

BIMB SHARIAH INCOMEPLUS FUND

QUARTERLY REPORT FOR THE FINANCIAL
PERIOD ENDED 30 SEPTEMBER 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	BIMB Shariah IncomePlus Fund (BSIF)
Fund Type	Income
Fund Category	Wholesale Islamic Fixed Income Fund
Fund Investment Objective	<p>The Fund seeks to provide regular income* whilst maintaining capital stability**.</p> <p><i>Note:</i> <i>*Income will be in the form of cash or additional Units.</i> <i>**The Fund is not a capital guaranteed fund or a capital protected fund.</i></p> <p><i>Any material changes to the investment objective would require Unit Holders' approval.</i></p>
Fund Performance Benchmark	<p>Bank Islam's 1-month Term-Deposit <i>i</i> (Tawarruq).</p> <p>Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark.</p>
Fund Distribution Policy	Subject to availability of income, the Fund will distribute income on a monthly basis.

2.0 MANAGER'S REPORT

<p>Performance Review</p>	<p>For the financial period under review, BIMB Shariah IncomePlus Fund (“the Fund”) registered a return of 0.55% as compared to its Benchmark’s return of 0.31%. The selected performance benchmark for the Fund is Bank Islam’s 1-month Term-Deposit i (Tawarruq).</p> <p>The Fund's strategy has consistently been to invest in a diversified portfolio of approved money market instruments, Islamic deposits, Islamic investment accounts and Shariah-compliant fixed income securities that will provide a steady stream of income.</p> <p>During the financial period under review, the Fund has managed to maintain capital stability for its investors’ as per its investment objective. The Fund has distributed income totaling 0.40 sen per unit to its unit holders during the financial period under review.</p> <p>For the financial period under review, 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>a) Global</p> <ul style="list-style-type: none"> • Gross Domestic Product (GDP) of the United States (US) expanded by 4.9% in the third quarter of 2021 over the same quarter of the previous year. The increase reflected increases in investment activity, consumption, and state and local government spending. • The Euro area economy expanded by 3.7% in the third quarter of 2021 over the same quarter of the previous year, as countries began their economy reopening. • China's economy slowed down in the third quarter of 2021 with a YoY growth rate of 4.9% due to supply shocks and power shortages. <p><i>(Source: Bureau of Economic Analysis, CNBC, Trading Economics)</i></p> <p>b) Local</p> <ul style="list-style-type: none"> • Malaysia’s GDP shrank by 4.5% in the third quarter dragged down by strict restrictions to contain rising cases of the Delta strain, particularly in July. • For the period 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><i>(Source: Department of Statistics Malaysia and Bank Negara Malaysia)</i></p>

	<p>Market Review</p> <p>Sukuk Market and Money Market</p> <p>a) Global</p> <ul style="list-style-type: none"> For the period under review, US Treasury (UST) yields rose between 2-7 bps across the yield curve. Fed Chair Powell said that commencement of US asset-tapering could begin in November and end in mid-June next year. This stemmed from higher inflation expectations, declining COVID-19 cases and steady improvement in jobs market. <p>b) Local</p> <ul style="list-style-type: none"> For the period under review, overall Malaysian government securities benchmark yields mostly spiked between 3-38 bps. This was due to the culmination of several factors that included earlier fears over the change in government and increase in fiscal deficit to between 6.5-7.0% of GDP, and proposal to increase statutory debt limit from 60% to 65%.
<p>Market Outlook and Strategy</p>	<p>Sukuk Market & Money Market</p> <ul style="list-style-type: none"> It is expected that the government sukuk/bond yield curve to continue a steepening trend in anticipation of the steady recovery of the economy and a hawkish tone from the US Federal Reserve. Our Sukuk strategy is to invest in Sukuk with short duration due to uncertain interest rate outlook, with a rating of at least AA3 for better yield. Our money market strategy is to invest with aim to maximize return while providing liquidity for investors.

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

Fund	As at 30 September 2021
Unit Prices (RM)	
Highest Net Asset Value (NAV) per unit for the period/year	1.0026
Lowest NAV per unit for the period/year	0.9987
Net Asset Value (NAV) and Units in Circulation (UIC) as at the end of the period/year	
Total NAV (RM)	137,713,146
Units in Circulation (UIC)	137,693,351
NAV per unit (RM)	100.01
Return of Fund (%)	
Capital Growth (%) ^(b)	0.15
Income Return (%) ^(c)	0.40
Return of Fund (%)^(a)	0.55
Total Gross Distribution per Unit (sen) per annum	0.40
Total Net Distribution per Unit (sen) per annum	0.40
Monthly distribution - July	
NAV per Unit before Distribution (RM)	1.0014
NAV per Unit after Distribution (RM)	1.0004
Monthly distribution - August	
NAV per Unit before Distribution (RM)	1.0026
NAV per Unit after Distribution (RM)	1.0006
Monthly distribution - September	
NAV per Unit before Distribution (RM)	1.0012
NAV per Unit after Distribution (RM)	1.0002
Management Expense Ratio (%)^(d)	0.18
Portfolio Turnover Ratio (times)^(e)	2.16

Note:

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

Total Return and Average Total Return for the Financial Period Ended 30 September 2021

	Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
3 months (1/7/2021 – 30/9/2021)	0.55%	2.20%	0.31%	1.24%
6 months (1/4/2021 – 30/9/2021)	1.27%	2.54%	0.62%	1.24%
9 months (1/1/2021 – 30/9/2021)	1.09%	1.45%	0.94%	1.25%
12 months (1/8/2020 – 30/9/2021)	1.17%	1.17%	1.25%	1.25%

Asset Allocation as at 30 September 2021

BIMB Shariah Incomeplus Fund	30 September 2021 (%)
Investment in Unquoted Sukuk	
Industrials	4.02
Utilities	7.93
	11.96
SHARIAH-COMPLIANT CASH AND SHORT TERM INVESTMENTS:	88.04
	100.00

Unit Holdings as at 30 September 2021

Size of Holding	BIMB Shariah IncomePlus Fund			
	Number of Unit Holders		Number of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	3	75.00	137,692,339.83	100.00
Units Held by Holders	3	75.00	137,692,339.83	100.00
Units Held by Manager	1	25.00	1,011.57	0.00
Grand Total for the Fund	4	100.00	137,693,351.40	100.00

3.0 SHARIAH ADVISER'S REPORT

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

To the Unit Holder of
BIMB Shariah IncomePlus 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 Advisers

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

Date:

4.0 FINANCIAL STATEMENT (UNAUDITED)

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021

	<u>1.7.2021 to</u> <u>30.9.2021</u> RM
INVESTMENT INCOME	
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	535,326
Profit income from unquoted Sukuk	136,315
Net unrealised gain from financial instruments at fair value through profit or loss	<u>3,259</u>
	<u>674,900</u>
EXPENSES	
Management fee	44,693
Trustee's fee	8,939
Administrative expenses	<u>63</u>
	<u>53,695</u>
INCOME BEFORE TAXATION	621,205
Taxation	<u>-</u>
INCOME AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>621,205</u>
Total comprehensive income for the period consist of:	
Realised amount	617,946
Unrealised amount	<u>3,259</u>
	<u>621,205</u>

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

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	<u>As at</u> <u>30.9.2021</u> RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	2	100,049
Financial assets at fair value through profit or loss (Shariah-compliant)	1	131,664,562
Amount due from Manager		<u>6,000,000</u>
TOTAL ASSETS		<u>137,764,611</u>
LIABILITIES		
Accrued management fee		16,122
Amount due to Trustee		3,224
Audit fee payable		11,485
Tax agent's fee payable		3,677
Administrative expenses		<u>16,957</u>
TOTAL LIABILITIES		<u>51,465</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>137,713,146</u>
EQUITY		
Unit holders' capital		137,884,344
Retained profits		<u>(171,198)</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>137,713,146</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		137,693,351
NET ASSET VALUE PER UNIT (SEN) (EX-DISTRIBUTION)		<u>100.01</u>

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

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021

	Unit holders' capital RM	Retained profits RM	Total RM
Balance as at 1 July 2021	113,347,766	(318,322)	113,029,444
Movement in unit holders' contributions:			
- Creation of units	25,267,143		25,267,143
- Reinvestment of distributions	474,081		474,081
- Cancellation of units	(1,204,646))		(1,204,646))
- Distributions (Note 3)		(474,081)	(474,081)
Total comprehensive income for the financial period	-	621,205	621,205
Balance as at 30 September 2021	<u>137,884,344</u>	<u>(171,198)</u>	<u>137,713,146</u>

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

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021

	Note	<u>1.7.2021 to</u> <u>30.9.2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Placement of Shariah-compliant deposit with licensed Islamic financial institution		(248,502,819)
Proceed from Maturity Shariah-compliant deposit with licensed Islamic financial institutions		229,839,660
Profit income received from Shariah-compliant deposit with licensed Islamic financial institution		535,326
Profit income received from Sukuk		136,315
Management fee paid		(42,492)
Trustee fee paid		(8,499)
Payment for administrative expenses		<u>(1,229)</u>
Net cash used in operating activities		<u>(18,043,738)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from creation of units		19,741,224
Payments for cancellation of units		(1,204,646)
Payment for income Distribution		<u>(474,081)</u>
Net cash generated from financing activities		<u>18,062,497</u>
Net cash and cash equivalents		18,759
Cash and cash equivalents at the beginning of the financial period		<u>81,290</u>
Cash and cash equivalents at the end of the financial period	2	<u>100,049</u>
Cash and cash equivalents comprise:		
Cash at bank		<u>100,049</u>
	2	<u>100,049</u>

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

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021

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

	<u>As at 30.9.2021</u>
Financial assets at fair value through profit or loss:	
Unquoted Sukuk	<u>16,464,302</u>
	RM
Net loss on financial assets at fair value through profit or loss	
- Realised loss on disposal	-
- Net unrealised gain on fair value movement	<u>3,259</u>
	<u>3,259</u>

Details of unquoted Sukuk as at 30 September 2021 are set out as follows:

<u>Name of counter</u>	<u>Number of shares held</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of value of funds %</u>
<u>Industrials</u>				
MMC CORP IMTN 5.800% 12.11.2025	<u>5,000,000</u>	<u>5,499,977</u>	<u>5,536,822</u>	<u>4.02</u>
<u>Utilities</u>				
SEB IMTN 4.700% 24.11.2028	5,000,000	5,631,489	5,409,418	3.93
TNB WE 5.320% 28.07.2028 – Tranche 9	<u>5,000,000</u>	<u>5,750,146</u>	<u>5,518,062</u>	<u>4.01</u>
	<u>10,000,000</u>	<u>11,381,635</u>	<u>10,927,480</u>	<u>7.93</u>
Total quoted Sukuk as at 30 June 2021	<u>25,000,000</u>	16,881,612	<u>16,464,302</u>	<u>11.96</u>
Accumulated unrealised loss on financial assets at fair value through profit or loss		<u>(417,310)</u>		
Total Sukuk fair value through profit or loss		<u>16,464,302</u>		

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021 (CONTINUED)

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

	<u>As at</u> <u>30.9.2021</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
Commodity Murabahah	113,395,732
Wafiyah Investment Account*	<u>1,804,528</u>
	<u>115,200,260</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>As at</u> <u>30.9.2021</u> %
Shariah-compliant deposits with licensed Islamic financial institutions	2.08

The deposits have an average maturity of 113 days.

2 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at</u> <u>30.9.2021</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
Cash at bank	<u>100,049</u>

3 DISTRIBUTION

	<u>1.7.2021 to</u> <u>30.9.2021</u> RM
Distribution to unit holders is from the following sources:	
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	<u>527,776</u>
	527,777
Less:	
Expenses	<u>(53,695)</u>
Net distribution amount	<u>474,082</u>

GROSS/NET DISTRIBUTION PER UNIT (SEN)

Distribution on 28 July 2021	<u>0.10</u>
Distribution on 27 August 2021	<u>0.20</u>
Distribution on 28 September 2021	<u>0.10</u>

BIMB SHARIAH INCOMEPLUS FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 30 SEPTEMBER 2021 (CONTINUED)

4	MANAGEMENT EXPENSE RATIO (“MER”)	As at <u>30.9.2021</u> %
	MER	<u>0.18</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 daily basis

The average NAV of the Fund for the financial period calculated on daily basis is RM118,210,432

5	PORTFOLIO TURNOVER RATIO (“PTR”)	As at <u>30.9.2021</u>
	PTR (Times)	<u>2.16</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM281,798,088

total disposal for the financial period = RM229,839,660

6 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.

7 QUARTERLY REPORT

The quarterly report for the financial period from 1 July 2021 to 30 September 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>Maria Mat Said (LS 009400) – effective 1 June 2021 Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur</p>
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	CIMB Islamic Trustee Berhad 198801000556 (167913-M) Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
Distributor	Bank Islam Malaysia Berhad
Toll Free Number: 1-800-88-1196	