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BSN DANA AL JADID

MANAGER'S REPORT

Dear Unit Holders,

Permodalan BSN Berhad act as a Manager for fund BSN Dana Al-Jadid and HSBC (Malaysia) Trustee Berhad and AmanahRaya Trustees Berhad (ART) act as a Trustee, are pleased to present the the Annual Report of BSN Dana Al-Jadid for financial year ended 31 December 2013.

1. FUND INFORMATION

BSN Dana Al-Jadid																				
Fund Category	Growth and Income Fund																			
Fund Type	Islamic Malaysian Equity																			
Investment Objective	The Fund aims to achieve capital appreciation and income distribution by investing in equity and equity-related securities that comply with Shariah requirements. Note : The primary focus of the Fund is to offer capital growth.																			
Performance Benchmark	FTSE Bursa Malaysia EMAS Shariah Index (FBMSHA), based on percentage change of FBMSHA for the period under review.																			
Distribution Policy	It is our intention to distribute income once a year for the Fund. It should, however, be noted that the actual distribution of income and the frequency of distribution as indicated here are provisional and will depend, inter-alia, on the availability of distributable surplus (after deducting expenses incurred by the Fund) and will be entirely at our discretion in consultation with the Trustee.																			
Unit Holdings	On 31 December 2013, a total of 11,036 people have joined BSN Dana Al-Jadid. Breakdown of unit holdings are as follows:																			
	<table border="1"><thead><tr><th>Size of Holdings</th><th>No. of Unitholders</th><th>No. of Units Held</th></tr></thead><tbody><tr><td>5,000 and below</td><td>6,400</td><td>11,850,619</td></tr><tr><td>5,001 – 10,000</td><td>1,384</td><td>9,820,329</td></tr><tr><td>10,001 – 50,000</td><td>2,798</td><td>59,634,755</td></tr><tr><td>50,001 – 500,000</td><td>450</td><td>43,613,489</td></tr><tr><td>500,001 ke atas</td><td>4</td><td>93,573,536</td></tr></tbody></table>	Size of Holdings	No. of Unitholders	No. of Units Held	5,000 and below	6,400	11,850,619	5,001 – 10,000	1,384	9,820,329	10,001 – 50,000	2,798	59,634,755	50,001 – 500,000	450	43,613,489	500,001 ke atas	4	93,573,536	
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BSN DANA AL JADID

2. FUND PERFORMANCE

2.1 Achievement of BSN Dana Al-Jadid

For the period ended 31 December 2013, BSN Dana Al-Jadid had achieved its investment objective. The fund recorded net income before taxation of RM5.87m compared to RM2.79m a year before. Net Asset Value (NAV) for the fund also shown an increment from RM0.2457 as at 31 December 2012 to RM0.2535 as at 31 December 2013. Overall, the fund announced gross income for distribution of 2.0 sen per unit in 2013 compared to 1.80 sen per unit in 2012.

2.2 Asset Allocation

Asset allocations for BSN Dana Al-Jadid are as follows:

Component of Asset Portfolio	%		
	2013	2012	2011
Shariah-compliant investment in equity market	82.44	66.89	57.05
Short-term Investment - Sukuk	10.91	17.19	21.23
Long-term Investment - Sukuk	-	-	5.57
Cash	6.65	15.92	16.15
Total	100.00	100.00	100.00

2.3 Asset Allocation by Sector

Sector	RM		
	2013	2012	2011
Shariah-compliant investment in equity market :			
Construction	3,442,236	1,778,231	3,310,435
Consumer Product	1,640,440	1,714,240	1,529,352
Finance	-	1,503,350	-
Industrial Product	10,762,391	7,559,015	5,154,065
Infrastructure	-	-	391,600
Plantation	2,427,339	3,460,577	2,330,300
Properties	1,380,975	1,276,362	1,506,450
Trading & Services	29,860,838	16,264,400	11,778,107
Technology	-	-	-
Pelaburan Sukuk Jangka pendek	6,554,192	8,632,100	10,675,250
Pelaburan Sukuk Jangka panjang	-	-	1,537,600
Cash	3,994,620	5,796,262	6,827,031

BSN DANA AL JADID

2.4 Comparative Financial Information for the Period 3 Years

Matters	2013	2012	2011
Net Asset Value (RM'000)	55,437	46,035	42,738
Net Asset Value per Unit (RM)	0.2535	0.2457	0.2495
Unit In Circulation ('000)	218,649	187,503	170,200
Selling Price per Unit (RM)	0.2535	0.2457	0.2495
Buying Price per Unit (RM)	0.2535	0.2457	0.2495
Selling Price per Unit (High) (RM)	0.2741	0.2640	0.2666
Buying Price per Unit (High) (RM)	0.2741	0.2640	0.2666
Selling Price per Unit (Low) (RM)	0.2417	0.2438	0.2386
Buying Price per unit (Low) (RM)	0.2417	0.2438	0.2386
Total Fund Return (Growth Capital) (%)	11.31	-1.53	-3.15
Total Fund Return(Distribution) (%)	8.14	7.03	5.84
Gross Distribution per Unit (%)	2.00	1.80	1.50
Net Distribution per Unit (%)	1.99	1.75	1.50
Date of payment	16/01/2014	18/01/2013	15/04/2012
Management Expense Ratio (%) :	1.79	1.74	1.80
Portfolio Turnover Ratio (%) :	116.00	130.00	89.00

2.4.1 Management Expense Ratio

The MER for the financial year is higher than previous financial year mainly due to the increase in expenses cost.

2.4.2 Portfolio Turnover Ratio

The PTR for the financial year is lower than previous financial year mainly due to increase in average net assets value.

BSN DANA AL JADID

BASES OF CALCULATION

i. Portfolio Composition

Content portfolio is calculated according to the market price on 31 December 2013.

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 3%. 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 monthly / yearly.

$$\frac{\text{Fees + Expenses}}{\text{Average Net Asset Value of the Fund calculated on a monthly / yearly}} \times 100$$

viii. Portfolio Turnover Ratio

The calculation is as follows:

$$\frac{(\text{Total cost of purchase + Total cost of sales}) / 2}{\text{Average Net Asset Value of the Fund calculated on a monthly / yearly}} \times 100$$

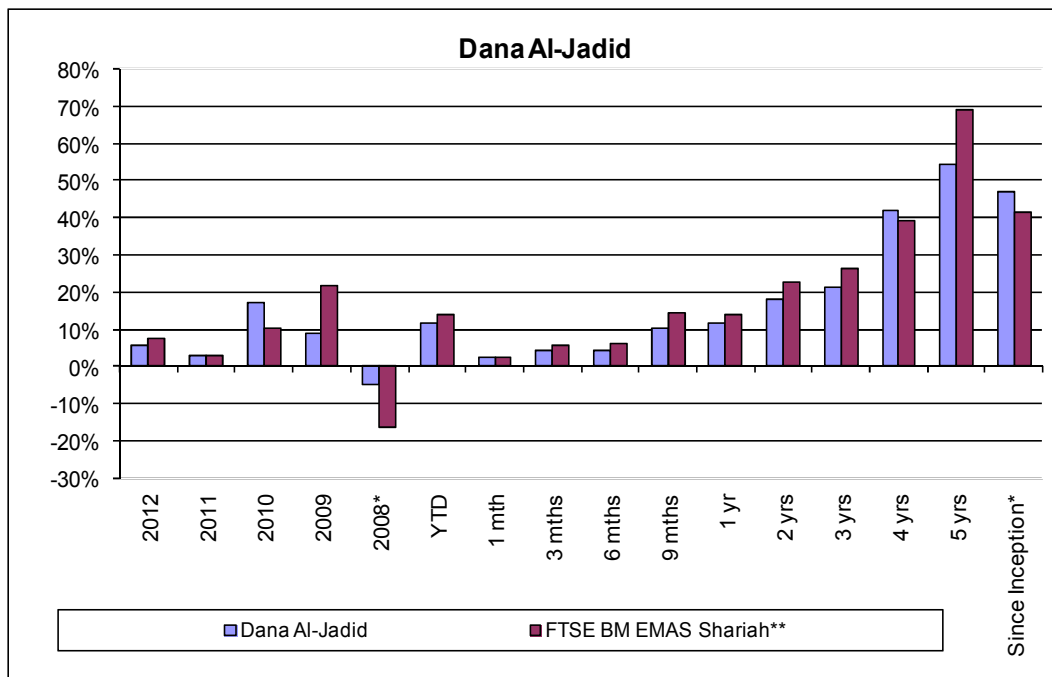
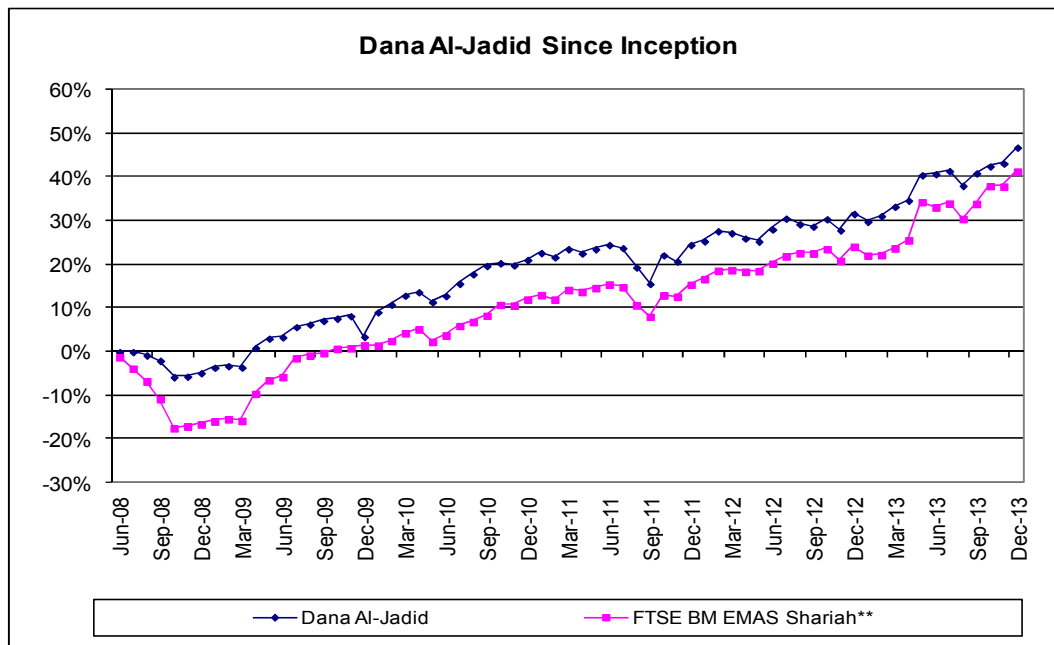
Note: Past performance of the Fund is not an indication of its future performance.

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

3. MANAGER'S REPORT

3.1 Fund and Benchmark Performance

For the year 2013, fund recorded a return of 11.54% compared to its benchmark return of 13.86%. Fund recorded a smaller return as for its defensive strategy and the volatility of the market during the year. Apart from that, fund also had to dispose its non-performing reclassified Shariah non-compliant stock to have a better performance in the future. Since inception, the fund had recorded a total return of 46.80% compared to its benchmark which recorded 41.34% return.

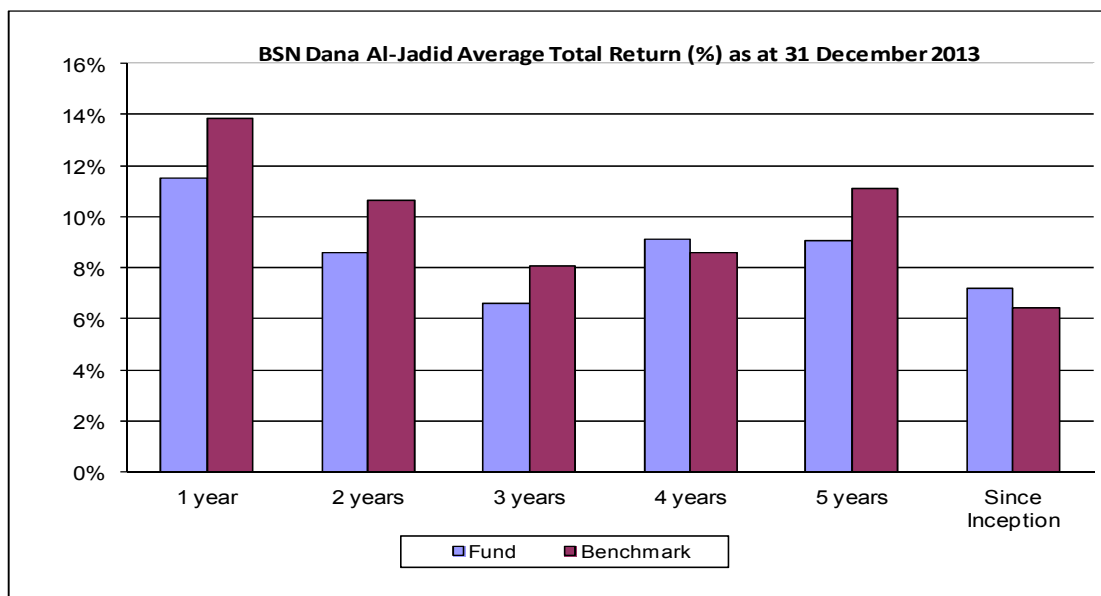


BSN DANA AL JADID

BSN Dana Al-Jadid			
	Dana Al-Jadid	FTSE BM EMAS Shariah**	50% FTSE BM EMAS Shariah + 50% Maybank 12-month GIA rate
2013	11.54	13.86	8.24
2012	5.70	7.53	7.53
2011	2.84	3.01	3.01
2010	17.00	10.35	10.35
2009	8.70	21.62	21.62
2008*	-4.80	-16.51	-16.51
YTD	11.54	13.86	8.24
1 mth	2.55	2.49	1.38
3 mths	4.19	5.55	3.16
6 mths	4.31	6.16	3.89
9 mths	10.15	14.21	8.57
1 yr	11.54	13.86	8.24
2 yrs	17.90	22.44	16.39
3 yrs	21.26	26.12	19.89
4 yrs	41.86	39.18	32.31
5 yrs	54.20	69.28	60.92
Since Inception*	46.80	41.34	34.36

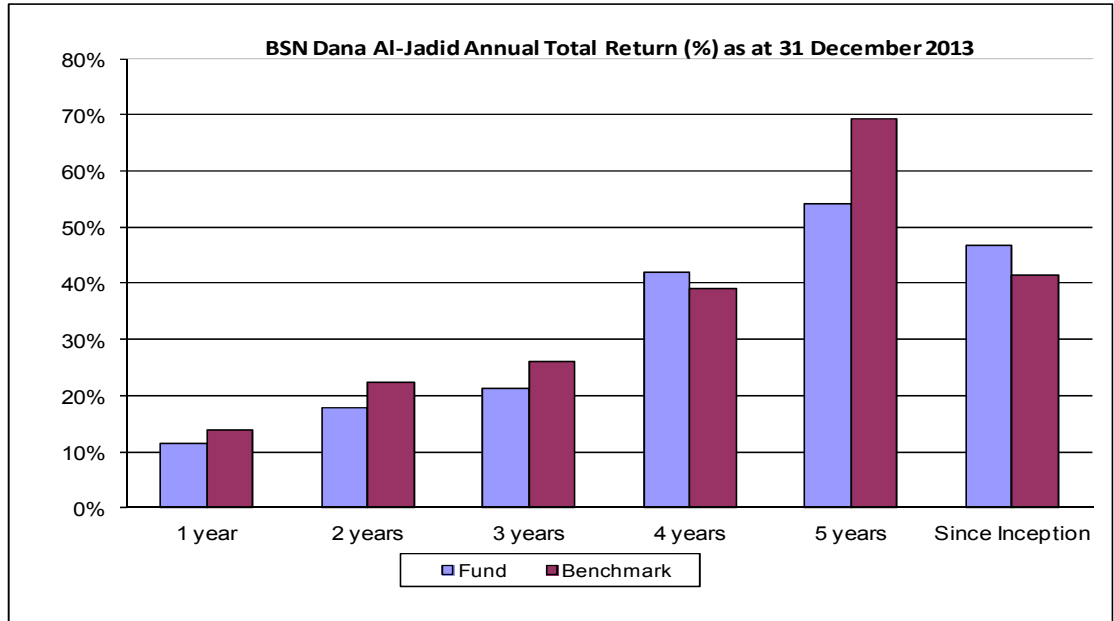
* starts from 18 June 2008

** Prior to 5 May 2013, 50% FTSE BM EMAS Shariah + 50% Maybank 12-month GIA rate



Average Total Return						
	1 year	2 years	3 years	4 years	5 years	Since Inception
Fund	11.54	8.58	6.64	9.14	9.05	7.18
Benchmark	13.86	10.65	8.04	8.62	11.10	6.44

BSN DANA AL JADID



Annual Total Return						
	1 year	2 years	3 years	4 years	5 years	Since Inception
Fund	11.54	17.90	21.26	41.86	54.20	46.80
Benchmark	13.86	22.44	26.12	39.18	69.28	41.34

Source: All performance figures have been verified by Perkasa Normandy Managers Sdn Bhd.

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.

3.2 Investment Strategy

In 2013, the fund kept its defensive investment strategy and maintained the ability to build positions on dips and bouts of market weakness. Few catalysts were seen in 2013 including General Election, US Quantitative Easing (QE), and also Euro area crisis as well as Budget 2014. The market saw Barisan Nasional returned to power albeit with lesser parliament seats compare to the previous GE, giving a mandate to PM Datuk Seri Najib Abdul Razak to continue his economic and government transformation policies (ETP and GTP).

Several factors will shore up the trading sentiment in 2014 including strong global trade growth, rapid implementation of ETP, and also reacceleration of top 3 global economies namely the US, China and Japan. Global trade is expected to turn robust with the courtesy of reacceleration in US economy. As for KLCI, prospect in 2014 is seen positive and sticking with the ETP beneficiaries seems to be a good approach as they will continue to gain from positive news flow during the year.

3.3 Investment Review

(i) Sukuk/ Bond Market Overview

To recap, local government bonds/sukuk market was clouded with uncertainty in year 2013 started with the general election in 1H 2013. Malaysian Government Securities (MGS)/ Malaysian government sukuk market rallied sharply driven mainly by significant foreign inflows after Barisan Nasional secured an electoral victory. Bond/sukuk yields dropped especially medium to longer-tenured, with the 10-year yield reaching 3.05% after the general election. Not long after that, 10-year yield peaked at 4.13% in July when the MGS/Malaysian government sukuk market was beleaguered by sovereign credit rating downgrade risk hence resulted in foreign capital outflows from the bond market. Total outflow of –MYR12.3 billion was seen in July 2013 as MGS/Malaysian government sukuk market suffered its worst single-month foreign outflow. Malaysian bond/sukuk market together with regional bond/sukuk markets turned into relief as Federal Reserve (Fed) decided to delay slowing down its asset purchase at its September 2013 Federal Open Market Committee (FOMC) meeting. MGS/Malaysian government sukuk market later recorded its best monthly inflow of +MYR10.3 billion in October 2013.

The Fed in its final FOMC meeting of the year, on 18 December 2013, finally announced that it will start tapering its QE program beginning in January 2014. After looming threat since June 2013, the Fed will cut USD10 billion off the pre-existing monthly purchases of USD85 billion as the US economy has shown firmer growth outlook. In reaction, 10-year US Treasury yield only edged up slightly by 5bps to 3.03%, implying that the market had mostly priced in the event. A similar market tone was seen in the MGS/Malaysian government sukuk market where the 10-year yield only inched up by 3bps in response to the Fed's QE taper announcement. Subsequently, Chairman Ben Bernanke suggested should the US economy continues to improve as expected, the asset purchase will be further reduced by USD10 billion at every FOMC meeting and come to a complete end to the program by late 2014/early-2015.

(ii) Equity Market Overview

The local equity market commenced the year of 2013 in an uncertain footing, which was dominated by number of events. General election jitters in the earlier part of the year and a combination of the fear of US QE tapering and the weakening fundamentals of some key emerging economies affected the market sentiments. FBM KLCI retraced by 4.5% from end-2012 to a low of 1,613.3 points on 20 February 2013 likely triggered by jittery investors who were worried the GE13 would unfavourably alter the political status quo. However, the index rocketed to an intra-day record high of 1,826 points on 6 May, after the ruling coalition retained power of the Government with a lesser simple majority than the 2008 general election results. The post-election rally nonetheless began to lose steam not long after as foreign funds was eagerly queuing for the exit due to worries over an impending QE rollback.

Fitch Ratings' downgrade of Malaysia's outlook to 'negative' from 'stable' on 30th July 2013 caused the FBM KLCI to ease to 1,772.6 points and register a minor loss of 0.05% for the month. Subsequently, local market suffered severe selloffs resulted from the release of US Fed minutes on 21 August. The minutes did not provide any further indication on the timing and pace of the QE taper. Other factors include the fall in regional stock markets, the slower-than-expected 2Q GDP numbers and concerns about possible US military intervention in Syria. The FBM KLCI plunged as much as 40pts intra-day and went below the 1,700pt for a couple of days.

September was a good month for global markets as most markets rebounded from the August sell-off. The Fed's decision not to start tapering was also a positive surprise that gave markets a boost. The KLCI regained all its losses in September and rebounded above the psychological 1,800pt level before profit taking set in. The good run continued in October as the FBM KLCI scaled new all-time highs in the period leading up to the 2014 Budget on October 25.

Despite the October's good run of the local market, the index again went on consolidation mode as the latest FOMC meeting minutes (20 November) showed that the Fed members are aware of a gradual growth in economy, thus raising the fears of taper. Eventually, the Fed announced it would start to taper aggressive bond-buying program to USD75 billion a month beginning in January 2014. Despite the latest updates of the QE, the bellwether index scaled new all-time highs in December on the back of window dressing activities and good US unemployment and housing data. All in all, 2013 was a good year for most of the markets. Year-to-date, all developed market closed in the positive territory and it is worth mentioning that FBM KLCI gain 10.54% to close at 1,866.96 points in 31 December 2013.

3.4 Market Outlook

i. Equity

The last final quarter of the year in the US economy had shown some broad based growth with consumers spending had finally normalized (consumer sentiment index climbed to 78.1 from 72.0 in November) and the number of new hiring had returned (claims for unemployment benefits fell by 42k to 338k). The strong economic trajectory of the US will be more than enough to offset the slowdown in quantitative easing measures. The Fed's new chief, Janet Yellen, will bring in a new dawn of a friendlier central bank approach with high expectation of a strong fight against unemployment, known to be an issue close to her heart.

On the local front, with the market gradually entering normalisation period following the deceleration of US QE measures in 2014, it is believed that the local funds will be supportive of the local market, strengthened by the reacceleration of the economy. Malaysia's GDP is forecast to grow at a solid pace of 5.5% against 4.5% in 2013 driven by resilient domestic demand and improving external conditions. It is believed that foreign institutions will re-enter the local market in rising speed in the second half of 2014 boosted by improving economic dynamics mainly coming from the goods and services tax (GST) implementation in 2015.

Looking forward, several factors will shore up the trading sentiment in 2014 including strong global trade growth after years of dilemma, rapid implementation of ETP, status quo on overnight policy rate (OPR), and also reacceleration of top 3 global economies namely the US, China and Japan. Global trade is expected to turn robust with the courtesy of reacceleration in US economy. Global trade is set to grow to 4.5% in 2014 vs. 2.5% in 2013. Japan in the year 2013, saw the re-entrance of its 7th prime minister, Shinzo Abe. His measures had revived the sentiment in their equity market with the Nikkei 225 emerged as one of the world's best performing index (Nikkei 225 2013: +56.72%).

All these factors are seen to play their roles and contribute to the trading sentiment in 2014. Prospect for Malaysia in 2014 is seen positive and sticking with the ETP beneficiaries seems to be a good approach as they will continue to gain from positive news flow during the year meanwhile Visit Malaysia Year 2014 will benefit those in the hospitality industries.

ii. Sukuk

Looking forward, 10-year US Treasury yield is expected to increase gradually throughout the year 2014 on the back of the eventual end to QE and normalization of interest rate, underpinned by better economic conditions. However, as seen previously, the Fed is not likely to let US Treasury yields surge significantly. Thus, the Fed is expected to steer the rate rise at gradual pace. Meanwhile, the projected rises in US Treasuries are likely to translate into upward pressure on MGS/Malaysian government sukuk yields.

Regionally, political unrest in Thailand would likely send jitters to foreign investors. Recent dissolution of parliament and early election is not viewed as a quick fix to the issue, and overall credit negative to the country, adding risk to its already-decelerating economies. Meanwhile, for Indonesia, the combination of current account deficits, very high interest rate risk and volatile currency are the on-going key concerns to bond investors, and the upcoming parliament and presidential elections add more uncertainty to its bond market. These regional peers' weakness could benefit MGS/Malaysian government sukuk from redirection of regional flows.

Looking ahead, inflation rate is expected to rise to 3.3%-3.7% in 2014 as a result of the subsidy rationalization measures, which is expected to continue in the medium term to achieve the Government's target of reducing the fiscal deficit-to-GDP ratio in 2014-2015 and a balanced budget by 2020. At the time of writing, Bank Negara Malaysia still maintains the OPR at 3.00% and views that the current rise in inflation as a "cost-push" and temporary phenomenon. However, we opine that it is important for the Bank Negara to make a preemptive move to control rising inflationary expectations given that inflation is expected to accelerate for the next two years.

BSN DANA AL JADID

3.5 Distribution of Income

To unit holders registered on 31 December 2013, the Management is pleased to announce the distribution of gross income at a rate of 2.00 cents per unit. Methods of payment are as disclosed in the Prospectus which will make the investment manager and add it back into the investor's account on 23 January 2014.

3.6 Rebates and Commissions Courtesy

For the year ended 31 December 2013, no goodwill recorded rebates and commissions.

3.7 Investment

Sector	Cost At	Purchase	Sold	Mark up/ down to	Value At
	01.01.2013	At Cost	At Cost	market value	31.12.2013
	RM	RM	RM	RM	RM
Construction	2,091,384	4,103,480	2,797,016	44,388	3,442,236
Consumer Products	405,775	2,418,142	849,401	(334,076)	1,640,440
Finance	1,654,557	340,455	1,995,012	(0)	-
Industrial Products	9,150,588	8,169,173	6,326,317	(231,054)	10,762,391
Plantation	3,845,664	1,571,821	2,294,865	(695,282)	2,427,339
Properties	1,303,857	2,699,651	2,523,053	(99,480)	1,380,975
Trading / Services	17,134,297	48,182,783	35,760,411	304,169	29,860,838
Sukuk Jangkapendek	8,545,897	-	1,994,447	2,742	6,554,192
	<u>44,132,018</u>	<u>67,485,506</u>	<u>54,540,521</u>	<u>(1,008,593)</u>	<u>56,068,410</u>

3.8 Separation Unit

There is no separation unit performed for the period until 31 December 2013.

BSN DANA AL JADID

4. STATEMENT BY MANAGER

We, **TAN SRI ABU BAKAR BIN HAJI ABDULLAH** 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 19 to 46 are drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of **BSN DANA AL-JADID** as at 31 December 2013 and of its results, changes in net asset value and cash flows for the financial year ended on that date and comply with the requirements of the Deed.

On behalf of the Board in accordance with a resolution of the Board of Directors of the Manager

TAN SRI ABU BAKAR BIN HAJI ABDULLAH
Director

ROSLANI BIN HASHIM
Director

Kuala Lumpur
Date : 13 February 2014

BSN DANA AL JADID

5. TRUSTEE'S REPORT

To the Unitholders of
BSN DANA AL-JADID

We have acted as Trustee of **BSN Dana Al-Jadid** ("the Fund") for the financial period from 1 January 2013 to 17 June 2013. To the best of our knowledge, **Permodalan BSN Berhad** ("the Management Company"), has operated and managed the Fund in accordance with the following:

- (a) limitation imposed on the investment powers of the Management Company and the Trustee under the Deed, the Securities Commission's Guidelines on the Unit trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For HSBC (Malaysia) TRUSTEE BERHAD
(Company No : 001281-T)

TAN BEE NIE
Head, Trustee Operations

Kuala Lumpur
Date : 13 February 2014

BSN DANA AL JADID

6. TRUSTEE'S REPORT

FOR THE FINANCIAL YEAR ENDED FROM 18 JUNE 2013 TO 31 DECEMBER 2013

To the Unit Holders of

AMANAH SAHAM BANK SIMPANAN NASIONAL

We, AmanahRaya Trustees Berhad have acted as Trustee of BSN DANA AL-JADID for the financial year ended from 18 June 2013 to 31 December 2013. In our opinion, Permodalan BSN Berhad the Manager, has managed BSN DANA AL-JADID in accordance with the limitations imposed on the investment powers of the management company and the Trustee under the Deed, other provisions of the Deed, the Securities Commission's Guidelines on Unit Trust Funds in Malaysia, the Capital Markets and Services Act 2007 and other applicable laws during the financial year then ended.

We are of the opinion that:

- (a) the procedures and processes employed by the Manager to value and/or price the units of BSN DANA AL-JADID are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirement;
- (b) creation and cancellation of units are carried out in accordance with the Deed and other regulatory requirement; and
- (c) the distribution of returns made by BSN DANA AL-JADID as declared by the Manager is in accordance with the investment objective of BSN DANA AL-JADID.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR

Chief Executive Officer

Kuala Lumpur

Date : 6 February 2014

BSN DANA AL JADID

7. SHARIAH ADVISER'S REPORT

To the Unitholders of **BSN DANA AL-JADID**

We have acted as the Shariah Adviser of **BSN DANA AL-JADID**. 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 DANA AL-JADID** 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 2013.

We wish to draw your attention to the following:

IOI Properties Group Bhd, a Shariah non-compliant security, was acquired on 31 December 2013 and subsequently disposed of on 20 January 2014. Net gain amounting to RM33,279.51 arising from the disposal is to be channelled to Baitulmal or any other charitable bodies as approved by us.

In addition, we also confirm that the investment portfolio of **BSN DANA AL-JADID** comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission. As for the securities which are not certified by the Shariah Advisory Council of the Securities Commission, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser
IBFIM

MOHD NASIR ISMAIL

Shariah Advisor/Designated Person Responsible for Shariah Advisory

Kuala Lumpur
Date: 13 February 2014

**8. INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
BSN DANA AL-JADID**

Report on the Financial Statements

We have audited the financial statements of BSN DANA AL-JADID, which comprise the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 19 to 46.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. The Manager of the Fund is also responsible for such internal control as the Manager of the Fund determines is necessary to enable the preparation of financial statements 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of the financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Fund, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BSN DANA AL JADID

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2013, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

Other Matters

1. This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CROWE HORWATH

Firm No : AF 1018

Chartered Accountants

Date : 19 February 2014

Kuala Lumpur

JAMES CHAN KUAN CHEE

Approval No: 2271/10/15 (J)

Chartered Accountant

BSN DANA AL JADID**9. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

	<u>Note</u>	<u>2013</u> RM	<u>2012</u> RM
ASSETS			
SHARIAH-COMPLIANT INVESTMENTS			
Shariah-compliant equity securities	4	49,514,219	33,596,175
Shariah-compliant non-equity securities	5	6,554,192	8,632,100
Islamic deposits with licensed financial institutions	6	3,993,000	5,793,417
Amount owing by stockbroking companies		-	1,875,039
Amount owing by Manager		-	-
Dividend receivables		129,871	36,935
Profit receivable		44,755	109,566
Tax recoverable		252,690	192,687
Bank balance		1,620	2,845
TOTAL ASSETS		<u>60,490,347</u>	<u>50,238,764</u>
EQUITY			
Unitholders' contribution	8	55,265,644	47,395,086
Available for sale reserve	9	-	86,203
Accumulated gain/losses	10	171,029	(1,416,533)
NAV ATTRIBUTABLE TO UNITHOLDERS		<u>55,436,673</u>	<u>46,064,756</u>
LIABILITIES			
Amount owing to stockbroking companies		579,014	784,185
Distribution payable		4,347,572	3,281,927
Amount owing to Manager		74,608	61,610
Amount owing to Trustee		3,979	3,286
Other payables and accruals		48,500	43,000
TOTAL LIABILITIES		<u>5,053,674</u>	<u>4,174,008</u>
TOTAL NAV ATTRIBUTABLE TO UNITHOLDERS AND LIABILITIES		<u>60,490,347</u>	<u>50,238,764</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>218,649,000</u>	<u>187,503,000</u>
NAV PER UNIT (ex-distribution) (RM)		<u>0.2535</u>	<u>0.2457</u>

The annexed notes form an integral part of these financial statements.

BSN DANA AL JADID

**9. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	<u>Note</u>	<u>2013</u> RM	<u>2012</u> RM
INVESTMENT INCOME			
Profit from Islamic deposits		129,159	250,100
Income from sukuk		332,980	684,039
Gross dividend income		1,447,573	807,723
Net realised gain on disposal of Shariah-compliant investments		4,300,553	2,913,699
Net unrealised income/(loss) on fair value through profit or loss investments		868,470	(1,049,005)
		<u>7,078,735</u>	<u>3,606,556</u>
LESS: EXPENSES			
Manager's fee	11	805,108	700,877
Trustee's fee	12	42,939	37,380
Tax agent's fee		6,200	8,138
Administrative expenses		328,946	53,696
Auditors' remuneration		18,000	18,000
		<u>1,201,193</u>	<u>818,091</u>
NET INCOME BEFORE TAXATION		5,877,542	2,788,465
TAXATION	13	(28,610)	(38,434)
NET INCOME/(LOSS) AFTER TAXATION FOR THE FINANCIAL YEAR		<u>5,848,932</u>	<u>2,750,031</u>
OTHER COMPREHENSIVE INCOME			
<u>Items that may be reclassified subsequently to profit or loss</u>		-	-
Net change in fair value of available-for sale financial assets		86,203	(261,798)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		<u>5,935,135</u>	<u>2,488,233</u>
Net income/(loss) after taxation for the financial year is made up of the following:			
- Realised gains		5,066,665	3,537,238
- Unrealised losses		868,470	(1,049,005)
		<u>5,935,135</u>	<u>2,488,233</u>
Distribution for the financial year			
Gross distribution per unit (sen)	14	4,347,572	3,281,927
Net distribution per unit (sen)		2.00	1.80
		1.99	1.75

The annexed notes form an integral part of these financial statements.

BSN DANA AL JADID

**10. STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	<u>Note</u>	<u>Unitholders' Contribution</u>	<u>Accumulated Losses</u>	<u>Available For Sale Reserves</u>	<u>Total Net Asset Value</u>
		RM	RM	RM	RM
Balance at 1.1.2012		43,006,641	(884,637)	348,001	42,470,005
Total net income after taxation for the financial year		-	2,750,031	-	2,750,031
Other comprehensive income for the financial year:					
- Net change in fair-value of available-for-sale financial assets		-	-	(261,798)	(261,798)
Total comprehensive income for the financial year		-	2,750,031	(261,798)	2,488,233
Contributions by and distribution to unitholders of the Fund:					
- Creation of units		2,101,948	-	-	2,101,948
- Cancellation of units		(260,700)	-	-	(260,700)
- Distribution reinvestment		2,547,197	-	-	2,547,197
Distribution	14	-	(3,281,927)	-	(3,281,927)
Total transaction with unitholders of the Fund		4,388,445	(3,281,927)	-	1,106,518
As at 31.12.2012		<u>47,395,086</u>	<u>(1,416,533)</u>	<u>86,203</u>	<u>46,064,756</u>

The annexed notes form an integral part of these financial statements.

BSN DANA AL JADID

	Note	Unitholders' Contribution RM	Accumulated Losses RM	Available For Sale Reserves RM	Total Net Asset Value RM
Balance at 1.1.2013		47,395,086	(1,416,533)	86,203	46,064,756
Total net income after taxation for the financial year		-	5,935,135	-	5,935,135
Other comprehensive income for the financial year:					
- Net change in fair-value of available-for-sale financial assets		-	-	(86,203)	(86,203)
Total comprehensive income for the financial year		-	5,935,135	(86,203)	5,848,932
Contributions by and distribution to unitholders of the Fund:					
- Creation of units		5,176,211	-	-	5,176,211
- Cancellation of units		(587,580)	-	-	(587,580)
- Distribution reinvestment		3,281,927	-	-	3,281,927
Distribution	14	-	(4,347,572)	-	(4,347,572)
Total transaction with unitholders of the Fund		7,870,558	(4,347,572)	-	3,522,986
As at 31.12.2013		<u>55,265,644</u>	<u>171,030</u>	<u>-</u>	<u>55,436,674</u>

The annexed notes form an integral part of these financial statements.

BSN DANA AL JADID**11. STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	<u>Note</u>	<u>2013</u> <u>RM</u>	<u>2012</u> <u>RM</u>
CASH FLOWS FROM/(FOR) OPERATING AND INVESTING ACTIVITIES			
Net income before taxation		5,877,542	2,788,465
Adjustments for:-			
Gross dividend income		(1,447,573)	(807,723)
Profit from Islamic deposits		(129,159)	(250,100)
Income from sukuk		(332,980)	(684,039)
Net realised gain on disposal of Shariah-compliant investments		(4,300,553)	(2,913,699)
Net unrealised gain on fair value through profit or loss Shariah-compliant investments		(868,470)	1,049,005
Operating loss before working capital changes		<u>(1,201,193)</u>	<u>(818,091)</u>
Increase in amount owing by stockbroking companies		1,875,039	(1,875,039)
Decrease in amount owing by the Manager		-	315,000
(Increase) in other receivables		(101,780)	(21,410)
(Increase)/Decrease in profit receivable		64,268	(8,204)
(Decrease)/Increase in amount owing to stockbroking companies		(205,171)	273,149
Increase/(Decrease) in amount owing to Manager		12,998	(5,838)
Increase in amount owing to Trustee		693	449
Increase in other payables		20,800	-
Tax paid		(39,413)	(4,962)
Net cash used in operations		<u>426,241</u>	<u>(2,144,946)</u>
Profit from Islamic deposits		129,159	250,100
Income from sukuk received		447,631	684,039
Net dividend received		1,391,917	754,215
Purchase of Shariah-compliant investments		(74,612,119)	(63,539,912)
Proceeds from sale of Shariah-compliant investments		<u>65,826,898</u>	<u>61,124,487</u>
NET CASH FLOWS FOR OPERATING AND INVESTING ACTIVITIES CARRIED FORWARD		<u><u>(6,390,273)</u></u>	<u><u>(2,872,017)</u></u>
CASH FLOWS FOR FINANCING ACTIVITIES			
Proceeds from units created		5,176,211	2,101,948
Payment for cancelled units		(587,580)	(260,700)
NET CASH FOR FINANCING ACTIVITIES		<u>4,588,631</u>	<u>1,841,248</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,801,642)	(1,030,769)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>5,796,262</u>	<u>6,827,031</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	15	<u><u>3,994,620</u></u>	<u><u>5,796,262</u></u>

The annexed notes form an integral part of these financial statements.

BSN DANA AL JADID

12. NOTES TO THE FINANCIAL STATEMENTS

1. THE FUND, PRINCIPAL ACTIVITIES AND THE MANAGER

BSN DANA AL-JADID (hereinafter referred to as 'the Fund') was constituted pursuant to the execution of a Deed dated 11 March 2008 between the Manager, Permodalan BSN Berhad, the Trustee, HSBC (Malaysia) Trustee Berhad and registered holders of the Fund and Supplemental Deed dated 23 May 2013 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 Level 19, Lot 1, Bangunan TH Selborn, 153 Jalan Tun Razak, 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 18 June 2008.

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 Fund.

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 13 February 2014.

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"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

2.1 During the current financial year, the Fund has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including the Consequential Amendments)

MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 (2011) Employee Benefits
MFRS 127 (2011) Separate Financial Statements
MFRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to MFRSs 2009 – 2011 Cycle

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The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any impact on the Fund's financial statements.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. MFRS 13 has been applied prospectively as of the beginning of the current financial year and the impacts on the financial statements of the Fund upon its initial application the disclosed in the Note to the financial statements.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Fund upon its initial application other than the presentation format of the Fund of profit or loss and other comprehensive income.

- 2.2 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:-

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	1 January 2015
MFRS 9 (2010) Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

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The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Fund's operations except as follows:-

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.

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) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Fund recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) 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.

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(iii) Impairment of Available-for-sale Financial Assets

The Fund reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Fund also records impairment loss on available-for-sale Shariah-compliant equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Fund evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of a Shariah-compliant investment is less than its cost.

(iv) 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 and equity.

(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.

(d) Financial Instruments

Financial instruments are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Profit, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables financial assets, held-to-maturity Shariah-compliant investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Shariah-compliant derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established.

- *Held-to-maturity Shariah-compliant Investments*

Held-to-maturity Shariah-compliant investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity Shariah-compliant investments are measured at amortised cost using the effective profit method less any impairment loss, with profit income recognised in profit and loss on an effective yield basis.

- *Loans and Receivables Financial Assets*

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective profit method, less any impairment loss. Profit is recognised by applying the effective profit rate, except for short-term receivables when the recognition of profit would be immaterial. The Fund does not have any loan.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

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Dividends on available-for-sale Shariah-compliant equity instruments are recognised in profit or loss when the Fund's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Shariah-compliant derivatives are also classified as held for trading unless they are designated as hedges.

(iii) 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

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an Shariah-compliant equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity Shariah-compliant investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective profit rate. The Fund does not have any loan.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of Shariah-compliant available-for-sale non-equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the

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previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale sukuk investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss. The Fund does not have any loan.

(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 period.

(g) 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.

Distributions are recognised as liabilities when approved for appropriation.

(h) 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 income 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 liabilities are recognised for all taxable temporary differences other than those that arise from 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 or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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.

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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.

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.

(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.

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) Profit from Islamic deposits and Income from sukuk

Profit from Islamic deposits and income from sukuk are recognised on an accrual basis.

(ii) Dividend Income

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

(iii) Realised Gains or Losses on Sale of Investments

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

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, or cash payments or receipts made on Shariah-compliant derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

(l) Operating Segments

For management purposes, the Fund is organised into one main operating segment, which invests in various types of investment including Shariah-compliant equity and sukuk. 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 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. |

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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).

4. QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES

	No. Of Shares Held	At Cost	At Market Value	Percentage Of Net Asset Value At 31 December 2013
	Unit	RM	RM	%
(i) Construction				
Gamuda Berhad	350,000	1,651,000	1,680,000	3.03
IJM Corporation Berhad	299,700	1,746,848	1,762,236	3.18
	<u>649,700</u>	<u>3,397,848</u>	<u>3,442,236</u>	<u>6.21</u>
(ii) Consumer Products				
Malayan Flour Mills Berhad	1,020,500	1,887,697	1,551,160	2.80
Panasonic Manufacturing Malaysia Berhad [Note 7 (a)(i)]	4,000	86,820	89,280	0.16
	<u>1,024,500</u>	<u>1,974,516</u>	<u>1,640,440</u>	<u>2.96</u>
(iii) Industrial Products				
Favelle Favco Berhad	246,900	754,434	777,735	1.40
Kossan Rubber Industries Berhad	100,000	371,000	432,000	0.78
Petronas Chemicals Group Berhad	500,000	3,353,391	3,460,000	6.24
Petronas Gas Berhad	35,000	674,846	849,800	1.53
Ta Ann Holdings Berhad	326,800	1,485,827	1,362,756	2.46
Top Glove Corporation Berhad	400,000	2,459,910	2,252,000	4.06
UMW Holdings Berhad	135,000	1,894,036	1,628,100	2.94
	<u>1,743,700</u>	<u>10,993,444</u>	<u>10,762,391</u>	<u>19.41</u>
(iv) Plantation				
IOI Corporation Berhad	165,000	969,500	777,150	1.40
Kulim (Malaysia) Berhad	230,300	1,108,051	792,232	1.43
TH Plantations Berhad	456,360	1,045,069	857,957	1.55
	<u>851,660</u>	<u>3,122,620</u>	<u>2,427,339</u>	<u>4.38</u>

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	No. Of Shares Held	At Cost	At Market Value	Percentage Of Net Asset Value At 31 December 2013
	Unit	RM	RM	%
(v) Properties				
IOI Properties Group Berhad [Note 7 (a)(ii)]	82,500	48,400	207,075	0.37
SP Setia Berhad [Note 7 (a)(i)]	390,000	1,432,055	1,173,900	2.12
	<u>472,500</u>	<u>1,480,455</u>	<u>1,380,975</u>	<u>2.49</u>
(vi) Trading / Services				
Axiata Group Berhad	540,000	3,667,994	3,726,000	6.72
Barakah Offshore Petroleum Berhad	380,000	577,486	581,400	1.05
Bumi Armada Berhad [Note 7 (a)(i)]	170,000	676,600	685,100	1.24
Dayang Enterprise Holdings Berhad	108,000	574,279	625,320	1.13
Digi.Com Berhad	675,000	3,315,837	3,348,000	6.04
Gas Malaysia Berhad	246,000	975,940	952,020	1.72
KPJ Healthcare Berhad	165,300	691,331	641,364	1.16
KPJ Healthcare Berhad - OR	7,346	-	15,133	0.03
Malaysia Marine And Heavy Engineering Holdings Bhd	440,000	2,521,870	1,540,000	2.78
MISC Berhad	268,400	1,246,513	1,529,880	2.76
NCB Holdings Berhad	418,500	1,659,801	1,464,750	2.64
Perdana Petroleum Berhad	999,900	1,438,919	1,589,841	2.87
Petronas Dagangan Berhad	27,000	634,570	848,880	1.53
Sime Darby Berhad	390,000	3,702,246	3,712,800	6.70
Telekom Malaysia Berhad	665,000	3,810,103	3,690,750	6.66
Tenaga Nasional Berhad	220,000	2,283,180	2,503,600	4.51
UMW Oil & Gas Corporation Berhad	600,000	1,780,000	2,406,000	4.34
	<u>6,320,446</u>	<u>29,556,669</u>	<u>29,860,838</u>	<u>53.87</u>
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES AS AT 31 DECEMBER 2013	<u>11,062,506</u>	<u>50,525,553</u>	<u>49,514,219</u>	<u>89.32</u>
UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,011,335)</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>49,514,219</u>		

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5. SHARIAH-COMPLIANT NON-EQUITY SECURITIES

	No. Of Shares Held	At Cost	At Market Value	Percentage Of Net Asset Value At 31 December 2013
	Unit	RM	RM	%
Short-term sukuk				
Binariang GSM Sdn Bhd	3,500,000	3,551,450	3,550,592	6.40
Penerbangan Malaysia Berhad	3,000,000	3,000,000	3,003,600	5.42
At end of the financial year	<u>6,500,000</u>	<u>6,551,450</u>	<u>6,554,192</u>	<u>11.82</u>

6. ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective rates of return of the Islamic deposits at the end of the reporting period ranged from 2.50% to 3.25% (2012 - 2.85% to 3.25%) per annum. The Islamic deposits have maturity periods ranging from 1 day to 94 days (2012 - 1 day to 100 days).

7. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

(a) Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") of Malaysia except for;

(i) Panasonic Manufacturing Malaysia Berhad, SP Setia Berhad and Bumi Armada Berhad, the securities which were reclassified as Shariah non-compliant by the Shariah SACSC on 29 November 2013. These securities will be disposed of soonest practical, within 6 months from the reclassification date as permitted by the SACSC;

(ii) The Shariah Adviser has designated IOI Properties Group Berhad as Shariah non-compliant on 27 December 2013.

By virtue of holding of IOI Corporation Berhad, the Fund received units of IOI Properties Group Berhad. The Manager is advised to dispose of IOI Properties Group Berhad soonest practical. Proceeds from the disposal are to be used to offset the price difference of IOI Corporation Berhad on ex-date and before ex-date.

The Manager has acquired additional units of IOI Properties Group Berhad on 31 December 2013 and subsequently disposed of the same on 20 January 2014. Net gain amounting to RM33,279.51 arising from the disposal is to be channelled to Baitulmal or any other charitable bodies as approved by the Shariah Adviser.

(b) Sukuk as per the list of approved sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and

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(c) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

8. UNITHOLDERS' CONTRIBUTION

	2013		2012	
	Unit	RM	Unit	RM
At 1 January	187,503,000	47,395,086	170,200,000	43,006,641
Creation of units	19,982,713	5,176,211	8,266,764	2,101,948
Reinvestment of units	13,363,287	3,281,927	10,036,236	2,547,197
Cancellation of units	(2,200,000)	(587,580)	(1,000,000)	(260,700)
At end of the financial year	<u>218,649,000</u>	<u>55,265,644</u>	<u>187,503,000</u>	<u>47,395,086</u>

In accordance with the Scheme, the maximum number of units that can be issued for circulation is 800,000,000. As at 31 December 2013, the remaining number of units to be issued amounted to 581,351,000 (2012-612,497,000) units.

9. AVAILABLE FOR SALE RESERVE

The fair value reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

10. ACCUMULATED GAIN/(LOSSES)

The breakdown of the accumulated gain/(losses) as at the end of the reporting period is as follows:-

	2013	2012
	RM	RM
Total accumulated losses:		
Realised losses	1,182,364	487,211
Unrealised losses	(1,011,334)	(1,903,744)
At end of the financial year	<u>171,030</u>	<u>(1,416,533)</u>

11. MANAGER'S FEE

The Manager's fee is computed based on 1.5% (2012 - 1.5%) per annum of the net asset value of the Fund calculated on a daily basis.

12. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.08% (2012 - 0.08%) per annum of the net asset value calculated on a daily basis.

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13. TAXATION

	<u>2013</u>	<u>2012</u>
	RM	RM
Current tax expense:		
- for the financial year	13,025	36,286
- under/(over) provision in the previous financial year	15,585	2,148
	<u>28,610</u>	<u>38,434</u>

The statutory tax rate remained at 25% of the estimated assessable income for the financial year.

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:-

	<u>2013</u>	<u>2012</u>
	RM	RM
Net income/(loss) before taxation	5,877,542	2,788,465
Tax at the statutory tax rate of 25%	1,469,000	697,116
Tax effects of:-		
Non-taxable income	(1,720,000)	(847,381)
Non-deductible expenses	264,025	186,551
Under/(Over) provision in the previous financial year	15,585	2,148
Tax expense for the financial year	<u>28,610</u>	<u>38,434</u>

14. DISTRIBUTION FOR THE FINANCIAL YEAR

Distribution to unitholders is from the following sources:-

	<u>2013</u>	<u>2012</u>
	RM	RM
Dividend income	1,422,499	800,445
Profit from Islamic deposits	129,159	250,100
Income from sukuk	332,980	684,039
Other income	-	-
Realised gain on disposal of investment	3,534,401	2,391,161
	<u>5,419,040</u>	<u>4,125,745</u>
Less:		
Allowable expenses	(1,046,060)	(750,691)
Taxation	(25,408)	(93,127)
Distributions for the financial year	<u>4,347,572</u>	<u>3,281,927</u>

BSN DANA AL JADID**15. CASH AND CASH EQUIVALENTS**

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

	<u>2013</u> RM	<u>2012</u> RM
Islamic deposits with licensed financial institutions	3,993,000	5,793,417
Cash and bank	1,620	2,845
	<u>3,994,620</u>	<u>5,796,262</u>

16. UNITS HELD BY RELATED PARTIES

	<u>2013</u>		<u>2012</u>	
	UNIT	RM	UNIT	RM
Holding company of the Manager	91,327,767	23,151,589	85,249,745	20,943,711
The Manager	156,272	39,615	70,871	17,411
	<u>91,484,039</u>	<u>23,191,204</u>	<u>85,320,616</u>	<u>20,961,122</u>

17. TRANSACTIONS WITH STOCKBROKING COMPANIES

Transactions with stock broking companies during the financial year ended are as follows:-

	<u>Value of trade</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees and commissions</u> RM	<u>Percentage of total fees and commissions</u> %
<u>31.12.2013</u>				
Name of Stockbrokers				
Affin Investment Bank Berhad	14,089,574	11.33	28,165	11.54
AmInvestment Bank Berhad	8,846,277	7.12	17,676	7.24
CIMB Investment Bank Berhad	16,331,744	13.14	38,921	15.95
AmanahRaya Trustee Berhad	48,400	0.04	-	-
Maybank Investment Bank Berhad	10,767,342	8.66	21,508	8.81
M&A Securities Sdn Bhd	21,294,100	17.13	31,928	13.08
MIDF Amanah Investment Bank Berhad	43,418,303	34.93	86,849	35.58
RHB Investment Bank Berhad	9,511,664	7.65	19,027	7.80
	<u>124,307,404</u>	<u>100.00</u>	<u>244,073</u>	<u>100.00</u>

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<u>31.12.2012</u>	<u>Value of trade</u>	<u>Percentage of total trades</u>	<u>Brokerage fees and commissions</u>	<u>Percentage of total fees and commissions</u>
	<u>RM</u>	<u>%</u>	<u>RM</u>	<u>%</u>
Name of Stockbrokers				
Affin Investment Bank Berhad	11,747,553	9.68	33,011	10.04
AmInvestment Bank Berhad	6,179,642	5.09	17,677	5.38
CIMB Investment Bank Berhad	14,137,244	11.65	44,557	13.56
AmanahRaya Trustee Berhad	1,495,000	1.23	2,315	0.70
Maybank Investment Bank Berhad	15,917,017	13.12	45,212	13.76
M&A Securities Sdn Bhd	17,181,554	14.16	39,370	11.98
MIDF Amanah Investment Bank Berhad	42,323,282	34.89	116,036	35.31
RHB Investment Bank Berhad	11,672,798	9.62	30,456	9.27
HBSC Trustees (M) Berhad	658,038	0.54	-	-
	<u>121,312,128</u>	<u>100.00</u>	<u>328,634</u>	<u>100.00</u>

18. MANAGEMENT EXPENSE RATIO

The management expense ratio for the current financial year is 2.00% (2012 - 2.00%). It is the ratio of all the fees deducted from the Fund including Manager's fee, Trustee's fee, auditors' fee, tax agent's fee plus expense charged to the Fund expressed as a percentage of the Fund's average net asset value, calculated on a monthly basis.

19. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio for the current financial year is 1.30 (2012 - 1.30) times. It is the ratio of the average of the total acquisitions and disposals of Shariah-compliant investments of the Fund over the average net asset value of the Fund.

20. RELATED PARTY TRANSACTIONS

(a) Identity of related parties

The Fund has related party relationships with the Manager and the holding company of the Manager.

(b) In addition to the balance detailed elsewhere in the financial statements, the Fund carried out the following transactions with the related party during the financial year:

	<u>2013</u>	<u>2012</u>
	<u>RM</u>	<u>RM</u>
Management fee payable to the Manager	<u>805,108</u>	<u>700,877</u>

21. OPERATING SEGMENTS

The Manager and Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The following table provides an analysis of the income and assets by investment segments:

SEGMENT INCOME

	2013	2012
	RM	RM
Short-term sukuk	332,980	684,039
Shariah-compliant equity securities	5,748,126	3,721,422
Islamic deposits with licensed financial institutions	129,159	250,100
Total segment income	<u>6,210,266</u>	<u>4,655,561</u>

SEGMENT ASSET

	2013	2012
	RM	RM
Shariah-compliant equity securities	49,514,219	33,596,175
Shariah-compliant non-equity securities	6,554,192	8,632,100
Islamic deposits with licensed financial institutions	3,993,000	5,793,417
Amount owing by stockbroking companies	-	1,875,039
Amount owing by Manager	-	-
Other receivables	129,871	36,935
Profit receivables	44,755	109,566
Tax refundables	252,690	192,687
Bank balance	1,620	2,845
	<u>60,490,347</u>	<u>50,238,764</u>

22. 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 and 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 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.

(i) Price Risk

Price risk is the risk that the fair values of Shariah-compliant equity securities decrease as a result of changes in the level of equity indices and the value of individual securities. It is the Fund's policy to maximise returns for the least amount of risk and the Manager selects securities that are fundamentally sound with good growth potential.

The table below shows the diversification of the Fund's investment portfolio as at 31 December 2013.

	2013		2012	
	RM	% NAV	RM	% NAV
Construction	3,442,236	6.21	1,778,231	3.86
Consumer Products	1,640,440	2.96	1,714,240	3.72
Finance	-	-	1,503,350	3.26
Industrial Products	10,762,391	19.41	7,599,015	16.50
Plantation	2,427,339	4.38	3,460,577	7.51
Properties	1,380,975	2.49	1,276,362	2.77
Trading/Services	29,860,838	53.86	16,264,400	35.31
	<u>49,514,219</u>	<u>89.32</u>	<u>33,596,175</u>	<u>72.93</u>

The overall market position is monitored on a daily basis by the Manager. The Manager will determine which industry may benefit from current and future changes in the economy when undergoing the process of sector allocation.

The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's daily net asset value.

If prices for quoted Shariah-compliant investments as at the end of the reporting period strengthened by 5% with all other variables being held constant, the Fund's profit before taxation and equity would have increased by RM2,475,711. A 5% weakening in the quoted prices would have had an equal but opposite effect on the profit after taxation and equity respectively.

In practice, the actual trading results may differ from the sensitivity analysis presented above and the difference could be material.

The market price information provided in the table above represent a hypothetical outcome and is not intended to be predictive. Market conditions could vary significantly from that suggested.

The Manager has in place a system for the monitoring of the Fund's transactions to ensure compliance with the SC's Guidelines on Unit Trust Funds in Malaysia and the Fund's limits and investment restrictions in accordance with the parameters in the Trust Deed.

(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.

Interest rate risk is a general economic indicator that will have an impact on the management of funds regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest conventional financial instruments.

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 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 securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the 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 in Malaysia.

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

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	<u>2013</u>	<u>2012</u>
	RM	RM
Shariah-compliant non-equity securities	6,554,192	8,632,100
Islamic deposit with licensed financial institution	3,993,000	5,793,417
Amount owing by stockbroking companies	-	1,875,039
Dividend receivable	129,871	36,935
Profit receivable	44,755	109,566
Cash at bank	1,620	2,845
	<u>10,723,438</u>	<u>16,449,902</u>

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

All financial assets of the Fund as at 31 December 2013 are neither past due nor impaired.

Credit quality of financial assets

The Fund invests only in sukuk with at least investment grade of Single A credit rating by a credit rating agency. The following table analyses the Fund's portfolio of sukuk by rating category:

	As A % of Sukuk as at 2013	As A % Of NAV as at 2013
	%	%
Credit Rating		
AA3	54.17	6.40
NR(LT)	45.83	5.42
	<u>100.00</u>	<u>11.82</u>

(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 maintains sufficient level of Islamic liquid assets with minimum level of 10% of the net asset value of the Fund to meet anticipated payments and cancellation of units by unitholders. Islamic money market instruments which include Islamic term deposits, repurchase agreements and short term cash placements with financial institutions, will be used to maintain the Fund's liquidity position and as a short term alternative measure when the equity market experiences excessive volatility.

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.

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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	Contractual Undiscounted Cash Flows	Within 1 Year
<u>2013</u>	RM	RM	RM
Amount owing to stockbroking	579,014	579,014	579,014
Amount owing to Manager	74,608	74,608	74,608
Amount owing to Trustee	3,979	3,979	3,979
Distribution payable	4,347,572	4,347,572	4,347,572
Other payables and accruals	48,500	48,500	48,500
Total financial liabilities	5,053,674	5,053,674	5,053,674
<u>2012</u>			
Amount owing to stockbroking	784,185	784,185	784,185
Amount owing to Manager	61,610	61,610	61,610
Amount owing to Trustee	3,286	3,286	3,286
Distribution payable	3,281,927	3,281,927	3,281,927
Other payables and accruals	43,000	43,000	43,000
Total financial liabilities	4,174,008	4,174,008	4,174,008

(iv) Reclassification of Shariah Status Risk

The risk is that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant 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.

(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 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 Wholesale Funds in Malaysia.

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It is, and has been throughout the current and previous financial year, the Fund's policy that no 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.

(b) Classification of Financial Instruments

	<u>2013</u>	<u>2012</u>
Financial Assets	RM	RM
<u>Available-for-sale financial assets</u>		
Quoted Shariah-compliant non-equity securities	6,554,192	8,632,100
<u>Loans and receivables financial assets *</u>		
Islamic deposits with licensed financial institutions	3,993,000	5,793,417
Amount owing by stockbroking companies	-	1,875,039
Amount owing by Manager	-	-
Other receivables	129,871	36,935
Profit receivable	44,755	109,566
Bank balance	1,620	2,845
	<u>4,169,247</u>	<u>7,817,802</u>
<u>Fair value through profit or loss</u>		
Quoted Shariah-compliant equity securities	49,514,219	33,596,175
Financial Liabilities		
<u>Other financial liabilities</u>		
Amount owing to stockbroking companies	(579,014)	(784,185)
Distribution payable	(4,347,572)	(3,281,927)
Amount owing to Manager	(74,608)	(61,610)
Amount owing to Trustee	(3,979)	(3,286)
Other payables and accruals	(48,500)	(43,000)
	<u>(5,053,673)</u>	<u>(4,174,008)</u>

* *The Fund does not have any loan.*

(c) Fair Values Measurements

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximately their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

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	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value /Carrying Amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
	RM	RM	RM	RM	RM	RM	
2013							
<u>Financial Assets</u>							
Shariah-compliant equity securities	49,514,219	-	-	-	-	-	49,514,219
Shariah-compliant non-equity securities	6,554,192	-	-	-	-	-	6,554,192
2012							
<u>Financial Liabilities</u>							
Shariah-compliant equity securities	33,596,175	-	-	-	-	-	33,596,175
Shariah-compliant non-equity securities	8,632,100	-	-	-	-	-	8,632,100

The fair values of level 2 are estimated based on their quoted market prices as at the end of the reporting period.

BSN DANA AL JADID

CORPORATE INFORMATION

MANAGER

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

REGISTERED/ BUSINESS OFFICE

Level 19, Lot 1,
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E - mail : info@pbsn.com.my
Tel : 03-2180 9000
Faks : 03-7966 5660
Website : www.pbsn.com.my

BOARD OF DIRECTORS

Tan Sri Abu Bakar Bin Haji Abdullah
Datuk Azizan Bin Abdul Rahman
Datuk Adinan Bin Maning
Dato' Dr. Gan Miew Chee @ Gan Khuan Poh
Encik Roslani Bin Hashim
Encik Yunos Bin Abd Ghani
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 Bank Berhad
135-137, Jalan Bunus
Off Jalan Masjid India
50100 Kuala Lumpur

TRUSTEES

HSBC (Malaysia) Trustee Berhad (1281-T)
13th Floor, HSBC South Tower
No. 2, Leboh Ampang
50100 Kuala Lumpur

BSN DANA AL JADID

AmanahRaya Trustees Berhad (766894-T)
Tingkat 2, Wisma TAS
No. 21, Jalan Melaka
50100 Kuala Lumpur

SHARIAH ADVISER

IBFIM (763075-W)
Level 3, Menara Takaful Malaysia
Jalan Sultan Sulaiman
50000 Kuala Lumpur

AUDITOR

CROWE HORWATH Kuala Lumpur Office (AF 1018)
Level 16, Tower C
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

TAX ADVISER

CROWE HORWATH KL TAX (AF 1018)
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Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

INDEPENDENT CONSULTANT

Perkasa Normandy Managers Sdn Bhd (530172-V)
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