



PERMODALAN BSN BERHAD
A Wholly-Owned Subsidiary of BSN

AMANAH SAHAM BANK SIMPANAN NASIONAL

**INTERIM REPORT
For the Six Month Ended
30 June 2019**

AMANAH SAHAM BANK SIMPANAN NASIONAL

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AMANAH SAHAM BANK SIMPANAN NASIONAL

MANAGER'S REPORT

Dear Unit Holders,

Permodalan BSN Berhad act as a Manager and AmanahRaya Trustees Berhad (ART) act as a Trustee for fund Amanah Saham Bank Simpanan Nasional (ASBSN), are pleased to present the Interim Report of ASBSN for the six months financial period ended 30 June 2019.

1. FUND INFORMATION

Amanah Saham Bank Simpanan Nasional (ASBSN)																				
Fund Type	Growth and Income Fund																			
Fund Category	Equity Fund																			
Investment Objective	<p>The investment objectives of ASBSN are:</p> <p>(a) to seek medium to long term capital appreciation of the Units through investment in the equity markets; and</p> <p>(b) to seek income opportunities by investing in high income yielding securities and interest bearing instruments.</p> <p>Note: Any material changes to the investment objective of the Fund would require the Unit Holders approval.</p>																			
Performance Benchmark	The performance benchmark used by the Manager is the performance of FTSE Bursa Malaysia KLCI (FBM KLCI).																			
Distribution Policy	Subject to the Manager's discretion and the availability of the Fund's realized income, distribution of income (if any) shall be made at least once in a financial year.																			
Unit Holdings	<p>On 30 June 2019, a total of 84,580 people have invested in ASBSN. Breakdown of unit holdings are as follows:</p> <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>75,645</td><td>73,521,390</td></tr><tr><td>5,001 – 10,000</td><td>5,096</td><td>36,850,001</td></tr><tr><td>10,001 – 50,000</td><td>3,615</td><td>65,675,382</td></tr><tr><td>50,001 – 500,000</td><td>223</td><td>18,871,507</td></tr><tr><td>500,001 and above</td><td>1</td><td>71,999,760</td></tr></tbody></table>		Size of Holdings	No. of Unitholders	No. of Units Held	5,000 and below	75,645	73,521,390	5,001 – 10,000	5,096	36,850,001	10,001 – 50,000	3,615	65,675,382	50,001 – 500,000	223	18,871,507	500,001 and above	1	71,999,760
Size of Holdings	No. of Unitholders	No. of Units Held																		
5,000 and below	75,645	73,521,390																		
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500,001 and above	1	71,999,760																		

AMANAH SAHAM BANK SIMPANAN NASIONAL

2. FUND PERFORMANCE

2.1 Achievement of ASBSN

For the period ended 30 June 2019, Amanah Saham BSN (“the Fund”) registered a return of 5.94% year-to-date (YTD) as compared to its Benchmark’s return of -1.09% year-to-date, thus outperformed the Benchmark’s return by 7.03%.

For the six (6) months period, the Fund did not declare any dividend distribution. Nonetheless, the Fund meet its investment objectives of providing investors with a capital appreciation and income opportunities during the period under review.

2.2 Asset Allocation

Asset allocations for ASBSN are as follows:

Components of Asset Portfolio	%		
	30.06.2019	31.12.2018	31.12.2017
Investment in equity market	76.64	74.85	90.22
Cash	23.36	25.15	9.78
Total	100.00	100.00	100.00

2.3 Asset Allocation by Sector

Sector	RM’000		
	30.06.2019	31.12.2018	31.12.2017
Investment in equity market:			
Construction	3,074	1,413	4,351
Consumer Products & Services	4,902	4,348	4,267
Energy	4,487	2,960	691
Financial Services	8,289	7,472	9,565
Health Care	4,319	5,958	2,403
Industrial Products & Services	4,869	5,154	10,294
Plantation	2,330	1,671	5,352
Property	1,164	895	2,853
REITS	-	-	-
Technology	3,475	2,450	9,243
Telecommunication & Media	3,393	4,613	4,984
Transportation & Logistics	1,680	2,011	5,487
Utilities	3,251	3,378	5,884
Cash	14,100	15,880	9,662

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2.4 Comparative Financial Information for the Period 3 Years

FUND DATA	30.06.2019	31.12.2018	31.12.2017
Net Asset Value (RM'000)	59,014	56,544	72,464
Net Asset Value per Unit (RM)	0.2195	0.2072	0.2642
Unit In Circulation ('000)	268,870	272,920	274,220
Selling Price per Unit (RM)	0.2195	0.2072	0.2642
Buying Price per Unit (RM)	0.2195	0.2072	0.2642
Selling Price per Unit (High) (RM)	0.2037	0.2761	0.2904
Buying Price per Unit (High) (RM)	0.2037	0.2761	0.2904
Selling Price per Unit (Low) (RM)	0.2209	0.2037	0.2605
Buying Price per unit (Low) (RM)	0.2209	0.2037	0.2605
Total Fund Return (Growth Capital) (%)	5.94	-3.61	-0.51
Total Fund Return(Distribution) (%)	-	-	3.10
Gross Distribution per Unit (%)	-	-	0.85
Net Distribution per Unit (%)	-	-	0.85
Date of payment	-	-	02/02/2018
Management Expense Ratio (%) :	1.14	3.20	3.26
Portfolio Turnover Ratio (times) :	0.25	1.32	1.64

2.4.1 Management Expense Ratio

The MER for the financial period is lower than previous financial year mainly due to the six months calculation as RM0.66 million compared RM2.09 million in year 2018.

2.4.2 Portfolio Turnover Ratio

The PTR for the financial period is lower than previous financial year mainly due to decrease in trading activities.

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BASES OF CALCULATION

i. Portfolio Composition

Content portfolio is calculated according to the market price on 30 June 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 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 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.

AMANAH SAHAM BANK SIMPANAN NASIONAL

3. MANAGER’S REPORT

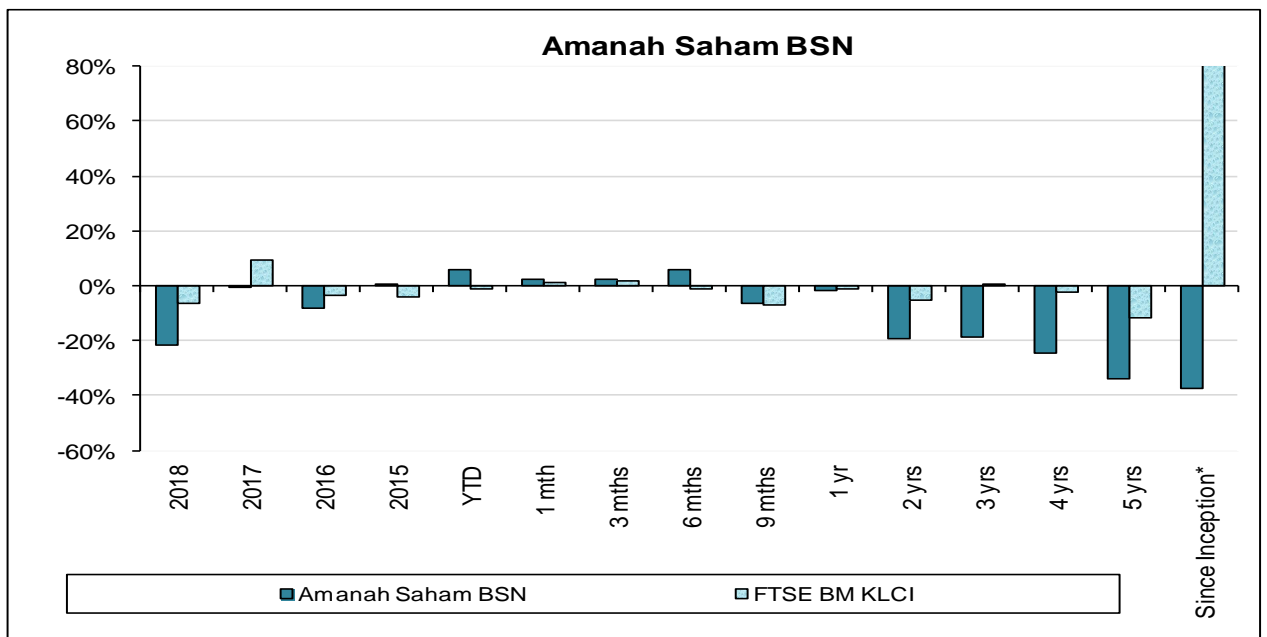
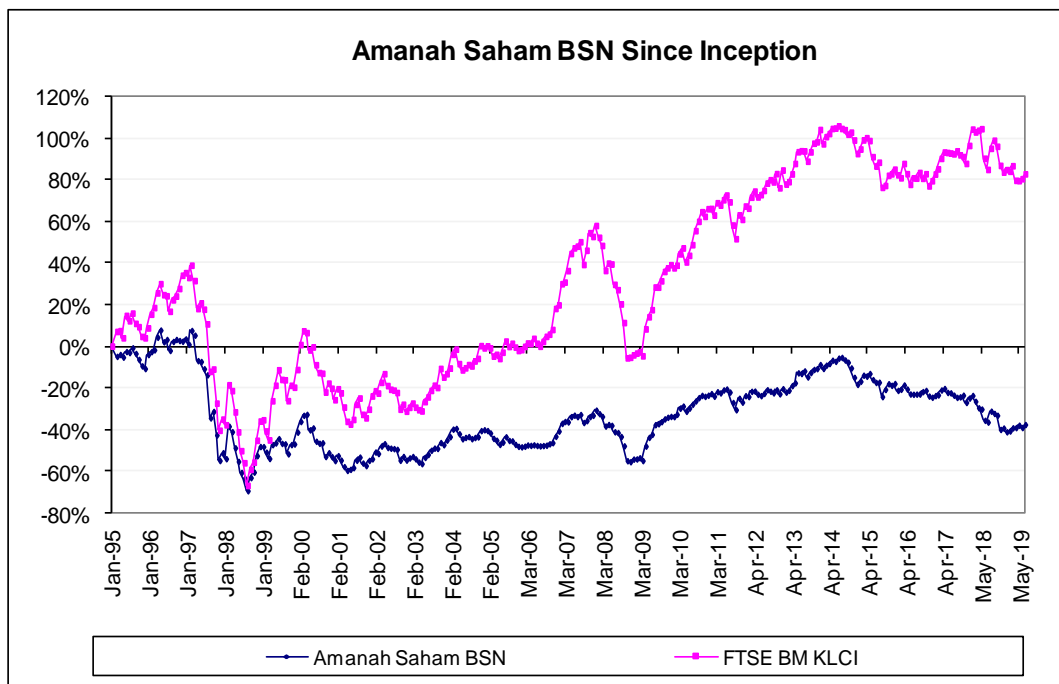
3.1 Fund and Benchmark Performance

For the period under review, the Fund registered a return of 5.94% year-to-date (YTD) as compared to its Benchmark’s return of -1.09% year-to-date, thus outperformed the Benchmark’s return by 7.03%.

The selected performance benchmark for the Fund is FBM KLCI.

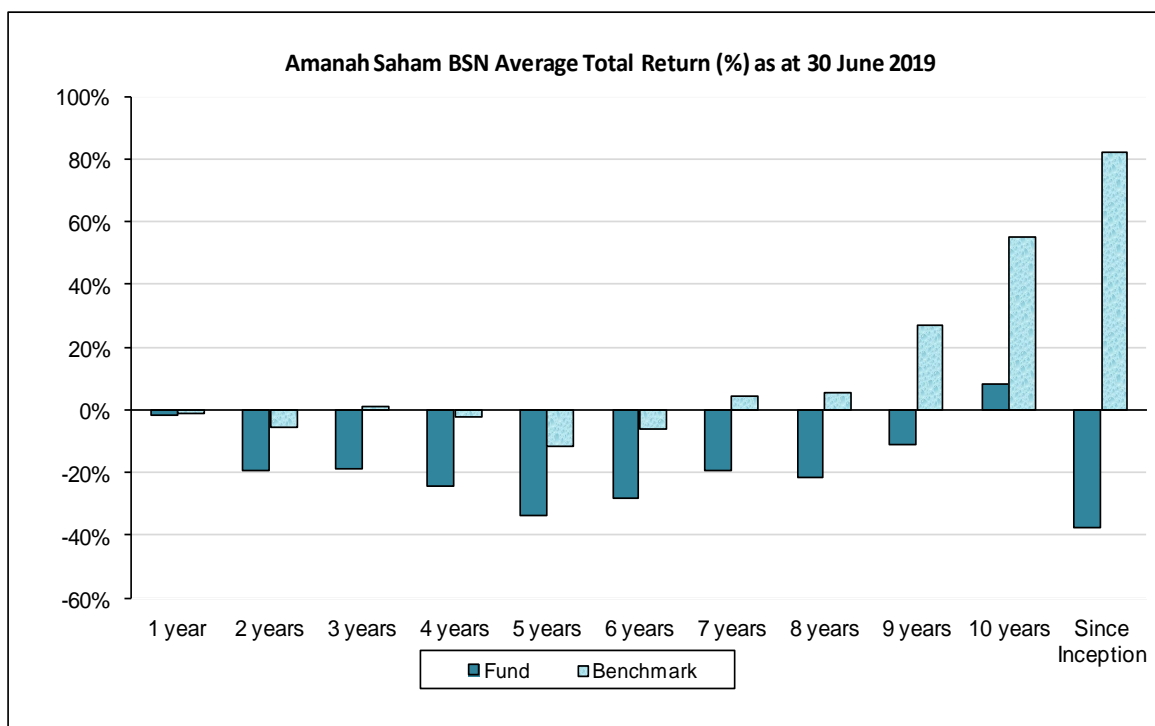
As at 30 June 2019, the Fund has 76.65% exposure to equities and 23.35% to cash. The total Net Asset Value (NAV) of the Fund is RM59.01 million whereas the NAV per unit is RM0.2195.

The fund did not declare any dividend distribution.



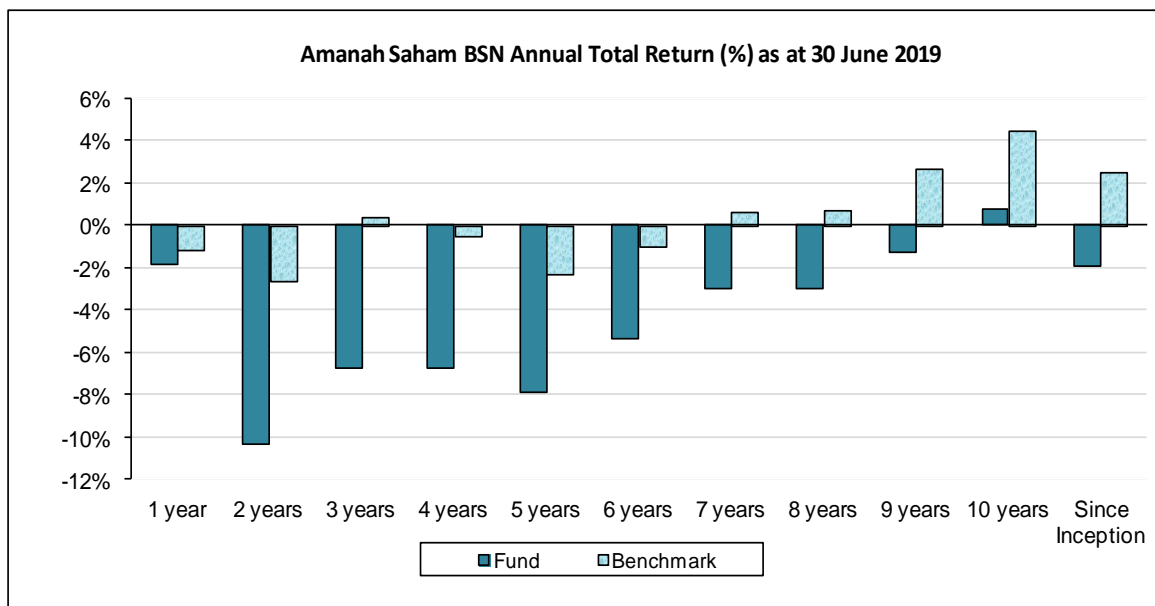
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Amanah Saham BSN		
	Amanah Saham BSN	FTSE BM KLCI
2018	-21.57	-5.91
2017	-0.51	9.45
2016	-8.05	-3.00
2015	0.52	-3.90
YTD	5.94	-1.09
1 mth	2.38	1.29
3 mths	2.43	1.73
6 mths	5.94	-1.09
9 mths	-6.64	-6.75
1 yr	-1.83	-1.15
2 yrs	-19.60	-5.19
3 yrs	-18.88	1.09
4 yrs	-24.47	-2.02
5 yrs	-33.82	-11.18
Since Inception*	-37.65	82.70



Average Total Return											
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Since Inception
Fund	-1.83	-19.60	-18.88	-24.47	-33.82	-28.20	-19.33	-21.45	-11.21	8.21	-37.65
Benchmark	-1.15	-5.19	1.09	-2.02	-11.18	-5.72	4.56	5.89	27.25	55.51	82.70

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Annual Total Return											
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Since Inception
Fund	-1.83	-10.34	-6.74	-6.77	-7.92	-5.37	-3.02	-2.97	-1.31	0.79	-1.91
Benchmark	-1.15	-2.63	0.36	-0.51	-2.34	-0.98	0.64	0.72	2.71	4.51	2.49

Source: All performance figures have been verified by Novagni Analytics and Advisory 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.**

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3.2 Investment Policy

The policy for ASBSN is to invest in permitted investment, especially into shares which are listed on Bursa Malaysia and also into other type of instruments, in line with Securities Commission's Guidelines on Unit Trust Funds.

3.3 Economic and Market Review

3.3.1 Economic Review

Malaysia's leading economic index surged by 2.6% m-o-m in Apr-19 (Mar-19: 0.7% m-o-m) as six out of seven components recorded increases. Main gains come from real imports of semi-conductors (0.8 %) and real imports of other basic precious & non-ferrous metals (0.7%). On an annual basis, the index rebounded by 0.4% from an upwardly revised 1.8% fall in the previous month. Based on the performance, the economy is expected to grow better in Aug-19 to Oct-19 in line with the expectation that the economy will perform well in the 2H19.

Referring to business expectations for the next 6 months, overall business performance is expected to improve steadily. Overall business performance for the second half of 2019 is expected to enjoy steady pick-up especially for services, mining and construction sectors. Strong domestic demand and low inflationary pressure are fundamental factors supporting the services sectors. Nevertheless, manufacturing sector which is export-oriented sector is predicted to experience moderation following the global trade slowdown.

On the external front, the Fed maintains its key policy rate at 2.25-2.50% during the FOMC meeting in Jun-19. The central bank views the economy is expanding at moderate pace and global uncertainties remain as one of the major downside risks. Based on the FOMC latest projection, the Fed signals of possible rate cut by at least one this year. The Central Tendency's projection changed from 2.4-2.6% in Mar-19 to 1.9-2.4% in Jun-19. Other estimates such as GDP maintains at 2.1% while Core CPI and unemployment rate slightly lower at 1.8% (Mar-19: 2%) and 3.6% (Mar-19: 3.7%). Cutting the interest rate would positively impact economic activities in the US particularly household spending and business investment. In addition, it may offset the uncertainties due to global trade tension.

3.3.2 Market Review

The KLCI benefitted from gains in the global markets and net foreign buying to post a gain of 21.37 points in June (or +1.29% month-on-month) to 1,672 points. However, this was not sufficient to wipe out the losses it registered in the first five months of 2019. As a result, KLCI fell 1.09% in 1H19. The performance in June was better than the historical trend, as the Malaysian market had posted average mom gain of 0.5% in June over the past 10 years. It is believed that the rebound in the market was driven by foreign buying due to rising optimism in the global market. Foreign investors turned net buyers of Malaysian equities of RM100m in June. However, in 1H19, Malaysia witnessed net foreign outflow of RM4.8bn due to the uninspiring results released by Malaysian corporates, and global uncertainties.

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3.4 Market Outlook and Strategy

We are positive on Malaysia equities over the longer term driven by corporate earnings recovery, steady national's GDP growth and also the sustainable improvement in commodity prices. Nevertheless, we are mindful of various headwinds that could cap the upside of the markets including the Government's policy direction, trade disruptions due to the ongoing US-China trade wars and global monetary tightening.

Overall, we believe the near-term catalysts to the local equity market could potentially come from: 1) the easing cycle in the US, ushering in a new capital inflow to emerging markets including Malaysia, as investors return to the game of yield hunting; 2) earnings surprise from Corporate Malaysia driven by improved efficiency, particularly in GLCs; 3) the easing trade tensions between US and China; and 5) optimism on Malaysia's longer term economic prospects driven by trade/FDI diversion to Malaysia amidst the US-China trade war.

3.5 Distribution of Income

There were no income distributions made for the period until 30 June 2019.

3.6 Policy on Rebates and Soft Commissions

For the period ended 30 June 2019, the Manager received soft commission from brokers in the form of research materials during the period under review. Any stock broking rebates received by the Manager will be directed to the account of the Fund. Any soft commissions received from the brokers which are in the form of research materials that assist in the decision-making process relating to the Fund's investment may be retained by the Manager.

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3.7 Investment

Sector	Cost At 01.01.2019	Purchase At Cost	Sold At Cost	down to market value	Value At 30.06.2019
	RM	RM	RM	RM	RM
Construction	1,568,335	1,918,153	1,137,965	725,597	3,074,120
Consumer Products	4,090,477	864,101	485,769	432,911	4,901,720
Energy	4,016,868	1,600,677	662,284	(468,611)	4,486,650
Finance Services	7,529,838	1,132,476	-	(373,303)	8,289,010
Health Care	5,695,805	1,856,450	3,177,691	(56,054)	4,318,510
Industrial Products	5,365,798	1,256,099	1,941,723	188,677	4,868,852
Plantation	1,590,323	1,619,093	799,857	(80,035)	2,329,524
Property	891,330	740,700	421,168	(46,962)	1,163,900
Technology	2,751,370	2,050,515	1,143,480	(183,374)	3,475,030
Telecommunication	4,220,872	1,457,189	3,244,044	959,183	3,393,200
Transportation	1,846,502	301,702	610,370	142,576	1,680,410
Utilities	3,398,362	-	-	(147,722)	3,250,640
	<u>42,965,880</u>	<u>14,797,154</u>	<u>13,624,352</u>	<u>1,092,884</u>	<u>45,231,566</u>

3.8 Separation Unit

There is no separation unit performed for the period until 30 June 2019.

3.9 State of Affairs of the Fund

There is neither any 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.

However, effective from 1 March 2019 Tawafuq Consultancy Sdn. Bhd. has been appointed as the Shariah Adviser replacing IBFIM.

AMANAH SAHAM BANK SIMPANAN NASIONAL

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 unaudited financial statements set out on pages 14 to 38 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 **AMANAH SAHAM BANK SIMPANAN NASIONAL** as at 30 June 2019 and of its financial performance and cash flows for the financial period 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: 15 August 2019

AMANAH SAHAM BANK SIMPANAN NASIONAL

5. TRUSTEE'S REPORT

For the Six Months Financial Period Ended 30 June 2019

To the Unit Holders of

AMANAH SAHAM BANK SIMPANAN NASIONAL

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AMANAH SAHAM BANK SIMPANAN NASIONAL for the six months financial period ended 30 June 2019. In our opinion, PERMODALAN BSN BERHAD, the Manager, has operated and managed AMANAH SAHAM BANK SIMPANAN NASIONAL 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 for the six months financial period ended 30 June 2019.

We are also of the opinion that:

- (a) Valuation and pricing is carried out in accordance with the Deed and any regulatory requirement; and
- (b) Cancellation of units are carried out in accordance with the Deed and any regulatory requirement.

Yours faithfully

AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR

Chief Executive Officer

Kuala Lumpur, Malaysia

Date : 26 July 2019

AMANAH SAHAM BANK SIMPANAN NASIONAL

6. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (UNAUDITED)

	Note	30.06.2019 RM	31.12.2018 RM
ASSETS			
Quoted equity investments	4	45,231,566	42,323,825
		<u>45,231,566</u>	<u>42,323,825</u>
OTHER ASSETS			
Deposits with licensed financial institutions	5	14,046,000	15,827,000
Other receivables		843	843
Dividend receivable		69,430	70,742
Interest receivable		6,239	5,340
Bank balance		47,909	47,245
		<u>14,170,420</u>	<u>15,951,170</u>
TOTAL ASSETS		<u><u>59,401,986</u></u>	<u><u>58,274,995</u></u>
EQUITY			
Unitholders' contribution	6	385,424,930	386,296,090
Accumulated losses	7	(326,409,254)	(329,752,416)
TOTAL EQUITY		<u>59,015,676</u>	<u>56,543,674</u>
LIABILITIES			
Distribution payable		46,890	46,890
Other payables and accruals		112,550	216,417
Amount owing to stockbroking companies		-	1,358,110
Amount owing to Manager		221,108	103,921
Amount owing to Trustee		5,762	5,983
TOTAL LIABILITIES		<u>386,310</u>	<u>1,731,321</u>
TOTAL EQUITY AND LIABILITIES		<u><u>59,401,986</u></u>	<u><u>58,274,995</u></u>
UNITS IN CIRCULATION	6	<u>268,870,000</u>	<u>272,920,000</u>
NET ASSET VALUE PER UNIT (ex-distribution)		<u>0.2195</u>	<u>0.2072</u>

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

AMANAH SAHAM BANK SIMPANAN NASIONAL

**7. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019 (UNAUDITED)**

	Note	30.06.2019	31.12.2018
		RM	RM
INVESTMENT INCOME			
Net unrealised gain/(loss) on financial assets at fair value through profit or loss:			
- realised gain/(loss) on sale of investments		1,429,552	(18,921,496)
- unrealised gain on changes in fair value of investments		1,734,939	3,390,263
Dividend income		646,851	1,525,709
Interest income		190,917	389,519
Other income		-	45
		<u>4,002,258</u>	<u>(13,615,960)</u>
LESS: EXPENSES			
Manager's fee	8	425,697	1,014,015
Trustee's fee	9	17,028	40,561
Tax fee		-	-
Transaction costs		-	-
Auditors' remuneration		11,279	24,801
Administrative expenses		205,092	1,012,208
		<u>659,096</u>	<u>2,091,585</u>
NET PROFIT/(LOSS) BEFORE TAXATION		3,343,162	(15,707,545)
TAXATION	10	-	-
NET PROFIT/(LOSS) AFTER TAXATION FOR THE FINANCIAL YEAR		<u>3,343,162</u>	<u>(15,707,545)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		<u><u>3,343,162</u></u>	<u><u>(15,707,545)</u></u>
Net profit/(loss) after taxation/ Total Comprehensive income/(expenses) for the financial year is made up of the following:			
- Realised gains/(losses)		1,608,223	(19,097,808)
- Unrealised gains		1,734,939	3,390,263
		<u><u>3,343,162</u></u>	<u><u>(15,707,545)</u></u>

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

AMANAH SAHAM BANK SIMPANAN NASIONAL

**8. STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019 (UNAUDITED)**

Note	Unitholders' Contribution	Accumulated Losses	Total Net Asset Value
	RM	RM	RM
As at 1.1.2018	386,509,295	(314,044,871)	72,464,424
Net profit/(loss) after taxation /Total comprehensive expenses for the financial year	-	(15,707,545)	(15,707,545)
Contributions by and distribution to unitholders of the Fund:			
- Creation of units	765,510	-	765,510
- Cancellation of units	(2,550,711)	-	(2,550,711)
- Distribution	1,571,996	-	1,571,996
Total transaction with unitholders of the Fund	(213,205)	-	(213,205)
As at 31.12.2018/1.1.2019	386,296,090	(329,752,416)	56,543,674
Net profit/(loss) after taxation /Total comprehensive expenses for the financial year	-	3,343,162	3,343,162
Contributions by and distribution to unitholders of the Fund:			
- Creation of units	-	-	-
- Cancellation of units	(871,160)	-	(871,160)
- Distribution	-	-	-
Total transaction with unitholders of the Fund	(871,160)	-	(871,160)
As at 30.06.2019	385,424,930	(326,409,254)	59,015,676

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

AMANAH SAHAM BANK SIMPANAN NASIONAL**9. STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019 (UNAUDITED)**

	Note	30.06.2019	31.12.2018
		RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		15,014,439	80,745,806
Purchase of investments		(16,115,799)	(71,868,792)
Dividend received		648,163	1,603,597
Interest received		190,019	388,126
Manager's fee paid		(308,511)	(1,032,957)
Trustee's fee paid		(17,250)	(38,251)
Audit fee paid		(29,539)	(23,000)
Tax fee paid		-	-
Payment of administrative expenses		(290,699)	(1,045,004)
Tax paid		-	-
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING AND INVESTING ACTIVITIES		(909,176)	8,729,525
CASH FLOWS FOR FINANCING ACTIVITIES			
Proceeds from units created		-	765,510
Payment for cancelled units		(871,160)	(2,519,661)
Distribution paid		-	(763,545)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(871,160)	(2,517,696)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,780,336)	6,211,829
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		15,874,245	9,662,416
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD/YEAR	11	14,093,909	15,874,245

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

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10. NOTES TO THE FINANCIAL STATEMENTS

1. THE FUND, PRINCIPAL ACTIVITIES AND THE MANAGER

AMANAH SAHAM BANK SIMPANAN NASIONAL (hereinafter referred to as ‘the Fund’) was constituted pursuant to the execution of a Deed dated on 31 December 1994 the First Supplemental Deed Dated 10 July 1996, the second Supplemental Deed dated 9 February 1999 and third Supplemental Deed Dated 14 November 2009 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 permitted investments as defined under Section 1 of the Supplemental Deed, which includes stocks and shares of companies quoted on the Bursa Malaysia Securities Berhad (“Bursa Securities”), government backed securities, short term deposits and any unlisted loan stocks or corporate bonds which meet certain specific requirements. The Fund commenced on 12 January 1995 and will continue its operations until terminated by the Trustee as provided under Section 23(1) of the Deed.

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 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 15 August 2019.

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 period:-

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective Date
--	-----------------------

Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
--	-------------------------------

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

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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, deposits with financial institutions and short-term, highly liquid 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.

(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. Interest, 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.

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A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Fund.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Fund.

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.

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 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. 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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

- *Held-to-maturity Investments*

Held-to-maturity 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 investments are measured at amortised cost using the effective interest method less any

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impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

- *Loans and Receivables Financial Assets*

Trade receivables and other 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 interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

- *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.

Dividends on available-for-sale 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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(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 interest 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. Derivatives are also classified as held for trading unless they are designated as hedges.

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Financial liabilities are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(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.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(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 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 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 interest rate.

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 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.

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(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) 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.

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.

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(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.
- (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

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

(iii) Interest Income

Interest income from 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 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.

(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 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.

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4. QUOTED EQUITY INVESTMENTS

Details of quoted equity investments as at 30 June 2019 are as follows:-

Quoted equity investment in Malaysia	No. Of Shares Held	At Cost	At Market Value	% of Net Asset Value At 30 June 2019
	Unit	RM	RM	%
(i) Construction				
Gamuda Berhad	422,000	1,189,768	1,586,720	2.69
Sunway Construction Group Berhad	740,000	1,158,755	1,487,400	2.52
	<u>1,162,000</u>	<u>2,348,523</u>	<u>3,074,120</u>	<u>5.21</u>
(ii) Consumer Products & Services				
Bermaz Auto Berhad	587,000	1,221,957	1,561,420	2.65
Sime Darby Berhad	760,000	1,741,969	1,717,600	2.91
UMW Holdings Berhad	300,500	1,504,883	1,622,700	2.75
	<u>1,647,500</u>	<u>4,468,809</u>	<u>4,901,720</u>	<u>8.31</u>
(iii) Energy				
Hibiscus Petroleum Berhad	1,370,000	1,420,650	1,465,900	2.48
Sapura Energy Berhad	5,320,000	1,802,300	1,596,000	2.70
Uzma Berhad	2,050,000	1,732,310	1,424,750	2.42
	<u>8,740,000</u>	<u>4,955,261</u>	<u>4,486,650</u>	<u>7.60</u>
(iv) Financial Services				
AMMB Holdings Berhad	345,000	1,464,305	1,459,350	2.47
CIMB Group Holdings Berhad	360,000	2,032,253	1,936,800	3.28
Malayan Banking Berhad	208,000	2,086,689	1,847,040	3.13
Public Bank Berhad	60,000	1,488,420	1,380,000	2.35
RHB Bank Berhad	298,000	1,590,647	1,665,820	2.82
	<u>1,271,000</u>	<u>8,662,313</u>	<u>8,289,010</u>	<u>14.05</u>
(v) Health Care				
Hartalega Holdings Berhad	244,000	1,309,057	1,278,560	2.17
Supermax Corporation Berhad	1,100,000	1,760,467	1,837,000	3.11
Top Glove Corporation Berhad	245,000	1,305,040	1,202,950	2.04
	<u>1,589,000</u>	<u>4,374,564</u>	<u>4,318,510</u>	<u>7.32</u>

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Quoted equity investment in Malaysia	Held	Cost	Value	30 June 2019
	Unit	RM	RM	%
(vi) Industrial Products & Services				
Dufu Technology Corporation Berhad	739,200	1,166,651	1,153,152	1.95
Petronas Chemicals Group Berhad	130,000	1,175,568	1,092,000	1.85
SKP Resources Berhad	970,000	1,229,399	1,270,700	2.15
V.S Industry Berhad	1,230,000	1,108,558	1,353,000	2.29
	<u>3,069,200</u>	<u>4,680,175</u>	<u>4,868,852</u>	<u>8.24</u>
(vii) Plantation				
Sime Darby Plantation	237,000	1,107,270	1,166,040	1.98
Ta Ann Holdings Berhad	510,300	1,302,289	1,163,484	1.97
	<u>747,300</u>	<u>2,409,559</u>	<u>2,329,524</u>	<u>3.95</u>
(viii) Property				
Sime Darby Property Berhad	1,130,000	1,210,862	1,163,900	1.97
	<u>1,130,000</u>	<u>1,210,862</u>	<u>1,163,900</u>	<u>1.97</u>
(ix) Technology				
Globetronics Technology Berhad	489,000	833,329	816,630	1.38
Inari Amertron Berhad	970,000	1,596,368	1,552,000	2.63
Malaysian Pacific Industries Berhad	120,000	1,228,707	1,106,400	1.87
	<u>1,579,000</u>	<u>3,658,404</u>	<u>3,475,030</u>	<u>5.88</u>
(x) Telecommunication & Media				
Axiata Group Berhad	340,000	1,275,626	1,693,200	2.87
Telekom Malaysia Berhad	425,000	1,158,391	1,700,000	2.88
	<u>765,000</u>	<u>2,434,017</u>	<u>3,393,200</u>	<u>5.75</u>
(xi) Transportation & Logistics				
Malaysia Airports Holdings Berhad	197,000	1,537,834	1,680,410	2.85
	<u>197,000</u>	<u>1,537,834</u>	<u>1,680,410</u>	<u>2.85</u>

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Quoted equity investment in Malaysia	No. Of	At	At Market	%of Net
	Shares	Cost	Value	Asset
	Held			Value At
	Unit	RM	RM	30 June 2019
				%
(xii) Utilities				
Petronas Gas Berhad	86,000	1,596,250	1,492,960	2.53
Tenaga Nasional Berhad	127,000	1,802,112	1,757,680	2.98
	<u>213,000</u>	<u>3,398,362</u>	<u>3,250,640</u>	<u>5.51</u>
TOTAL PORTFOLIO INVESTMENT AS AT 30 JUNE 2019	<u>22,110,000</u>	<u>44,138,682</u>	<u>45,231,566</u>	<u>76.64</u>
UNREALISED LOSS ON CHANGES IN FAIR VALUE		<u>1,092,884</u>		
FAIR VALUE OF QUOTED EQUITY INVESTMENTS AS AT 30 JUNE 2019		<u>45,231,566</u>		

5. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rates of the deposits at the end of the reporting date ranged from 2.75% to 3.30% (2018 – 2.90% to 3.35%) per annum. The deposits have maturity periods ranging from 1 day to 15 days (2018 - 1 day to 14 days).

6. UNITHOLDERS' CONTRIBUTION

	30.06.2019		31.12.2018	
	Unit	RM	Unit	RM
At 1 January	272,920,000	386,296,090	274,220,000	386,509,295
Creation of units	-	-	2,850,000	765,510
Reimbursement of units	-	-	5,852,556	1,571,996
Cancellation of units	(4,050,000)	(871,160)	(10,002,556)	(2,550,711)
At end of the financial year	<u>268,870,000</u>	<u>385,424,930</u>	<u>272,920,000</u>	<u>386,296,090</u>

7. ACCUMULATED LOSSES

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

	30.06.2019	31.12.2018
	RM	RM
Realised losses	(327,502,138)	(329,110,361)
Unrealised gains/(losses)	1,092,884	(642,055)
At end of the financial period/year	<u>(326,409,254)</u>	<u>(329,752,416)</u>

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8. MANAGER'S FEE

The Manager's fee is computed based on 1.5% (2018 - 1.5%) of the net asset value of the Funds calculated on a daily basis.

9. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.06% (2018 - 0.06%) of the net asset value calculated on a daily basis.

10. TAXATION

	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM	RM
Current tax expense:		
- for the financial year	-	-
- under provision in the previous financial year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The statutory tax rate remained at 24% of the estimated assessable income for the financial year.

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

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

	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM	RM
Net profit /(loss) before taxation	<u>3,343,162</u>	<u>(15,707,545)</u>
Tax at the statutory tax rate of 24%	802,359	(3,769,810)
Tax effects of:-		
Non-taxable income	(960,542)	3,267,830
Non-deductible expenses	<u>158,183</u>	<u>501,980</u>
Tax expense for the financial period/year	<u>-</u>	<u>-</u>

11. CASH AND CASH EQUIVALENTS

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

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	30.06.2019	31.12.2018
	RM	RM
Deposits with licensed financial institutions	14,046,000	15,827,000
Cash and bank balances	47,909	47,245
	<u>14,093,909</u>	<u>15,874,245</u>

12. UNITS HELD BY THE MANAGER AND RELATED PARTIES

	Value At NAV			
	30.06.2019		31.12.2018	
	UNIT	RM	UNIT	RM
Bank Simpanan Nasional (Holding company of the Manager) (The units are held legally)	71,999,760	15,803,947	71,999,760	14,918,350
Permodalan BSN Berhad (The Manager, wholly owned by BSN) (The units are held legally)	1,951,961	428,455	2,852,702	591,080
	<u>73,951,721</u>	<u>16,232,403</u>	<u>74,852,462</u>	<u>15,509,430</u>

13. TRANSACTIONS WITH STOCKBROKING COMPANIES

Transaction with stockbroking companies during the financial period are as follows:-

<u>30.06.2019</u>	Value of trade	Percentage of total trades	Brokerage fees and commissions	Percentage of total fees and commissions
Name of Stockbroker	RM	%	RM	%
AffinHwang Investment Bank Berhad	5,152,108	17.26	11,849	17.86
CIMB Investment Bank Berhad	3,636,388	12.18	9,244	13.94
JF Apex Securities Berhad	2,004,541	6.71	3,610	5.44
M&A Securities Sdn Bhd	4,468,282	14.97	8,045	12.13
Maybank Investment Bank Berhad	5,646,643	18.91	12,986	19.58
MIDF Amanah Investment Bank Berhad	8,181,873	27.41	18,835	28.40
RHB Investment Bank Berhad	763,341	2.56	1,757	2.65
	<u>29,853,176</u>	<u>100.00</u>	<u>66,326</u>	<u>100.00</u>

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<u>31.12.2018</u>	Value of trade	Percentage of total trades	Brokerage fees and commissions	Percentage of total fees and commissions
Affin Hwang Investment Bank Berhad	14,740,219	9.57	33,890	9.90
CIMB Investment Bank Berhad	27,240,802	17.69	69,344	20.27
JF Apex Securities Berhad	16,817,428	10.92	30,302	8.86
M&A Securities Sdn Bhd	20,760,457	13.48	37,434	10.94
Maybank Investment Bank Berhad	29,197,405	18.96	67,118	19.62
MIDF Amanah Investment Bank Berhad	18,019,642	11.70	41,455	12.12
RHB Investment Bank Berhad	27,210,424	17.67	62,628	18.30
	<u>153,986,377</u>	<u>100.00</u>	<u>342,171</u>	<u>100.00</u>

14. MANAGEMENT EXPENSE RATIO

The management expense ratio for the current financial period is 1.14% (2018 – 3.20%). It is the ratio of all the fees deducted from the Fund including Manager's fee, Trustee's fee, auditors' remuneration, 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.

15. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio for the current financial period is 0.25 times (2018 – 1.32 times). It is the ratio of the average of the total acquisitions and disposals of investments of the Fund over the average net asset value of the Fund for the year, calculated on a monthly basis.

16. RELATED PARTY TRANSACTIONS

(a) Identity of related parties

The Fund has related party relationships with the Manager and the Trustee.

(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 period :

	<u>30.06.2019</u> RM	<u>31.12.2018</u> RM
Manager's fee	425,697	1,014,015
Trustee's fee	17,028	40,561
	<u>442,725</u>	<u>1,054,576</u>

17. 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:

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	SEGMENT INCOME	
	30.06.2019	31.12.2018
	RM	RM
Net gains/(loss) on sale of financial assets at fair value through profit or loss		
- realised gain/(loss) on sale of investments	1,429,552	(18,921,496)
- unrealised gain on changes in fair value of investments	1,734,939	3,390,263
Dividend income	646,851	1,525,709
Interest Income	190,917	389,519
Other income	-	45
Total segment (expenses) / income	<u>4,002,258</u>	<u>(13,615,960)</u>

	SEGMENT ASSET	
	30.06.2019	31.12.2018
	RM	RM
Quoted equity investments		
- Financial assets at fair value through profit or loss	45,231,566	42,323,825
Deposits with licensed financial institutions	14,046,000	15,827,000
Amount owing by stockbroking companies	-	-
Other receivables	843	843
Dividend receivables	69,430	70,742
Interest receivables	6,239	5,340
Bank balances	47,909	47,245
	<u>59,401,986</u>	<u>58,274,995</u>

18. 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. 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 and liquidity 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.

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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 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 Fund's securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's overall market position is monitored on a daily basis by the Fund's Investment Manager.

The Fund only invests in securities issued in Malaysia and the Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures.

The table below shows the diversification of the Fund's investment portfolio as at the end of the reporting period.

	30.06.2019		31.12.2018	
	RM	% NAV	RM	% NAV
<u>Investment Assets</u>				
Construction	3,074,120	5.21	1,412,800	2.50
Consumer Products	4,901,720	8.31	4,348,375	7.69
Energy	4,486,650	7.60	2,959,950	5.23
Finance Services	8,289,010	14.05	7,471,970	13.21
Health Care	4,318,510	7.32	5,958,410	10.53
Industrial Products	4,868,852	8.24	5,154,150	9.12
Plantation	2,329,524	3.95	1,671,320	2.95
Property	1,163,900	1.97	895,500	1.58
Technology	3,475,030	5.88	2,449,500	4.34
Telecommunication	3,393,200	5.75	4,612,650	8.16
Transportation	1,680,410	2.85	2,010,800	3.56
Utilities	3,250,640	5.51	3,378,400	5.98
Total Market Value	<u>45,231,566</u>	<u>76.64</u>	<u>42,323,825</u>	<u>74.85</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 ordinary shares issued by any single issuer must not exceed 10% of the Fund's daily net asset value.

If prices for quoted 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 RM2,261,578. A

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5% weakening in the quoted prices would have had an equal but opposite effect on the profit before 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 value of a financial instrument will fluctuate due to changes in market interest rate. Interest rates on deposits and placements with licensed financial institutions are determined based on prevailing market rates.

The Fund's is not exposed to interest rate risk as the Fund's investment in financial instruments carry fixed interest 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 interest, principals and proceeds from realisation of investments.

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

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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:-

	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM	RM
Deposits with licensed financial institutions	14,046,000	15,827,000
Other receivable	843	843
Dividend receivable	69,430	70,742
Interest receivable	6,239	5,340
Bank balance	47,909	47,245
	<u>14,170,420</u>	<u>15,951,170</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 maintains sufficient level of 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. Money market instruments which include 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.

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:-

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	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
<u>As at 30.06.2019</u>	RM	RM	RM
Distribution payable	46,890	46,890	46,890
Other payables and accruals	112,550	112,550	112,550
Amount owing to Manager	221,108	221,108	221,108
Amount owing to Trustee	5,762	5,762	5,762
Total financial liabilities	386,310	386,310	386,310

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
<u>As at 31.12.2018</u>	RM	RM	RM
Distribution payable	46,890	46,890	46,890
Other payables and accruals	216,417	216,417	216,417
Amount owing to Manager	103,921	103,921	103,921
Amount owing to Trustee	5,983	5,983	5,983
Amount owing to stockbroking companies	1,358,110	1,358,110	1,358,110
Total financial liabilities	1,731,321	1,731,321	1,731,321

(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 Unit Trust Funds in Malaysia.

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

AMANAH SAHAM BANK SIMPANAN NASIONAL

Fund's capital in accordance with its objective, while maintaining sufficient liquidity to meet unitholders' redemption.

(c) Classification of Financial Instruments

	<u>30.06.2019</u>	<u>31.12.2018</u>
	RM	RM
Financial Assets		
<u>Loans and receivables financial assets *</u>		
Deposits with licensed financial institutions	14,046,000	15,827,000
Amount owing by stockbroking companies	-	-
Other receivable	843	843
Dividend receivable	69,430	70,742
Interest receivable	6,239	5,340
Bank balance	47,909	47,245
	<u>14,170,420</u>	<u>15,951,170</u>
<u>Financial assets at fair value through profit or loss</u>		
Quoted equity investments	<u>45,231,566</u>	<u>42,323,825</u>
<u>Other financial liabilities</u>		
Amount owing to Stockbroking Companies	-	1,358,110
Amount owing to Manager	221,108	103,921
Amount owing to Trustee	5,762	5,983
Distribution payable	46,890	46,890
Other payables and accruals	112,550	216,417
	<u>386,310</u>	<u>1,731,321</u>

* The Fund does not have any loan

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(d) Fair Values Information

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.

	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	
<u>30.06.2019</u>							
<u>Financial Assets</u>							
Quoted equity investment	45,231,566	-	-	-	-	-	45,231,566
<u>31.12.2018</u>							
<u>Financial Assets</u>							
Quoted equity investment	42,323,825	-	-	-	-	-	42,323,825

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

AMANAH SAHAM BANK SIMPANAN NASIONAL

CORPORATE INFORMATION

MANAGER

Permodalan BSN Berhad (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

Email : info@pbsn.com.my

Tel : 03-2180 9000

Fax : 03-2681 0051

Website : 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)

Tingkat 2, Wisma AmanahRaya II

No. 21, Jalan Melaka

50100 Kuala Lumpur

AMANAH SAHAM BANK SIMPANAN NASIONAL

AUDITOR

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

TAX ADVISER

KPMG Tax Services Sdn Bhd (96860-M)
Level 10 KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor

INDEPENDENT CONSULTANT

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



Managed by Permodalan BSN Berhad

**Aras 19, Lot 1, Bangunan TH Selbom,
153 Jalan Tun Razak, 50400 Kuala Lumpur.
Tel : 03-2180 9020, 03-2180 9000 Fax : 03-2681 0051
Email : Info@pbsn.com.my
Website : www.pbsn.com.my**