed Islamic financial institutions		767,220	845,981
Profit income from Sukuk at fair value through profit or loss		4,868,204	4,849,233
Management fee paid		(2,119,825)	(2,179,581)
Trustee fee paid		(70,663)	(72,654)
Audit fee paid		(9,945)	(12,400)
Tax agent fee paid		(4,453)	(5,000)
Tax paid		(25,974)	
Payment for other administrative expenses		(74,230)	(164,201)
NET CASH (USED IN) /GENERATED FROM OPERATING ACTIVITIES		<u>(2,366,226)</u>	<u>15,196,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipt for creation of units		4,021,390	69,267,681
Cash payment for cancellation of units		(32,535,954)	(18,787,280)
Distributions paid		(5,659,488)	(6,445,751)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES		<u>(34,174,052)</u>	<u>44,034,650</u>
Net (decrease)/ increase in cash and cash equivalents		(36,540,278)	59,230,982
Effects of foreign exchange fluctuations		(29,460)	10,306
Cash and cash equivalents at beginning of the financial year		<u>64,521,049</u>	<u>5,279,761</u>
Cash and cash equivalents at end of the financial year	8	<u><u>27,951,311</u></u>	<u><u>64,521,049</u></u>
Cash and cash equivalents comprise of:			
Shariah-compliant deposits with licensed Islamic financial institutions		27,534,472	64,162,945
Cash at bank		416,839	358,104
	8	<u><u>27,951,311</u></u>	<u><u>64,521,049</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 2022

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, the Trustee - SCBMB Trustee Berhad and the registered unit holders of the Fund.

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 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Standards, amendments to existing standards effective 1 November 2021:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 November 2021 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendments and interpretations effective after 1 September 2021 and have not been early adopted:

- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101) (effective date deferred to 1 January 2023)
- Disclosure of Accounting Policies (Amendments to MFRS 101 and MFRS Practice Statement 2) (effective date 1 January 2023).
- Definition of Accounting Estimates (Amendments to MFRS 108) (effective date 1 January 2023).

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 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

(ii) 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.

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

(i) Recognition and initial measurement (continued)

The Fund categorises financial instruments as follows (continued):

(b) Fair value through profit or loss (continued)

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)).

(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.

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

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

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.

(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.

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and short-term placements with licensed financial institutions which have insignificant risk of changes in fair value with original maturities of 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.

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

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

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

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Total RM
<u>2022</u>			
Cash and cash equivalents (Shariah-compliant)	-	27,951,311	27,951,311
Financial assets at fair value through profit or loss (Shariah-compliant)	135,050,407	-	135,050,407
Amount due from Manager	-	4,582	4,582
	<u>135,050,407</u>	<u>27,955,893</u>	<u>163,006,300</u>
<u>2021</u>			
Cash and cash equivalents (Shariah-compliant)	-	64,521,049	64,521,049
Financial assets at fair value through profit or loss (Shariah-compliant)	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>

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 2022 (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, liquidity risk and capital risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and the SC 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>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Quoted Sukuk*	5,289,439	7,914,804
- Unquoted Sukuk^	129,760,968	134,425,320
	<u>135,050,407</u>	<u>142,340,124</u>

* Includes interest receivable of RM84,173 (2021: RM83,741).

^ Includes interest receivable of RM1,490,819 (2021: RM1,468,450).

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Price risk

	Change in <u>price</u> %	Impact on profit <u>After tax/NAV</u> RM
<u>2022</u>		
Investments in quoted and unquoted Sukuk*	5	6,673,771
<u>2021</u>		
Investments in quoted and unquoted Sukuk*	5	7,039,397

* Excludes total interest receivable of RM1,574,991 (2021: RM1,552,191) before Calculation.

(ii) Profit rate risk

In general, when profit rates rise, quoted and unquoted Sukuk prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when profit rates rise or are expected to rise. However, investors should be aware that should the Fund hold quoted and 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 quoted and unquoted Sukuk is a non-profit bearing instrument, investors should note that the movement in prices of quoted and unquoted Sukuk are correlated to the movement in profit rates. As such, the investments in quoted and 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 quoted and 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, quoted and 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 2022 (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 quoted and 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>2022</u>		
Quoted Sukuk	+1	15,443
	-1	(15,503)
Unquoted Sukuk	+1	220,951
	-1	(232,001)
<u>2021</u>		
Quoted Sukuk	+1	16,133
	-1	(16,193)
Unquoted Sukuk	+1	261,002
	-1	(228,696)

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 2022 (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 RM 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>2022</u>			
USD	9,628	(9,122)	506
SGD	3,342	(3,319)	23
	<hr/>	<hr/>	<hr/>
<u>2021</u>			
USD	8,428	(9,107)	(679)
SGD	3,073	(3,314)	(241)
	<hr/>	<hr/>	<hr/>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (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 remaining constant. 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>2022</u>	<u>2021</u>
	%	RM	RM
USD	+/-5	25	(34)
SGD	+/-5	1	(12)

(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	RM
<u>2022</u>				
Finance				
- AAA	-	416,839	-	416,839
- A1	-	27,529,027	-	27,529,026
- Non-rated	-	5,445	4,582	10,027
Quoted sukuk				
- AAA	5,289,439	-	-	5,289,439
Unquoted sukuk				
- AAA	43,429,819	-	-	43,429,819
- AA1	10,214,041	-	-	10,214,041
- AA3	25,242,072	-	-	25,242,072
- AA-	30,890,210	-	-	30,890,210
- Non-rated	19,984,826	-	-	19,984,826
	<u>135,050,407</u>	<u>27,951,311</u>	<u>4,582</u>	<u>163,006,300</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (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 loss RM	Cash and cash equivalents RM	Amount due from manager RM	Total 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>142,340,124</u>	<u>64,521,049</u>	<u>3,963</u>	<u>206,865,136</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 2022 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) 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>2022</u>			
Amount due to Manager	72,847	-	72,847
Accrued management fee	165,595	-	165,595
Amount due to Trustee	5,520	-	5,520
Audit fee payable	-	12,855	12,855
Tax agent's fee payable	-	1,500	1,500
Provision for tax	-	25,974	25,974
Distribution payable	1,797,150	-	1,797,150
Other payables	-	152,273	152,273
Net assets attributable to unit holders*	<u>160,772,586</u>	<u>-</u>	<u>160,772,586</u>
Contractual undiscounted cash flows	<u>162,813,698</u>	<u>192,602</u>	<u>163,006,300</u>
<u>2021</u>			
Amount due to Dealer	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>

* 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 2022 (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 2022 (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>2022</u>				
Financial assets at fair value through profit or loss:				
- Quoted Sukuk	-	5,289,439	-	5,289,439
- Unquoted Sukuk	-	129,760,968	-	129,760,968
	<u>-</u>	<u>135,050,407</u>	<u>-</u>	<u>135,050,407</u>
<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>

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 and amount due from Manager and all 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 2022 (CONTINUED)

4 MANAGEMENT FEE

The manager's fee payable to the Manager of the Fund is based on 1.20% (2021: 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% (2021: 0.04%) per annum subject to a minimum of RM18,000 (2021: RM18,000) of the net asset value of the Fund calculated on a daily basis.

6 FINANCE COST

	<u>2022</u> RM	<u>2021</u> RM
Finance cost is derived from the following sources:		
Income from Sukuk	4,836,386	4,434,919
Income from Shariah-compliant deposits with licensed Islamic financial institutions	767,220	845,829
Realised gain on disposal of Sukuk	(265,166)	-
Realised gain on foreign exchange	(44,926)	10,573
Prior year realized income	-	2,357,703
	<u>5,293,514</u>	<u>7,649,024</u>
Less:		
Expenses	(2,386,022)	(2,413,741)
Taxation	(51,948)	-
Net distribution amount	<u>2,855,544</u>	<u>5,235,283</u>
- Class A	340,581	674,514
- Class B	79	121
- Class C	58	88
- Class D	2,514,747	4,560,439
- Class E	79	121
	<u>2,855,544</u>	<u>5,235,283</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

6 FINANCE COST (CONTINUED)

	<u>2022</u> RM	<u>2021</u> RM
<u>Distribution on 31 October 2022 / 29 October 2021</u>		
Gross/net distribution per unit in respective currencies:		
- Class A (RM)	0.43 cent	0.67 cent
- Class B (USD)	<u>0.37 cent</u>	<u>0.66 cent</u>
- Class C (SGD)	<u>0.38 cent</u>	<u>0.65 cent</u>
- Class D (RM)	<u>0.43 cent</u>	<u>0.67 cent</u>
- Class E (USD)	<u>0.37 cent</u>	<u>0.66 cent</u>

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 2022, the Fund incurred unrealised loss of RM2,391,115 (2021: RM4,681,753).

7 TAXATION

	<u>2022</u> RM	<u>2021</u> RM
Taxation		
- Current taxation	<u>51,948</u>	<u>-</u>
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	<u>(2,353,316)</u>	<u>(6,754,897)</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(564,796)	(1,621,175)
Tax effects of:		
- Investment income not subject to tax	(697,142)	(216,371)
- Expenses not deductible for tax purposes	710,920	1,305,251
- Restrictions on the tax-deductible expenses for unit trust funds	551,018	532,295
- Foreign income subject to different tax rate	<u>51,948</u>	<u>-</u>
	<u>51,948</u>	<u>-</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

8 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>2022</u> RM	<u>2021</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:		
Commodity Murabahah	27,534,472	52,334,908
Wafiyah Investment Account*	-	11,828,037
Cash at bank	416,839	358,104
	<u>27,951,311</u>	<u>64,521,049</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>2022</u> %	<u>2021</u> %
Shariah-compliant deposits with licensed Islamic financial institutions:	<u>2.64</u>	<u>1.80</u>

Deposits with licensed Islamic financial institutions of the Fund have an average maturity of 8 days (2021: 5 days).

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

	<u>2022</u> RM	<u>2021</u> RM
Financial assets at fair value through profit or loss:		
- Quoted Sukuk	5,289,439	7,914,804
- Unquoted Sukuk	129,760,968	134,425,320
	<u>135,050,407</u>	<u>142,340,124</u>
Net (loss)/gain on financial asset at fair value through profit or loss:		
- Realised (loss)/gain on disposals	(265,166)	(132,796)
- Net unrealised loss on fair value movement	(2,391,115)	(4,681,753)
	<u>(2,656,281)</u>	<u>(4,814,549)</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2022 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	4,495,389	5,289,439	3.29
<u>Unquoted Sukuk:</u>				
<u>Property & real estate</u>				
Putrajaya Bina Sdn. Bhd. 4.20% 08/05/2030 (AAA)	10,000,000	10,997,768	9,762,521	6.07
<u>Infrastructures & utilities</u>				
BGSM Management Sdn. Bhd. 5.45% 28/06/2024 (AA3)	10,000,000	10,612,374	10,411,537	6.48
Jimah East Power Sdn. Bhd. 5.79% 04/06/2030 (AA-)	5,000,000	5,874,783	5,221,636	3.25
Malakoff Power Bhd. 5.35% 16/12/2022 (AA-)	5,000,000	5,113,787	5,112,104	3.18
Southern Power Generation Sdn. Bhd. 4.82% 30.04.2024 (AA-)	5,000,000	5,150,248	5,049,860	3.14
Southern Power Generation Sdn. Bhd. 5.09% 30/04/2029 (AA-)	5,000,000	5,579,277	4,997,397	3.11
Tadau Energy Sdn. Bhd. 5.70% 27/07/2028 (AA3)	5,000,000	5,531,379	5,180,990	3.22
Telekom Malaysia Bhd. 4.55% 07/10/2024 (AAA)	10,000,000	10,431,149	10,120,164	6.29
Telekom Malaysia Bhd. 4.74% 27/06/2024 (AAA)	5,000,000	5,271,652	5,144,278	3.20
Tenaga Nasional Bhd. 2.90% 12/08/2030 (AAA)	5,000,000	5,032,178	4,402,878	2.74
Tenaga Nasional Bhd. 3.55% 10/08/2040(AAA)	5,000,000	5,039,390	4,050,190	2.52
Telekosang Hydro One Sdn. Bhd. 5.60% 06/08/2035 (AA3)	5,000,000	5,335,669	4,750,705	2.95
YTL Power International Bhd. 5.05% 03/05/2027 (AA1)	10,000,000	10,846,977	10,214,041	6.35
	<u>75,000,000</u>	<u>79,818,863</u>	<u>74,655,780</u>	<u>46.43</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

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

Details of quoted and unquoted Sukuk as at 31 October 2022 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>Financial services</u>				
Cagamas Bhd. 2.23% 26.10.2023 (AAA)	5,000,000	5,001,883	4,934,233	3.07
GII MURABAHAH 3/2019 3.726% 31.03.2026 (NR) #	10,000,000	10,513,475	9,962,756	6.20
GII MURABAHAH 4/2019 3.655% 15.10.2024 (NR) #	10,000,000	10,148,107	10,022,070	6.23
SME BANK IMTN 4.040% 04.08.2025 (AAA)	5,000,000	5,049,255	5,015,555	3.12
	<u>30,000,000</u>	<u>30,712,669</u>	<u>29,934,614</u>	<u>18.62</u>
<u>Construction & engineering</u>				
MMC Corporation Bhd. 5.70% 24.03.2028 (AA-)	5,000,000	5,469,843	5,203,010	3.24
MMC CORP IMTN 5.800% 12.11.2025 (AA-)	5,000,000	5,428,279	5,306,202	3.30
GLT12 IMTN 3.550% 12.08.2025 (AA3)	5,000,000	5,056,308	4,898,841	3.05
	<u>15,000,000</u>	<u>15,954,429</u>	<u>15,408,053</u>	<u>9.59</u>
Total quoted and unquoted Sukuk as at 31 October 2022	<u>15,130,000,000</u>	<u>141,979,118</u>	<u>135,050,407</u>	<u>84.00</u>
Accumulated unrealised loss on financial assets at fair value through profit or loss		<u>(6,928,711)</u>		
Total Sukuk at fair value through profit or loss		<u>135,050,407</u>		

The unquoted fixed income securities which are not rated as at the end of the financial year are issued, backed or guaranteed by government or government agencies.

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (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	4,513,587	4,865,738	2.52
Indosat Tbk Pt 9.00% 23/07/2022 (AAA)	10,000,000,000	3,087,033	3,049,066	1.58
	<u>25,000,000,000</u>	<u>7,600,620</u>	<u>7,914,804</u>	<u>4.10</u>
<u>Unquoted Sukuk:</u>				
<u>Property & real estate</u>				
Axis Reit Sukuk Bhd. 4.50% 12/07/2024 (AAA)	5,000,000	5,196,979	5,143,191	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>16,284,738</u>	<u>15,418,459</u>	<u>7.98</u>
<u>Infrastructures & 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	5,061,136	5,004,169	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
Tadau 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 2022 (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 & utilities (continued):</u>				
Telekosang Hydro One Sdn. Bhd. 5.60% 06/08/2035 (AA3)	5,000,000	5,350,589	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>86,003,500</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 (NR) #	10,000,000	10,646,148	10,280,710	5.32
GII MURABAHAH 4/2019 3.655% 15.10.2024 (NR) #	10,000,000	10,285,069	10,285,070	5.32
	<u>25,000,000</u>	<u>25,932,439</u>	<u>25,539,102</u>	<u>13.21</u>
<u>Construction & 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 2022	<u>25,130,000,000</u>	<u>146,877,720</u>	<u>142,340,124</u>	<u>73.63</u>
Accumulated unrealised loss 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 2022 (CONTINUED)

10 NUMBER OF UNITS IN CIRCULATION

	<u>2022</u>	<u>2021</u>
	No. of units	No. of units
Class A	80,633,275	102,985,019
Class B	4,615	4,535
Class C	4,615	4,535
Class D	587,815,482	687,875,437
Class E	4,615	4,535
	<u>668,462,602</u>	<u>790,874,061</u>
 (a) <u>Class A</u>		
At beginning of the financial year	102,985,019	67,271,665
Creation of units arising from applications	2,727,055	61,470,713
Creation of units arising from distributions	1,409,290	668,213
Cancellation of units	<u>(26,488,089)</u>	<u>(26,425,572)</u>
At the end of the financial year	<u>80,633,275</u>	<u>102,985,019</u>
 (b) <u>Class B</u>		
At beginning of the financial year	4,535	4,414
Creation of units arising from distributions	80	121
At the end of the financial year	<u>4,615</u>	<u>4,535</u>
 (c) <u>Class C</u>		
At beginning of the financial year	4,535	4,414
Creation of units arising from distributions	80	121
At the end of the financial year	<u>4,615</u>	<u>4,535</u>
 (d) <u>Class D</u>		
At beginning of the financial year	687,875,437	514,473,317
Creation of units arising from applications	2,044,106	220,630,794
Creation of units arising from distributions	2,990,617	1,762,795
Cancellation of units	<u>(105,094,678)</u>	<u>(48,991,469)</u>
At the end of the financial year	<u>587,815,482</u>	<u>687,875,437</u>
 (e) <u>Class E</u>		
At beginning of the financial year	4,535	4,414
Creation of units arising from distributions	80	121
At the end of the financial year	<u>4,615</u>	<u>4,535</u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

11 TOTAL EXPENSE RATIO ("TER")

	<u>2022</u>	<u>2021</u>
TER	<u>1.38</u>	<u>1.33</u>

TER is derived from the following calculation:

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

A	=	Management fee
B	=	Trustee's
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 year calculated on a daily basis is RM173,929,650 (2021: RM181,586,333).

12 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2022</u>	<u>2021</u>
PTR (Times)	<u>0.15</u>	<u>0.24</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial year = RM25,403,800 (2021:RM48,194,332)

total disposal for the financial year = RM25,636,000 (2021:RM38,254,932)

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
BIMB Investment Management Berhad	The Manager
Bank Islam Malaysia Berhad	Immediate holding company of the Manager
Directors of BIMB Investment Management Berhad	Director's 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>2022</u>		<u>2021</u>	
	Units	RM	Units	RM
<u>Manager</u>				
BIMB Investment Management Berhad				
- Class B	4,614	964	4,534	1,099
- Class C	4,615	993	4,535	1,078
- Class E	4,614	964	4,534	1,099
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Immediate holding company</u>				
Bank Islam Malaysia Berhad				
- Class D	417,558,955	100,422,929	417,558,955	102,051,409
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (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>the financial year</u>		<u>Balance as at</u>	
	<u>2022</u> RM	<u>2021</u> RM	<u>2022</u> RM	<u>2021</u> RM
<u>The Manager</u>				
BIMB Investment Management Berhad				
- Amount due from Manager	-	-	4,582	3,963
- Amount due to Manager	-	-	(72,847)	(256,141)
- Management fee	2,098,027	2,170,398	(165,595)	(187,393)
<hr/>				
<u>Holding company of the Manager</u>				
Bank Islam Malaysia Berhad				
- Income from Shariah-compliant deposits with licensed Islamic financial institutions	(27,983)	(43,333)	-	64,162,945
- Bank balance	-	-	-	358,104
<hr/>				
<u>The Trustee</u>				
SCBMB Trustee Berhad				
- Trustee fee	69,936	72,348	(5,520)	(6,247)
<hr/>				

BIMB ESG SUKUK FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31 OCTOBER 2022 (CONTINUED)

14 TRANSACTIONS WITH TOP 10 DEALERS

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

	Value of trade RM	Percentage of total trade %
<u>2022</u>		
Hong Leong Bank Berhad	20,565,231	40.18
RHB Investment Bank Berhad	10,340,709	20.20
CIMB Bank Berhad	10,274,961	20.08
Standard Chartered Bank	5,000,000	9.77
Maybank Investment Bank Bhd.	5,000,000	9.77
	<u>51,180,901</u>	<u>100.00</u>
<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
	<u>87,076,626</u>	<u>100.00</u>

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

15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Manager on 30 December 2022

7.0 CORPORATE DIRECTORY

Manager	<p>BIMB Investment Management Berhad Reg. No.: 199301021508 (276246-X)</p> <p>Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Business Office Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Board of Directors	<p>Mohamed Ridza Mohamed Abdulla (Chairman Non-Executive Independent Director) Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director) 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) – resigned wef 30 June 2022</p>
Shariah Advisers	<p>Dr. Shamsiah binti Mohamad Assoc. Prof. Dr. Yasmin Hanani binti Mohd Safian – appointed wef 1 April 2022 Ir. Dr. Hj. Muhamad Fuad bin Abdullah – appointed wef 1 May 2022 Dr. Ahmad Shahbari @ Sobri Bin Salamon – passed away on 13 April 2022 Assoc. Prof. Dr. Asmak binti Ab. Rahman – resigned wef 1 April 2022</p>
Investment Committee	<p>Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Datin Maznah binti Mahbob (Non-Executive Independent Director)</p>
Board Audit and Risk Committee	<p>Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director) Dr. Mohd Hatta Dagap (Non-Executive Independent Director) Azizan Abd Aziz (Non-Executive Non-Independent Director)</p>
Company Secretaries	<p>Maria binti Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Norhidayati Mohamat Salim (MIA 27364) – resigned wef 30 June 2022 Level 32, Menara Bank Islam, No. 22, Jalan Perak, 50450 Kuala Lumpur.</p>
Key Management	<p>Azizan Abd Aziz (Acting Chief Executive Officer) – appointed wef 1 July 2022 Najmuddin Mohd Lutfi (Chief Executive Officer) – resigned wef 30 June 2022 Said Mohd Jawahir Said Bahari (Chief Operating Officer) Abd Razak Salimin (Head of Investment) Ahmad Razli Sabri (Head of Finance & Operation) – appointed wef 1 June 2022 Noorsazreen Nordin (Head of Compliance)</p>

Principal Banker	Bank Islam Malaysia Berhad Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur
Trustee	SCBMB Trustee Berhad [201201021301 (1005793T)] Level 26, Plaza Equatorial 30, Jalan Sultan Ismail 50250 Kuala Lumpur
Auditor	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) Level 10, 1 Sentral Jalan Rakyat, Kuala Lumpur Sentral 50706 Kuala Lumpur
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
Distributors	Bank Islam Malaysia Berhad IFast Capital Sdn Bhd Phillip Mutuall Berhad Johor Bahru Agency Office Kota Bharu Agency Office Registered Unit Trust Consultant with the Manager CIMB Investment Bank Berhad Affin Bank Berhad Alliance Islamic Bank Berhad
Toll Free Number: 1-800-88-1196	
www.bimbinvestment.com.my	

BIMB INVESTMENT

A BANK ISLAM
SUBSIDIARY

BIMB Investment Management Berhad 199301021508 (276246-X)

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

Tel: 03-2161 2524 / 2924 | Toll Free: 1-800-88-1196 | Call Centre: 03-26 900 900 | Email: marketing.bimbinvest@bankislam.com.my
bimbinvestment.com.my