

BIMB INVESTMENT MANAGEMENT BERHAD
199301021508 (276246-X)

PRODUCT HIGHLIGHTS SHEET

BIMB DANA AL-FALAH

Date of Issuance: 30 October 2020

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of BIMB Investment Management Berhad and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of BIMB Dana Al-Falah and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the BIMB Dana Al-Falah and lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission of Malaysia recommends the BIMB Dana Al-Falah or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of BIMB Investment Management Berhad who is responsible for the BIMB Dana Al-Falah and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

BIMB Dana Al-Falah

BRIEF INFORMATION OF THE PRODUCT

What is this product about?

BIMB Dana Al-Falah is a mixed asset fund, issued and managed by BIMB Investment Management Berhad.

The Fund's investment objective is to achieve long term capital appreciation of the Units by investing in a diversified portfolio of Shariah compliant equities, Sukuk and Islamic money market instruments. Accordingly, all investment income (if any) shall be reinvested for long term capital growth rather than distributed annually.

PRODUCT SUITABILITY

Who is this product suitable for?

The Fund is suitable for investors who:-

- Seek moderate to high capital appreciation.
- Have medium to long term* horizon.

**Note: "medium to long term" in this context refers to three (3) years or more*

KEY PRODUCT FEATURES

What am I investing in?

Inception Date	27 December 2001
Fund Category	Mixed Asset
Fund Type	Growth
Asset Allocation	<ul style="list-style-type: none"> • Shariah-compliant equity: 30% to 80%. • Sukuk: 0% to 40%. • Islamic money market instrument: 0% to 50%. • Islamic collective investment scheme: 0% to 30%. • Islamic structured product: 0% to 20%. <p>The Manager may, in response to adverse market, economic, political and any other conditions, adopt a temporary defensive strategy by maintaining higher liquid asset/cash portions. When this happens, the asset allocation of the Fund will be altered accordingly.</p>
Investment Policy & Strategy	The Fund's activities shall be conducted strictly in accordance with the principles of Shariah and shall be monitored by the Shariah Adviser.

	<p>The investments of the Fund would be biased towards Malaysian and foreign markets that could potentially offer capital appreciation rather than steady incomes. The foreign investment is restricted to foreign companies where the regulatory authorities are the ordinary or associate members of the International Organization of Securities Commissions (IOSCO). To meet the objective, Shariah-compliant equity investment will represent up to 80% of the Fund's NAV. The main focus of the Fund would be the accumulation of Shariah-compliant stocks relating to companies which may potentially be able to achieve earnings growth in the medium to long term*. The Fund may also invest in undervalued companies.</p> <p>The Fund may invest in Sukuk and Islamic money market instruments (collectively up to 70% of NAV).</p> <p>The investments in Sukuk are particularly for the purpose of generating the recurring income from expected regular profit payment. The Sukuk must have a minimum AA3 rating by RAM or AA- rating by MARC or its equivalent by any other recognised credit rating agency.</p> <p>The investments of the Fund in Islamic money market instruments are largely confined to placement of short-term Islamic deposit instruments with licensed financial institutions, short-term sukuk issued by the Malaysian government, Government-backed agencies, Bank Negara Malaysia and Malaysian corporations. The Fund's investment in Islamic money market instruments may also include Islamic accepted bills, Islamic banker's acceptance, certificates of Islamic deposits and Islamic commercial paper of companies carrying a minimum short-term credit rating of P1 by RAM or MARC-1 by MARC or its equivalent by any other recognised domestic rating agency.</p> <p>The Manager may also invest in Islamic collective investment schemes and Islamic structured products to further enhance the Fund's potential returns. The main focus of the investment in Islamic collective investment schemes would be in Islamic real estate investment trusts (REITs) which normally distribute regular income. The investment in Islamic structured products would only be in capital protected Islamic structured products which normally provide capital protection with the possibility of returns. The investment in Islamic structured products will be issued by licensed financial institutions which carry a minimum rating of AA3 by RAM or AA- by MARC or its equivalent by any other rating agencies. The underlying assets in the Islamic structured products must be within the permitted investments of the Fund.</p> <p>The investment of the Fund in Islamic collective investment schemes and Islamic structured products must be relevant and consistent with the objective of the Fund.</p> <p><i>*Note: "medium to long term" in this context refers to three (3) years or more.</i></p>
Benchmark	<p>70:30 ratio of the FBM Emas Shariah Index and 12-month Term Deposit-i Tawarruq (TDT-i) of Bank Islam Malaysia Berhad. Information on the selected benchmarks can be obtained from Bursa Malaysia's website and Bank Islam's website respectively.</p> <p><i>Note:</i> <i>Investors are to note that the risk profile of the Fund may be higher than the risk profile of the benchmark.</i></p>
Distribution Policy	<p>Distribution of income* (if any) is incidental.</p> <p><i>*Note: The distribution of income will automatically be reinvested. Hence, Unit Holders will receive additional Units from the reinvestment of income distribution.</i></p>

Minimum Initial Investment*	RM 500
Minimum Additional Investment*	RM 100
Minimum Units Held*	100 Units or such other quantity as the Manager may from time to time decide.

* The Manager has the discretion to accept a lower amount than that disclosed above as the Manager deems fit.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT

Who am I investing with?

Manager	BIMB Investment Management Berhad
Trustee	SCBMB Trustee Berhad
Shariah Committee Members	<ul style="list-style-type: none"> • Dr. Ahmad Shahbari @ Sobri bin Salamon • Assoc. Prof. Dr. Asmak binti Ab. Rahman • Dr. Shamsiah binti Mohamad
Tax Adviser	Ernst & Young Tax Consultants Sdn. Bhd.

What are the possible outcomes of my investment?

The investor may gain from the appreciation of unit price as a result of the increase in value of the underlying and/or accrual of profit earned.

However, investment involves risk. The value of the Fund and its distribution (if any) may rise or fall. These risk factors, among others, may cause you to lose part or all of your investment.

KEY RISKS

What are the key risks associated with this product?

General risks of investing in the fund

- a. **Market Risk** – This risk arises due to fluctuations in market value of investments. Such fluctuations occur because of factors that affect the entire market. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence investors will be exposed to market uncertainties, and no matter how many equities are held, fluctuations in the economy, political and social environment will affect the market price of the investments.
- b. **Shariah Non-Compliance Risk** – This is a risk that the Fund may hold investments which are not Shariah-compliant by error or the administration and operation of the Fund are not in line with Shariah rules and principles. If this occurs, there is a possibility that the Unit price of the Fund may be adversely affected due to rectification required.
- c. **Management Risk** – Poor management of the Fund may cause losses to the Fund which in turn may affect the capital invested by Unit Holders. The Manager is able to manage such risk with close monitoring by the Investment Committee members which will oversee the activities and performance of the Fund.
- d. **Financing Risk** – This risk occurs when the investors take financing to finance their investment. The inherent risk of investing with financed money includes investors being unable to service the financing payment. In the event Units are used as collateral, an investor may be required to top-up the investor's existing installment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.

Other financing risk factors to consider include:

- i. the higher the margin of financing, the greater the potential for losses as well as gains; and
 - ii. if the financing taken is a variable profit rate financing and profit rates rise, the total payment amount will increase.
- e. **Risk of Non-Compliance** – This is a risk where the Fund may be mismanaged due to the Manager's non-compliance with the provisions set out in the Deed or the Master Prospectus or the laws/guidelines governing the Fund or the Manager's own internal procedures or where the employee of the Manager acts fraudulently or dishonestly in managing the Fund. This may also occur when the Manager does not adhere to the investment mandate of the Fund.

Specific risks associated with investing in the fund

- a. **Specific Security Risk** – Specific security risk refers to the risk of investing in any particular security. Specific security risk includes but is not limited to legal suits, competitive operating environment, decline in profitability and mismanagement of a specific company issuing a security. Specific security risk could result in a decline in the price of the security and in turn cause a decline in the NAV of the Fund. This risk can be mitigated by security analysis conducted by the Manager.
- b. **Credit/Default Risk** – Credit risk relates to the creditworthiness of the issuers of the Sukuk and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the Sukuk. In the case of rated Sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a Sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk. This could adversely affect the value of the Fund.
- c. **Profit/Interest Rate Risk** – Generally, changes in the level of general interest rates* may cause prices of Sukuk to change inversely. This risk can be mitigated by holding Sukuk investment until maturity, thereby locking in its yield. The Manager also manage profit/interest rate risk by considering each Sukuk's sensitivity to profit/interest rate changes as measured by its duration.

**Note: The term interest rate does not in any way suggest that this Fund will invest in securities or instruments which are Shariah non-compliant. All investments carried out for the Fund is in accordance with principles of the Shariah.*

- d. **Shariah Non-Compliance Risk** – This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the SAC SC, the Shariah adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose such equities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities.
- e. **Counterparty Risk** – Counterparty risk refers to the risks that any licensed financial institution that the Fund may deal with, under certain circumstances, fail to perform their obligations when due. This will result in the Funds to experience significant losses.
- f. **Structured Product Risk** – Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured products may entail the risk of loss of principal and/or profit payments as a result of movements in the underlying market or security. This will result in the Fund to experience significant losses.
- g. **Collective Investment Scheme Risk** – Poor management of the collective investment scheme (CIS) due to the lack of experience, knowledge, expertise and poor management techniques of the investment manager would have an adverse impact on the performance of the CIS. This may result in the Fund suffering loss in its investments in the CIS.
- h. **Dividend Risk** – There may be times when companies are unable to declare any dividends. Therefore, the Fund may have less income for that period.
- i. **Equity-related Securities Risk** – The Fund may invest in warrants and the value of warrants is influenced by the current market price of the underlying security, the exercise price of the warrant, the time to expiration of the warrant and the estimate of the future volatility of the underlying securities price over the life of the warrant. Particularly, risk factor related to warrants encompasses value decay over time as the warrant approaches its due date especially in the event that the warrants are held and not exercised.

- j. **Country Risk** – Investments of the Fund in any countries may be affected by changes in the country's economic, social and political stability, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of Units to fall.
- k. **Currency Risk** – As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- l. **Political Risk** – Political instability that arises from disruption of economic activity and social unrest may directly or indirectly impact the Fund's investment in a particular country. A change in government or government policies with regards to its capital market regulations may effect a Fund's financial position, possibly causing a Fund to liquidate its position at a less ideal price or below investment cost. Government policies may not have the same approach in perpetuity.
- m. **Regulatory Risk** – The Fund's investments are exposed to laws and regulations in the respective countries they invested in. Regulatory changes in these countries may pose a risk to the Fund as it may materially impact the Fund's investments. The Manager will continuously keep abreast with the regulatory developments in each respective country in mitigating such risk.

IT IS IMPORTANT TO NOTE THAT EVENTS AFFECTING THE INVESTMENTS CANNOT ALWAYS BE FORESEEN. THEREFORE, IT IS NOT ALWAYS POSSIBLE TO PROTECT INVESTMENTS AGAINST ALL RISKS. THE VARIOUS ASSET CLASSES GENERALLY EXHIBIT DIFFERENT LEVELS OF RISK. THE INVESTMENT OF THE FUND CARRIES RISKS AND INVESTORS ARE RECOMMENDED TO READ THE WHOLE PROSPECTUS TO ASSESS THE RISKS OF THE FUND.

INVESTORS ARE REMINDED THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, THEY SHOULD CONSULT THEIR ADVISER(S).

FEES AND CHARGES

What are the fees and charges involved?

There are charges and fees involved and investors are advised to consider the charges and fees before investing in the Fund.

Charges directly incurred

Sales Charge	Up to 5.00% of the NAV per Unit* of the Fund. <i>*Note: The maximum rate of sales charges to be imposed by each distribution channel (i.e. direct sales channel, Bank Islam and IUTA). Investors are advised that they may negotiate for lower sales charge prior to the conclusion of the sales.</i>
Redemption Charge	The Manager does not intend to impose any repurchase charge on any repurchase transaction done by the Unit Holders.
Transfer Fee	Nil

Switching Fee	The switching fee may be imposed as follows:	
	a. 1 st Time	:Nil
	b. 2 nd Time onwards	:RM25 per transaction (switching fee is exempted for investors having a total investment with BIMB Investment of RM100,000 and above)
<i>The above switching fee is subject to any applicable taxes and/or duties as may be imposed by the government or other authorities from time to time.</i>		

Fees indirectly incurred

Annual Management Fee	1.50% per annum of the NAV of the Fund.
Annual Trustee Fee	0.05% per annum of the NAV of the Fund, subject to a minimum of RM18,000
Fund's Expenses	<p>The Fund's expenses include:</p> <ul style="list-style-type: none"> • commission paid to brokers; • auditors' fee; • tax adviser's fee; • valuation fees; • other relevant professional fees; • taxes and other duties imposed by the government and/or other authorities; • custodial fees for foreign investments, if any; • cost of printing and distributing annual and interim reports; • cost for modification of the deed other than those for the benefit of the Manager or the Trustee; and • any other notices to Unit Holders as well as expenses that are directly related and necessary for the administration of the Fund as set out in the deed.
Other Fees	<p>In executing transactions, certain charges may be incurred. You shall bear such transaction charges, for instance bank charges, telegraphic charges and courier charges and goods and services tax or any other similar sales tax or levy (where applicable).</p> <p>We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.</p>

Note: Please refer to the Prospectus for further explanation and illustration on the Fund's fees, charges and expenses.

THE ABOVE FEES AND CHARGES ARE SUBJECT TO ANY APPLICABLE TAXES AND/OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT OR OTHER AUTHORITIES FROM TIME TO TIME.

How often are valuations available?

Valuation of the Fund is carried out at the end of each Business Day. As forward pricing method is used for this Fund, any request received on or before cut-off time i.e.: 4.00p.m. (Malaysia time) on any Business Day, will be processed based on the NAV per Unit at the end of that Business Day which will be computed on T+1.

Unit Holders will be able to obtain information pertaining to the Fund from BIMB Investment's website on <https://www.bimbinvestment.com.my>.

How can I exit from this investment and what are the risks and costs involved?

- i. You can exit from the Fund by redeeming your investments in the Fund at any point of time by completing a redemption form and returning it to the relevant authorised distributors/authorised consultants or direct to BIMB Investment Management Berhad.
- ii. The cut-off time for a redemption transaction is 4.00 p.m. on any Business Day. Any redemption application received after the cut off time will be considered as received on the next Business Day. Such redemption requests are deemed received and shall be irrevocable if all documents and forms received by the Manager are duly and correctly completed.
- iii. If you have made an initial investment and later decide that this investment does not meet your investment needs, you may exercise cooling-off right within six (6) Business Days from the date your investment application is accepted by the Manager.
- iv. The amount of redemption will be paid within ten (10) days from the day the Manager received the redemption or cooling-off request.

FUND PERFORMANCES

Total Return and Average Total Return for the Financial Year Ended 31 August 2020

Period	BIMB Dana Al-Falah		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
1-Year	-11.42	-11.42	8.64	8.64
3-Year	-21.70	-7.23	5.99	2.00
5-Year	-17.25	-3.45	16.74	3.35
10-Year	-16.41	-1.64	40.92	4.09

Total Return for the Previous Financial Years

Financial Year End	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund	-11.42	-12.95	1.53	9.19	-3.21	-17.78	8.14	0.96	9.16	3.09
Benchmark	8.64	-3.87	1.50	2.84	7.10	-8.56	7.79	5.21	13.84	3.72

For the period under review i.e. 1 September 2019 to 31 August 2020, the Fund registered a return of -11.42% compared to the benchmark return of 8.64%. During stock market crash in March 2020 due to Covid-19, the Fund made the call to underweight equity in favour of cash to protect investors' capital

from further fall. Market however rebounded at a very rapid pace leaving the fund suffering from cash drag. Since then, the Fund had slowly increase back its equity exposure to participate in market recovery.

Data Source : BIMB Investment Management Berhad

Data verified by : Novagni Analytics & Advisory Sdn. Bhd.

Benchmark : 70:30 ratio of the FBM Emas Shariah Index and 12-month Term Deposit-i Tawarruq (TDT-i) rate of Bank Islam Malaysia Berhad

Notes:

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

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

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

The calculation of average total returns 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.

Portfolio Turnover Ratio (“PTR”)

For The Year Ended 31 August	2020	2019	2018
BIMB Dana Al-Falah (times)	2.42	1.38	1.50

The Fund’s PTR increased from 1.38 times in the financial year ended 2019 to 2.42 times in financial year ended 2020 mainly due to increase in investing activities.

The PTR is calculated as follows:-

$$\text{PTR} = \frac{[\text{Total acquisition of the Fund for the year} + \text{Total disposal of the Fund for the year}] / 2}{\text{Average net asset value of the Fund for the year calculated on a daily basis}}$$

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

CONTACT INFORMATION

Who should I contact for further information or to lodge a complaint?

1. You may contact us at the following address:

i. **BIMB Investment Management Berhad**

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

Tel : 03-2161 2524 / 03-2161 2924

Fax : 03-2161 2464

Email : marketing.bimbinvest@bankislam.com.my

Web : <https://www.bimbinvestment.com.my>

Toll-Free : 1800-88-1196

ii. Branches

<u>JOHOR BAHRU</u> No 33B, Jalan Indah 15/2, Taman Bukit Indah, 79100 Nusajaya, Johor. Tel : 07-239 5608	<u>KELANTAN</u> PT 433 & 434 Jalan Padang Garong, 15000 Kota Bharu, Kelantan. Tel : 019-940 0798
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iii. Bank Islam Branches

Please refer to BANK ISLAM MALAYSIA BERHAD'S website at www.bankislam.com.my for the list of its branches nationwide.

2. For internal dispute resolution, you may contact,

Feedback Channel & Distribution Department

18th Floor, Menara Bank Islam,
No.22 Jalan Perak,
50450 Kuala Lumpur.
Fax: 03-2782 1337

3. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):

Tel : 03-2282 2280
Fax : 03-2282-3855
Email : info@sidrec.com.my
Letter : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A,
Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1,
59000 Kuala Lumpur.

4. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

Tel : 03-6204 8999
Fax : 03-6204 8991
Email : aduan@seccom.com.my
Online form : www.sc.com.my
Letter : Consumer & Investor Office
Securities Commission Malaysia,
No 3 Persiaran Bukit Kiara,
Bukit Kiara,
50490 Kuala Lumpur.

5. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

Tel : 03-2092 3800
Fax : 03-2093 2700
Email : complaints@fimm.com.my
Online form : www.fimm.com.my
Letter : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia

19-06-1, 6th Floor, Wisma Tune,
 No. 19, Lorong Dungun,
 Damansara Heights,
 50490 Kuala Lumpur.

APPENDIX: GLOSSARY

“Business Day(s)”	A day on which Bursa Malaysia is open for trading in securities.
“Fund”	BIMB Dana Al-Falah
“Medium Term”	Means a period of between three (3) and five (5) years
“Long Term”	Means a period of more than five (5) years
“NAV”	Net Asset Value
“Sukuk”	A document or certificate, documenting undivided ownership or investment in the asset in accordance with Shariah principles and concepts. The <i>sak</i> (singular of Sukuk) is freely traded at par, premium or discount
“SAC”	The Shariah Advisory Council of the SC
“SC”	Securities Commission Malaysia
“The Manager”	BIMB Investment Management Berhad
“Units”	Units of the Fund
“Unit Holder(s)”	A person or persons registered as holder(s) of a Unit or Units of the Fund and whose name appears in the register of Unit Holders