

BIMB ONE-YEAR SHARIAH INCOME FUND 3

QUARTERLY REPORT FOR THE FINANCIAL
PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022



MANAGER:

BIMB INVESTMENT MANAGEMENT BERHAD 199301021508 (276246-X)

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1.0 FUND KEY INFORMATION

Fund Name	BIMB One-Year Shariah Income Fund 3
Fund Type	Income
Fund Category	1-year close-ended Islamic fixed income fund (Wholesale)
Fund Investment Objective	<p>The Fund aims to provide income to Sophisticated Investors through investment in Islamic Investment Notes and/or Islamic fixed income securities or instruments.</p> <p><i>Note: Any material change to the investment objective would require Unit Holders' approval.</i></p>
Benchmark	<p>Bank Islam's 1-Year Term-Deposit <i>i</i> (Tawarruq).</p> <p><i>Source: www.bankislam.com.my</i></p>
Fund Distribution Policy	<p>Income, if any, will be distributed quarterly or such other frequency as may be determined by the Manager from time to time.</p> <p>Note: Income distribution (if any) will be in the form of cash.</p>

2.0 MANAGER'S REPORT

<p>Performance Review</p>	<p>For the financial period under review, BIMB One-Year Shariah Income Fund 3 ("the Fund") registered a return of -11.79% as compared to its Benchmark's return of 0.47%.</p> <p>The selected performance benchmark for the Fund is Bank Islam's 1-Year Term-Deposit <i>i</i> (Tawarruq).</p> <p>The Fund's strategy has been to invest primarily in Islamic Investment Notes and/or Islamic fixed income securities or instruments.</p> <p>In meeting the Fund's investment objective, the Fund managed to declare distribution during the period under review with a distribution yield of 1.00%.</p> <p>However, the Fund was unable to maintain capital stability as its NAV was impaired by RM7,361,318.46 on 10th May 2022 based on the Islamic Investment Notes that have missed or would potentially miss their scheduled repayments. This impairment was incorporated into the NAV pricing of the fund to reflect the fair value of the Fund.</p> <p>Aside from this, there was no significant change to the state of affairs of the Fund for the financial period under review 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>Malaysia's Gross Domestic Product (GDP) expanded 5% year-on-year in the first quarter of 2022. The economic performance increased in tandem with a robust growth in Services sector, supported by higher household consumption and recovery in labour market.</p> <p>The Monetary Policy Committee (MPC) of Bank Negara Malaysia hiked the Overnight Policy Rate (OPR) by a surprised 25 basis points to 2.00% during their third meeting of the year in May 2022. With the domestic growth on a firmer footing, the MPC decided to begin reducing the degree of monetary accommodation.</p> <p><i>(Source: Bloomberg, Bank Negara Malaysia and Department of Statistics Malaysia)</i></p>
<p>Market Outlook and Strategy</p>	<p>Going forward, BNM is expected to continue to hike the OPR in 2022 in anticipation of the steady recovery of the economy and the aggressive monetary policy tightening by the US Federal Reserve.</p> <p>The fund will continue to be selective in the investment notes that it chooses to invest in with credit quality being of central importance.</p>

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 9 JUNE 2022

Fund	10 March 2022 To 9 June 2022
Unit Prices (RM)	
Highest Net Asset Value (NAV) per unit for the period	1.0139
Lowest NAV per unit for the period	0.8643
Net Asset Value (NAV) and Units in Circulation (UIC) as at the end of the period	
Total NAV (RM)	43,974,214
Units in Circulation (UIC)	50,877,779
NAV per unit (RM)	0.8643
Return of Fund (%)	
Capital Growth (%) ^(b)	-12.79
Income Return (%) ^(c)	1.00
Return of the Fund (%)^(a)	-11.79%
Total Gross Distribution per Unit (sen) per annum	1.00
Total Net Distribution per Unit (sen) per annum	1.00
Quarterly distribution – Quarter 1	
NAV per Unit before Distribution (RM)	0.8743
NAV per Unit after Distribution (RM)	0.8643
Total Expense Ratio (%)^(d)	0.27
Portfolio Turnover Ratio (times)^(e)	0.11

Note:

- a) **Return of the Fund** = $\frac{\text{NAV per unit (end of period)} - 1}{\text{NAV per unit (opening of period)}}$
- b) **Capital Growth** = Total Return of the Fund – Income Return
- c) **Income Return** = $(\text{Income Distribution per Unit} / \text{NAV per Unit}) \times 100$
- d) **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 interim period over the average Net Asset Value of the Fund calculated on a daily basis

Total Return and Average Total Return for the Financial Period Ended 9 June 2022

	Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
3 Month (10/3/2022 – 09/06/2022)	(11.79%)	(47.16%)	0.47%	1.88%
Since Inception (09/09/2021 – 09/06/2022)	(10.61%)	(14.14%)	1.48%	1.97%

Asset Allocation

BIMB One-Year Shariah Income Fund 3	9 June 2022 (%)
Islamic Investment Notes	41.56
	41.56
SHARIAH-COMPLIANT CASH AND SHORT TERM INVESTMENTS:	58.44
	100.00

Unit Holdings as at 9 June 2022

Size of Holding	BIMB One-Year Shariah Income Fund 3			
	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	1	33.33	119,010.89	0.23
500,001 and above	2	66.67	50,758,768.48	99.77
Grand Total for the Fund	3	100.00	50,877,779.37	100.00

3.0 SHARIAH ADVISER'S REPORT

To the unit holders of BIMB ONE-YEAR SHARIAH INCOME FUND 3 ("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 comprises 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)

Kuala Lumpur
Date: 5 August 2022

4.0 UNAUDITED FINANCIAL STATEMENT

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022

	<u>10.3.2022 to</u> <u>9.6.2022</u> RM
INVESTMENT INCOME	
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions	1,003,586
Fair value adjustment for Islamic Investment notes	(7,361,318)
Profit income from Islamic Investment notes	<u>143,258</u>
	<u>(6,214,474)</u>
EXPENSES	
Management fee	61,752
Trustee's fee	3,705
Administrative expenses	<u>65,070</u>
	<u>130,527</u>
LOSS BEFORE TAXATION	(6,345,001)
Taxation	<u>(222,405)</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u><u>(6,567,406)</u></u>
Total comprehensive income for the period consist of:	
Realised amount	<u>(6,567,406)</u>
	<u><u>(6,567,406)</u></u>

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

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 9 JUNE 2022

	Note	<u>As at</u> <u>9.6.2022</u> RM
ASSETS		
Cash and cash equivalents (Shariah-compliant)	2	34,195,136
Financial assets at fair value through profit or loss (Shariah-compliant)	1	15,824,102
Fair value adjustment for Islamic Investment notes	1	(7,361,318)
Amount due from Dealers		<u>2,451,674</u>
TOTAL ASSETS		<u>45,109,594</u>
LIABILITIES		
Accrued management fee		5,472
Amount due to Trustee		328
Audit fee payable		9,590
Tax agent's fee payable		3,014
Income Tax payable		607,376
Income distribution payable		508,778
Administrative expenses		<u>822</u>
TOTAL LIABILITIES		<u>1,135,380</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u><u>43,974,214</u></u>
EQUITY		
Unit holders' capital		50,876,972
Retained profits		<u>(6,902,758)</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>43,974,214</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)		50,877,779
NET ASSET VALUE PER UNIT (SEN) (EX-DISTRIBUTION)		<u>86.43</u>

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

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022

	Unit holders' capital RM	Retained profits RM	Total RM
Balance as at 10 March 2022	50,976,302	173,426	51,149,728
Movement in unit holders' contributions:			
- Creation of units	-	-	-
- Cancellation of units	(99,330)	-	(99,330)
- Distributions (Note 3)	-	(508,778)	(508,778)
Total comprehensive income for the financial period	-	(6,567,406)	(6,567,406)
Balance as at 9 June 2022	<u>50,876,972</u>	<u>(6,902,758)</u>	<u>43,974,214</u>

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

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022

	Note	<u>10.3.2022 to</u> <u>9.6.2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceed from repayment and maturity of Islamic Investment notes instrument		7,948,671
Purchase of Islamic Investment notes instrument		(529,000)
Profit income received from Shariah-compliant deposit with licensed Islamic financial institution		143,258
Profit income received from Islamic Investment notes instrument		1,003,586
Management fee paid		(62,650)
Trustee fee paid		(3,759)
Payment for administrative expenses		<u>(60,562)</u>
Net cash generated from operating activities		<u>8,439,544</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cancellation of units		(99,330)
Payment for income distribution		<u>(508,778)</u>
Net cash used in financing activities		<u>(608,108)</u>
Net cash and cash equivalents		7,831,436
Cash and cash equivalents at the beginning of the financial period		<u>26,363,700</u>
Cash and cash equivalents at the end of the financial period	2	<u>34,195,136</u>
Cash and cash equivalents comprise:		
Commodity murabahah		29,772,534
Wafiyah Investment Account		3,907,832
Cash at bank		514,770
	2	<u><u>34,195,136</u></u>

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

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022

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

	<u>As at</u> <u>9.6.2022</u>
Financial assets at fair value through profit or loss:	
Fair value for Islamic Investment notes instrument	15,824,102
Impairment loss from Islamic Investment notes instrument	<u>(7,361,318)</u>
	<u>8,462,784</u>

Details of Islamic Investment notes as at 9 June 2022 are set out as follows:

<u>Name of counter</u>	<u>Fair Value</u> RM	<u>Percentage of</u> <u>value of funds</u> %
MYISS-2000000029	173,010	0.39
MYISS-2000000034	6,855,306	15.59
MYISS-2000000047	124,672	0.28
MYISS-2100000132	248,752	0.57
MYISS-2100000147	122,761	0.28
MYISS-2100000155	1,903,068	4.33
MYISS-2100000156	59,332	0.13
MYISS-2100000200	679,832	1.55
MYISS-2100000201	1,965,825	4.47
MYISS-2100000209	67,727	0.15
MYISS-2100000223	267,510	0.61
MYISS-2100000229	96,033	0.22
MYISS-2100000243	78,641	0.18
MYISS-2100000245	2,534	0.01
MYISS-2100000274	79,947	0.18
MYISS-2100000275	12,065	0.03
MYISS-2100000296	415,582	0.95
MYISS-2100000314	970,126	2.21
MYISS-2100000326	153,972	0.35
MYISS-2100000333	672,499	1.53
MYISS-2100000337	80,789	0.18
MYISS-2100000338	404,430	0.92
MYISS-2100000360	146,812	0.33
MYISS-2200000381	<u>242,877</u>	<u>0.55</u>
	15,824,102	35.99
Total fair value adjustment from Islamic Investment notes as at 9 June 2022	<u>(7,361,318)</u>	-
Total Islamic Investment notes as at 9 June 2022	<u>8,462,784</u>	<u>35.99</u>

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022 (CONTINUED)

2 CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)

	<u>As at</u> <u>9.6.2022</u> RM
Shariah-compliant deposits with licensed Islamic financial institutions:	
Commodity Murabahah	29,772,534
Wafiyah Investment Account	<u>3,907,832</u>
	33,680,366
Cash at bank	<u>514,770</u>
	<u><u>34,195,136</u></u>

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

	<u>As at</u> <u>9.6.2022</u> %
Commodity Murabahah	2.05
Wafiyah Investment Account	2.10

The deposits have an average maturity of 20 days.

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

3 DISTRIBUTION

	<u>10.3.2022 to</u> <u>9.6.2022</u> RM
Distribution to unit holders is from the following sources:	
Profit income from Islamic Investment Notes	<u>855,389</u>
	855,389
Less:	
Expenses	(128,786)
Taxation	<u>(217,824)</u>
Net distribution amount	<u><u>508,778</u></u>
GROSS/NET DISTRIBUTION PER UNIT (SEN)	
Distribution on 9 June 2022	<u><u>1.00</u></u>

BIMB ONE-YEAR SHARIAH INCOME FUND 3

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 10 MARCH 2022 TO 9 JUNE 2022 (CONTINUED)

4	TOTAL EXPENSE RATIO (“TER”)	As at <u>9.6.2022</u> %
	TER	<u>0.27</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 daily basis

The average NAV of the Fund for the financial period calculated on daily basis is RM 49,021,260.

5	PORTFOLIO TURNOVER RATIO (“PTR”)	As at <u>9.6.2022</u>
	PTR (Times)	<u>0.11</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 = RM 529,000

total disposal for the financial period = RM 10,148,580

6 SHARIAH INFORMATION OF THE FUND

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

7 QUARTERLY REPORT

The quarterly report for the financial period from 10 March 2022 to 9 June 2022 is unaudited.

5.0 CORPORATE DIRECTORY

Manager	BIMB Investment Management Berhad [199301021508 (276246-X)] Registered Office Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur Business Office Level 19, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur
Board of Directors	Mohamed Ridza Mohamed Abdulla (Chairman Non-Executive Independent Director) Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director) Dr. Mohd Hatta Dagap (Non-Executive Independent Director) Datin Maznah Mahbob (Non-Executive Independent Director) Azizan Abd Aziz (Non-Executive Non Independent Director) Najmuddin Mohd Lutfi (Chief Executive Officer)
Shariah Advisers	Dr. Ahmad Shahbari @ Sobri Bin Salamon – passed away on 13 April 2022 Assoc. Prof. Dr. Asmak binti Ab. Rahman – resigned wef 1 April 2022 Dr. Shamsiah binti Mohamad Assoc. Prof. Dr. Yasmin Hanani binti Mohd Safian – appointed wef 1 April 2022 Ir. Dr. Hj. Muhamad Fuad bin Abdullah – appointed wef 1 May 2022
Investment Committee	Khairul Muzamel Perera Abdullah (Chairman – Non Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member) Datin Maznah binti Mahbob (Independent Director)
Board Audit and Risk Committee	Dato' Dr. Mohamad Zabidi bin Ahmad (Non-Executive Independent Director) Dr. Mohd Hatta Dagap (Independent Director) Azizan Abd Aziz (Non Independent Director)
Company Secretaries	Maria Mat Said (LS 009400) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450, Kuala Lumpur Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur
Key Management	Najmuddin Mohd Lutfi (Chief Executive Officer) Mohd Amir Shah Basir (Chief Operating Officer) Abd Razak Salimin (Head of Investment) Noorsazreen Nordin (Head of Compliance)
Principal Banker	Bank Islam Malaysia Berhad Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur

Trustee	Maybank Trustees Berhad (196301000109 (5004P)) 8th Floor, Menara Maybank 100, Jalan Tun Perak 50050 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 Affin Bank Berhad UOB Kay Hian Securities (M) Sdn Bhd

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BIMB INVESTMENT

A BANK ISLAM
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