



PERMODALAN BSN BERHAD  
A Wholly-Owned Subsidiary of BSN

# **BSN DANA SHARIAH MONEY MARKET**

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

## **BSN DANA SHARIAH MONEY MARKET**

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## BSN DANA SHARIAH MONEY MARKET

### MANAGER'S REPORT

Dear Unit Holders,

Permodalan BSN Berhad act as a Manager and AmanahRaya Trustees Berhad (ART) act as a Trustee for fund BSN Dana Shariah Money Market are pleased to present the Interim Report of BSN Dana Shariah Money Market for the six months financial period ended 30 June 2019.

#### 1. FUND INFORMATION

BSN Dana Shariah Money Market																			
Fund Type	Income Fund (Shariah-compliant)																		
Fund Category	Islamic Money Market Fund																		
Investment Objective	<p>The Fund seeks to provide short-term liquidity and income* while maintaining capital stability#.</p> <p>Note: * All income distribution proceeds will be automatically reinvested as additional Units. # Please note that the Fund is neither a capital guaranteed fund nor a capital protected fund.</p>																		
Performance Benchmark	<p>Maybank 1-month GIA-i Tier- 1 rate</p> <p>Source: <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></p> <p>Note: The risk profile of the Fund is different from the risk profile of the benchmark.</p>																		
Distribution Policy	Subject to the availability of income, the Fund will distribute income at least once a month.																		
Unit Holdings	<p>On 30 June 2019, a total of 5 unitholders have invested in BSN Dana Shariah Money Market. 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>-</td><td>-</td></tr><tr><td>5,001 – 10,000</td><td>-</td><td>-</td></tr><tr><td>10,001 – 50,000</td><td>-</td><td>-</td></tr><tr><td>50,001 – 500,000</td><td>1</td><td>142,767</td></tr><tr><td>500,001 and above</td><td>4</td><td>116,031,503</td></tr></tbody></table>	Size of Holdings	No. of Unitholders	No. Of Units Held	5,000 and below	-	-	5,001 – 10,000	-	-	10,001 – 50,000	-	-	50,001 – 500,000	1	142,767	500,001 and above	4	116,031,503
Size of Holdings	No. of Unitholders	No. Of Units Held																	
5,000 and below	-	-																	
5,001 – 10,000	-	-																	
10,001 – 50,000	-	-																	
50,001 – 500,000	1	142,767																	
500,001 and above	4	116,031,503																	

## BSN DANA SHARIAH MONEY MARKET

### 2. FUND PERFORMANCE

#### 2.1 Achievement of BSN Dana Shariah Money Market

For 6 month period under review, BSN Dana Shariah Money Market (the Fund) registered an annualised return of 3.45%, as compared to its benchmark's return of 3.17%, thus outperformed the benchmark's return by 0.28%. As at 30 June 2019, the Net Asset Value (NAV) of the Fund was at RM118,127,380.47 and the total units in circulation of the Fund stood at 116,174,269.59 units. For the period under review, the total dividend declared was at RM0.0146. The Fund has met its objective for the period under review.

#### 2.2 Asset Allocation

Asset allocations for BSN Dana Shariah Money Market are as follows:

Components of Asset Portfolio	%	
	30/06/2019	01/08/2017 – 31/12/2018
Islamic deposits with licensed financial institutions	-	-
Cash	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

#### 2.3 Comparative Financial Information for the period ended 30 June 2019

Matters	30/06/2019	01/08/2017 – 31/12/2018
Net Asset Value (RM)	118,127,380	127,972,498
Net Asset Value per Unit (RM)	1.0168	1.0142
Unit In Circulation	116,174,270	126,184,326
Selling Price per Unit (RM)	1.0168	1.0142
Buying Price per Unit (RM)	1.0168	1.0142
Selling Price per Unit (High) (RM)	1.0185	1.0174
Buying Price per Unit (High) (RM)	1.0185	1.0174
Selling Price per Unit (Low) (RM)	1.0128	1.0000
Buying Price per unit (Low) (RM)	1.0128	1.0000
Total Fund Return (Growth Capital) (%)	1.72	5.08
Total Fund Return(Distribution) (%)	1.46	3.66
Gross Distribution per Unit (Sen)	0.18	0.35
Net Distribution per Unit (Sen)	0.18	0.35
Date of payment	01/07/2019	04/01/2019
Management Expense Ratio (%) :	0.10	0.24
Portfolio Turnover Ratio (times) :	0.50	1.14

## **BSN DANA SHARIAH MONEY MARKET**

### **2.3.1 Management Expense Ratio**

The MER for the financial period is lower than previous financial year mainly due to the decrease in expenses cost.

### **2.3.2 Portfolio Turnover Ratio**

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

## BSN DANA SHARIAH MONEY MARKET

### 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. This price will then be adjusted to the nearest one cent.

**iv. Buying Price per Unit**

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

**v. Capital Growth**

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

**vi. Distribution**

The distribution of income is the annual gross revenues of:

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

**vii. Management Expense Ratio**

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

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

**viii. Portfolio Turnover Ratio**

The calculation is as follows:

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

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

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

## BSN DANA SHARIAH MONEY MARKET

### 3. MANAGER'S REPORT

#### 3.1 Fund Performance Review

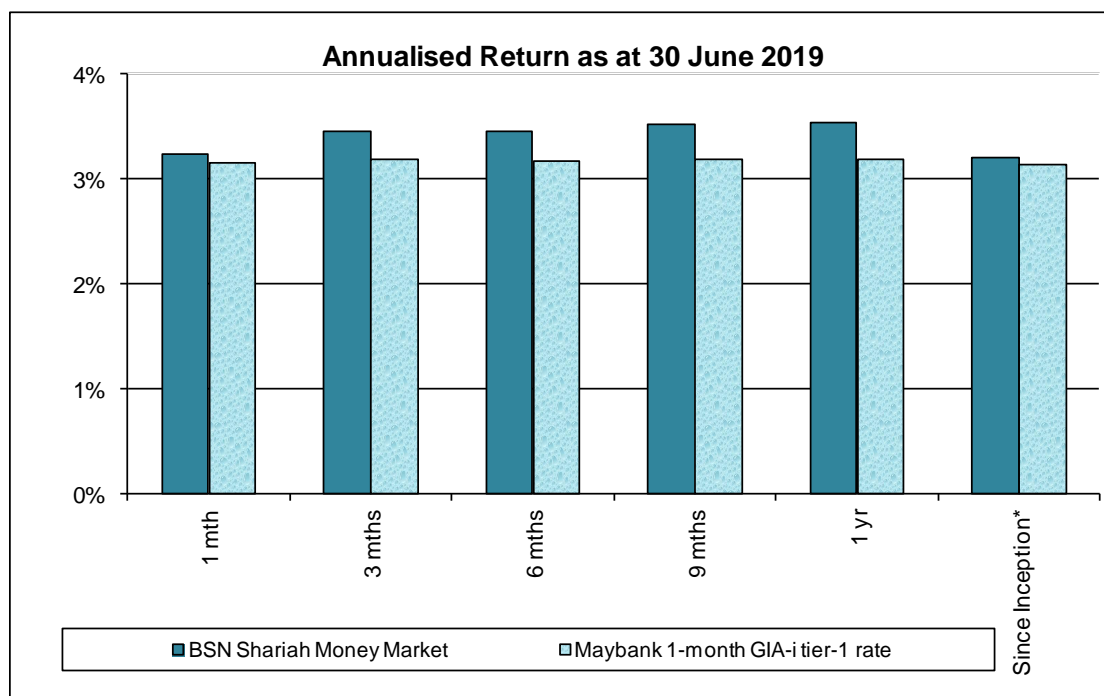
	As at 30 June 2019
Net Asset Value (RM)*	118,127,380.47
Unit in Circulation	116,174,269.59
Net Asset Value per Unit (RM)*	1.016812
Highest Net Asset Value per Unit (RM)	1.018517
Lowest Net Asset Value per Unit (RM)	1.012778
Annualised Return (%)	3.45
Benchmark Return (%)**	3.17

\* Net Asset Value (RM) and Net Asset Value Per Unit (RM) is after income distribution

\*\*Benchmark – Maybank 1 Month GIA-i Tier-1 Rate

(Source: [www.maybank2u.com.my](http://www.maybank2u.com.my))

For 6 month period under review, BSN Dana Shariah Money Market (the Fund) registered an annualised return of 3.45%, as compared to its benchmark's return of 3.17%, thus outperformed the benchmark's return by 0.28%. As at 30 June 2019, the Net Asset Value (NAV) of the Fund was at RM118,127,380.47 and the total units in circulation of the Fund stood at 116,174,269.59 units.



Source: Novagni Analytics and Advisory Sdn Bhd

## BSN DANA SHARIAH MONEY MARKET

### 3.1.1 Average Total Return and Annual Total Return

Average Total Return					
	1 Month	3 Months	6 Months	1 Year	Since Inception
<b>Fund</b>	0.27	0.85	1.71	3.54	6.32
<b>Benchmark</b>	0.26	0.79	1.57	3.20	6.20

Annual Total Return					
	1 Month	3 Months	6 Months	1 Year	Since Inception
<b>Fund</b>	3.24	3.46	3.45	3.54	3.20
<b>Benchmark</b>	3.16	3.19	3.17	3.20	3.14

*Source: 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.**



## BSN DANA SHARIAH MONEY MARKET

### 3.2 Income Distribution

Income Distribution from January 2019 – June 2019		
Ex Dividend Date	Gross Distribution (sen)	Net Distribution (sen)
31 January 2019	0.30	0.30
28 February 2019	0.40	0.40
31 March 2019	0.30	0.30
30 April 2019	0.18	0.18
31 May 2019	0.10	0.10
30 June 2019	0.18	0.18
<b>Total</b>	<b>1.46</b>	<b>1.46</b>

### 3.3 Fund Investment Strategy

The fund solely invests into Islamic Deposit which are highly liquid and have a remaining maturity period of less than 365 days. This is to ensure that the objective of maintaining capital stability can be met. The fund will continue to invest in Islamic deposits and to maximise profit rate by extending tenure of investment while providing liquidity and income for investors.

### 3.4 Economic Review and Market Outlook

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.

Malaysia's export growth rose from 1.1% y-o-y in April to 2.5% in May, slightly higher than market expectations of 2.2%. Higher exports were supported by the improved demand for manufactured goods (3.1% y-o-y in May vs. 2.7% in April) as well as the increase in exports of agriculture goods, which turned around to 15.3% y-o-y in May from -9.3% in April. Moving forward, we believe that the country's exports will be partly impacted by external factors, due to uncertainties on the bilateral trade between the US and China. While both countries have declared a truce and agreed to resume negotiations, the earlier tariffs imposed have dampened regional export growth due to some global supply chain disruptions.

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 separate note, the central bank remained status quo in its policy decision, keeping the OPR unchanged at 3.00%. BNM's comment in the policy statement that it

## **BSN DANA SHARIAH MONEY MARKET**

will continue to assess the balance of risks to domestic growth and inflation and to ensure that the monetary policy stance remains conducive to sustainable growth amid price stability. Our base case is still for BNM to hold the benchmark rate for the rest of 2019 but we also do not rule out additional cuts if growth risks worsen.

### **3.5 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 broker which are in the form of research material that assist in the decision-making process relating to the Fund's investment may be retained by the Manager.

### **3.6 Separation Unit**

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

### **3.7 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.

## **BSN DANA SHARIAH MONEY MARKET**

### **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 34 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **BSN DANA Shariah Money Market** 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

## **BSN DANA SHARIAH MONEY MARKET**

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

For the Six Months Financial Period Ended 30 June 2019

To the Unit Holders of  
**BSN DANA SHARIAH MONEY MARKET**

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of BSN DANA SHARIAH MONEY MARKET for the six months financial period ended 30 June 2019. In our opinion, PERMODALAN BSN BERHAD, the Manager, has operated and managed BSN DANA SHARIAH MONEY MARKET 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;
- (b) Creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirement; and
- (c) The distribution of income made by BSN DANA SHARIAH MONEY MARKET as declared by the Manager is appropriate and reflects the investment objective of BSN DANA SHARIAH MONEY MARKET.

Yours faithfully  
**AMANAHRAYA TRUSTEES BERHAD**

**HABSAH BINTI BAKAR**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
Date : 8 August 2019

## **BSN DANA SHARIAH MONEY MARKET**

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

To the Unitholders of **BSN DANA SHARIAH MONEY MARKET**

We have acted as the Shariah Adviser of **BSN DANA SHARIAH MONEY MARKET**. 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 SHARIAH MONEY MARKET** 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 period from 1 January 2019 to 28 February 2019.

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

For and on behalf of the Shariah Adviser  
**IBFIM**

**NAZMI ASHRAF BIN MOHD NAZIM**

Consultant (Shariah) /Designated Person Responsible for Shariah Advisory

Kuala Lumpur  
Date: 15 August 2019

## **BSN DANA SHARIAH MONEY MARKET**

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

To the Unitholders of **BSN DANA SHARIAH MONEY MARKET**

We have acted as the Shariah Adviser of **BSN DANA SHARIAH MONEY MARKET**. 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 SHARIAH MONEY MARKET** 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 period 1 March 2019 until ended 30 June 2019.

In addition, we also confirm that the investment portfolio of **BSN DANA SHARIAH MONEY MARKET** 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  
**TAWAFUQ CONSULTANCY SDN BHD**

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

Kuala Lumpur  
Date: 15 August 2019

**BSN DANA SHARIAH MONEY MARKET****8. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (UNAUDITED)**

	Note	30.06.2019	31.12.2018
		RM	RM
<b>ASSETS</b>			
<b>SHARIAH-COMPLIANT INVESTMENTS</b>			
Islamic deposits with licensed financial institutions	4	117,252,000	127,135,000
<b>OTHER ASSETS</b>			
Profit receivables		1,120,570	1,301,638
Bank balance		3,839	4,115
		1,124,409	1,305,753
<b>TOTAL ASSETS</b>		<b>118,376,409</b>	<b>128,440,753</b>
<b>LIABILITIES</b>			
Distribution payable		209,114	441,645
Amount owing to Manager		12,581	19,600
Amount owing to Trustee		2,268	2,722
Accruals		2,452	5,000
<b>TOTAL LIABILITIES</b>		<b>226,415</b>	<b>468,967</b>
<b>EQUITY</b>			
Unitholders' contribution	6	116,478,489	126,647,446
Retained profits	7	1,671,505	1,324,340
<b>TOTAL EQUITY</b>		<b>118,149,993</b>	<b>127,971,786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>118,376,409</b>	<b>128,440,753</b>
<b>UNITS IN CIRCULATION</b>	6	<b>116,174,270</b>	<b>126,184,326</b>
<b>NUT ASSET VALUE PER UNIT (ex-distribution)</b>		<b>1.016812</b>	<b>1.014171</b>

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

**BSN DANA SHARIAH MONEY MARKET****9. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019 (UNAUDITED)**

	Note	30.06.2019 RM	17 Months 01.08.2017 31.12.2018 RM
INVESTMENT INCOME			
Profit from Islamic deposits		2,411,269	5,557,427
LESS: EXPENSES			
Manager's fee	8	107,466	286,499
Trustee's fee	9	16,327	39,480
Auditor's remuneration		2,452	10,000
Administrative expenses		1,004	3,623
		<u>127,249</u>	<u>339,602</u>
NET PROFIT BEFORE TAXATION		2,284,020	5,217,825
TAXATION	10	-	-
NET PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD/YEAR		<u>2,284,020</u>	<u>5,217,825</u>
OTHER COMPREHENSIVE INCOME			-
FOR THE FINANCIAL PERIOD/YEAR		<u>2,284,020</u>	<u>5,217,825</u>
Net profit after taxation/Total Comprehensive Income for the financial period/year is made up of the following:			
- Realised gains		<u>347,165</u>	<u>1,324,340</u>
Distribution for the financial period/year	11	1,936,856	3,893,485
Gross distribution per unit (sen)		1.46	3.66
Net distribution per unit (sen)		<u>1.46</u>	<u>3.66</u>

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



## BSN DANA SHARIAH MONEY MARKET

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

	Note	Unitholders' Contribution	Retained Profit	Net Asset Value
		RM	RM	RM
Balance at 1st August 2017		-	-	-
Net profit after taxation/Total comprehensive income for the financial period		-	5,217,825	5,217,825
Contributions by and distribution to unitholders of the Fund:				
- Creation of units		148,647,446	-	148,647,446
- Cancellation of units		(22,000,000)	-	(22,000,000)
- Distribution reinvestment		-	-	-
- Distribution	11	-	(3,893,485)	(3,893,485)
		126,647,446	(3,893,485)	122,753,961
As at 31.12.2018/1.1.2019		126,647,446	1,324,340	127,971,786
Net profit after taxation/Total comprehensive income for the financial year		-	2,284,020	2,284,020
Contributions by and distribution to unitholders of the Fund:				
- Creation of units		10,831,043	-	10,831,043
- Cancellation of units		(21,000,000)	-	(21,000,000)
- Distribution reinvestment		-	-	-
- Distribution	11	-	(1,936,856)	(1,936,856)
		(10,168,957)	(1,936,856)	(12,105,813)
As at 30.06.2019		116,478,489	1,671,505	118,149,993

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

**BSN DANA SHARIAH MONEY MARKET****11. STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2019 (UNAUDITED)**

	Note	30.06.2019	17 Months 01.08.2017 31.12.2018
		RM	RM
<b>CASH FLOWS FOR OPERATING AND INVESTING ACTIVITIES</b>			
Profit received		2,592,337	4,255,789
Manager's fee paid		(114,485)	(266,899)
Trustee's fee paid		(16,781)	(36,758)
Payment of administrative expenses		(6,004)	(8,623)
Placement of short-term Islamic deposits with original maturity periods more than three months		-	-
<b>NET CASH FLOWS GENERATED FROM OPERATING AND INVESTING ACTIVITIES</b>		<b>2,455,068</b>	<b>3,943,509</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution paid		(2,169,387)	(3,451,840)
Proceeds from units created		10,831,043	126,647,446
Payment for units cancelled		(21,000,000)	-
<b>NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES</b>		<b>(12,338,345)</b>	<b>123,195,606</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(9,883,276)</b>	<b>127,139,115</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>		<b>127,139,115</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD/YEAR</b>	12	<b>117,255,839</b>	<b>127,139,115</b>

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

## **BSN DANA SHARIAH MONEY MARKET**

### **12. NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

The principal activity of BSN DANA SHARIAH MONEY MARKET is investing in Islamic money market instruments which include, but not limited to Islamic bills, Islamic repurchase agreement, Islamic negotiable instrument and/or Islamic debentures with a minimum credit rating of P2/BBB by RAM Rating Services Berhad or any equivalent credit rating by Malaysian Rating Corporation Berhad ("MARC"). Any material change to the investment objective of the Fund would require the unitholders' approval. The Fund was launched on 1 August 2017.

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)**

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
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#### **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:

## **BSN DANA SHARIAH MONEY MARKET**

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

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

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

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

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

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

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

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

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

## **(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.

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

## **BSN DANA SHARIAH MONEY MARKET**

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 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. Islamic 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 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 revenue recognised in profit and loss on effective yield basis.

## **BSN DANA SHARIAH MONEY MARKET**

Held-to-maturity Shariah-compliant 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 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.

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. 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 year. 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 Shariah-compliant equity instruments are recognised in profit or loss when the Fund's right to receive payments is established.

Investments in Shariah-compliant 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 measured 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. Islamic derivatives are also classified as held for trading unless they are designated as hedges.

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.

## **BSN DANA SHARIAH MONEY MARKET**

### **(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 re-measured 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 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.

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 Shariah-compliant investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## **BSN DANA SHARIAH MONEY MARKET**

### **(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 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 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 year.

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.



## **BSN DANA SHARIAH MONEY MARKET**

### **(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 Shariah-compliant 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.

## **BSN DANA SHARIAH MONEY MARKET**

### *(ii) Dividend Income*

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

### *(iii) Profit from Islamic deposits*

Profit from Islamic deposits are 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 year and from reversal of prior year'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 investment including Shariah-compliant equity investments and Islamic 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).

## BSN DANA SHARIAH MONEY MARKET

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

### 4. ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective rates of the Islamic deposits at the end of the reporting period ranged from 2.70% to 3.90% (2018 – 3.00% to 4.00%) per annum. The Islamic deposits have maturity year ranging from 1 day to 273 days (2018 - 1 day to 273 days).

### 5. SHARIAH INFORMATION OF THE FUND

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

### 6. UNITHOLDERS' CONTRIBUTION

	2019		2018	
	Unit	RM	Unit	RM
At 1.1.2019/1.8.2017	126,184,326	126,647,446	-	-
Creation of units	10,673,605	10,831,043	147,940,811	148,647,446
Reinvestment of units	-	-	(21,756,485)	(22,000,000)
Cancellation of units	(20,683,661)	(21,000,000)	-	-
At 30.06.2019/31.12.2018	<u>116,174,270</u>	<u>116,478,489</u>	<u>126,184,326</u>	<u>126,647,446</u>

### 7. RETAINED PROFITS

The retained profits as at the end of the reporting period are realised gains in nature.

### 8. MANAGER'S FEE

The Manager's fee is computed based on 0.18% (2018 – 0.18%) of the net asset value of the Fund calculated on a daily basis.

### 9. TRUSTEE'S FEE

The Trustee's fee is computed based on 0.025% (2018 – 0.025%) of the net asset value calculated on a daily basis.

### 10. TAXATION

	30/06/2019	2018
	RM	RM
Current tax expense:		
- for the financial period/year	-	-

## BSN DANA SHARIAH MONEY MARKET

The taxation charge for the financial period 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>30/06/2019</u>	<u>2018</u>
	RM	RM
Net income before taxation	2,284,020	5,217,825
Tax at the statutory tax rate of 24%	548,165	1,252,278
Tax effects of:-		
Profit exempted from tax	(578,705)	(1,333,782)
Non-deductible expenses	30,540	81,504
Tax expense for the financial period/year	<u>-</u>	<u>-</u>

### 11. DISTRIBUTION

Distribution to unitholders is from the following sources:-

	<u>30/06/2019</u>	<u>2018</u>
	RM	RM
Profit from Islamic deposits	2,064,104	4,233,087
Less:		
Allowable expenses	(127,249)	(339,602)
Distribution for the financial period/year	<u>1,936,856</u>	<u>3,893,485</u>

Distribution paid for the financial period is analysed as follows:

Distribution paid in the financial period	1,727,742	3,451,840
Distribution payable	209,114	441,645
Distribution for the financial period/year	<u>1,936,856</u>	<u>3,893,485</u>

### 12. CASH AND CASH EQUIVALENTS

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

	<u>30/06/2019</u>	<u>2018</u>
	RM	RM
Islamic deposits with licensed financial institutions	117,252,000	127,135,000
Bank balance	3,839	4,115
	<u>117,255,839</u>	<u>127,139,115</u>

## BSN DANA SHARIAH MONEY MARKET

### 13. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the top cash placements with financial institutions during the financial period/year are as follows:

	Value of trade	Percentage of total trades
<u>30.06.2019</u>	RM	%
Name of Financial Institutions		
Maybank Islamic Berhad	110,677,000	50.91
CIMB Islamic Bank Berhad	27,502,000	12.65
Al - Rajhi Bank Berhad	20,320,000	9.35
Bank Muamalat Malaysia Berhad	18,700,000	8.60
Kuwait Finance House (Malaysia) Berhad	17,610,000	8.10
Bank Islam (M) Berhad	17,600,000	8.10
RHB Islamic Bank Berhad	5,000,000	2.30
	<u>217,409,000</u>	<u>100.00</u>

	Value of trade	Percentage of total trades
<u>31.12.2018</u>	RM	%
Name of Financial Institutions		
Maybank Islamic Berhad	510,940,000	49.40
Affin Islamic Bank Berhad	178,332,000	17.24
RHB Islamic Bank Berhad	81,170,000	7.85
Hong Leong Islamic Bank Berhad	59,974,000	5.80
Bank Muamalat Malaysia Berhad	55,484,000	5.36
Al - Rajhi Bank Berhad	50,695,000	4.90
CIMB Islamic Bank Berhad	43,564,000	4.21
Bank Islam (M) Berhad	32,200,000	3.11
Kuwait Finance House (Malaysia) Berhad	22,000,000	2.13
	<u>1,034,359,000</u>	<u>100.00</u>

## BSN DANA SHARIAH MONEY MARKET

### 14. UNITS HELD BY THE MANAGER AND RELATED PARTIES

	30/06/2019		2018	
	UNIT	RM	UNIT	RM
Bank Simpanan Nasional (Holding company of the Manager) (The units are held legally)	50,000,000	50,840,600	50,000,000	50,708,550
Permodalan BSN Berhad (The Manager, wholly owned by BSN) (The units are held legally)	142,767	145,168	259,856	263,538
	<u>50,142,767</u>	<u>50,985,768</u>	<u>50,259,856</u>	<u>50,972,088</u>

### 15. MANAGEMENT EXPENSE RATIO

The management expense ratio for the financial period is 0.10% (2018 – 0.24%). 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.

### 16. PORTFOLIO TURNOVER RATIO

The portfolio turnover ratio for the financial period is 0.50 times (2018 – 1.14 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.

### 17. RELATED PARTY TRANSACTIONS

- (a) Identities of related party  
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 period:

	30/06/2019	2018
	RM	RM
Manager's fee	107,466	286,499
Trustee's fee	<u>16,327</u>	<u>39,480</u>

## BSN DANA SHARIAH MONEY MARKET

### 18. 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	
	30/06/2019	2018
	RM	RM
Profit from Islamic deposits	2,411,269	5,557,427

	SEGMENT ASSET	
	30/06/2019	2018
	RM	RM
Islamic deposits with licensed financial institutions	117,252,000	127,135,000
Profit receivable	1,120,570	1,301,638
Bank balance	3,839	4,115
	<u>118,376,409</u>	<u>128,440,753</u>

### 19. 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 Shariah-compliant investments which will cause the net asset value of the Fund to fall or rise. Market risk cannot be eliminated but maybe reduced through diversification. The Manager diversify the portfolio and monitor the investment climate and market conditions to take measures, where necessary and appropriate, to mitigate this risk.

## BSN DANA SHARIAH MONEY MARKET

### *(i) Price Risk*

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

### *(ii) Interest Rate Risk*

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rate. Profit rates on Islamic deposits and placements with licensed financial institutions are determined based on prevailing market rates.

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

It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with Shariah requirements.

### *(iii) Foreign Currency Risk*

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

## **(ii) Credit Risk**

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

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

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.

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

	<u>30/06/2019</u>	<u>2018</u>
	RM	RM
Islamic deposit with licensed financial institutions	117,252,000	127,135,000
Profit receivable	1,120,570	1,301,638
Bank balance	3,839	4,115
	<u>118,376,409</u>	<u>128,440,753</u>



## BSN DANA SHARIAH MONEY MARKET

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 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 and any Guidance Notes issued by the SC from time to time or other laws or regulations pertaining to unit trusts.

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

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
<u>30.06.2019</u>	RM	RM	RM
Distribution payable	209,114	209,114	209,114
Amount owing to Manager	12,581	12,581	12,581
Amount owing to Trustee	2,268	2,268	2,268
Accruals	2,452	2,452	2,452
Total financial liabilities	<u>226,415</u>	<u>226,415</u>	<u>226,415</u>
	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
<u>2018</u>	RM	RM	RM
Distribution payable	441,645	441,645	441,645
Amount owing to Manager	19,600	19,600	19,600
Amount owing to Trustee	2,722	2,722	2,722
Accruals	5,000	5,000	5,000
Total financial liabilities	<u>468,967</u>	<u>468,967</u>	<u>468,967</u>

## BSN DANA SHARIAH MONEY MARKET

### (b) Capital Risk Management

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

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

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

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.

### (c) Classification of Financial Instruments

	30/06/2019	2018
	RM	RM
Financial Assets		
<u>Loans and receivables financial assets</u> *		
Islamic deposits with licensed financial institutions	117,252,000	127,135,000
Profit receivable	1,120,570	1,301,638
Bank balance	3,839	4,115
	<u>118,376,409</u>	<u>128,440,753</u>
Financial Liabilities		
<u>Other financial liabilities</u>		
Distribution payable	209,114	441,645
Amount owing to Manager	12,581	19,600
Amount owing to Trustee	2,268	2,722
Accruals	2,452	5,000
	<u>226,415</u>	<u>468,967</u>

\* The Fund does not have loan.

## BSN DANA SHARIAH MONEY MARKET

### (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			Total Fair Value /Carrying Amount RM
	Level 1	Level 2	Level 3	
	RM	RM	RM	
<b><u>30.06.2019</u></b>				
<u>Financial Assets</u>				
Shariah-based deposits with licensed financial institutions	-	117,252,000	-	117,252,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>31.12.2018</u></b>				
<u>Financial Assets</u>				
Shariah-based deposits with licensed financial institutions	-	127,135,000	-	127,135,000
	<hr/>	<hr/>	<hr/>	<hr/>

The fair values of level 2 are estimated based on available market information as at the end of the reporting period.

## **BSN DANA SHARIAH MONEY MARKET**

### **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

E - mail : [info@pbsn.com.my](mailto:info@pbsn.com.my)

Tel : 03-2180 9000

Fax : 03-2681 0051

Website : [www.pbsn.com.my](http://www.pbsn.com.my)

#### **BOARD OF DIRECTORS**

Datuk Yunos bin Abd Ghani

Dato' Dr. Gan Miew Chee @ Gan Khuan Poh

Encik Kamari Zaman bin Juhari

Encik Roslani bin Hashim

Encik Ahmad Latfan bin Mohd Amran

Encik Kamarul Izam bin Idrus

#### **CHIEF EXECUTIVE OFFICER**

Encik Kamarul Izam bin Idrus

#### **COMPANY SECRETARY**

Pn Nor Eliza bt Musa

MAICSA No 1035207

#### **ADVOCATES & SOLICITORS**

SOON, GAN DION & PARTNERS

1st Floor, No. 73, Jalan SS 21/1A

Damansara Utama

47400 Petaling Jaya

#### **PRINCIPAL BANKER**

Maybank Islamic Berhad

Jalan Raja Muda Branch,

Tingkat 1 Lot 1.01 & 1.02

Bangunan Yayasan Selangor

Jalan Raja Muda Abd Aziz

50300 Kuala Lumpur

#### **TRUSTEE**

AmanahRaya Trustees Berhad (766894-T)

Tingkat 2, Wisma AmanahRaya II

No. 21, Jalan Melaka

50100 Kuala Lumpur

## **BSN DANA SHARIAH MONEY MARKET**

### **SHARIAH ADVISER**

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

### **SHARIAH ADVISER**

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

### **AUDITOR**

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

### **TAX ADVISER**

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

## **BSN DANA SHARIAH MONEY MARKET**

**Managed by Permodalan BSN Berhad** (DAMANSARA)  
Aras 19, Lot 1, Bangunan TH Selborn,  
153 Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel : 03-2180 9020, 03-2180 9000 Fax : 03-2681 0051  
Email : [info@pbsn.com.my](mailto:info@pbsn.com.my)  
Website : [www.pbsn.com.my](http://www.pbsn.com.my)