

# CIMB Islamic Deposit Fund

Unaudited Interim Report

For The Six Months Financial Period Ended 31 July 2019

**CIMB ISLAMIC DEPOSIT FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

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## INVESTORS' LETTER

Dear Valued Investors,

We have recently announced through the media our collaboration with the Employee Provident Fund ("EPF") that consumers can now invest in our Unit Trust Funds at 0% sales fee\*, as part of our offering for the EPF's newly launched i-Invest online platform within the i-Akaun (Member) portal facility.

The online facility enables EPF i-Akaun members to invest in Unit Trust Funds using their EPF savings without needing to complete and submit physical forms and enables them to perform various transactions including purchase, redeem and switch funds - anytime, anywhere.

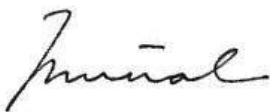
In today's era of dynamic change, there is a growing need to accommodate the emergence of more tech savvy investors. We're glad to have the opportunity to partner with the EPF and are excited to bring our global experience and expertise to make saving for retirement faster and easier for those who prefer to manage their money, their way. The Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("Principal Malaysia") online platform is just one more tool we offer to help you save enough and have enough in retirement and complements our other methods of investing. To find out more on how you can maximise your retirement savings, please visit [www.principal.com.my](http://www.principal.com.my).

As of July 2019, our Assets under Management ("AUM") stood at RM56.5 billion. Going forward we will be launching a new global Fund with a unique combination that will help cushion the impact of any unforeseen eventualities. We look forward to introducing it to you.

Thank you for your continuous support and allowing us to help you achieve your financial goals and live your best life.

Thank you.

Yours faithfully,  
for **Principal Asset Management Berhad**  
(*formerly known as CIMB-Principal Asset Management Berhad*)



**Munirah Khairuddin**  
Chief Executive Officer

\*The 0% sales fee is subject to change

**MANAGER'S REPORT****FUND OBJECTIVE AND POLICY****What is the investment objective of the Fund?**

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles.

**Has the Fund achieved its objective?**

For the financial period under review, the Fund is in line with its stated objective.

**What are the Fund investment policy and principal investment strategy?**

The Fund seeks to achieve its objective by investing at least 95% of the Fund's Net Asset Value ("NAV") in Deposits. Up to 5% of the Fund's NAV may be invested in Shariah-compliant money market instruments, short-term Sukuk and/or notes with a minimum credit rating of "A3" or "P1" by RAM Ratings ("RAM") or equivalent rating by Malaysian Rating Corporation Berhad ("MARC") or by local rating agency(ies) of the country of issuance or "BBB-" by Standard & Poor's ("S&P") or equivalent rating by Moody's or Fitch, all of which have a remaining maturity period of less than 365 days. The investment policy is to invest in liquid and low risk short-term investments for capital preservation\*.

The Fund will be actively managed to provide liquidity and to accommodate the short-term cash flow requirements of its Unit holders.

\* The Fund is neither a capital guaranteed fund nor a capital protected fund.

**Fund category/type**

Money Market (Shariah-compliant)/Income

**How long should you invest for?**

Recommended one (1) year

**Indication of short-term risk (low, moderate, high)**

Low

**When was the Fund launched?**

9 September 2009

**What was the size of the Fund as at 31 July 2019?**

RM2,991.65 million (2,991.65 million units)

**What is the Fund's benchmark?**

Islamic Interbank Overnight Rate

Note: The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The Islamic Interbank Overnight Rate is reflective of the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than the benchmark.

**What is the Fund distribution policy?**

Monthly, depending on the level of income (if any) the Fund generates.

**What was the net income distribution for the six months financial period ended 31 July 2019?**

The Fund distributed a total net income of RM50.78 million to unit holders for the six months financial period ended 31 July 2019.

**FUND OBJECTIVE AND POLICY (CONTINUED)**

The Fund's NAV per unit are as follows:

<b>Date</b>	<b>NAV per unit (Before distribution)</b>	<b>NAV per unit (After distribution)</b>
28.02.2019	1.0025	1.0000
29.03.2019	1.0028	1.0000
30.04.2019	1.0026	1.0000
31.05.2019	1.0028	1.0000
28.06.2019	1.0026	1.0000
31.07.2019	1.0027	1.0000

**PERFORMANCE DATA**

Details of portfolio composition of the Fund for the last three unaudited financial periods are as follows:

	<b>31.07.2019</b>	<b>31.07.2018</b>	<b>31.07.2017</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Shariah-compliant deposits with licensed Islamic financial institutions	100.00	98.89	100.00
Cash and other net assets	-	1.11	-
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Performance details of the Fund for the last three unaudited financial periods are as follows:

	<b>31.07.2019</b>	<b>31.07.2018</b>	<b>31.07.2017</b>
NAV (RM Million)*	2,991.65	1,757.34	1,632.90
Units in circulation (Million)	2,991.65	1,757.34	1,632.90
NAV per unit (RM)*	1.0000	1.0000	0.9999
	<b>01.02.2019 to 31.07.2019</b>	<b>01.02.2018 to 31.07.2018</b>	<b>01.02.2017 to 31.07.2017</b>
Highest NAV per unit (RM)	1.0027	1.0028	1.0025
Lowest NAV per unit (RM)*	1.0000	1.0000	0.9999
Total return (%)	1.64	1.65	1.58
- Capital growth (%)	1.64	1.65	1.58
- Income distribution (%)	-	-	-

\*Ex-distribution

Management Expense Ratio ("MER") (%) ^	0.24	0.25	0.26
Portfolio Turnover Ratio ("PTR") (times) #	5.48	3.16	1.71

^ The Fund's MER for the six months financial period under review decreased from 0.25% to 0.24% due to increase in average NAV.

# The Fund's PTR for the six months financial period under review increased from 3.16 times to 5.48 times due to higher trading activities.

## PERFORMANCE DATA (CONTINUED)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018	01.02.2017 to 31.07.2017		
<b>Gross/Net distribution per unit (sen)</b>					
Distribution on 28 February 2019	0.25	-	-		
Distribution on 29 March 2019	0.29	-	-		
Distribution on 30 April 2019	0.27	-	-		
Distribution on 31 May 2019	0.28	-	-		
Distribution on 28 June 2019	0.27	-	-		
Distribution on 31 July 2018	0.27	-	-		
Distribution on 28 February 2018	-	0.25	-		
Distribution on 30 March 2018	-	0.28	-		
Distribution on 30 April 2018	-	0.27	-		
Distribution on 31 May 2018	-	0.28	-		
Distribution on 29 June 2018	-	0.27	-		
Distribution on 31 July 2018	-	0.28	-		
Distribution on 28 February 2017	-	-	0.24		
Distribution on 31 March 2017	-	-	0.27		
Distribution on 28 April 2017	-	-	0.26		
Distribution on 31 May 2017	-	-	0.27		
Distribution on 30 June 2017	-	-	0.26		
Distribution on 31 July 2017	-	-	0.27		
	<b>31.07.2019</b>	<b>31.07.2018</b>	<b>31.07.2017</b>	<b>31.07.2016</b>	<b>31.07.2015</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Annual total return	3.36	3.33	3.07	3.16	3.03

(Launch date: 9 September 2009)

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures for the financial period have been extracted from Lipper.

### MARKET REVIEW (1 FEBRUARY 2019 TO 31 JULY 2019)

On 7 May 2019, Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") cut the Overnight Policy Rate ("OPR") by 25 basis points ("bps") to 3.00% as widely anticipated by the market. The MPC statement highlighted that while domestic monetary and financial conditions remain supportive of economic growth, there are some signs of tightening of financial conditions. The adjustment to the OPR is therefore intended to preserve the degree of monetary accommodativeness. BNM also announced that it was taking several development initiatives to improve domestic Foreign Exchange ("FX") and bond market liquidity, likely in response to The Financial Times Stock Exchange ("FTSE") Russell's action whereby Malaysia was placed on the watch list for their World Government Bond Index ("WGBI").

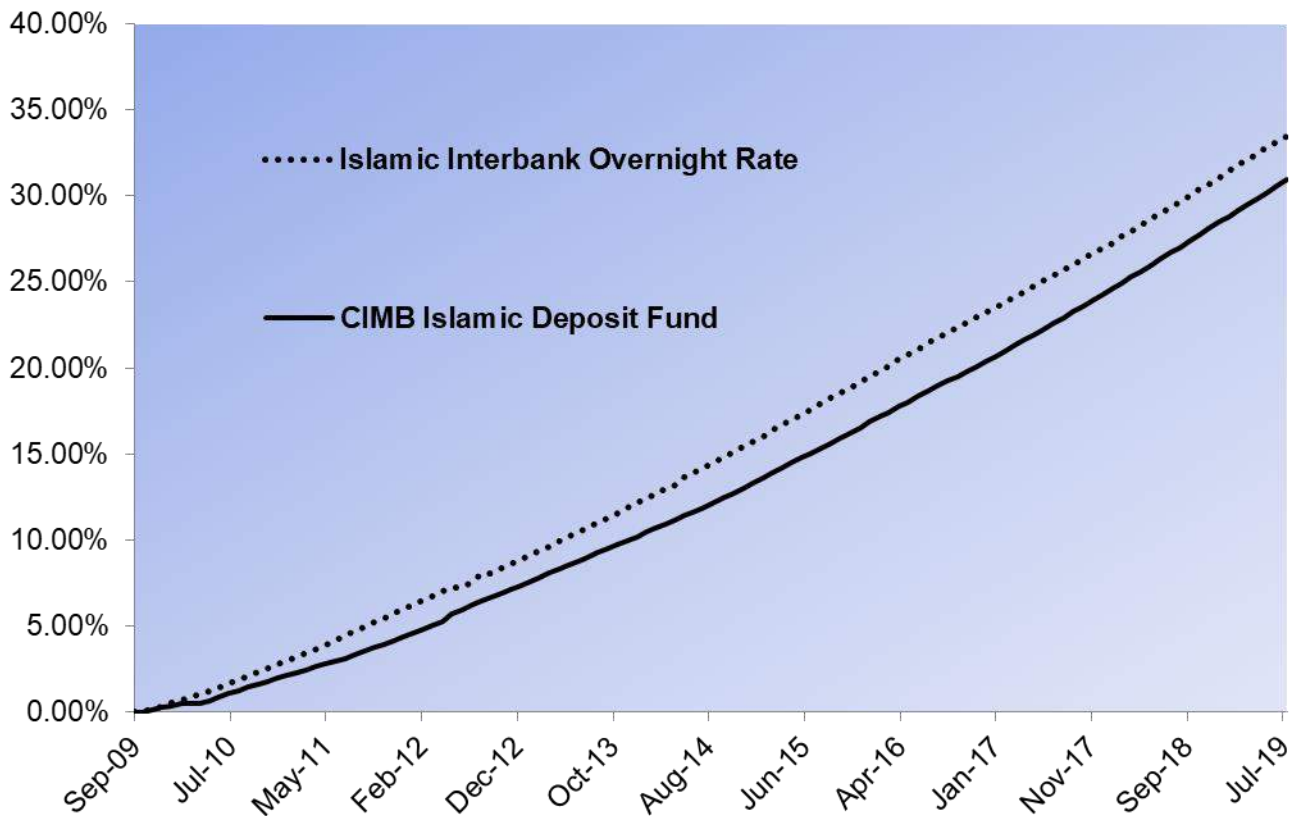
In the month of June 2019, headline inflation inched up by 1.5% year-on-year ("y-o-y"), mainly due to the base effects in June 2018 (i.e. when the Goods and Services Tax ("GST") were removed). Going forward, the headline inflation is expected to rise further as the impact of the changes in consumption tax policy lapses (from June 2018 until August 2018).

The Malaysian economy grew 4.5% in the first quarter of the year, driven mainly by private sector activity and firm private consumption growth. In BNM's 2018 Annual Report, the Central Bank downgraded 2019 growth to 4.3% to 4.8% (2018: 4.7%), below Ministry of Finance's ("MoF") forecast of 4.9% in October 2018. 2019 headline Consumer Price Index ("CPI") forecast was also revised down to 0.7% to 1.7% (i.e. 2.5% to 3.5% during Budget 2019 projection) given the lower oil prices and price ceiling mechanism on domestic retail fuel prices. The Central Bank expects average headline inflation to be broadly stable in 2019 compared to 2018.

FUND PERFORMANCE

	6 months to 31.07.2019	1 year to 31.07.2019	3 years to 31.07.2019	5 years to 31.07.2019	Since inception to 31.07.2019
	%	%	%	%	%
Income	-	-	-	-	-
Capital	1.64	3.36	10.07	16.98	30.93
Total Return	1.64	3.36	10.07	16.98	30.93
Benchmark	1.56	3.22	9.68	16.81	33.48
Average Total Return	N/A	3.36	10.07	16.98	30.93

For the six-months financial period under review, the fund delivered a total return of 1.64% and outperformed the benchmark by 0.08%. Over the last one-year, the fund delivered a total return of 3.36% and outperformed the benchmark by 0.14%.





**FUND PERFORMANCE (CONTINUED)**

**Changes in NAV**

	<b>31.07.2019</b>	<b>31.01.2019 Audited</b>	<b>Changes %</b>
NAV (RM Million)*	2,991.65	3,111.73	(3.86)
NAV/Unit (RM)*	1.0000	0.9999	0.01

\*Ex-distribution

The Fund's NAV has drop from RM3.111.73 as at 31 January 2019 to RM2,991.65 million as at 31 July 2019. The Fund's NAV per unit was slightly increased from RM0.9999 to at RM1.0000 during the financial period under review.

Performance data represents the combined income and capital return as a result of holding units in the Fund for the specified length of time, based on NAV to NAV price. The performance data assumes that all earnings from the Fund are reinvested and are net of management and trustee fees. Past performance is not reflective of future performance and income distributions are not guaranteed. Unit prices and income distributions, if any, may fall and rise. All performance figures for the financial period have been extracted from Lipper.

**PORTFOLIO STRUCTURE**

**Asset allocation**

(% of NAV)	<b>31.07.2019</b>	<b>31.01.2019 Audited</b>
Shariah-compliant deposits with licensed Islamic financial institutions	100.00	100.00
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

The Fund was fully invested in deposit placements with licensed Islamic financial institutions.

**MARKET OUTLOOK\***

On 7 May 2019, the MPC cut the OPR by 0.25% to 3.00% as widely anticipated by the market. We believe the current monetary policy remains accommodative and are of the view that BNM will maintain its OPR unchanged for the remainder of 2019 unless the trade wars worsen significantly, or domestic growth is significantly lower than expected.

\* This market outlook does not constitute an offer, invitation, commitment, advice or recommendation to make a purchase of any investment. The information given in this article represents the views of Principal Malaysia or based on data obtained from sources believed to be reliable by Principal Malaysia. Whilst every care has been taken in preparing this, Principal Malaysia makes no guarantee, representation or warranty and is under no circumstances liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this market outlook.

**INVESTMENT STRATEGY**

The Fund's objective is to provide investors with liquidity and regular income hence it will continue to maintain its investment primarily in deposits with licensed financial institutions.

**UNIT HOLDINGS STATISTICS**

Breakdown of unit holdings by size as at 31 July 2019 are as follows:

<b>Size of unit holdings (units)</b>	<b>No. of unit holders</b>	<b>No. of units held (million)</b>	<b>% of units held</b>
5,000 and below	-	0.00	0.00
5,001-10,000	3	0.02	0.00
10,001-50,000	7	0.21	0.01
50,001-500,000	2	0.87	0.02
500,001 and above	45	2,990.55	99.97
<b>Total</b>	<b>57</b>	<b>2,991.65</b>	<b>100.00</b>

**SOFT COMMISSIONS AND REBATES**

Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

During the financial period under review, the Manager and Trustee did not receive any rebates from the brokers or dealers but the Manager has retained soft commission in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds.

**STATEMENT BY MANAGER TO THE UNIT HOLDERS OF  
CIMB ISLAMIC DEPOSIT FUND**

We, being the Directors of Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 12 to 31 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 July 2019 and of its financial performance, changes in equity and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and International Accounting Standards ("IAS") 34 - Interim Financial Reporting.

For and on behalf of the Manager

**Principal Asset Management Berhad (Company No.: 304078-K)**

*(formerly known as CIMB-Principal Asset Management Berhad)*

**MUNIRAH KHAIRUDDIN**

Chief Executive Officer/Executive Director

**JUAN IGNACIO EYZAGUIRRE BARAONA**

Director

Kuala Lumpur

13 September 2019

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC DEPOSIT FUND**

We have acted as Trustee of CIMB Islamic Deposit Fund (the "Fund") for the financial period ended 31 July 2019. To the best of our knowledge, Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("the Manager"), has operated and managed the Fund in accordance with the following:

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

During this financial period, a total distribution of 1.63 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
13 September 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC DEPOSIT FUND**

**For The Financial Period from 1 February 2019 to 31 March 2019**

We have acted as the Shariah Adviser of CIMB Islamic Deposit Fund (the "Fund") for the financial period from 1 February 2019 to 31 March 2019. Our responsibility is to ensure that the procedures and processes employed by CIMB-Principal Asset Management Berhad (the "Manager") are in accordance with Shariah and Shariah Investment Guidelines.

In our opinion, the Manager has managed and administered the Fund in accordance with the Shariah Investment Guidelines of the Fund and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial period from 1 February 2019 to 31 March 2019.

In addition, we confirm that the investment portfolio of the Fund comprises of Shariah-compliant deposits.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

For and on-behalf of Shariah Adviser  
**CIMB Islamic Bank Berhad (Company No.:671380-H)**

**ASHRAF GOMMA ALI**

Director/Regional Head, Shariah & Governance/Designated Person Responsible for Shariah Advisory

Kuala Lumpur  
31 March 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF  
CIMB ISLAMIC DEPOSIT FUND**

**For The Financial Period from 1 April 2019 to 31 July 2019**

We have acted as the Shariah Adviser of CIMB Islamic Deposit Fund ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (the "Manager") are in accordance with Shariah principles.

In our opinion, the Manager has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission (SC) pertaining to Shariah matters.

In addition, we confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the SC and/or SAC of Bank Negara Malaysia ("BNM"), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah Guidelines.

This report is made solely to the unit holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

For **Amanie Advisors Sdn Bhd**,

**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

13 September 2019

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

	Note	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
<b>INVESTMENT INCOME</b>			
Profit income from Shariah-compliant deposits with licensed Islamic financial institutions		59,230,014	38,463,436
Hibah		39	38
		<u>59,230,053</u>	<u>38,463,474</u>
<b>EXPENSES</b>			
Management fee	4	7,072,458	4,538,773
Trustee's fee	5	628,663	403,447
Audit fee		5,650	5,350
Tax Agent's fee		1,750	1,750
Other expenses		9,238	199,153
		<u>7,717,759</u>	<u>5,148,473</u>
<b>PROFIT BEFORE TAXATION</b>		51,512,294	33,315,001
Taxation	7	<u>-</u>	<u>-</u>
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>51,512,294</u>	<u>33,315,001</u>
Profit after taxation is made up as follows:			
Realised amount		<u>51,512,294</u>	<u>33,315,001</u>

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2019**

		31.07.2019	31.01.2019
	Note	RM	Audited RM
<b>ASSETS</b>			
Cash and cash equivalents (Shariah-compliant)	9	32,101	20,940
Financial assets at fair value through profit or loss (Shariah-compliant)	8	3,025,123,944	3,112,157,706
Amount due from Manager		9,667,760	600,000
<b>TOTAL ASSETS</b>		<u>3,034,823,805</u>	<u>3,112,778,646</u>
<b>LIABILITIES</b>			
Amount due to Manager		41,825,027	-
Accrued management fee		1,152,404	836,189
Amount due to Trustee		102,436	74,328
Distribution payable		78,927	122,991
Other payables and accruals		11,556	13,780
<b>TOTAL LIABILITIES</b>		<u>43,170,350</u>	<u>1,047,288</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,991,653,455</u>	<u>3,111,731,358</u>
<b>EQUITY</b>			
Unit holders' capital		2,991,647,684	3,111,731,358
Retained earnings		5,771	-
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>2,991,653,455</u>	<u>3,111,731,358</u>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>	10	<u>2,991,650,296</u>	<u>3,111,733,969</u>
<b>NET ASSET VALUE PER UNIT (RM) (EX-DISTRIBUTION)</b>		<u>1.0000</u>	<u>0.9999</u>

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



**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 February 2019</b>		3,111,731,358	-	3,111,731,358
Movement in unit holders' contributions:				
- Creation of units from applications		1,290,689,259	-	1,290,689,259
- Creation of units from distributions		50,306,856	-	50,306,856
- Cancellation of units		(1,461,805,642)	-	(1,461,805,642)
Total comprehensive income for the financial period		-	51,512,294	51,512,294
Distributions	<b>6</b>	<u>725,853</u>	<u>(51,506,523)</u>	<u>(50,780,670)</u>
<b>Balance as at 31 July 2019</b>		<u>2,991,647,684</u>	<u>5,771</u>	<u>2,991,653,455</u>
<b>Balance as at 1 February 2018</b>		1,857,448,598	(14,783)	1,857,433,815
Movement in unit holders' contributions:				
- Creation of units from applications		921,510,492	-	921,510,492
- Creation of units from distributions		28,595,888	-	28,595,888
- Cancellation of units		(1,050,469,894)	-	(1,050,469,894)
Total comprehensive income for the financial period		-	33,315,001	33,315,001
Distributions	<b>6</b>	<u>242,990</u>	<u>(33,285,010)</u>	<u>(33,042,020)</u>
<b>Balance as at 31 July 2018</b>		<u>1,757,328,074</u>	<u>15,208</u>	<u>1,757,343,282</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019**

	<b>01.02.2019 to 31.07.2019</b>	<b>01.02.2018 to 31.07.2018</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from maturity of Shariah-compliant deposits with licensed Islamic financial institutions	17,375,135,875	6,692,500,375
Placement of Shariah-compliant deposits with licensed Islamic financial institutions	(17,280,770,575)	(6,573,541,000)
Profit income received from Shariah-compliant deposits with licensed Islamic financial institutions and Hibah earned	51,898,515	38,463,474
Management fee paid	(6,756,243)	(4,567,479)
Trustee's fee paid	(600,555)	(405,998)
Payments for other fees and expenses	(18,862)	(264,246)
<b>Net cash generated from operating activities</b>	<b>138,888,155</b>	<b>152,185,126</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	1,281,621,499	900,551,492
Payments for cancellation of units	(1,419,980,615)	(1,050,469,894)
Distributions paid	(517,878)	(2,267,245)
<b>Net cash used in financing activities</b>	<b>(138,876,994)</b>	<b>(152,185,647)</b>
Net increase/(decrease) in cash and cash equivalents	11,161	(521)
Cash and cash equivalents at the beginning of the financial period	20,940	20,726
Cash and cash equivalents at the end of the financial period	32,101	20,205
<u>Cash and cash equivalents comprised of:</u>		
Bank balances	32,101	20,205
Cash and cash equivalents at the end of the financial period	32,101	20,205

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2019

### 1. THE FUND, THE MANAGER AND ITS PRINCIPAL ACTIVITY

CIMB Islamic Deposit Fund (the “Fund”) is governed by a Principal Master Deed dated 15 May 2008, a Tenth Supplemental Master Deed dated 23 July 2009, a Fourteenth Supplemental Master Deed dated 26 June 2012, a Fifteenth Supplemental Master Deed dated 21 September 2012 and a Seventeenth Supplemental Master Deed dated 25 March 2015 (collectively referred to as the “Deeds”), made between Principal Asset Management Berhad (formerly known as *CIMB-Principal Asset Management Berhad*) (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The Fund seeks to achieve its objective by investing at least 95% of the Fund’s NAV in Deposits. Up to 5% of the Fund’s NAV may be invested in Shariah-compliant money market instruments, short-term Sukuk and/or notes with a minimum credit rating of “A3” or “P1” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or “BBB-” by S&P or equivalent rating by Moody’s or Fitch, all of which have a remaining maturity period of less than 365 days. The investment policy is to invest in liquid and low risk short-term investments for capital preservation. The Fund will be actively managed to provide liquidity and to accommodate the short-term cash flow requirements of its Unit holders.

All investments are subjected to the SC Guidelines on Unit Trust Funds, SC requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund’s objective.

The Manager, is a joint venture between Principal Financial Group®, a member of the FORTUNE 500® and a Nasdaq-listed global financial services and CIMB Group Holdings Berhad, one of Southeast Asia’s leading universal banking groups. The principal activities of the Manager are the establishment and management of unit trust funds and fund management activities.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

#### (a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the MFRS and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and assumptions are based on the Manager’s best knowledge of current events and actions, actual results may differ.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 2(j).

#### Standard that is effective:

The Fund has applied the following standard for the first time for the financial period beginning 1 February 2019:

#### (i) Financial year beginning on/after 1 February 2019

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 February 2019 that have a material effect on the financial statements of the Fund.

### (b) Financial assets and financial liabilities

#### Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies amount due to Manager, accrued management fee, amount due to Trustee, distribution payable, and other payables and accruals as other financial liabilities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Financial assets and financial liabilities (continued)**Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant deposits with licensed Islamic financial institutions are initially recognised at fair value.

Financial liabilities, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Financing and receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

Impairment for assets carried at amortised costs

The Fund measures credit risk and expected credit loss ("ECL") using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any ECL. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Income recognition**

Profit income from Shariah-compliant deposits with licensed Islamic financial institutions is recognised on a time proportionate basis using effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**(d) Functional and presentation currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s functional and presentation currency.

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances which are subject to an insignificant risk of changes in value.

**(f) Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate based upon the taxable profit income earned during the financial period.

**(g) Distribution**

A distribution to the Fund’s unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Trustee.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(h) Unit holders' capital**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's NAV;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

**(i) Segment information**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

**(j) Critical accounting estimates and judgments in applying accounting policies**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgment 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.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles.

The Fund is exposed to a variety of risks which include market risk (inclusive of interest rate risk), liquidity risk and credit risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Deeds and SC Guidelines on Unit Trust Funds.

#### (a) Market risk

##### (i) Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund.

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

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value interest rate risk arises from Shariah-compliant investment in money market instruments. The interest rate risk is expected to be minimal as the Fund's investments comprise mainly Shariah-compliant short term deposits with approved licensed Islamic financial institutions.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

As at the end of each financial period, the Fund is not exposed to a material level of interest rate risk.

#### (b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise bank balances and Shariah-compliant deposits with licensed Islamic financial institutions, which are capable of being converted into cash within 7 business days. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.



### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Fund.

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

For the amount due from Manager, the settlement terms of the proceeds from the creation or units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

#### (d) Capital risk management

The capital of the fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of capital can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### (e) Fair value estimation

Fair value is defined as 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 (i.e. an exit price).

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded market price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

##### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

## 3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

## (e) Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.07.2019</b>				
Financial assets at fair value through profit or loss:				
- Shariah- compliant deposits with licensed Islamic financial institutions	-	3,025,123,944	-	3,025,123,944
<b>31.01.2019</b>				
<b>Audited</b>				
Financial assets at fair value through profit or loss:				
- Shariah- compliant deposits with licensed Islamic financial institutions	-	3,112,157,706	-	3,112,157,706

**3. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(e) Fair value estimation (continued)****(i) Fair value hierarchy (continued)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes Shariah-compliant deposits with licensed Islamic financial institutions.

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

- (ii) The carrying values of cash and cash equivalents, amount due from Manager and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

**4. MANAGEMENT FEE**

In accordance with the Deeds, the Manager is entitled to a maximum management fee of up to 3.00% per annum calculated daily based on the NAV of the Fund.

For the six months financial period ended 31 July 2019, the management fee is recognised at a rate of 0.45% per annum (31.07.2018: 0.45% per annum).

There is no further liability to the Manager in respect of management fee other than the amount recognised above.

**5. TRUSTEE'S FEE**

In accordance with the Deeds, the Trustee is entitled to a maximum fee of 0.04% per annum calculated daily based on the NAV of the Fund. The Trustee's fee excludes the foreign sub-custodian fees and charges.

For the six months financial period ended 31 July 2019, the Trustee's fee is recognised at a rate of 0.04% per annum (31.07.2018: 0.04% per annum).

There is no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

6. DISTRIBUTION

Distributions to unit holders are derived from the following sources:

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.07.2018 RM</b>
Profit income	59,230,053	38,463,474
Distribution equalisation	<u>(725,853)</u>	<u>(242,990)</u>
	58,504,200	38,220,484
Less:		
Expenses	<u>(7,723,530)</u>	<u>(5,178,464)</u>
Net distribution amount	<u>50,780,670</u>	<u>33,042,020</u>

**Gross/Net distribution per unit (sen)**

Distribution on 28 February 2019	0.25	-
Distribution on 29 March 2019	0.29	-
Distribution on 30 April 2019	0.27	-
Distribution on 31 May 2019	0.28	-
Distribution on 28 June 2019	0.27	-
Distribution on 31 July 2019	0.27	-
Distribution on 28 February 2018	-	0.25
Distribution on 30 March 2018	-	0.28
Distribution on 30 April 2018	-	0.27
Distribution on 31 May 2018	-	0.28
Distribution on 29 June 2018	-	0.27
Distribution on 31 July 2018	-	0.28

Gross distribution is derived using total income less total expenses. Net distribution above is sourced from current and prior financial periods' realised income.

Gross distribution per unit is derived from gross realised income less expenses, divided by the number of units in circulation. Net distribution per unit is derived from gross realised income less expenses and taxation, divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

**7. TAXATION**

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.07.2018 RM</b>
Tax charged for the financial period:		
- Current taxation	<u>-</u>	<u>-</u>

A numerical reconciliation between the profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	<b>01.02.2019 to 31.07.2019 RM</b>	<b>01.02.2018 to 31.07.2018 RM</b>
Profit before taxation	<u>51,512,294</u>	<u>33,315,001</u>
Taxation at Malaysian statutory rate of 24% (31.07.2018: 24%)	12,362,951	7,995,600
Tax effects of:		
Investment income not subject to tax	(14,215,213)	(9,231,234)
Expenses not deductible for tax purposes	152,654	101,096
Restriction on tax deductible expenses for Unit Trust Fund	<u>1,699,608</u>	<u>1,134,538</u>
Taxation	<u>-</u>	<u>-</u>

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SHARIAH-COMPLIANT)**

	<b>31.07.2019 RM</b>	<b>31.01.2019 Audited RM</b>
Designated at fair value through profit or loss at inception:		
- Shariah-compliant deposits with licensed Islamic financial institutions*	<u>3,025,123,944</u>	<u>3,112,157,706</u>

\* Includes profit receivable of RM37,092,529 (31.01.2019: RM29,760,991).

The weighted average effective profit rate per annum is as follows:

	<b>31.07.2019 %</b>	<b>31.01.2019 Audited %</b>
Shariah-compliant deposits with licensed Islamic financial institutions	<u>3.75</u>	<u>3.67</u>

Shariah-compliant deposits with licensed Islamic financial institutions of the Fund have an average maturity of 130 days (31.01.2019: 81 days).

**9. CASH AND CASH EQUIVALENTS (SHARIAH-COMPLIANT)**

	<b>31.07.2019</b>	<b>31.01.2019</b>
	<b>RM</b>	<b>Audited RM</b>
Bank balances	<u>32,101</u>	<u>20,940</u>

**10. NUMBER OF UNITS IN CIRCULATION (UNITS)**

	<b>01.02.2019 to 31.07.2019</b>	<b>01.02.2018 to 31.01.2019</b>
	<b>No. of units</b>	<b>Audited No. of units</b>
At the beginning of the financial period/year	3,111,733,969	1,857,463,518
Add: Creation of units from applications	1,289,170,490	3,804,954,809
Add: Creation of units from distributions	50,306,856	68,701,326
Less: Cancellation of units	<u>(1,459,561,019)</u>	<u>(2,619,385,684)</u>
At the end of the financial period/year	<u>2,991,650,296</u>	<u>3,111,733,969</u>

**11. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>01.02.2019 to 31.07.2019</b>	<b>01.02.2018 to 31.07.2018</b>
	<b>%</b>	<b>%</b>
MER	<u>0.24</u>	<u>0.25</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E) \times 100}{F}$$

- A = Management fee
- B = Trustee's fee
- C = Audit fee
- D = Tax Agent's fee
- E = Other expenses
- F = Average NAV of the Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM3,168,072,043 (31.07.2018: RM2,032,950,740).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.02.2019 to 31.07.2019	01.02.2018 to 31.07.2018
PTR (times)	<u>5.48</u>	<u>3.16</u>

PTR is derived based on the following calculation:

$$\frac{(\text{Total placement for the financial period} + \text{total maturity for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where:

total placement for the financial period = RM17,427,034,351 (31.07.2018: RM6,573,541,000)

total maturity for the financial period = RM17,280,770,575 (31.07.2018: RM6,266,305,402)

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad)</i>	The Manager
Principal Financial Group, Inc.	Ultimate holding company of shareholder of the Manager
Principal International (Asia) Ltd	Shareholder of the Manager
Subsidiaries and associates of Principal Financial Group Inc., other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of shareholder of the Manager
CIMB Group Holdings Bhd	Ultimate holding company of shareholder of the Manager
CIMB Group Sdn Bhd	Shareholder of the Manager
Subsidiaries and associates of CIMB Group Holdings Bhd, other than above, as disclosed in its financial statements	Fellow subsidiary and associated companies of the ultimate holding company of the Manager
CIMB Islamic Bank Bhd	Fellow related party to the Manager

13. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER, AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Units held by the Manager and parties related to the Manager

	31.07.2019		31.01.2019 Audited	
	No. of units	RM	No. of units	RM
<b>Manager</b>				
Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Behad)</i>	117,740	117,740	168,844	168,827

In the opinion of the Manager, the above units were transacted at the prevailing market price.

The units are held beneficially by the Manager for booking purposes. Other than the above, there were no units held by the Directors or parties related to the Manager.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

	01.02.2019 to 31.07.2019 RM	01.02.2018 to 31.07.2018 RM
<u>Significant related party transactions</u>		
Profit income from Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	2,575,700	125,184
	<b>31.07.2019</b> RM	<b>31.01.2019</b> Audited RM
<u>Significant related party balances</u>		
Shariah-compliant deposits with licensed Islamic financial institution:		
- CIMB Islamic Bank Bhd	-	700,063,767

There were no significant related party balances at the end of each financial period/year.



14. TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions, primarily cash placement with the licensed Islamic financial institutions for the six months financial period ended 31 July 2019 are as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
CIMB Islamic Bank Bhd #	5,292,179,000	30.38
Public Islamic Bank Bhd	4,560,750,000	26.18
Hong Leong Islamic Bank Bhd	2,017,775,000	11.58
Maybank Islamic Bhd	1,543,725,000	8.86
Bank Muamalat Msia Bhd	1,181,952,575	6.78
Amlslamic Bank Bhd	996,921,000	5.72
Affin Islamic Bank Bhd	631,118,000	3.62
RHB Islamic Bank Bhd	614,982,000	3.53
Bank Islam Malaysia Bhd	560,532,000	3.22
Alliance Islamic Bank Malaysia Bhd	20,836,000	0.13
	<u>17,420,770,575</u>	<u>100.00</u>

Details of transactions, primarily cash placement with the licensed Islamic financial institutions for the six months financial period ended 31 July 2018 are as follows:

Financial Institutions	Value of placements RM	Percentage of total placements %
Hong Leong Islamic Bank Bhd	3,271,165,700	49.76
Public Islamic Bank Bhd	783,675,000	11.92
CIMB Islamic Bank Bhd #	605,322,100	9.21
Bank Muamalat Msia Bhd	490,075,500	7.46
Maybank Islamic Bhd	482,083,000	7.33
Affin Islamic Bank Bhd	460,762,400	7.01
RHB Islamic Bank Bhd	299,772,300	4.56
Bank Islam Malaysia Bhd	93,477,000	1.42
Alliance Islamic Bank Malaysia Bhd	70,000,000	1.07
Amlslamic Bank Bhd	17,208,000	0.26
	<u>6,573,541,000</u>	<u>100.00</u>

# Included in the transactions are trades conducted with CIMB Islamic Bank Bhd, fellow related party to the Manager amounting to RM5,292,179,000 (31.07.2018: RM605,322,100). The Manager is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

**16. SEGMENT INFORMATION**

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The chief operating decision-maker is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of profit earned from Shariah-compliant investments, which is derived from Ringgit-denominated Shariah-compliant deposits with licensed Islamic financial institutions.

There were no changes in reportable operating segment during the financial period.

**DIRECTORY****Head office of the Manager**

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**General investment enquiries**

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**Trustee for the CIMB Islamic Deposit Fund**

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**Shariah Adviser of the CIMB Islamic Deposit Fund**

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