



**PERMODALAN BSN BERHAD**

A Wholly-Owned Subsidiary of BSN

# **BSN ISLAMIC TACTICAL FUND**

## **ANNUAL REPORT**

**For the Financial Year Ended 31 December 2019**

**BSN ISLAMIC TACTICAL FUND**

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## BSN ISLAMIC TACTICAL FUND

### MANAGER'S REPORT

Dear Unit Holders,

Permodalan BSN Berhad act as a Manager and AmanahRaya Trustees Berhad (ART) act as a Trustee for BSN Islamic Tactical Fund, are pleased to present the Annual Report of BSN Islamic Tactical Fund for financial year ended 31 December 2019.

#### 1. FUND INFORMATION

BSN Islamic Tactical Fund			
Fund Type	Growth Fund		
Fund Category	Equity Fund (Islamic)		
Investment Objective	The investment objective is to strive to outperform the performance benchmark of the Fund over the medium to long term period.		
Performance Benchmark	FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA), based on percentage change of FBMSHA for the period under review.		
Distribution Policy	Subject to the availability of income after deducting all fees and expenses, the Manager will distribute income once a year.		
Unit Holdings	There are no unit holders invested in the Funds since launch/inception on 15 June 2017.		
	Size of Holdings	No. of Unitholders	No. of Units Held
	5,000 and below	-	-
	5,001 – 10,000	-	-
	10,001 – 50,000	-	-
	50,001 – 500,000	-	-
	500,001 and above	-	-

## BSN ISLAMIC TACTICAL FUND

### 2. FUND PERFORMANCE

#### 2.1 Achievement of BSN Islamic Tactical Fund

No performance available since there are no unit holders invested in the Funds since launch/inception on 15 June 2017.

#### 2.2 Asset Allocation

No asset allocation.

Component of Asset Portfolio	%	
	2019	2018
Shariah-compliant investment in equity market	-	-
Cash	-	-
<b>Total</b>	-	-

#### 2.3 Asset Allocation by Sector

No asset allocation by sector.

Sector	RM	
	2019	2018
Shariah-compliant investment in equity market :		
Construction	-	-
Consumer Product	-	-
Finance	-	-
Industrial Product	-	-
Plantation	-	-
Properties	-	-
Technologies	-	-
Trading & Services	-	-
Cash	-	-

## BSN ISLAMIC TACTICAL FUND

### 2.4 Comparative Financial Information

Matters	2019	2018
Net Asset Value (RM'000)	-	-
Net Asset Value per Unit (RM)	-	-
Unit In Circulation ('000)	-	-
Selling Price per Unit (RM)	-	-
Buying Price per Unit (RM)	-	-
Selling Price per Unit (High) (RM)	-	-
Buying Price per Unit (High) (RM)	-	-
Selling Price per Unit (Low) (RM)	-	-
Buying Price per unit (Low) (RM)	-	-
Total Fund Return (Growth Capital) (%)	-	-
Total Fund Return(Distribution) (%)	-	-
Gross Distribution per Unit (Sen)	-	-
Net Distribution per Unit (Sen)	-	-
Date of payment	-	-
Management Expense Ratio (%) :	-	-
Portfolio Turnover Ratio (times) :	-	-

#### 2.4.1 Management Expense Ratio

No management expense ratio.

#### 2.4.2 Portfolio Turnover Ratio

No portfolio turnover ratio.

## BSN ISLAMIC TACTICAL FUND

### BASES OF CALCULATION

**i. Portfolio Composition**

Content portfolio is calculated according to the market price, where applicable on 31 December 2019.

**ii. Net Asset Value (NAV)**

The net asset value is recognized after deducting the total liabilities of the fund value of total asset value of the Fund. Net Asset Value (NAV) per unit is calculated by dividing the Net Asset Value of the Fund by the number of units in circulation.

**iii. Selling Price per Unit**

The sale price is the price per unit sold by the Managers to the unit holders taking into account the Net Asset Value at the end of the trading day divided by the number of units in circulation on that day and the service fee does not exceed 4.50%. This price will then be adjusted to the nearest one cent.

**iv. Buying Price per Unit**

The purchase price per unit is the price already bought by the Managers of unit holders who wish to sell back their investment units at the NAV per unit.

**v. Capital Growth**

Capital growth is calculated by taking the difference of the purchase price from year to year.

**vi. Distribution**

The distribution of income is the annual gross revenues of:

$$\frac{\text{Gross Dividend}}{\text{Sale Price on The First Day of the same year}} \times 100$$

**vii. Management Expense Ratio**

This ratio is the amount of management fees, trustee fees, audit fees, tax agent's fees and other administrative expenses divided by the average Net Asset Value of the Fund calculated on a daily basis.

$$\frac{\text{Fees of the unit trust fund + Recovered expenses of the unit trust fund}}{\text{Average value of the unit trust fund calculated on a daily basis}} \times 100$$

**viii. Portfolio Turnover Ratio**

The calculation is as follows:

$$\frac{(\text{Total acquisitions of the fund for the year} + \text{Total disposals of the fund for the year}) / 2}{\text{Average value of the unit trust fund for the year calculated on a daily basis}}$$

**Note: Past performance of the Fund is not an indication of its future performance.**

**Unit prices and investment returns may go down, as well as up.**

**BSN ISLAMIC TACTICAL FUND**

**3. MANAGER'S REPORT**

**3.1 Fund and Benchmark Performance**

No fund and benchmark performance available because there is no investment activity during the period.

**Note: Past performance of the Fund is not an indication of its future performance.  
Unit prices and investment returns may go down, as well as up.**

## **BSN ISLAMIC TACTICAL FUND**

### **3.2 Investment Policy and Strategy**

The fund will invest in a diversified portfolio of Malaysian Shariah-compliant equities with at least 50% of Shariah-compliant equity exposure will be in top 30 component stocks of the Fund's benchmark. The fund is structured as an open-ended fund with minimum allocation of 70% of the Fund's NAV to be invested in Shariah-compliant securities listed in Bursa Malaysia.

### **3.3 Economic and Market Review**

No economic and market review because no investment activities during the period.

### **3.4 Market Outlook**

No market outlook because no investment activities during the period.

### **3.5 Distribution of Income**

No distribution of income since lauched/inception date.

### **3.6 Policy on Rebates and Soft Commissions**

No soft commissions received from the broker during the period.

### **3.7 Investment**

No investment activities during the period.

### **3.8 Separation Unit**

There is no separation unit performed for the period until 31 December 2019.

### **3.9 State of Affairs of the Fund**

Tawafuq Consultancy Sdn Bhd has been appointed as the Shariah Adviser for BSN Islamic Tactical Fund, replacing IBFIM with effective from 1 March 2019.

There is neither other significant change to the state affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review other than the above-mentioned.



**BSN ISLAMIC TACTICAL FUND**

**4. STATEMENT BY MANAGER**

We, **DATUK YUNOS BIN ABD GHANI** and **ROSLANI BIN HASHIM**, being two of the directors of **PERMODALAN BSN BERHAD**, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 14 to 34 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **BSN ISLAMIC TACTICAL FUND** as at 31 December 2019 and of its financial performance and cash flows for the financial year ended on that date and comply with the requirements of the Deed.

Signed in accordance with a resolution of the directors of the Manager

**DATUK YUNOS BIN ABD GHANI**  
Director

**ROSLANI BIN HASHIM**  
Director

Kuala Lumpur  
Date : 12 February 2020

## **BSN ISLAMIC TACTICAL FUND**

### **5. TRUSTEE'S REPORT**

For the Financial Year Ended 31 December 2019

To the Unit Holders of  
**BSN ISLAMIC TACTICAL FUND**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of BSN ISLAMIC TACTICAL FUND for the financial year ended 31 December 2019. In our opinion, PERMODALAN BSN BERHAD, the Manager, has operated and managed BSN ISLAMIC TACTICAL FUND in accordance with the limitations imposed on the investment powers of the management company under the Deed, securities laws and the applicable Guidelines on Unit Trust Funds during the financial year then ended.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement.

Yours faithfully  
**AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**  
Deputy Chief Executive Officer

Kuala Lumpur, Malaysia  
Date : 12 February 2020

## **BSN ISLAMIC TACTICAL FUND**

### **6. SHARIAH ADVISER'S REPORT**

#### **To the Unitholders of BSN ISLAMIC TACTICAL FUND**

We have acted as the Shariah Adviser of **BSN ISLAMIC TACTICAL FUND**. Our responsibility is to ensure that the procedures and processes employed by **PERMODALAN BSN BERHAD** are in accordance with Shariah principles.

In our opinion, **PERMODALAN BSN BERHAD** has managed and administered **BSN ISLAMIC TACTICAL FUND** in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 December 2019.

In addition, we also confirm that the investment portfolio of **BSN ISLAMIC TACTICAL FUND** comprises instruments which have been classified as Shariah-compliant by the Shariah Advisory Council of Bank Negara Malaysia. As for the instruments which are not classified as Shariah-compliant by the Shariah Advisory Council of Bank Negara Malaysia, we have reviewed the said instruments and opine that these instruments are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser  
**TAWAFUQ CONSULTANCY SDN BHD**

**MUHAMMAD AIMAN MOHAMAD SALMI**  
Director/ Principal Consultant/ Managing Advisor

Kuala Lumpur  
Date: 12 February 2020

## **BSN ISLAMIC TACTICAL FUND**

### **7. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF BSN ISLAMIC TACTICAL FUND**

#### **Report on the Financial Statements**

##### **Opinion**

We have audited the financial statements of BSN ISLAMIC TACTICAL FUND, which comprise the statement of financial position as at 31 December 2019, and statement of profit or loss and other comprehensive income, statement of changes in equity value and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 14 to 34.

In our opinion, the financial statements set out on pages 14 to 34 give a true and fair view of the financial position of the Fund as at 31 December 2019 and of its financial performance, changes in equity and cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

##### **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 of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

##### **Information Other than the Financial Statements and Auditor's Report Thereon**

The managers of the Fund are responsible for the other information. The other information comprises the Manager's Report and Statement by Manager, 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.

## **BSN ISLAMIC TACTICAL FUND**

### **Responsibilities of the Managers for the Financial Statements**

The Manager of the Fund are responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. The Manager are also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### **Auditors' Responsibility 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.

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 skepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

## **BSN ISLAMIC TACTICAL FUND**

### **Other Matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Securities Commission's Guidelines on Unit Trust Funds in Malaysia and for no other purposes. We do not assume responsibility to any other person for the contents of this report.

**JAMAL, AMIN & PARTNERS**  
(No : AF 1067)  
Chartered Accountants

**AHMAD HILMY BIN JOHARI**  
(No: 2977/03/20 (J))  
Chartered Accountant

Date : 11 February 2020

Kuala Lumpur

**BSN ISLAMIC TACTICAL FUND**

**8. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	NOTE	2019 RM	2018 RM
<b>ASSET</b>		-	-
<b>OTHER ASSET</b>			
Cash and cash equivalents	5	407	1,956
<b>TOTAL ASSET</b>		407	1,956
<b>LIABILITY</b>			
Amount owing to the manager		5,000	2,000
Amount owing to tax agent		4,800	-
Accrual		4,000	4,000
<b>TOTAL LIABILITY</b>		13,800	6,000
<b>EQUITY</b>			
Unitholders' Contribution		-	-
Accumulated Loss		(13,393)	(4,044)
<b>TOTAL EQUITY</b>		(13,393)	(4,044)
<b>TOTAL EQUITY AND LIABILITY</b>		407	1,956
<b>UNITS IN CIRCULATION</b>		-	-
<b>NET ASSET VALUE PER UNIT</b>		-	-

(The accompanying notes form an integral part of the financial statements)

**BSN ISLAMIC TACTICAL FUND**

**9. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	31/12/2019 RM	19 Months Period Ended 31/12/2018 RM
<b>INVESTMENT INCOME</b>		-	-
<b>LESS : EXPENSES</b>			
Auditor remuneration		4,000	4,000
Administrative expenses		549	44
Manager's fee	6	-	-
Trustee's fee	7	-	-
Tax agent fee		4,800	-
		<u>9,349</u>	<u>4,044</u>
<b>LOSS BEFORE TAXATION</b>		(9,349)	(4,044)
Taxation	8	-	-
<b>LOSS AFTER TAXATION</b>		<u>(9,349)</u>	<u>(4,044)</u>
<b>LOSS AFTER TAXATION IS MADE UP AS FOLLOWS:</b>			
<b>REALISED LOSS</b>		(9,349)	(4,044)
<b>UNREALISED LOSSES</b>		-	-
		<u>(9,349)</u>	<u>(4,044)</u>
Distribution for the financial period			
Gross distribution per unit (sen)		-	-
Net distribution per unit (sen)		-	-

(The accompanying notes form an integral part of the financial statements)



**BSN ISLAMIC TACTICAL FUND**

**10. STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Unitholders' Contribution</b>	<b>Accumulated Loss</b>	<b>Total Net Asset Value</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Balance at 15 June 2017</b>	-	-	-
Net loss after tax	-	(4,044)	(4,044)
Contributions by and distribution to unitholders of the Fund :			
- Creation of units	-	-	-
- Cancellation of units	-	-	-
- Distribution reinvestment	-	-	-
Distribution	-	-	-
<b>Balance at 31 December 2018</b>	<u>-</u>	<u>(4,044)</u>	<u>(4,044)</u>
<b>Balance at 1 January 2019</b>	-	(4,044)	(4,044)
Net loss after tax	-	(9,349)	(9,349)
Contributions by and distribution to unitholders of the Fund :			
- Creation of units	-	-	-
- Cancellation of units	-	-	-
- Distribution reinvestment	-	-	-
Distribution	-	-	-
<b>Balance at 31 December 2019</b>	<u>-</u>	<u>(13,393)</u>	<u>(13,393)</u>

(The accompanying notes form an integral part of the financial statements)

**BSN ISLAMIC TACTICAL FUND**

**11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	31/12/2019 RM	19 Months Period Ended 31/12/2018 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING</b>			
Amount owing to the manager		3,000	2,000
Accrual		(4,000)	-
Payment of administrative expenses		(549)	(44)
		(1,549)	1,956
<b>NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING AND INVESTING EXPENSES</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,549)	1,956
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,956	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		407	1,956
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>			
Islamic deposit with licensed financial institutions		-	-
Bank balance		407	1,956
		407	1,956

(The accompanying notes form an integral part of the financial statements)

## BSN ISLAMIC TACTICAL FUND

### 12. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. THE FUND, PRINCIPAL ACTIVITIES AND THE MANAGER

BSN ISLAMIC TACTICAL FUND (hereinafter referred to as 'the Fund') was constituted pursuant to the execution of a Deed dated 6 April 2017 between the Manager, Permodalan BSN Berhad, the Trustee, AmanahRaya Trustees Berhad and registered holders of the Fund.

The registered office and principal of business are located at Aras 19, Lot 1, Bangunan TH Selborn, 153 Jalan Tun Razak, and 50400 Kuala Lumpur.

The principal activity of the Fund is to invest in a portfolio of equity, equity-related securities, debentures, money market instruments and any such other securities and/or instruments as may be determined by the Manager that comply with Shariah requirements. Any material change to the investment objective of the Fund would require the unitholders' approval. The Fund was launched on 15 June 2017.

The Fund has ceased its operation on 14 August 2019. On 14 August 2019, the Manager has decided to terminate the Fund as at 31 December 2019. The notification of commencement of winding up was sent to Securities Commission Malaysia on 10 January 2020.

The Manager, Permodalan BSN Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of Bank Simpanan Nasional. The Manager is principally engaged in the management of the unit trust funds and fund management activities.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors dated on 11 February 2020.

#### 2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

2.1. The Fund has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 101 - Definition of Material (Amendments to MFRS 101)	1 January 2020
MFRS 108 - Definition of Material (Amendments to MFRS 108)	1 January 2020

## **BSN ISLAMIC TACTICAL FUND**

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Fund's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

##### **(i) Impairment of Receivables**

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. The Fund does not have any loan.

##### **(ii) Fair Value Estimates for Certain Financial Assets and Liabilities**

The Fund carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Fund uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit for the year.

#### **(b) Functional and Presentation Currency**

The functional currency of the Fund is the currency of the primary economic environment in which the Fund operates.

The financial statements of the Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency.

#### **(c) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank, Islamic deposits with financial institutions and short-term, highly liquid Shariah-compliant investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

## **BSN ISLAMIC TACTICAL FUND**

### **(d) Financial Instruments**

#### **Recognition and Initial Measurement**

A financial asset or a financial liability 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.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### **Financial instrument categories and subsequent measurement**

##### ***Financial assets***

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.

##### **(i) Amortised cost (AC)**

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. Any gain or loss on derecognition is recognised in profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impaired financial assets where the effective profit rate is applied to the amortised cost.

##### **(ii) Fair value through other comprehensive income (FVOCI)**

###### **a) Debt investments**

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its

## **BSN ISLAMIC TACTICAL FUND**

contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Profit income calculated using the effective profit method, foreign exchange gains and losses and impairment are recognised in profit or loss.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impaired financial assets where the effective profit rate is applied to the amortised cost.

### **b) Equity investments**

This category comprises investment in equity that is not held for trading and the Fund irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

### **(iii) Fair value through profit or loss (FVPL)**

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. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). 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.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

### ***Financial Liabilities***

#### **(i) Fair value through profit or loss (FVPL)**

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

## **BSN ISLAMIC TACTICAL FUND**

On initial recognition, the Fund may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Fund's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair value with gains or losses, including any profit expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Fund recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

### **(ii) Amortised cost (AC)**

Other financial liabilities not categorised as fair value through profit or loss is subsequently measured at amortised cost using the effective profit method. Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

### **(iii) Provisions**

Provision is recognised only when the Fund has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provision are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **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 expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between

## **BSN ISLAMIC TACTICAL FUND**

the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

### **Unitholders' Contribution**

The Unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity under the MFRS 132.

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Distribution equalisation is accounted for at the date of creation and cancellation of units of the Fund. It represents the average amount of distributable income or loss included in the creation and cancellation prices of units.

## **(e) Impairment of Financial Assets**

### **(i) Financial assets**

The Fund recognised loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Fund measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Fund consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information, where available.



## **BSN ISLAMIC TACTICAL FUND**

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Fund are exposed to credit risk.

The Fund estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Fund assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the obligor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery amounts due.

### **(ii) Other Assets**

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate

## **BSN ISLAMIC TACTICAL FUND**

that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

### **(f) Net Asset Value Attributable To Unitholders**

Net asset value attributable to unitholders represents the redemption amount that would be payable if the unitholders exercised the right to redeem units of the Fund at the end of the reporting year.

### **(g) Income Tax Expense**

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable interest for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

## **BSN ISLAMIC TACTICAL FUND**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

### **(h) Dividend Distribution**

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's Unitholders is accounted for as a deduction from realised reserves except where dividend is sourced out of distribution equalisation which is accounted for as a deduction from Unitholders' capital. The amount is either refunded to unitholder by way of distribution and/or adjusted accordingly when units are cancelled.

Distributions are recognised as liabilities when approved for appropriation.

### **(i) Related Parties**

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

## **BSN ISLAMIC TACTICAL FUND**

- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### **(j) Income Recognition**

#### *(i) Realised Gains or Losses on Sale of Investments*

The realised gain or loss on the sale of investments represents the difference between the net disposal proceeds and the carrying amount of the investments, computed on the weighted average cost basis.

#### *(ii) Dividend Income*

Dividend income from investments is recognised when the right to receive dividend payment is established.

#### *(iii) Profit Income*

Profit income from Islamic deposits is recognised on an accrual basis.

### **(k) Classification of Realised and Unrealised Gains and Losses**

Unrealised gains and losses comprise change in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the financial year.

Realised gains and losses on disposals of financial instruments classified as part of "at fair value through profit or loss" represents the difference between the instruments' initial carrying amount and disposal proceeds.

### **(l) Operating Segments**

For management purposes, the Fund is organised into one main operating segment, which invests in various types of equity investments and deposits. All of the Fund's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

### **(m) Fair Value Measurements**

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to

## BSN ISLAMIC TACTICAL FUND

generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 4. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the Fund's bank balance is in Islamic account with licensed financial institution.

### 5. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	2019 RM	2018 RM
Bank balance	<u>407</u>	<u>1,956</u>
	<u>407</u>	<u>1,956</u>

### 6. MANAGER'S FEE

The Manager's fee is computed based on 1.65% of the net asset value of the Fund calculated and accrued on a daily basis.

### 7. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.06% of the net asset value of the Fund calculated and accrued on a daily basis.

### 8. TAXATION

	2019 RM	2018 RM
Current tax expense: - for the financial year	<u>-</u>	<u>-</u>

## BSN ISLAMIC TACTICAL FUND

The taxation charge for the financial year is on taxable dividend income after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, profit earned by the Fund is exempted from tax.

A reconciliation of income tax expense applicable to the net income before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Fund is as follows:-

	2019 RM	2018 RM
Net loss before taxation	<u>(9,349)</u>	<u>(4,044)</u>
Tax at the statutory tax rate of 24%	(2,244)	(971)
Tax effects of:-		
Non-taxable income	-	-
Non-deductible expenses	2,244	971
Unabsorbed Business Loss	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u><u>-</u></u>	<u><u>-</u></u>

### 9. FINANCIAL INSTRUMENTS

The Fund's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and reclassification of Shariah status risk. The Fund's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

#### (a) Financial Risk Management Policies

The Fund is exposed to a variety of financial risks, which include foreign currency risk, interest rate risk, credit risk, stock risk, liquidity risk and reclassification of Shariah status risk. The overall financial risk management objective of the Fund is to mitigate capital losses.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment powers and restrictions stipulated in the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

#### (i) Market Risk

Market risk arises due to changing market conditions as a result of regulatory, political, economic and business environment. Such changes can result in stock market fluctuations which may affect the Fund's underlying Shariah-compliant investments which will cause the net asset value of the Fund to fall or rise. Market risk cannot be eliminated but maybe reduced through diversification. The Manager diversify the portfolio and monitor the investment climate and market conditions to take measures, where necessary and appropriate, to mitigate this risk.

## BSN ISLAMIC TACTICAL FUND

### *(i) Price Risk*

The fund does not have any quoted Shariah-compliant investment, hence is not exposed to any price risk.

### *(ii) Interest Rate Risk*

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rate. It does not in any way suggest that this Fund will invest in conventional financial instruments.

Profit rates on Islamic deposits and placements with licensed financial institutions are determined based on prevailing market rates.

The Fund is not exposed to interest rate risk as the Fund's investments in financial instruments carry fixed profit rate and are measured at amortised cost. As such, sensitivity analysis is not disclosed.

### *(iii) Foreign Currency Risk*

The Company does not have any foreign currency transactions, hence is not exposed to any currency risks.

## **(ii) Credit Risk**

Credit risk refers to the inability of an issuer or a counterparty to make timely payments of profit, principals and proceeds from realisation of Shariah-compliant investments.

Credit risk arising from placements of Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad. All transactions in listed Shariah-compliant securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of Shariah-compliant securities sold is only made once the broker has received payment.

Payment is made on a purchase once the Shariah-compliant securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The settlement terms of the proceeds from the creation of units receivable from the Manager and redemption of units payable to the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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The maximum exposure to credit risk before any credit enhancements as at end of the reporting year is the carrying amount of the financial assets as set out below:-

	2019 RM	2018 RM
Bank balance	407	1,956
	<u>407</u>	<u>1,956</u>

The exposure of credit risk for financial assets is solely within Malaysia.

The above-mentioned financial assets of the Fund are neither past due nor impaired.

### (iii) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the SC's Guidelines on Unit Trust Funds in Malaysia and any Guidance Notes issued by the SC from time to time or other laws or regulations pertaining to unit trusts.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows:-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
<u>2019</u>			
Amount Due to The Manager	5,000	5,000	5,000
Amount Due to Tax Agent	4,800	4,800	4,800
Accrual	4,000	4,000	4,000
Total financial liabilities	<u>13,800</u>	<u>13,800</u>	<u>13,800</u>
	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
<u>2018</u>			
Amount Due to The Manager	2,000	2,000	2,000
Accrual	4,000	4,000	4,000
Total financial liabilities	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>



## **BSN ISLAMIC TACTICAL FUND**

### **(iv) Reclassification of Shariah Status Risk**

The risk is that the currently held Shariah-compliant securities in the portfolio of Islamic funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the Manager will take the necessary steps to dispose of such securities

There may be opportunity loss to the funds due to the funds not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the funds may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

The Fund does not have any Shariah-compliant securities investments, hence is not exposed to reclassification of Shariah status risk.

### **(b) Capital Risk Management**

The Fund Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

Monitoring and controlling risk are primarily set up to be performed based on limits established by the Manager and the Trustee. These limits reflect the investment strategy and market environment of the Fund's Shariah-compliant investments as well as the level of the risk that Manager of the Fund is willing to accept. In addition, the Manager of the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk type and activities.

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines stipulated in its Trust Deed, the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

It is, and has been throughout the current and previous financial year, the Fund's policy that no Islamic derivatives shall be undertaken for either investment risk management purposes.

The capital is represented by unitholders' subscription to the Fund. The amount of capital can change significantly on a daily basis as the fund is subject to daily redemption and subscription at the discretion of unitholders. The Manager manages the Fund's capital in accordance with its objective, while maintaining sufficient liquidity to meet unitholders' redemption.

**BSN ISLAMIC TACTICAL FUND**

**(c) Classification of Financial Instruments**

<b>2019</b>	Carrying Amount	AC	FVPL	FVOCI
	RM	RM	RM	RM
<b>Financial Assets</b>				
Bank balance	407	407	-	-
	<u>407</u>	<u>407</u>	<u>-</u>	<u>-</u>
<b>Financial Liabilities</b>				
Amount owing to Manager	5,000	5,000	-	-
Amount owing to Tax Agent	4,800	4,800	-	-
Accruals	4,000	4,000	-	-
	<u>13,800</u>	<u>13,800</u>	<u>-</u>	<u>-</u>
<b>2018</b>	Carrying Amount	AC	FVPL	FVOCI
	RM	RM	RM	RM
<b>Financial Assets</b>				
Bank balance	1,956	1,956	-	-
	<u>1,956</u>	<u>1,956</u>	<u>-</u>	<u>-</u>
<b>Financial Liabilities</b>				
Amount owing to Manager	2,000	2,000	-	-
Accruals	4,000	4,000	-	-
	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>

## **BSN ISLAMIC TACTICAL FUND**

### **(d) Fair Value Information**

As at 31 December 2019, there were no financial instruments carried at fair values in the statement of financial position.

### **10. DATE OF AUTHORISATION OF ISSUE**

The financial statements were authorised for issue by the Board of Directors on 11 February 2020.

## **BSN ISLAMIC TACTICAL FUND**

### **CORPORATE INFORMATION**

#### **MANAGER**

Permodalan BSN Berhad : 199401034061 (319744-W)  
License No.for Capital Market Services : CMSL/A0156/2007

#### **REGISTERED/ BUSINESS OFFICE**

Level 19, Lot 1,  
Bangunan TH Selborn  
153, Jalan Tun Razak,  
50400 Kuala Lumpur  
E - mail : [info@pbsn.com.my](mailto:info@pbsn.com.my)  
Tel : 03-2180 9000  
Faks : 03-2681 0051  
Website : [www.pbsn.com.my](http://www.pbsn.com.my)

#### **BOARD OF DIRECTORS**

Datuk Yunos bin Abd Ghani  
Dato' Dr. Gan Miew Chee @ Gan Khuan Poh  
Encik Kamari Zaman bin Juhari  
Encik Roslani bin Hashim  
Encik Ahmad Latfan bin Mohd Amran  
Encik Kamarul Izam bin Idrus

#### **CHIEF EXECUTIVE OFFICER**

Encik Kamarul Izam bin Idrus

#### **COMPANY SECRETARY**

Pn Nor Eliza Bt Musa  
MAICSA No 1035207

#### **ADVOCATES & SOLICITORS**

SOON, GAN DION & PARTNERS  
1st Floor, No. 73, Jalan SS 21/1A  
Damansara Utama  
47400 Petaling Jaya

#### **PRINCIPAL BANKER**

Affin Islamic Bank Berhad  
Kuala Lumpur Main,  
133, Jalan Bunus  
Off Jalan Masjid India  
50100 Kuala Lumpur

#### **TRUSTEE**

AmanahRaya Trustees Berhad (766894-T)  
Level 14, Wisma AmanahRaya,  
No 2, Jalan Ampang,  
50508 Kuala Lumpur

## **BSN ISLAMIC TACTICAL FUND**

### **SHARIAH ADVISER (Appointed with effective from 1 March 2019)**

Tawafuq Consultancy Sdn Bhd (1161491-M)  
Unit 19-02, Level 19, Binjai 8 Suite,  
No.2, Lorong Binjai,  
50450 Kuala Lumpur

### **AUDITOR**

JAMAL, AMIN & PARTNERS (AF 1067)  
60-2B, 2<sup>nd</sup> Floor, Jalan 2/23A,  
Off Jalan Genting Klang,  
Taman Danau Kota, Setapak,  
53300 Kuala Lumpur

### **TAX ADVISER**

CROWE KL TAX SDN BHD (10709-X)  
(Formerly know as Crowe Horwath KL Tax Sdn Bhd)  
Level 15, Tower C  
Megan Avenue 2  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

### **INDEPENDENT CONSULTANT**

Novagni Analytics and Advisory Sdn Bhd (363145-W)  
Level 42, Menara TH Perdana  
1001, Jalan Sultan Ismail  
50250 Kuala Lumpur

# BSN ISLAMIC TACTICAL FUND

**Managed by Permodalan BSN Berhad :** 199401034061 (319744-W)

**Aras 19, Lot 1, Bangunan TH Selborn,  
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Website: [www.pbsn.com.my](http://www.pbsn.com.my)**