



**PERMODALAN BSN BERHAD**

A Wholly-Owned Subsidiary of BSN

# **BSN DANA SHARIAH MONEY MARKET**

## **INTERIM REPORT**

**For the Six Month Ended 30 June 2020**

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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 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 2020.

#### 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 2020, a total of 3 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>-</td><td>-</td></tr><tr><td>500,001 and above</td><td>3</td><td>76,299,231</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	-	-	500,001 and above	3	76,299,231
Size of Holdings	No. of Unitholders	No. Of Units Held																	
5,000 and below	-	-																	
5,001 – 10,000	-	-																	
10,001 – 50,000	-	-																	
50,001 – 500,000	-	-																	
500,001 and above	3	76,299,231																	

## 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 2.76%, as compared to its benchmark's return of 1.70%, thus outperformed the benchmark's return by 1.06%. As at 30 June 2020, the Net Asset Value (NAV) of the Fund was at RM77,746,396.40 and the total units in circulation of the Fund stood at 76,461,221.45 units. For the period under review, the total dividend declared was RM0.012 or equivalent to 2.36% annual yield.

#### 2.2 Asset Allocation

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

Components of Asset Portfolio	%		
	30/06/2020	31/12/2019	01/08/2017-31/12/2018
Islamic deposits with licensed financial institutions	99.99	99.99	99.99
Cash	0.01	0.01	0.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

#### 2.3 Comparative Financial Information for the period 3 Years

Matters	30/06/2020	31/12/2019	01/08/2017-31/12/2018
Net Asset Value (RM)	77,746,396	77,617,805	127,972,498
Net Asset Value per Unit (RM)	1.0168	1.0150	1.0142
Unit In Circulation	76,461,221	76,477,566	126,184,326
Selling Price per Unit (RM)	1.0168	1.0150	1.0142
Buying Price per Unit (RM)	1.0168	1.0150	1.0142
Selling Price per Unit (High) (RM)	1.0187	1.0229	1.0174
Buying Price per Unit (High) (RM)	1.0187	1.0229	1.0174
Selling Price per Unit (Low) (RM)	1.0150	1.0128	1.0000
Buying Price per unit (Low) (RM)	1.0150	1.0128	1.0000
Total Fund Return (%)	2.76	3.34	5.08
Capital Growth (%)	1.58	0.13	1.42
Income Growth (%)	1.18	3.21	3.66
Gross Distribution per Unit (Sen)	0.20	0.80	0.35
Net Distribution per Unit (Sen)	0.20	0.80	0.35
Date of payment	01/07/2020	02/01/2020	04/01/2019
Management Expense Ratio (%) :	0.09	0.51	0.24
Portfolio Turnover Ratio (times) :	1.73	0.63	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 and also the MER only covers for a period of six months as compared to one year for 2019.

### **2.3.2 Portfolio Turnover Ratio**

The PTR for the financial period is higher than previous financial year mainly due to increase 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 2020.

**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

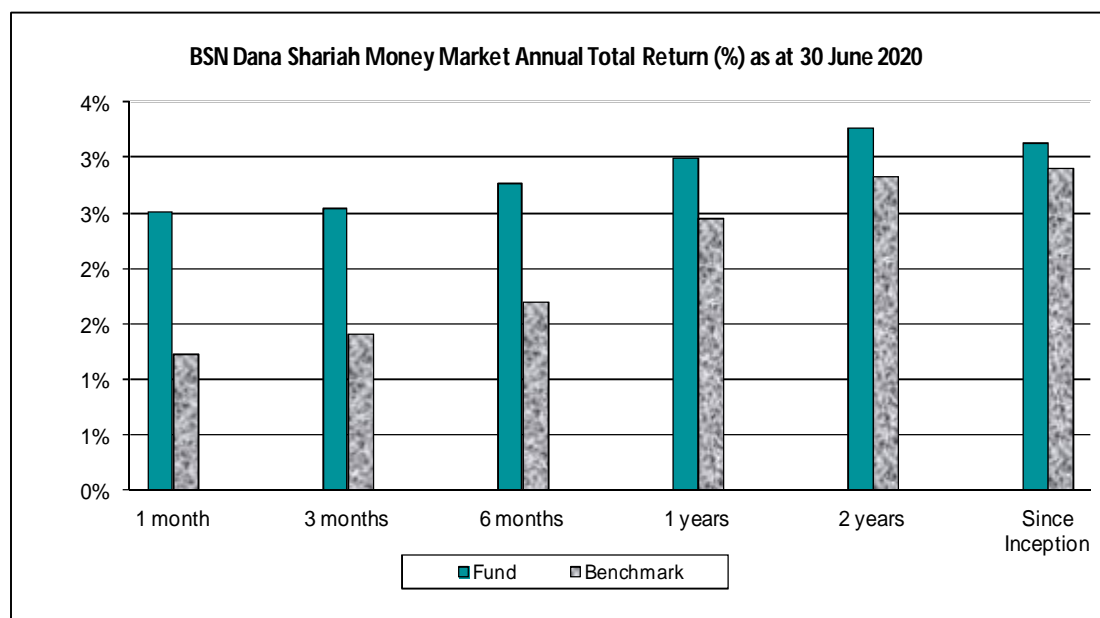
	As at 30 June 2020
Net Asset Value (RM)*	77,746,396.40
Unit in Circulation	76,461,221.45
Net Asset Value per Unit (RM)*	1.016808
Highest Net Asset Value per Unit (RM)	1.018747
Lowest Net Asset Value per Unit (RM)	1.014972
Annualised Return (%)	2.76
Benchmark Return (%)**	1.70

\* 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 2.76%, as compared to its benchmark's return of 1.70%, thus outperformed the benchmark's return by 1.06%. As at 30 June 2020, the Net Asset Value (NAV) of the Fund was at RM77,746,396.40 and the total units in circulation of the Fund stood at 76,461,221.45 units.



Source: Novagni Analytics and Advisory Sdn Bhd

## BSN DANA SHARIAH MONEY MARKET

### 3.1.1 Annual Total Return and Average Total Return and

Annual Total Return						
	1 month	3 months	6 months	1 years	2 years	Since Inception
<b>Fund</b>	2.50	2.54	2.76	2.99	3.26	3.12
<b>Benchmark</b>	1.23	1.41	1.70	2.46	2.83	2.90

Average Total Return						
	1 months	3 months	6 months	1 years	2 years	Since Inception
<b>Fund</b>	0.21	0.63	1.37	2.99	6.63	9.49
<b>Benchmark</b>	0.10	0.35	0.85	2.46	5.74	8.81

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 2020 – June 2020		
Ex Dividend Date	Gross Distribution (sen)	Net Distribution (sen)
31 January 2020	0.20	0.20
29 February 2020	0.20	0.20
31 March 2020	0.20	0.20
30 April 2020	0.20	0.20
31 May 2020	0.20	0.20
30 June 2020	0.20	0.20
<b>Total</b>	<b>1.20</b>	<b>1.20</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

Global economic conditions have weakened significantly this year. Measures to contain the pandemic have disrupted economic activity across most economies. Recent indicators show that the global economy is already contracting, with global growth projected to be negative for the year. International Monetary Fund (IMF) on 24<sup>th</sup> June 2020 cut on the global GDP forecast to -4.9% in 2020 from -3.0% amidst a global surge in corona virus cases, potentially delaying economic recovery.

Substantial policy stimulus introduced by many economies, coupled with the gradual easing of containment measures globally, would partially mitigate the economic impact from the pandemic. US has approved some USD2.3 trillion to combat the pandemic and economic fallouts (Singapore; SGD59.9billion, Japan; JPY108 trillion, Malaysia; RM290 billion). Growth prospects should improve in 2021 with the expected containment of the pandemic.

Similarly, the domestic economy is already on a recovery path following the gradual easing of restrictions since early May. While growth is expected to be weak in 2Q20, recovery will rely on global demand conditions, the pace of the labour market's recovery, as well as the risk of a resurgence of local cases prompting the authorities to act. However, the RM290 billion stimuli have provided some upside to growth prospects. Inflationary pressure is projected to remain subdued, with headline inflation seen to be in negative territory for the rest of year. Consumer Price Index (CPI) declined 2.9% year-on-year in May 2020. While price pressure is likely to recover slightly amid the reopening of the economic sectors, this will be offset by weak commodity prices.

## **BSN DANA SHARIAH MONEY MARKET**

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

For the period ended 30 June 2020, the Manager received soft commission from brokers in the form of research materials. 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. Any stock broking rebates received by the Manager will be directed to the account of the Fund.

### **3.6 Separation Unit**

There is no separation unit performed for the period until 30 June 2020.

### **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.

## **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 13 to 36 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 2020 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 : 14 August 2020

## **BSN DANA SHARIAH MONEY MARKET**

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

For the Six Months Financial Period Ended 30 June 2020

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 2020. 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 2020.

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**

**ZAINUDIN BIN SUHAIMI**  
Deputy Chief Executive Officer

Kuala Lumpur, Malaysia  
Date : 28 July 2020

## **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 1 January 2020 until ended 30 June 2020.

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

Kuala Lumpur  
Date: 14 August 2020

**BSN DANA SHARIAH MONEY MARKET**

**7. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020 (UNAUDITED)**

	Note	30.06.2020 RM	31.12.2019 RM
<b>ASSETS</b>			
<b>SHARIAH-COMPLIANT INVESTMENTS</b>			
Islamic deposits with licensed financial institutions	4	77,685,000	78,153,000
<b>OTHER ASSETS</b>			
Profit receivables		230,853	98,208
Bank balance		1,535	1,427
		232,388	99,635
<b>TOTAL ASSETS</b>		<b>77,917,388</b>	<b>78,252,635</b>
<b>LIABILITIES</b>			
Distribution payable		152,922	611,821
Amount owing to Manager		9,248	11,322
Amount owing to Trustee		1,541	1,887
Accruals		7,280	9,800
<b>TOTAL LIABILITIES</b>		<b>170,992</b>	<b>634,830</b>
<b>EQUITY</b>			
Unitholders' contribution	6	75,888,125	75,906,013
Retained profits	7	1,858,271	1,711,792
<b>TOTAL EQUITY</b>		<b>77,746,396</b>	<b>77,617,805</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77,917,388</b>	<b>78,252,635</b>
<b>UNITS IN CIRCULATION</b>	6	<b>76,461,221</b>	<b>76,477,566</b>
<b>NUT ASSET VALUE PER UNIT (ex-distribution)</b>		<b>1.016808</b>	<b>1.014972</b>

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

**BSN DANA SHARIAH MONEY MARKET**

**8. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Note	30.06.2020 RM	31.12.2019 RM
INVESTMENT INCOME			
Profit from Islamic deposits		1,139,823	4,310,052
LESS: EXPENSES			
Manager's fee	8	57,963	194,507
Trustee's fee	9	9,660	30,834
Tax Agent's fee		-	9,600
Auditor's remuneration		2,480	5,000
Administrative expenses		1,775	3,983
		<u>71,878</u>	<u>243,924</u>
NET PROFIT BEFORE TAXATION		1,067,945	4,066,128
TAXATION	10	-	-
NET PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD/YEAR		<u>1,067,945</u>	<u>4,066,128</u>
OTHER COMPREHENSIVE INCOME			
FOR THE FINANCIAL PERIOD/YEAR		<u>1,067,945</u>	<u>4,066,128</u>
Net profit after taxation/Total Comprehensive Income for the financial period/year is made up of the following:			
- Realised gains		<u>146,480</u>	<u>1,716,592</u>
Distribution for the financial period/year	11	921,465	3,678,676
Gross distribution per unit (sen)		1.20	3.26
Net distribution per unit (sen)		<u>1.20</u>	<u>3.26</u>

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

**BSN DANA SHARIAH MONEY MARKET**

**9. STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Note	Unitholders' Contribution RM	Retained Profit RM	Net Asset Value RM
Balance at 1st January 2019		126,647,446	1,324,340	127,971,786
Net profit after taxation/Total comprehensive income for the financial period		-	4,066,128	4,066,128
Contributions by and distribution to unitholders of the Fund:				
- Creation of units		26,411,666	-	26,411,666
- Cancellation of units		(77,153,099)	-	(77,153,099)
- Distribution reinvestment		-	-	-
- Distribution	11	-	(3,678,677)	(3,678,677)
		(50,741,433)	(3,678,677)	(54,420,110)
As at 31.12.2019/1.1.2020		75,906,013	1,711,791	77,617,804
Net profit after taxation/Total comprehensive income for the financial year		-	1,067,945	1,067,945
Contributions by and distribution to unitholders of the Fund:				
- Creation of units		482,112	-	482,112
- Cancellation of units		(500,000)	-	(500,000)
- Distribution reinvestment		-	-	-
- Distribution	11	-	(921,465)	(921,465)
		(17,888)	(921,465)	(939,354)
As at 30.06.2020		75,888,125	1,858,271	77,746,396

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



**BSN DANA SHARIAH MONEY MARKET**

**10. STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Note	30.06.2020	31.12.2019
		RM	RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Profit received		1,007,178	5,513,482
Manager's fee paid		(60,037)	(202,785)
Trustee's fee paid		(10,006)	(31,669)
Audit's fee paid		(5,000)	(5,000)
Tax agent's fee paid		-	(4,800)
Payment of administrative expenses		(1,775)	(3,983)
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>930,360</b>	<b>5,265,245</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution paid		(1,380,364)	(3,508,500)
Proceeds from units created		482,112	26,411,666
Payment for units cancelled		(500,000)	(77,153,099)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,398,252)</b>	<b>(54,249,933)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(467,892)</b>	<b>(48,984,688)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>		<b>78,154,427</b>	<b>127,139,115</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD/YEAR</b>	12	<b>77,686,535</b>	<b>78,154,427</b>

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

## BSN DANA SHARIAH MONEY MARKET

### 11. 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 placement with financial institutions, 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 14 August 2020.

#### 2. BASIS OF PREPARATION

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

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

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

**(i) Impairment of Receivables**

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

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

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

**(b) Functional and Presentation Currency**

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

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

**(c) Cash and Cash Equivalents**

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

## **BSN DANA SHARIAH MONEY MARKET**

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

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

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

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

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

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

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

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

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

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

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

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved

## **BSN DANA SHARIAH MONEY MARKET**

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

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

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

### **b) Equity investments**

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

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

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

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any profit or dividend income, are recognised in the profit or loss.

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

### ***Financial Liabilities***

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

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a

## BSN DANA SHARIAH MONEY MARKET

business combination and financial liabilities that are specifically designated into this category upon initial recognition.

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

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

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

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

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

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

### **(iii) Provisions**

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

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

## **BSN DANA SHARIAH MONEY MARKET**

### **Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### **Offsetting**

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

### **Unitholders' Contribution**

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

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

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

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

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

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

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

## **BSN DANA SHARIAH MONEY MARKET**

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

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

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

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

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

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

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

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

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-



## **BSN DANA SHARIAH MONEY MARKET**

generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

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

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

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

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

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

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

## **BSN DANA SHARIAH MONEY MARKET**

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.

### **(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.

## **BSN DANA SHARIAH MONEY MARKET**

- (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.

#### *(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.

## BSN DANA SHARIAH MONEY MARKET

### (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.

#### 4. ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective rates of the Islamic deposits at the end of the reporting period ranged from 1.20% to 2.25% (2019 – 2.70% to 4.00%) per annum. The Islamic deposits have maturity year ranging from 1 day to 123 days (2019 - 1 day to 283 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

	30.06.2020		31.12.2019	
	Unit	RM	Unit	RM
At 1.1.2020/1.1.2019	76,477,566	75,906,013	126,184,326	126,647,446
Creation of units	475,000	482,112	25,978,191	26,411,666
Cancellation of units	(491,345)	(500,000)	(75,684,951)	(77,153,099)
At 30.06.2020/31.12.2019	<u>76,461,221</u>	<u>75,888,125</u>	<u>76,477,566</u>	<u>75,906,013</u>

## BSN DANA SHARIAH MONEY MARKET

### 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% (2019 – 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% (2019 – 0.025%) of the net asset value calculated on a daily basis.

### 10. TAXATION

	<u>30/06/2020</u>	<u>2019</u>
	RM	RM
Current tax expense:		
- for the financial period/year	-	-

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>30/06/2020</u>	<u>31/12/2019</u>
	RM	RM
Net income before taxation	1,067,945	4,066,128
Tax at the statutory tax rate of 24%	256,307	975,870
Tax effects of:-		
Profit exempted from tax	(273,558)	(1,034,412)
Non-deductible expenses	17,251	58,542
Tax expense for the financial period/year	-	-

## BSN DANA SHARIAH MONEY MARKET

### 11. DISTRIBUTION

Distribution to unitholders is from the following sources:-

	<u>30/06/2020</u>	<u>31/12/2019</u>
	RM	RM
Profit from Islamic deposits	993,344	3,922,600
Less:		
Allowable expenses	(71,878)	(243,924)
Distribution for the financial period/year	<u>921,465</u>	<u>3,678,676</u>

Distribution paid for the financial period is analysed as follows:

Distribution paid in the financial period	768,543	3,066,855
Distribution payable	152,922	611,821
Distribution for the financial period/year	<u>921,465</u>	<u>3,678,676</u>

### 12. CASH AND CASH EQUIVALENTS

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

	<u>30/06/2020</u>	<u>31/12/2019</u>
	RM	RM
Islamic deposits with licensed financial institutions	77,685,000	78,153,000
Bank balance	1,535	1,427
	<u>77,686,535</u>	<u>78,154,427</u>

## BSN DANA SHARIAH MONEY MARKET

### 13. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

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

	Value of trade	Percentage of total trades
<u>30.06.2020</u>	RM	%
Name of Financial Institutions		
Maybank Islamic Berhad	29,659,000	27.84
CIMB Islamic Bank Berhad	24,953,000	23.42
RHB Islamic Bank Berhad	21,531,000	20.21
Bank Islam (M) Berhad	10,058,000	9.44
Bank Muamalat Malaysia Berhad	10,000,000	9.39
Al - Rajhi Bank Berhad	6,090,000	5.72
Kuwait Finance House (Malaysia) Berhad	4,232,000	3.97
	<u>106,523,000</u>	<u>100.00</u>
	Value of trade	Percentage of total trades
<u>31.12.2019</u>	RM	%
Name of Financial Institutions		
Maybank Islamic Berhad	270,319,000	46.63
Hong Leong Islamic Bank Berhad	70,498,000	12.16
Bank Islam (M) Berhad	48,799,000	8.42
Al - Rajhi Bank Berhad	46,205,000	7.97
CIMB Islamic Bank Berhad	44,258,000	7.64
Kuwait Finance House (Malaysia) Berhad	39,713,000	6.85
Bank Muamalat Malaysia Berhad	35,696,000	6.16
RHB Islamic Bank Berhad	24,175,000	4.17
	<u>579,663,000</u>	<u>100.00</u>

## BSN DANA SHARIAH MONEY MARKET

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

	30/06/2020		31/12/2019	
	UNIT	RM	UNIT	RM
Bank Simpanan Nasional (Holding company of the Manager) (The units are held legally)	50,000,000	50,840,400	50,000,000	50,748,600
Permodalan BSN Berhad (The Manager, wholly owned by BSN) (The units are held legally)	110,262	112,115	423,103	429,438
	<u>50,110,262</u>	<u>50,952,515</u>	<u>50,423,103</u>	<u>51,178,038</u>

### 15. MANAGEMENT EXPENSE RATIO

The management expense ratio for the financial period is 0.09% (2019 – 0.51%). 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 1.73 times (2019 – 0.63 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:

	30/06/2020	31/12/2019
	RM	RM
Manager's fee	57,963	194,507
Trustee's fee	9,660	30,834



## 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	
	30/06/2020	31/12/2019
	RM	RM
Profit from Islamic deposits	1,139,823	4,310,052

	SEGMENT ASSET	
	30/06/2020	31/12/2019
	RM	RM
Islamic deposits with licensed financial institutions	77,685,000	78,153,000
Profit receivable	230,853	98,208
Bank balance	1,535	1,427
	<u>77,917,388</u>	<u>78,252,635</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>30/06/2020</u>	<u>31/12/2019</u>
	RM	RM
Islamic deposit with licensed financial institutions	77,685,000	78,153,000
Profit receivable	230,853	98,208
Bank balance	1,535	1,427
	<u>77,917,388</u>	<u>78,252,635</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
	RM	RM	RM
<u>30.06.2020</u>			
Distribution payable	152,922	152,922	152,922
Amount owing to Manager	9,248	9,248	9,248
Amount owing to Trustee	1,541	1,541	1,541
Accruals	7,280	7,280	7,280
Total financial liabilities	<u>170,992</u>	<u>170,992</u>	<u>170,992</u>
	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
	RM	RM	RM
<u>31.12.2019</u>			
Distribution payable	611,821	611,821	611,821
Amount owing to Manager	11,322	11,322	11,322
Amount owing to Trustee	1,887	1,887	1,887
Accruals	9,800	9,800	9,800
Total financial liabilities	<u>634,830</u>	<u>634,830</u>	<u>634,830</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

	<u>30/06/2020</u>	<u>31/12/2019</u>
	RM	RM
Financial Assets		
<u>Loans and receivables financial assets</u> *		
Islamic deposits with licensed financial institutions	77,685,000	78,153,000
Profit receivable	230,853	98,208
Bank balance	1,535	1,427
	<u>77,917,388</u>	<u>78,252,635</u>
Financial Liabilities		
<u>Other financial liabilities</u>		
Distribution payable	152,922	611,821
Amount owing to Manager	9,248	11,322
Amount owing to Trustee	1,541	1,887
Accruals	7,280	9,800
	<u>170,992</u>	<u>634,830</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
	Level 1 RM	Level 2 RM	Level 3 RM	RM
<b><u>30.06.2020</u></b>				
<u>Financial Assets</u>				
Shariah-based deposits with licensed financial institutions	-	77,685,000	-	77,685,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>31.12.2019</u></b>				
<u>Financial Assets</u>				
Shariah-based deposits with licensed financial institutions	-	78,153,000	-	78,153,000
	<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 : 199401034061 (319744-W)  
License No.for Capital Market Services : CMSL/A0156/2007

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

Level 19, Lot 1,  
Bangunan TH Selborn  
153, Jalan Tun Razak,  
50400 Kuala Lumpur  
E - mail : [info@pbsn.com.my](mailto:info@pbsn.com.my)  
Tel : 03-2180 9000  
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 (resigned w.e.f 20 April 2020)  
Encik Kamari Zaman bin Juhari  
Encik Roslani bin Hashim  
Encik Ahmad Latfan bin Mohd Amran (resigned w.e.f 6 April 2020)  
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 : 200701008892 (766894-T)  
Level 14, Wisma AmanahRaya  
No. 2 Jalan Ampang  
50508 Kuala Lumpur

## **BSN DANA SHARIAH MONEY MARKET**

### **SHARIAH ADVISER**

Tawafuq Consultancy Sdn Bhd: 201501036171 (1161491-M)  
No. 6-2F, Pinggiran Mutiara Utama,  
Taman Mutiara Gombak 2,  
53100,  
Gombak, 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:** 199401034061 (319744-W)

**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)**