

BANK ISLAM PREMIER FUND

ANNUAL REPORT FOR THE FINANCIAL
YEAR ENDED 31 MAY 2021

*LAPORAN TAHUNAN BAGI TAHUN KEWANGAN
BERAKHIR 31 MEI 2021*

BIMB INVESTMENT
A BANK ISLAM
SUBSIDIARY

MANAGER:
BIMB INVESTMENT MANAGEMENT BERHAD (276246-X)

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1.0 MANAGER'S REPORT

Dear Unit Holders,

We are pleased to present the Manager's Report of Bank Islam Premier Fund (Fund) for the financial period from 17 November 2020 (date of launch) to 31 May 2021.

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

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>Any material changes to the investment objective would require Unit Holders' approval.</p>
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.

1.2 Performance for the Financial Year Ended 31 May 2021

1.2.1 Performance review

For the financial year under review, Bank Islam Premier Fund (Fund) registered a return of 0.38% as compared to its benchmark's return of 2.47%.

The selected performance benchmark for the Fund is average return of 5% per annum over a period of 5 years.

The Fund's underperformance was due to the underperformance of the Shariah-compliant Collective Investment Scheme(s) (CIS) that the Fund had invested in during the financial year under review. Rising long-term yields especially towards end of February impacted valuation of growth companies that the Shariah-compliant CIS holds. The Shariah-compliant CIS had since added exposure in value counters, while continuing to hold growth counters which offer attractive upside potential.

The Fund's strategy has remained to invest up to 70% of Net Asset Value (NAV) in Shariah-compliant CIS managed by the Manager and a minimum of 30% in Bank Islam's investment account, Islamic deposits, and Islamic money market instruments. As at 31 May 2021, the Fund has 69.64% exposure in Shariah-compliant CIS and the remaining in cash and cash equivalents. The Fund size stands at RM4.20 million, while NAV per unit was RM1.0038.

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.

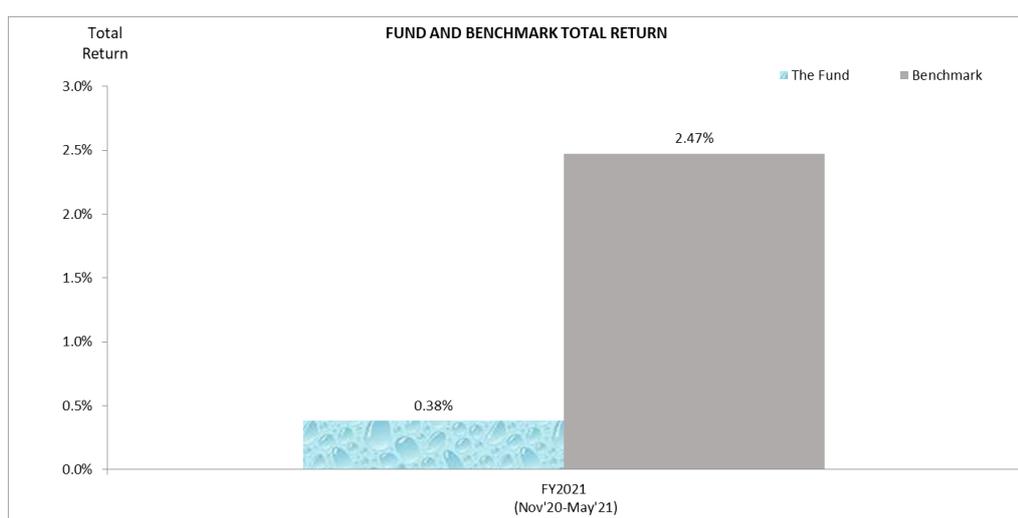
1.2.2 Total Return and Average Total Return as at 31 May 2021

	The Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
Since Inception (Nov '20 - May '21)	0.38%	0.76%	2.47%	5.00%

1.2.3 Total Return for the Financial Year Ended 31 May 2021

Financial Year	Total Return	
	Fund (%)	Benchmark (%)
Since Inception (Nov '20 - May '21)	0.38%	2.47%

Figure 1: Performance of the Fund versus the benchmark



Data Source : BIMB Investment Management Berhad
 Data verified by : Novagni Analytics & Advisory Sdn. Bhd.
 Benchmarks : Average return of 5% per annum over a period of 5 years.

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

Global

- Gross Domestic Product (GDP) of the United States (US) expanded 0.40% in the first quarter of 2021 over the same quarter of the previous year. Quarter-on-quarter basis, GDP increased at 6.4% annualised rate following a 4.3% expansion in the previous three months period.
- The Euro area economy shrank 1.8% year-on-year in the first quarter of 2021 following a 4.9% slump in the previous three-month period, as countries implemented new lockdowns and restrictions amid a third wave of Covid-19 infections.
- China's economic recovery quickened sharply in the first quarter to record growth of 18.3% from last year's first quarter deep slump caused by Covid-19 pandemic, propelled by stronger demand at home and abroad and continued government support for smaller firms.

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

Local

- Malaysia's GDP shrank by 0.5% year-on-year in the first quarter of 2021, with January and February registering a decline of 3.5% and 3.6% respectively while March 2021 rebounded by 6.0%, owing much to the low base effect from the previous year.

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

1.3.2 Market Review

Equity

MSCI ACWI NR Index (Index) commenced the financial year under review at 311.1355 points on 16 November 2020. Subsequently, it declined to the lowest level of 309.1222 points on 20 November 2020 before rebounding to close at a high of 363.7883 points on 31 May 2021. For the financial year under review, the Index was up by 52.6528 points or 16.92%.

Local

FTSE Bursa Malaysia EMAS Shariah Index (FBM Shariah) commenced the financial year under review at 13,185.65 points on 16 November 2020. Subsequently, it increased to a high of 13,599.88 points on 8th December 2020 before declining to the lowest level of 12,608.03 points on 21 May 2021 and closing at 12,772.91 points on 31 May 2021. For the financial year under review, FBM Shariah was down by 412.74 points or 3.13%.

(Source: Bloomberg)

Money Market

Bank Negara Malaysia's (BNM) Monetary Policy Committee (MPC) cut the Overnight Policy Rate (OPR) by 25 basis points to 1.75% in July 2020 and maintained it until the end of the Fund's financial year. During its meeting on 6 May 2021, the MPC reiterated that the current level of interest rate remains appropriate and accommodative amid persistent downside risks to the growth outlook.

1.4 Market Outlook and Strategy

Equity

The Shariah-compliant 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.

Money Market

Most central banks are expected to continue the low interest rate environment for the rest of the year and will only review their policy rates next year subject to the economic data of their country. Although parts of Malaysian economy are facing challenges due to pandemic-related risks, we see room to ease OPR further will be constrained by a temporary run-up in inflation.

Our strategy is to invest in money market with short duration while providing liquidity and regular income for investors.

1.5 Asset Allocation

Bank Islam Premier Fund	31.05.2021 (%)
Investment in Shariah-compliant Collective Investment Scheme	
BIMB-ARABESQUE i Global Dividend Fund 1-RM Class	10.69
BIMB-ARABESQUE i Global Dividend Fund 1-RM Hedged Class	58.95
	69.64
CASH AND SHORT TERM INVESTMENTS:	30.36
	100.00

1.6 Other Performance Data

Bank Islam Premier Fund	31.05.2021
Unit Prices (RM)	
Highest net asset value ("NAV") per unit for the period/year	1.0211
Lowest NAV per unit for the period/year	0.9599
Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the period/year	
Total NAV (RM)	4,195,259
Units in Circulation (UIC)	4,179,455
NAV per unit (RM)	1.0038
Return of Fund (%)	
Capital Growth (%) ^(b)	0.38
Income Return (%) ^(c)	-
Return of the Fund (%)^(a)	0.38
Management Expense Ratio (%)^(d)	0.87
Portfolio Turnover Ratio (times)^(e)	1.21

Note:

- a) **Return of the Fund** = $\frac{\text{NAV per unit (end of period)}}{\text{NAV per unit (opening of period)}} - 1$
- 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

1.7 Unit Holdings as at 31 May 2021

Size of Holdings	Fund			
	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	1	50.00	4,178,454.45	99.98
Units Held by Holders	1	50.00	4,178,454.45	99.98
Unit Held by Manager	1	50.00	1,000.00	0.02
Grand Total for the Fund	2	100.00	4,179,454.45	100.00

1.8 Policy on Rebate and Soft Commission

Any stock broking 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 did not 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

Date: 30 July 2021

2.0 DIRECTORS' DECLARATION REPORT

TO THE UNIT HOLDERS OF BANK ISLAM PREMIER 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 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2021 and of its financial performance, changes in equity and cash flows for the financial period from 17 November 2020 (date of launch) to 31 May 2021 in accordance with the provisions of Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf on the Board of Directors,

.....
DATO' GHAZALI BIN AWANG
Director

.....
NAJMUDDIN BIN MOHD LUTFI
Director

Kuala Lumpur
30 July 2021

3.0 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF BANK ISLAM PREMIER FUND

We have acted as Trustee for Bank Islam Premier Fund (the "Fund") for the financial year ended 31 May 2021. To the best of our knowledge, for the financial year under review, BIMB Investment Management Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing is carried out in accordance with the Deed of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deed of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

.....
Ng Hon Leong
Head, Trustee Operations

.....
Gerard Ang
Chief Executive Officer

Kuala Lumpur

30 July 2021

4.0 SHARIAH ADVISER'S REPORT

TO UNIT HOLDERS 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,

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

30 July 2021

5.0 INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF BANK ISLAM PREMIER FUND

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Bank Islam Premier Fund (the "Fund") give a true and fair view of the financial position of the Fund as at 31 May 2021, and of its financial performance and its cash flows for the financial period from 17 November 2020 (date of commencement) to 31 May 2021 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 May 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 17 November 2020 (date of commencement) to 31 May 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 29.

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' International 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 BANK ISLAM PREMIER 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
BANK ISLAM PREMIER 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
BANK ISLAM PREMIER 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 July 2021

6.0 FINANCIAL STATEMENTS (AUDITED)

BANK ISLAM PREMIER FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021

	<u>Note</u>	Financial period from 17 November 2020 (date of commencement) to <u>31 May 2021</u> RM
INVESTMENT INCOME		
Dividend income		147,054
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		8,673
Realised loss on disposal of collective investment scheme	8	(4,209)
Unrealised loss from financial instruments at fair value through profit or loss	8	(101,168)
Management fee rebate	8	<u>11,378</u>
		<u>61,728</u>
EXPENSES		
Management fee	4	17,944
Trustee's fee	5	523
Audit fee		11,000
Tax agent's fee		4,060
Administrative expenses		<u>3,988</u>
		<u>37,515</u>
NET PROFIT BEFORE TAXATION		24,213
Taxation	6	<u>-</u>
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>24,213</u>
Total comprehensive income for the period consist of:		
Realised amount		125,381
Unrealised amount		<u>(101,168)</u>
		<u>24,213</u>

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

BANK ISLAM PREMIER FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2021

	<u>Note</u>	<u>31.12.2020</u> RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	7	1,294,074
Management fee rebate receivable		2,964
Financial asset at fair value through profit or loss (Shariah-compliant)	8	<u>2,921,677</u>
TOTAL ASSETS		<u><u>4,218,715</u></u>
LIABILITIES		
Accrued management fee		4,283
Amount due to Trustee		125
Audit fee payable		11,000
Tax agent's fee payable		4,060
Other payables		<u>3,988</u>
TOTAL LIABILITIES		<u><u>23,456</u></u>
NET ASSET VALUE ("NAV") OF THE FUND		<u><u>4,195,259</u></u>
EQUITY		
Unit holders' capital	9	4,171,046
Retained earnings		<u>24,213</u>
NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS		<u><u>4,195,259</u></u>
NUMBER OF UNITS IN CIRCULATION	9	4,179,455
NET ASSET VALUE PER UNIT (SEN)		<u><u>100.38</u></u>

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

BANK ISLAM PREMIER FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021

	<u>Unit holders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Opening balance as at 17 November 2020 (date of commencement)	-	-	-
Movement in unit holders' contributions:			
- Creation of units	4,436,047	-	4,436,047
- Cancellation of units	(265,001)	-	(265,001)
Total comprehensive income for the financial period	-	<u>24,213</u>	<u>24,213</u>
Balance as at 31 May 2021	<u>4,171,046</u>	<u>24,213</u>	<u>4,195,259</u>

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

BANK ISLAM PREMIER FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021

	Financial period from 17 November 2020 (date of commencement) to <u>Note</u> <u>31 May 2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from sale of Shariah-compliant collective investment scheme	2,220,000
Purchase of Shariah-compliant collective investment scheme	(5,100,000)
Profit income received from Shariah-compliant deposit with licensed Islamic financial institution	8,673
Management fee paid	(5,247)
Trustee fee paid	(398)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,876,972)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash proceeds for creation of units	4,436,047
Cash payment for cancellation of units	(265,001)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>4,171,046</u>
Net increase in cash and cash equivalents	1,294,074
Cash and cash equivalents at the date of commencement	-
Cash and cash equivalents at the end of the financial period	7 <u><u>1,294,074</u></u>
Cash and cash equivalents comprise of:	
Commodity Murabahah	1,285,737
Cash at bank	8,337
	<u><u>1,294,074</u></u>

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

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

1 INFORMATION ON THE FUND

Bank Islam Premier Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 15 October 2020 between the Manager - BIMB Investment Management Berhad and the Trustee – CIMB Islamic Trustee Berhad.

The principal activity of the Fund is to invest in authorised investments as defined in the Deed, which include investments in stocks and shares of companies quoted on Bursa Malaysia, and short term placements.

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(j).

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) Standards, amendments to published standards and interpretations that are effective

The Fund has applied the following standards and amendments for the first time for the financial period beginning on 17 November 2020:

- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- The Conceptual Framework for Financial Reporting ("Framework") effective 1 January 2020

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(ii) Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'onerous contracts—cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

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.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 period 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.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (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

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.

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.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

(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.

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 period.

(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

Income from short term investments is recognised as it accrues, using the effective profit method in profit or loss.

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income recognition (continued)

Realised gains and losses on disposal of Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on weighted average cost basis.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and short term placements with licensed Islamic financial institutions which have insignificant risk of changes in fair value with original maturities of 3 months or less, 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 period, using tax rates enacted or substantively enacted at the statement of financial position date.

(g) Unit holders' capital

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units is carried at the redemption amount that is payable at the financial position date if the unitholder 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. 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.

The units in the Fund are puttable instruments, classified as equity, which entitle the unit holders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units are based on the change in the net asset of the Fund.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Management fee rebate

Management fee rebate is derived from Target Fund on accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of Target Fund.

(j) 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 period in which the estimate is revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments of the Fund are as follows:

	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at amortised <u>cost</u> RM	<u>Total</u> RM
<u>As at 31.05.2021</u>			
Cash and cash equivalents (Shariah-compliant)	-	1,294,074	1,294,074
Shariah-compliant collective investment schemes	2,921,677	-	2,921,677
Management fee rebate receivable	-	2,964	2,964
	<u>2,921,677</u>	<u>1,297,038</u>	<u>4,218,715</u>

All liabilities are financial liabilities which are carried at amortised cost.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (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 and profit rate 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 Deed and the Securities Commission ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

(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>As at 31.05.2021</u>
	RM
Investments in quoted Shariah-compliant collective investment schemes	<u>2,921,677</u>

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit or loss and NAV to movements in prices of quoted Shariah-compliant collective investment schemes at the end of the reporting period. The analysis is based on the assumptions that the market price increased and decreased by 5% with all other variables held constant and that fair value of the Fund's investments move according to the historical correlation of the index. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on profit or loss/NAV RM
<u>As at 31.05.2021</u>		
Investments in quoted Shariah-compliant collective investment schemes	<u>5</u>	<u>146,084</u>

(ii) Profit rate risk

Profit rate risk rate is a general economic indicator that will have an impact on the management of the Fund.

It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund including placements and deposits are in accordance with Shariah.

Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value profit rate risk arises from Shariah-compliant investment in money market instruments. The profit rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short term deposits with approved licensed Islamic financial institutions.

Cash flow profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Fund is not exposed to cash flow profit rate risk as the Fund does not hold any financial instruments at variable profit rate.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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, and management fee rebate receivable.

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>Cash and cash equivalents</u> RM	<u>Management fee rebate receivable</u> RM	<u>Total</u> RM
<u>As at 31.05.2021</u>			
Finance			
- AA1	8,337	-	8,337
- AA3	1,285,737	-	1,285,737
Others			
- Non-rated	-	2,964	2,964
	<u>1,294,074</u>	<u>2,964</u>	<u>1,297,038</u>

All the financial assets of the Fund as at end of the financial period are neither past due nor impaired.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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.

	<u>Less</u> <u>than 1 month</u> RM	<u>Between</u> <u>1 month</u> <u>to 1 year</u> RM	<u>Total</u> RM
<u>As at 31.05.2021</u>			
Accrued management fee	4,283	-	4,283
Amount due to Trustee	125	-	125
Audit fee payable	-	11,000	11,000
Tax agent's fee payable	-	4,060	4,060
Other payables	-	3,988	3,988
	<u>4,408</u>	<u>19,048</u>	<u>23,456</u>

(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.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

3 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

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>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
<u>As at 31.05.2021</u>				
Financial assets at fair value through profit or loss				
- Investments in Shariah-compliant collective investment schemes	2,921,677	-	-	2,921,677

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant collective investment schemes. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

The carrying values of cash and cash equivalents, management fee rebate receivable and all liabilities are a reasonable approximation of their fair values due to their short term nature.

4 MANAGEMENT FEE

The manager's fee payable to the Manager of the Fund is based on 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 of the Fund is based on 0.035% per annum of the NAV of the Fund calculated on a daily basis.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

6 TAXATION

	<u>As at 31.05.2021</u> RM
Taxation	
- Current taxation	-

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:

Profit before taxation	<u>24,213</u>
Taxation at Malaysian statutory rate of 24%	5,811
Tax effects of:	
- Investment loss not deductible for tax purposes/(Investment income not subject to tax)	(12,084)
- Expenses not deductible for tax purposes	1,100
- Restrictions on the tax deductible expenses for wholesale fund	<u>5,173</u>
	<u>-</u>

7 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at 31.05.2021</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
- Commodity Murabahah	1,285,737
Cash at bank	<u>8,337</u>
	<u>1,294,074</u>

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

	<u>As at 31.05.2021</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 2 days.

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

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

	As at 31.05.2021 RM
Financial assets at fair value through profit or loss:	
- Shariah-compliant collective investment schemes	<u>2,921,677</u>
Net loss on financial assets at fair value through profit or loss:	
- Realised loss on disposal	(4,209)
- Net unrealised loss on fair value movement	(101,168)
- Management fee rebate #	<u>11,378</u>
	<u>(93,999)</u>

Management fee rebate represents the Fund's entitlement to management fee rebate from the the Manager of Shariah-compliant collective investment schemes the Fund invests in.

For the financial period ended 31 May 2021, the rebate recognised at a rate of 1.20% for BIMB-Arabesque *i* Global Dividend 1 - RM Class and 1.20% BIMB-Arabesque *i* Global Dividend 1 - RM Hedged Class, calculated and accrued daily based on the NAV of the Shariah-compliant collective investment schemes.

Details of Shariah-compliant collective investment schemes as at 31 May 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 NAV %</u>
<u>31 May 2021</u>				
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM Class	891,843	464,730	448,508	10.69
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM Hedged Class	<u>4,869,402</u>	<u>2,558,115</u>	<u>2,473,169</u>	<u>58.95</u>
Total Shariah-compliant collective investment schemes as at 31 May 2021	<u>5,761,245</u>	3,022,845	<u>2,921,677</u>	<u>69.64</u>
Accumulated unrealised loss on Shariah-compliant collective investment schemes		<u>(101,168)</u>		
Total Shariah-compliant collective investment schemes at fair value through profit or loss		<u>2,921,677</u>		

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

9 UNITHOLDERS' CAPITAL

	<u>No of units</u>	<u>RM</u>
At the date of commencement	-	-
Creation of units	4,441,560	4,436,047
Cancellation of units	(262,105)	(265,001)
As at 31 May 2021	<u>4,179,455</u>	<u>4,171,046</u>

10 MANAGEMENT EXPENSE RATIO ("MER")

	<u>As at 31.05.2021</u>
MER	%
	<u>0.87</u>

MER is derived from the following calculation:

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

A	=	Management fee (net of management fee rebate)
B	=	Trustee's 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 RM 3,017,961.

11 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>As at 31.05.2021</u>
PTR (times)	<u>1.21</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 = RM5,100,000

total disposal for the financial period = RM 2,224,209

BANK ISLAM PREMIER FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 17 NOVEMBER 2020 (DATE OF COMMENCEMENT) TO 31 MAY 2021 (CONTINUED)

14 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The macro-economic conditions as a result of Covid-19, both domestically and globally, had minimal impact on the Fund's financial performance during the financial year end.

The recent reinstatement of movement control order (MCO 3.0) in Malaysia may have an adverse impact on the local economic conditions. The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective and to minimise any potential negative impact.

15 COMPARATIVES

There are no comparative figures as this is the first set of financial statements prepared since the commencement of the Fund.

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Manager on 30 July 2021.

7.0 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>Aidil Haznul Zulkifli (MACS 01638) 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) Angelena Joseph (Senior Manager, 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>Deutsche Trustees Malaysia Berhad <i>Registration No.: 200701005591(763590H)</i> Level 20, Menara IMC No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur</p>

Federation of Investment Managers Malaysia (FIMM)	of	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
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A BANK ISLAM
SUBSIDIARY

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