

BANK ISLAM PREMIER FUND

QUARTERLY REPORT FOR THE FINANCIAL PERIOD
FROM 1 JUNE 2022 TO 31 AUGUST 2022



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	7
4.0	Unaudited Financial Statement	8
5.0	Corporate Directory	15

1.0 FUND KEY INFORMATION

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

2.0 MANAGER'S REPORT

<p>Performance Review</p>	<p>For the financial period under review, Bank Islam Premier Fund (Fund) registered a return of -4.03% as compared to its benchmark's return of 1.23%.</p> <p>The selected performance benchmark for the Fund is average return of 5% per annum over a period of 5 years.</p> <p>The fund's underperformance was due to the negative performance of the Shariah-compliant Collective Investment Scheme(s) (CIS) that the Fund had invested in during the period on the back of negative equity market performance.</p> <p>The Fund's strategy has remained to invest up to 70% of 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 the end of the period under review, the Fund has 68.24% exposure in Shariah-compliant CIS and the remaining in cash and cash equivalents. The Fund size as at the end of the review period was RM1.69 million, while NAV per unit was RM0.9119.</p> <p>During the period under review, the Fund has not undertaken any securities lending or repurchase transactions nor cross trade transactions. There was no significant change to the state of affairs of the Fund and no circumstance that materially affect the interest of Unit Holders have taken place up to the date of this Manager's Report.</p>
<p>Economy and Market Review</p>	<p>Economy</p> <p>Global</p> <ul style="list-style-type: none"> • The US economy shrank 0.6% quarter-on-quarter in the second quarter of 2022, following a 1.6% drop in the first quarter, and technically entering a recession. The second-quarter figure was being revised upwards by 0.3 percentage point from the "advance" estimate released in July. • The Euro Area economy expanded 0.7% quarter-on-quarter in the second quarter of 2022. It is the strongest performance in three quarters, prompted by easing of COVID-19 restrictions and summer tourism season in southern countries. • The Chinese economy shrank by a seasonally adjusted 2.6% in second quarter of 2022. This is the first quarterly contraction since the first quarter of 2020. Full or partial lockdowns were imposed in major cities including Shanghai. <p><i>(Source: Bureau of Economic Analysis, CNBC, Trading Economics)</i></p> <p>Local</p> <ul style="list-style-type: none"> • Malaysia's economy grew by 8.9% in the second quarter of 2022, accelerating sharply from a 5.0% growth in the previous quarter. It was the strongest growth since the second quarter of 2021, mainly boosted by domestic demand as the economy transition to endemicity with easing of restrictions and reopening of international borders. <p><i>(Source: Bank Negara Malaysia and Department of Statistics Malaysia)</i></p>

	<p>Market Review</p> <p>Equity</p> <p>MSCI ACWI NR Index (Index) commenced the financial year under review at 339.1147 points on 31 May 2022. The Index declined to the lowest level of 303.9177 points on 17 June 2022 before climbing to the lowest level of 343.8883 points on 16 August 2022 and closing the period under review at 319.9832 points on 31 August 2022. Overall, the Index was down by 19.1315 points or 5.64%.</p> <p>FTSE Bursa Malaysia EMAS Shariah Index (FBM Shariah) commenced the period under review at 11,509.63 points on 31 May 2022 which was the highest level for the period under review. Subsequently, it declined to the lowest level of 10,039.93 points on 13 July 2022 before closing at 10,813.46 points on 30 August 2022. For the financial period under review, FBM Shariah was down by 696.17 points or 6.05%.</p> <p>Islamic Money Market</p> <p>Bank Negara Malaysia (BNM) delivered a back-to-back Overnight Policy Rate (OPR) hike in July and September 2022 amounting to 50 basis points (bps) in total to 2.50%. BNM continued to cast a positive view on Malaysia's economy despite rising global headwinds.</p>
<p>Market Outlook and Strategy</p>	<p>Equity</p> <p>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.</p> <p>Islamic Money Market</p> <ul style="list-style-type: none"> • BNM is expected to increase the OPR in their final 2022 meeting which will be held in November 2022. However, future stance of monetary policy will remain data dependent given the uncertainties of the market condition. • Our Islamic money market strategy currently is to invest in Islamic money market with short to medium term duration due to the expectation of rate hike.

FUND PERFORMANCE DATA**FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022**

Bank Islam Premier Fund	1 June 2022 to 31 August 2022
Net Asset Value (NAV)	1,686,741
Units in Circulation	1,849,632
NAV per Unit	0.9119
Highest NAV per Unit	0.9512
Lowest NAV per Unit	0.9047
Return of the Fund (%) ^(a)	-4.23
Capital Return (%) ^(b)	-4.23
Income Return (%) ^(c)	-
Total Expense Ratio (TER)(%) ^(d)	0.11
Portfolio Turnover Ratio (PTR)(times) ^(e)	-

Note:

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

Performance as at 31 August 2022

	The Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
3 Months (01/06/22 - 31/08/22)	(4.23)	(16.12)	1.23	5.00
6 Months (01/03/22 - 31/08/22)	(7.95)	(15.91)	2.47	5.00
1 Year (01/09/21 - 31/08/22)	(12.07)	(12.07)	5.00	5.00
Since Inception (17/11/20 - 31/08/22)	(8.81)	(5.03)	8.91	5.00

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:

1. *Total Return* of the Fund has been verified by Novagni Analytics & Advisory Sdn. Bhd. (363145-W)
2. *Average Total Return* is derived by this formula:

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

The calculation of average total 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.

Asset Allocation

Bank Islam Premier Fund	1 June 2022 to 31 August 2022 (%)
Investment in Shariah-Compliant Collective Investment Scheme	
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM-Hedged Class	68.24
	68.24
SHARIAH-COMPLIANT CASH AND SHORT TERM INVESTMENTS:	31.76
	100.00

Unit Holdings as at 31 August 2022

Size of Holding	Bank Islam Premier Fund			
	Number of Unit Holders		Number of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	1	50.00	1,848,632.42	99.95
Units Held by Holders	1	50.00	1,848,632.42	99.95
Units Held by Manager	1	50.00	1,000.00	0.05
Grand Total for the Fund	2	100.00	1,849,632.42	100.00

3.0 SHARIAH ADVISER'S REPORT

To the unit holders of BANK ISLAM PREMIER FUND ("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 assets of the Fund comprise of instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Advisers

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DR. SHAMSIAH BINTI MOHAMAD
(Chairman)

Date: 31 October 2022

4.0 FINANCIAL STATEMENT

BANK ISLAM PREMIER FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022

	Note	<u>1.6.2022 to</u> <u>31.8.2022</u> RM
INVESTMENT INCOME		
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		2,745
Management fee rebate	1	3,517
Net unrealised loss from financial instruments at fair value through profit or loss	1	<u>(71,755)</u>
		<u>(65,493)</u>
EXPENSES		
Management fee		5,152
Trustee's fee		150
Administrative expenses		<u>26</u>
		<u>5,328</u>
LOSS BEFORE TAXATION		<u>(70,821)</u>
Taxation		-
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u><u>(70,821)</u></u>
Total comprehensive income for the period consists of:		
Realised amount		934
Unrealised amount		<u>(71,755)</u>
		<u><u>(70,821)</u></u>

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

BANK ISLAM PREMIER FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2022

	Note	<u>As at</u> <u>31.8.2022</u> <u>(Unaudited)</u> RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	2	546,746
Financial assets at fair value through profit or loss (Shariah-compliant)	1	1,151,084
Management fee rebate receivable		<u>1,257</u>
TOTAL ASSETS		<u>1,699,087</u>
LIABILITIES		
Accrued management fee		1,826
Amount due to Trustee		53
Other payables and accruals		<u>10,467</u>
TOTAL LIABILITIES		<u>12,346</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>1,686,741</u>
EQUITY		
Unit holders' capital		1,717,388
Retained profits		<u>(30,647)</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>1,686,741</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		1,849,632
NET ASSET VALUE PER UNIT (SEN) (EX-DISTRIBUTION)		<u>91.19</u>

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

BANK ISLAM PREMIER FUND

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022

	Unit holders' capital RM	Retained profits RM	Total RM
Balance s at 1 June 2022	1,731,526	40,174	1,771,700
Movement in unit holders' contributions:			
- Creation of units	-	-	-
- Cancellation of units	(14,138)	-	(14,138)
Total comprehensive income for the financial period	-	(70,821)	(70,821)
Balance s at 31 August 2022	<u>1,717,388</u>	<u>(30,647)</u>	<u>1,686,741</u>

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

BANK ISLAM PREMIER FUND

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022

	Note	<u>1.6.2022 to</u> <u>30.8.2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit income received from Shariah-compliant deposit with licensed Islamic financial institutions		2,745
Management fee rebate		3,530
Management fee paid		(5,173)
Trustee fee paid		(151)
		<u>(12,264)</u>
Net cash used in operating activities		<u>(11,313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for cancellation of units		<u>(14,138)</u>
Net cash used in financing activities		<u>(14,138)</u>
Net cash and cash equivalents		(25,451)
Cash and cash equivalents at the beginning of the financial period		<u>572,197</u>
Cash and cash equivalents at the end of the financial period	2	<u><u>546,746</u></u>
Cash and cash equivalents comprise:		
Wafiyah Investment Account		539,581
Cash at bank		<u>7,165</u>
	2	<u><u>546,746</u></u>

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

BANK ISLAM PREMIER FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022

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

	<u>As at</u> <u>31.8.2022</u>
	RM
Financial assets at fair value through profit or loss:	
Quoted Collective Investment Scheme	<u>1,151,084</u>
	<u><u>1,151,084</u></u>
	RM
Net gain on financial assets at fair value through profit or loss	
- Net unrealised gain on fair value movement	(71,755)
- Management fee rebate #	<u>3,517</u>
	<u><u>(68,238)</u></u>

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

For the financial period ended 28 February 2022, the rebate recognised at a rate of 1.20% for BIMB-Arabesque *i* Global Dividend 1 – RM-Hedged Class, calculated and accrued daily based on the NAV of the Collective Investment Scheme.

Details of Shariah-compliant Collective Investment Scheme as at 31 August 2022 are set out as follows:

<u>Name of counter</u>	<u>Number of</u> <u>shares held</u>	<u>Aggregate</u> <u>cost</u> RM	<u>Fair</u> <u>value</u> RM	<u>Percentage</u> <u>of value</u> <u>of funds</u> %
BIMB-Arabesque <i>i</i> Global Dividend 1 – RM-Hedged Class	<u>2,728,335</u>	<u>1,424,968</u>	<u>1,151,084</u>	<u>68.24</u>
Total quoted Shariah-compliant Collective Investment Scheme as at 31 August 2022	<u>2,728,335</u>	1,424,968	<u>1,151,084</u>	<u>68.24</u>
Accumulated unrealised loss on Shariah-compliant Collective Investment Scheme		<u>(273,884)</u>		
Total Shariah-compliant Collective Investment Scheme at fair value through profit or loss		<u>1,151,084</u>		

BANK ISLAM PREMIER FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022 (CONTINUED)

2 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at</u> <u>31.8.2022</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
Wafiyah Investment Account	539,581
Cash at bank	<u>7,165</u>
	<u>572,995</u>

3 TOTAL EXPENSE RATIO ("TER")

	<u>31.8.2022</u> %
TER	<u>0.11</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on a daily basis is RM1,721,757

4 PORTFOLIO TURNOVER RATIO ("PTR")

	31.8.2022
PTR (Times)	<u>-</u>

PTR is derived from the following calculation:

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

where:

total acquisition for the financial period = RM Nil

total disposal for the financial period = RM Nil

BANK ISLAM PREMIER FUND

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 31 AUGUST 2022 (CONTINUED)

5 SHARIAH INFORMATION OF THE FUND

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

6 QUARTERLY REPORT

The quarterly report for the financial period from 1 June 2022 to 31 August 2022 is unaudited.

5.0 CORPORATE DIRECTORY

Manager	<p>BIMB Investment Management Berhad[199301021508 (276246-X)]</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)</p> <p>Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director)</p> <p>Dr. Mohd Hatta Dagap (Non-Executive Independent Director)</p> <p>Datin Maznah Mahbob (Non-Executive Independent Director)</p> <p>Azizan Abd Aziz (Non-Executive Non-Independent Director)</p> <p>Najmuddin Mohd Lutfi (Chief Executive Officer) – resigned wef 30 June 2022</p>
Shariah Advisers	<p>Dr. Shamsiah binti Mohamad (Chairman)</p> <p>Assoc. Prof. Dr. Yasmin Hanani binti Mohd Safian – appointed wef 1 April 2022</p> <p>Ir. Dr. Hj. Muhamad Fuad bin Abdullah – appointed wef 1 May 2022</p> <p>Dr. Ahmad Shahbari @ Sobri Bin Salamon – passed away on 13 April 2022</p> <p>Assoc. Prof. Dr. Asmak binti Ab. Rahman – resigned wef 1 April 2022</p>
Investment Committee	<p>Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member)</p> <p>Mohd Radzuan Ahmad Tajuddin (Independent Member)</p> <p>Datin Maznah binti Mahbob (Non-Executive Independent Director)</p>
Board Audit and Risk Committee	<p>Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director)</p> <p>Dr. Mohd Hatta Dagap (Non-Executive Independent Director)</p> <p>Azizan Abd Aziz (Non-Executive Non-Independent Director)</p>
Company Secretaries	<p>Maria binti Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur</p> <p>Norhidayati Mohamat Salim (MIA 27364) – resigned wef 30 June 2022 Level 32, Menara Bank Islam, No. 22, Jalan Perak, 50450 Kuala Lumpur</p>
Key Management	<p>Azizan Abd Aziz (Acting Chief Executive Officer) – appointed wef 1 July 2022</p> <p>Najmuddin Mohd Lutfi (Chief Executive Officer) – resigned wef 30 June 2022</p> <p>Said Mohd Jawahir Said Bahari (Chief Operating Officer)</p> <p>Abd Razak Salimin (Head of Investment)</p> <p>Ahmad Razli Sabri (Head of Finance & Operation) – appointed wef 1 June 2022</p> <p>Noorsazreen Nordin (Head of Compliance)</p>

Principal Banker**Bank Islam Malaysia Berhad**

Ground Floor, Menara Bank Islam
No. 22, Jalan Perak
50450 Kuala Lumpur

Trustee**Deutsche Trustees Malaysia Berhad**

Registration No.: 200701005591(763590H)
Level 20, Menara IMC
No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur

**Federation of Investment
Managers Malaysia (FIMM)**

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

Distributors

Bank Islam Malaysia Berhad

Toll Free Number: 1-800-88-1196

www.bimbinvestment.com.my

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BIMB INVESTMENT

A BANK ISLAM
SUBSIDIARY

BIMB Investment Management Berhad 199301021508 (276246-X)

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

Tel: 03-2161 2524 / 2924 | Toll Free: 1-800-88-1196 | Call Centre: 03-26 900 900 | Email: marketing.bimbinvest@bankislam.com.my
bimbinvestment.com.my