

NEWSLETTER

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BIMB INVESTMENT
A BANK ISLAM
SUBSIDIARY



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Dear Investors,

With lockdown being imposed and in our current challenging climate, we are now living in a time that is arguably the most difficult when it comes to managing money. Many investors have their theories about how to navigate these difficult times.

At BIMB Investment our investing strategy is more than a theory: it's driven by economic data. To make that investment strategy work, investors should follow some basic investing principles, and one of those principles is to have a long-term plan to invest consistently.

In our newsletters, we will guide you on how to achieve your investing goals. We will also be providing you exclusive market commentary, **insights** by our experts as well as **tips** and **recommendations** that you can implement in your personal finance journey.



MARKET COMMENTARY

The world is currently facing another wave of COVID-19 infections, and our beloved country Malaysia is not spared from this development with a full lockdown being imposed. Domestically, the number of new COVID-19 cases per day have increased worryingly to 9000 level while death attributable to COVID-19 has surpassed 50 per day. This is partly attributable to the latest variant of the virus which expert said are more stealth, more infectious, and potentially more deadly.

Therefore I would like to call upon all Malaysians especially our readers to practice self-discipline and obey the SOP enforced by our Malaysian National Security Council. Take good care of yourself and your loved ones by limiting movement beyond the safety of your own home. Please support our National COVID-19 Immunisation Program by registering yourself and your family for vaccination.

Herd immunity against COVID-19 is a prerequisite for economy reopening, thus the faster it is achieved, the better it will be for economy, in shaa Allah. This fuels our investment outlook, whereby we believe we are heading to a better year compared to 2020. This does not mean it will be a straight and smooth journey though, as there might be hiccups and volatilities as what we are experiencing now. But overall, long term outlook for investment especially in equity looks positive and we intend to stay invested in the market with this outlook.

Hopefully, at the end of the day, our efforts and investment strategy pays off and ultimately benefit our unit holders in terms of capital growth as well as income distribution. May Allah ease our journey. Stay safe everyone. Thank you.

Personal Finance

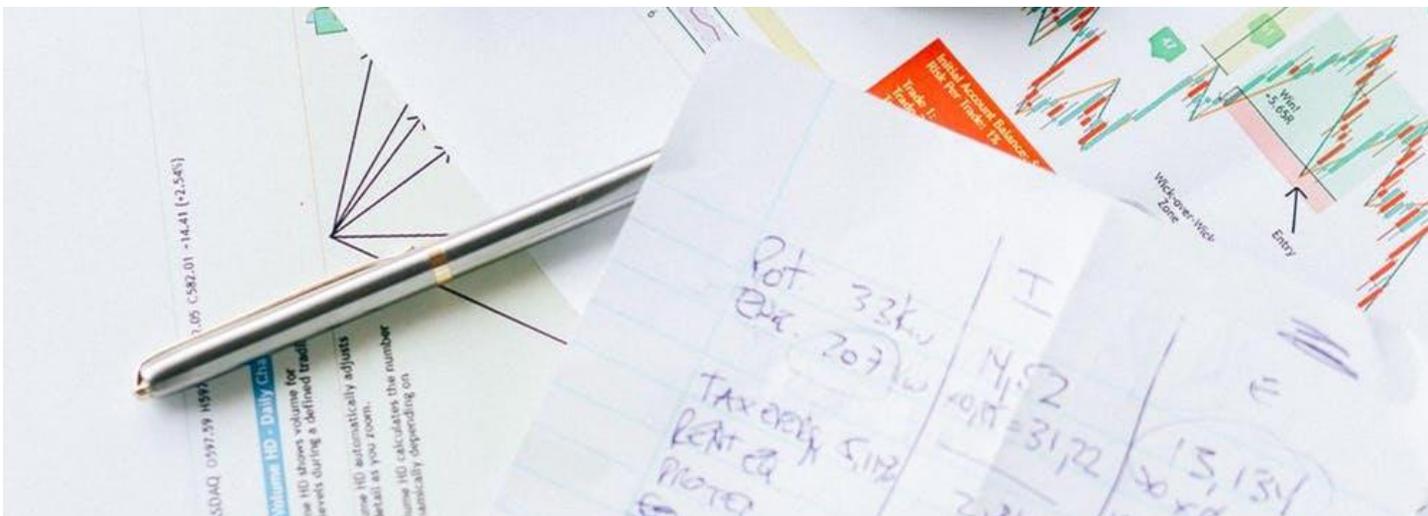
5 Budgeting Tips For COVID-19

With companies closing their doors comes a spike in the unemployment rate.

Many Malaysians live paycheck to paycheck, and this was before the pandemic hit. The rise of COVID-19 means that people who have little in the way of savings feel an extra pinch in their finances. As financial uncertainty and unemployment rates persist, more Malaysians will suffer the strain in their finances.

The government tried to help with an economic stimulus package designed to give cash to citizens. However, this obviously cannot serve as a viable long-term solution. If you feel the financial pinch because of the current pandemic, then it helps to set up an emergency budget.

To stay afloat during a crisis means you will need to cut back or eliminate certain expenses. It helps to review and revise your budget to make it past the effects of the pandemic. Here are five steps you can follow to help manage your budget as we ride out the crisis and wait for normalcy to return.



1) Take Stock of Your Assets and Income

You need to look at two things when building your budget: your earnings and expenses. The coronavirus has caused many people's incomes to take a substantial hit. You can't continue to budget the same way you did before the pandemic hit.

To start, check your income, especially if your household has experienced a layoff or a cut in working hours. This should give you an idea of how much you will need to cut from your budget. Take note that if you were already living above your means before the coronavirus hit, then you may have to make more drastic cuts to your budget.

The next step involves closely examining your income. Are you secure or would you need extra cash? If you're looking for extra cash, consider doing some freelance work. There are still plenty of unique, moneymaking opportunities are out there for you to capitalise on at your convenience. If you have a unique skill, consider doing an online class to teach those skills. There are many platforms online that will allow this.

Next, look at your savings. Ideally, you should have enough to tide you over for up to six months of expenses. But don't panic if you don't have a lot of cash saved up.

2) Understand Your Expenses

Make a list of everything you spend money on every month. Start the list with your fixed expenses. These include everything you need to support a basic standard of living, such as housing costs, food, utilities, insurance and debt payments.

Next comes your variable expenses. These expenses can change over the course of a week or month. Variable costs may include clothing, fuel, recreational expenses, personal care and entertainment.

Putting your expenses in specific categories can help you determine which to prioritize and which to cut out.

3) Review Your Essential Spending

After trimming off most of the fat from your budget, it's time to review your essential expenses.

Start with your housing expenses. Do you own your own home? If so, reach out to your lender, especially if you have an outstanding mortgage and you don't want to fall behind on payments. Most creditors will help you explore any options to suspend or reduce loan payments temporarily.

Consider refinancing your home loan. Mortgage loan rates remain at all-time historically low rates right now, and refinancing your mortgage could help lower housing costs. Keep in mind that refinancing your mortgage may require closing costs, unless you prefer a no-closing cost home mortgage refinance.

Renters may have fewer options in managing rent payments. Many cities and states offer a degree of short-term protection by imposing moratoriums on eviction.

You also need to properly manage your credit card debt. Stay in touch with your credit card issuers. Credit card companies often have programs that let you lower your payments.



They can also offer a temporary reduction on your interest rate.

4) Spend Smart

Even the strictest budgeting won't prevent you from spending money completely; you just have to spend your money wisely.

For example, use vouchers to save while shopping and take advantage of cash back apps. Cash back apps and programs pay you back a percentage of the money you spend. Additionally, cash back credit cards let you double up on rewards. However, be careful when using your credit cards that you do not overspend, especially when money is tight.

Take advantage of sales and buy food and other necessities in bulk. Buying in bulk is often cheaper and more affordable, and saves you multiple trips to the grocery to buy food and other needs.

5) The Bottom Line

With the right budget and the right mindset, you can stay afloat financially during the coronavirus COVID-19 pandemic. Things may get tighter when your budget changes drastically, but don't panic. Take things in stride, consider your available options, and get to work on a new streamlined budget.

BGSEF - Combining the best of ESG and AI

Combining The Best Of ESG and AI: BIMB-Arabesque Global Shariah Sustainable Equity Fund



Recently BIMB Investment held a virtual launch of BIMB-Arabesque Global Shariah Sustainable Equity Fund or BGSEF, a global Shariah ESG (environment, social, governance) equity feeder fund that seeks to achieve capital appreciation over a medium to long term period for investors. (To watch the fund video click [here](#)).

The BGSEF aims to offer investors globally diversified exposure in up to 150 Shariah-ESG stocks at all times. It's also worth noting that BGSEF is qualified as a sustainable and responsible investment ("SRI") fund under the Guidelines on Sustainable and Responsible Investment Funds issued by the Securities Commission Malaysia. The BGSEF is an open-ended Shariah-ESG Compliant Global Equity Fund which seeks to achieve long term capital appreciation for its investors.

To give a context on how crucial ESG factors have become, it's well noting how COVID-19 has shown us acutely how a sustainability crisis can impact economies, businesses and society at large. It is an example of what could happen if we were subjected to further sustainability shocks. That doesn't have to be climate change. The COVID-19 crisis has also shown that companies with strong ESG credentials have performed better this year. Investors are likely to continue sizing-up companies with the best ESG credentials, as evidence points to them having proven resilience during the pandemic.

Stakeholders, including investors, feel the adoption of the best ESG practices are now a need, not a want, as it ensured that companies were well-run. More crucially, they would be more sustainable and more resilient in the long run without compromising ethics and responsibility to its wider stakeholders, especially the environment, social and governance (ESG) issues. Intelligent ESG investing is bound to become the new normal.

The reality of the matter is that everyone is jumping on the bandwagon wanting to do investments in ESG. It is important that these companies are committed to undertake this. BIMB Investment Berhad has been consistent throughout the years in its commitment to adopt ESG in structuring its products.

What is ESG exactly? We know it means environment, social and governance but what is the effect in ESG investing? Sustainable investing is widely understood as integrating environmental, social and governance, or in short, ESG, factors into investment processes and decision-making. ESG factors cover a broad spectrum of traditionally non-financial analysis issues yet may have financial relevance. It might include how corporations respond to climate change, how they treat their workers, how they build trust and foster innovation, and how they manage their supply chains.



Today, many investors have realised that embedding ESG factors in capital markets makes good business sense and leads to more sustainable markets and better societies' outcomes. Good corporate sustainable performance is associated with good corporate governance, leading to better financial results and generating better financial returns.

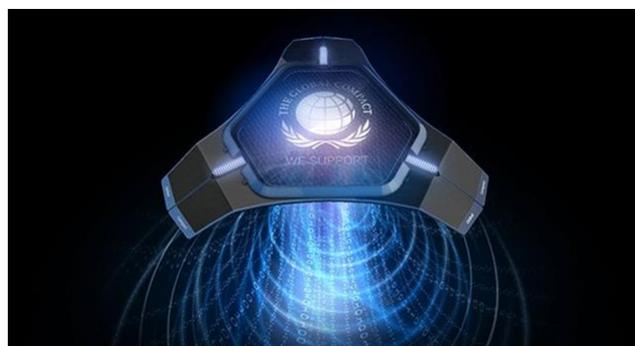
BGSEF integrates ESG considerations in its investment process and employs active screening for Shariah-compliance and alignment with United Nations Global Compact (UNGC) principles in its universe construction process.

ESG and Shariah-compliant investing are our core philosophies. In light of the global pandemic, our view that COVID-19 will leave a significant impact on capital markets for years -



to come. It made ESG investing even more relevant for today's investors who are looking to leave a positive impact on the planet at large.

Initially confined to specialised applications and niche markets, we are currently witnessing the widespread adoption of Artificial Intelligence (AI) and Machine Learning (ML), affecting our lives daily and, increasingly, in financial services. With BGSEF, we aim for a global equity fund that adopts AI and big data technology with systematic and rules-based quantitative investment approaches that also take into account ESG to invest in companies with sustainable financial futures. This investment approach has been proven to work well in this volatile market environment. At BIMB Investment, we aim to be at the forefront of the next generation of wealth management solutions.



To help us achieve this goal, we have been working very closely with Arabesque Asset Management (Arabesque), an independent, global asset management firm at the cutting edge of AI and sustainability research to apply AI to portfolio management that assesses the performance and sustainability of companies worldwide.

Our proven method systematically combines over 250 ESG metrics with news signals from over 30,000 sources published in over 170 countries in 15 languages. From there, we can build a diverse portfolio consisting of companies that fully adhere to ESG principles. It has opened many opportunities for investors and consumers alike to explore ESG investing in detail by researching companies' business involvements based on their values, empowering everyone to make more informed decisions on how and where they invest their money.



This is a partnership between leaders in investment, mathematics, AI, and sustainability to develop the next generation of financial services. One of the main benefits of utilising AI is that we can eliminate human biases and perform analyses at scale. Integrating sustainability through Arabesque's proprietary S-Ray® framework enhances our information environment and contributes to better risk-adjusted returns for our portfolios. We hope to build upon two disruptors of finance, AI, and sustainability to deliver a new experience to investing.

The Fund is now available for subscription to investors with an initial investment amount of only RM500.

- You may visit any nearest Bank Islam branches;
- Invest through our official Unit Trust Consultants; and

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| Qfalah Agency, Melaka | Level 1, Taman Masjid Tanah Ria Utama, 78300 Masjid Tanah, Melaka. | Tel : 06 - 385 1076 |

- You may also invest in the fund by downloading BIMB Investment's BEST Invest app. With the app, you can invest from as low as RM10.

You may obtain a copy of the Fund's Prospectus and its Product Highlight Sheet on this [website](#), alternatively you can contact 1-800-88-1196 for more information about the Fund.

Watch the Fund's video [here](#).

Article by Arabesque Asset Management

What on “Earth”...?



What is going on?

Climate change is hard to grasp – and some argue that “some global warming” is actually part of Earth’s natural glacial-interglacial cycle (we consciously do not include the ones claiming that climate change is a hoax because it’s cold some days).

While the argument of natural global warming is not wrong per se, it is the unusual speed at which the Earth is warming that is of concern.

Naturally, you won’t be able to observe this by checking your neighbourhood pond’s water level every now and then – this process spans over decades.

This is something that Google’s Google Earth sought to address. Its new, interactive 3D Time-Lapse feature that was launched last week allows you to select a location, press the Play button, and watch the last 37 years of climate change play out in front of you – the result, a short clip, is the culmination of over 24 million satellite photos, two petabytes of data (!) and endless computing power.

The feature is fascinating, showing our collective mark on the planet and visual evidence of devastating effects of deforestation, mining, and mindless agricultural growth.

What can we do?

It’s one thing to read about the melting glaciers and disappearing rainforests, but it’s a completely different to see the last three decades of climate change visually captured. We encourage you to get lost on [Google Earth](#) app, observing the climate damage but also to appreciate the beauty of this planet... Let’s be mindful of our blue home and preserve its beauties.



About BIMB Investment Management Berhad

BIMB Investment Management Berhad (“BIMB Investment”) is a leading Shariah-ESG investment management company in Malaysia. A wholly-owned subsidiary of Bank Islam Malaysia Berhad, BIMB Investment is a licensed Islamic fund management company registered with Securities Commission Malaysia. Incorporated on 14 September 1993 and commenced its operations on 20 June 1994, BIMB Investment is headquartered in Malaysia.

BIMB Investment has been awarded Best Islamic Asset and Fund Manager in Malaysia 2017, 2018, 2019, & 2020 by Alpha South East Asia, a regional investment and finance publication, and ESG Asset Manager of the year 2019 & 2020

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