

BANK ISLAM PREMIER FUND

QUARTERLY REPORT FOR THE FINANCIAL PERIOD
FROM 1 JUNE 2021 TO 31 AUGUST 2021



MANAGER:

BIMB INVESTMENT MANAGEMENT BERHAD 199301021508 (276246-X)

TABLE OF CONTENTS

1.0	Fund Key Information	1
2.0	Manager's Report	2
3.0	Shariah Adviser's Report	6
4.0	Unaudited Financial Statement	7
5.0	Corporate Directory	14

1.0 FUND KEY INFORMATION

Fund Name	Bank Islam Premier Fund (BIPF)
Fund Type	Income and Growth
Fund Category	Shariah-Mixed Assets Fund (Wholesale)
Investment Objective	<p>The Fund seeks to provide Medium to Long Term return through capital appreciation and income distribution.</p> <p><i>Note:</i> <i>* Income distribution will be in the form of cash or additional Units.</i> <i>**The Fund is not a capital guaranteed fund or a capital protected fund.</i></p> <p><i>Any material changes to the investment objective would require Unit Holders' approval.</i></p>
Performance Benchmark	<p>Average return of 5% per annum over a period of 5 years.</p> <p><i>Note: The Fund will be measured against an absolute return benchmark of 5% per annum over a period of 5 years. This is not a guaranteed return and it is only a measurement of the Fund's performance. The Fund may or may not achieve 5% per annum growth rate in any particular financial year but targets to achieve this growth rate through a 5 years period.</i></p>
Distribution Policy	Subject to availability of income, the Fund will distribute income on a yearly basis.

2.0 MANAGER'S REPORT

<p>Performance Review</p>	<p>For the period under review, Bank Islam Premier Fund (Fund) registered a return of 3.32% as compared to its benchmark's return of 1.23%.</p> <p>The selected performance benchmark for the Fund is average return of 5% per annum over a period of 5 years.</p> <p>The fund's outperformance was due to the positive performance of the Collective Investment Scheme(s) (CIS) that the Fund had invested in during the period under review.</p> <p>The Fund's strategy has remained to invest up to 70% of NAV in CIS managed by the Manager and a minimum of 30% in Bank Islam's investment account, Islamic deposits, and money market instruments. As at the end of the period, the Fund has 69.92% exposure in CIS and the remaining in cash and cash equivalents. The Fund size as at 31 August 2021 was RM3.90 million, while NAV per unit was RM1.0371.</p> <p>There was no significant change to the state of affairs of the Fund and no circumstance that materially affect the interest of Unit Holders have taken place up to the date of this Manager's Report.</p>
<p>Economy and Market Review</p>	<p>Economy</p> <p>Global</p> <ul style="list-style-type: none"> • US Gross Domestic Product (GDP) increased by 6.6% year-on-year ("YoY") in the second quarter of 2021. The sharp increase was due to the low-base effect of the previous year due to the COVID-19 pandemic. • The Eurozone economy increased by 2.2% in the second quarter of 2021. This rebound was down to the recovery in economic activity and domestic demand as the bloc gradually reopens its economy. • The Chinese economy grew by 7.9% in the second quarter of 2021, slowing from a record 18.3% growth in 1Q2021. This was due to a slowdown in factory operations, higher raw material costs and new COVID-19 variants slowing down its economic activity. <p><i>(Source: Bureau of Economic Analysis, CNBC, Trading Economics)</i></p> <p>Local</p> <ul style="list-style-type: none"> • Malaysia's Gross Domestic Product (GDP) expanded by 16.1% year-on-year (YoY) in the second quarter of 2021 (Q2 2021) versus the same quarter last year. With a more loose lockdown measure imposed in the month of May and June, the country had managed to avoid having to face a hard landing for its economy in 2Q 2021. <p><i>(Source: Bloomberg, Bank Negara Malaysia and Department of Statistics Malaysia)</i></p> <p>Market Review</p> <p>Equity</p> <p>Global</p>

	<p>MSCI ACWI NR Index (Index) commenced the period under review at 363.7883 points on 31 May 2021. Subsequently, it declined to the lowest level of 361.2220 points on 18 June 2021 before rebounding and closing at the highest level of 380.4109 points on 31 August 2021. For the financial period under review, the Index was up by 16.6226 points or 4.57%.</p> <p>Local</p> <p>FTSE Bursa Malaysia EMAS Shariah Index (FBM Shariah) commenced the year under review at 12,772.91 points on 31 May 2021. Subsequently, it increased to the highest level of 12,857.07 points on 2 June 2021 before declining to a low of 12,009.50 points on 12 July 2021 and closing at 12,750.46 points on 30 August 2021. For the financial period under review, FBM Shariah was down by 22.45 points or 0.18%.</p> <p>Money Market</p> <p>For the financial quarter under review, BNM had maintained the overnight policy rate (OPR) at 1.75%, reiterating that the rate remains appropriate and accommodative amid persistent downside risks to the growth outlook.</p>
<p>Market Outlook and Strategy</p>	<p>Equity</p> <p>The CIS that the Fund invests in employs quantitative approach. Given the quantitative and momentum-based nature of the strategy, they are not managed based on macro analysis, views, and expected outlook.</p> <p>Money Market</p> <ul style="list-style-type: none"> • Going forward, the OPR is expected to remain unchanged until the end of the year. However, BNM continues to leave the door open, citing that the future stance of monetary policy will remain data dependent given the uncertainties surrounding the pandemic. • Our strategy is to continue to invest in money market and extend the duration to maximize return while providing liquidity for investors..

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

Bank Islam Premier Fund	1 JUNE 2021 TO 31 AUGUST 2021
Net Asset Value (NAV)	3,904,253
Units in Circulation	3,764,412
NAV per Unit	1.0371
Highest NAV per Unit	1.0394
Lowest NAV per Unit	0.9885
Return of the Fund (%) ^(a)	3.32
Capital Return (%) ^(b)	3.32
Income Return (%) ^(c)	-
Management Expense Ratio (MER)(%) ^(d)	2.11
Portfolio Turnover Ratio (PTR)(times) ^(e)	4.20

Note:

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

Performance as at 31 August 2021

	3 Months (1/6/21 - 31/8/21)	6 Months (1/3/21 - 31/8/21)	Since Inception (17/11/20 - 31/8/21)
Fund (%)	3.32	5.57	3.71
Benchmark (%)	1.23	2.47	3.71

Asset Allocation as at 31 August 2021

Bank Islam Premier Fund	31.8.2021 (%)
Investment in Shariah-Compliant Collective Investment Scheme	
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM Class	11.18
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM-Hedged Class	58.74
	69.92
CASH AND SHORT TERM INVESTMENTS:	30.08
	100.00

Unit Holdings as at 31 August 2021

Size of Holding	Bank Islam Premier Fund			
	Number of Unit Holders		Number 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	1	50.00	3,763,412.10	99.97
Units Held by Holders	1	50.00	3,763,412.10	99.97
Units Held by Manager	1	50.00	1,000.00	0.03
Grand Total for the Fund	2	100.00	3,764,412.10	100.00

3.0 SHARIAH ADVISER'S REPORT

QUARTERLY REPORT FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

**To the Unit Holder of
BANK ISLAM PREMIER 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 period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Adviser

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DR. AHMAD SHAHBARI@SOBRI SALAMON
(Chairman)

Date: 29 October 2021

4.0 UNAUDITED FINANCIAL STATEMENT

BANK ISLAM PREMIER

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

	<u>1.6.2021 to</u> <u>31.8.2021</u> RM
INVESTMENT INCOME	
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	4,946
Management fee rebate	8,511
Realised loss on disposal of quoted securities	(4,976)
Net unrealised gain from financial instruments at fair value through profit or loss	<u>153,190</u>
	<u>161,671</u>
EXPENSES	
Management fee	11,968
Trustee's fee	349
Audit fee	11,839
Tax agent's fee	2,210
Administrative expenses	<u>3,183</u>
	<u>29,549</u>
INCOME BEFORE TAXATION	132,122
Taxation	<u>-</u>
INCOME AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u><u>132,122</u></u>
Total comprehensive income for the period consist of:	
Realised amount	(21,068)
Unrealised amount	<u>153,190</u>
	<u><u>132,122</u></u>

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

BANK ISLAM PREMIER

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	Note	<u>As at</u> <u>31.8.2021</u> RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	2	1,171,716
Financial assets at fair value through profit or loss (Shariah-compliant)	1	2,729,891
Amount due from stockbrokers		40,000
Management fee rebate receivable		<u>2,716</u>
TOTAL ASSETS		<u>3,944,323</u>
LIABILITIES		
Accrued management fee		3,842
Amount due to Trustee		112
Other payables and accruals		<u>36,116</u>
TOTAL LIABILITIES		<u>40,070</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>3,904,253</u>
EQUITY		
Unit holders' capital		3,747,918
Retained profits		<u>156,335</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>3,904,253</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		3,764,412
NET ASSET VALUE PER UNIT (SEN) (EX-DISTRIBUTION)		<u>103.71</u>

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

BANK ISLAM PREMIER

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

	Unit holders' capital RM	Retained profits RM	Total RM
Balance s at 1 June 2021	4,171,046	24,213	4,195,259
Movement in unit holders' contributions:			
- Creation of units	-		-
- Cancellation of units	(423,128)		(423,128)
Total comprehensive income for the financial period	-	132,122	132,122
Balance s at 31 August 2021	<u>3,747,918</u>	<u>156,335</u>	<u>3,904,253</u>

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

BANK ISLAM PREMIER

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

	Note	<u>1.6.2021 to</u> <u>31.8.2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant Collective Investment Scheme		340,000
Purchase of Shariah-compliant Collective Investment Scheme		(40,000)
Profit income received from Shariah-compliant deposit with licensed Islamic financial institutions		4,946
Management fee paid		(3,650)
Trustee fee paid		(362)
Payment for other administrative expenses		(164)
Net cash generated from operating activities		<u>300,770</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from creation of units		-
Payments for cancellation of units		(423,128)
Net cash used in financing activities		<u>(423,128)</u>
Net cash and cash equivalents		(122,358)
Cash and cash equivalents at the beginning of the financial period		<u>1,294,074</u>
Cash and cash equivalents at the end of the financial period	2	<u><u>1,171,716</u></u>
Cash and cash equivalents comprise:		
Wafiyah Investment Account		1,161,372
Cash at bank		10,344
	2	<u><u>1,171,716</u></u>

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

BANK ISLAM PREMIER

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021

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

	<u>As at</u> <u>31.8.2021</u> RM
Financial assets at fair value through profit or loss:	
Quoted Collective Investment Scheme	<u>2,729,891</u>
	<u>1,994,601</u>
	RM
Net gain on financial assets at fair value through profit or loss	
- Realised loss on disposal	(4,976)
- Net unrealised gain on fair value movement	153,190
- Management fee rebate #	<u>8,511</u>
	<u>156,725</u>

Management fee rebate represents the Fund's entitlement to management fee rebate from the Manager and the Manager of Collective Investment Scheme the Fund invests in.

For the financial period ended 31 August 2021, the rebate recognised at a rate of 1.20% for BIMB-Arabesque *i* Global Dividend 1 - RM Class and BIMB-Arabesque *i* Global Dividend 1 – RM-Hedged Class, calculated and accrued daily based on the NAV of the Collective Investment Scheme.

Details of Shariah-compliant Collective Investment Scheme as at 31 August 2021 are set out as follows:

<u>Name of counter</u>	<u>Number of shares held</u>	<u>Aggregate cost</u> RM	<u>Fair value</u> RM	<u>Percentage of value of funds</u> %
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM Class	817,189	425,828	436,460	11.18
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM-Hedged Class	<u>4,286,786</u>	<u>2,252,041</u>	<u>2,293,431</u>	<u>58.74</u>
	<u>5,103,975</u>	<u>2,677,869</u>	<u>2,729,891</u>	<u>69.92</u>
Total quoted Shariah-compliant Collective Investment Scheme as at 31 August 2021	<u>5,103,975</u>	2,677,869	<u>2,729,891</u>	<u>69.92</u>
Accumulated unrealised loss on Shariah-compliant Collective Investment Scheme		<u>52,022</u>		
Total Shariah-compliant Collective Investment Scheme at fair value through profit or loss		<u>2,729,891</u>		

BANK ISLAM PREMIER

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021 (CONTINUED)

2 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at</u> <u>31.8.2021</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
Wafiyah Investment Account*	1,161,372
	<u>1,161,372</u>
Cash at bank	10,344
	<u>1,171,716</u>

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

	<u>As at</u> <u>31.8.2021</u> %
Shariah-compliant deposits with licensed Islamic financial institutions	<u>1.70</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 5 days

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

3 MANAGEMENT EXPENSE RATIO ("MER")

	<u>As at</u> <u>31.8.2021</u> %
MER	<u>2.11</u>

MER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM3,999,785.

BANK ISLAM PREMIER

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2021 TO 31 AUGUST 2021 (CONTINUED)

4	PORTFOLIO TURNOVER RATIO ("PTR")	As at <u>31.8.2021</u>
	PTR (Times)	<u>4.20</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period/year = RM16,852,432

total disposal for the financial period/year = RM16,723,121

5 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises assets in local market, which are placed in Shariah-compliant investment and/or instruments.

6 QUARTERLY REPORT

The quarterly report for the financial period from 1 June 2021 to 31 August 2021 is unaudited.

5.0 CORPORATE DIRECTORY

Manager	<p>BIMB Investment Management Berhad</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' Ghazali bin Awang (Non-Executive Independent Director) Dr. Mohd Hatta bin Dagap (Non-Executive Independent Director) Datin Maznah binti Mahbob (Non-Executive Independent Director) Azizan bin Abd Aziz (Non-Executive Non Independent Director) Najmuddin bin Mohd Lutfi (Chief Executive Officer)</p>
Shariah Advisers	<p>Dr. Ahmad Shahbari @ Sobri bin Salamon (Chairman) Assoc. Prof. Dr. Asmak binti Ab. Rahman Dr. Shamsiah binti Mohamad</p>
Investment Committee	<p>Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Datin Maznah binti Mahbob (Independent Director)</p>
Board Audit and Risk Committee	<p>Dato' Ghazali bin Awang (Chairman - Independent Director) Dr. Mohd Hatta bin Dagap (Independent Director) Azizan bin Abd Aziz (Non Independent Director)</p>
Company Secretaries	<p>Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur</p> <p>Maria Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p>
Key Management	<p>Najmuddin Mohd Lutfi (Chief Executive Officer) Mohd Amir Shah Basir (Chief Operating Officer) Abd Razak Salimin (Head of Investment) Ariff Firman Mohd Sidek (Head of Compliance)</p>
Principal Banker	<p>CIMB Islamic Bank Berhad P. Ramlee Branch, Lot 1-01 Menara Hap Seng Jalan P.Ramlee 50250 Kuala Lumpur</p>
Trustee	<p>CIMB Islamic Trustee Berhad 198801000556 (167913-M) Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur</p>

Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
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Distributors	Bank Islam Malaysia Berhad
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BIMB INVESTMENT

A BANK ISLAM
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