

1.0 KEY FUND INFORMATION

1.1 Shariah Concept	1.2 Investment Currency	1.3 Fund Inception
Mudarabah	Ringgit Malaysia	April 2017 (Corporate) September 2018 (Retail)

1.4 Product Classification

Unrestricted Investment Account - refers to a type of investment account where the Investment Account Holder (IAH), without specifying any particular restrictions or conditions provides the Bank with the mandate to make the ultimate decision to invest.

1.5 Investment Objectives

To provide IAH with a combination of steady and recurring income, whilst at the same time allowing the balances to be placed and withdrawn via the counter, cheque, internet banking channels and etc.

1.6 Investment Strategies

- To ensure investment is within the investment objective of the Fund with its asset allocation safeguarding the investment portfolio.
- Currently, the Bank invests in its existing House and Fixed Asset Financing (HFA) Portfolio which is aimed at protecting the principal and generating stable returns.

1.7 Nature Of Investment Account

On demand whereby IAH is able to withdraw at any point of time.

1.8 Investment Asset Allocation

The Bank will allocate IAH's funds in its existing House and Fixed Asset Financing Portfolio that generates stable profits.

1.9 Valuation of Allocated Asset

To be carried out on a monthly basis as part of the process to determine the returns to the IAH. The returns on this investment account will be affected by the performance of the allocated assets including, but not limited to, the quality of assets (i.e. impairment) and movement of Effective Profit Rate (EPR) in relation to financing assets that are priced based on floating rate methods etc. The principal and returns are not guaranteed and an IAH may be exposed to a risk of no returns at all. This investment account is not protected by Perbadanan Insurans Deposit Malaysia (PIDM). However, the product structure was designed to mitigate the risk of losing the principal amount. In the event of a liquidation scenario, the IAHs are ranked ahead of depositors.

1.10 Distribution Policy

Profit to be distributed on a monthly basis, but the profit will be calculated on a daily basis. The profit is based on the performance of the House and Fixed Asset Financing Portfolio.

1.11 Statement On Any Changes

There have been no changes in the investment objectives, strategies, restrictions and limitations during the quarter period.

1.12 Investor Profile

- Category of investors:
 - Retail:
 - Individuals (Residents and Non Residents)
 - Corporate:
 - Corporate
 - Government Agencies
 - Government Accounts
 - Universities
 - Companies and Partnerships
 - Other Business & Non- Business Entities
- Investors with either a short or medium term investment horizon
- Investors who require a portfolio of Shariah- compliant investments
- Investors with low to medium risk tolerance
- Investors who seek stable profits

Note: Investors are advised to carefully consider all risk factors before making an investment decision. Investors will be exposed to the following risks; market risk, credit risk, liquidity risk, operational risk, and legal risk. Please visit Bank Islam's website for further explanation of each risk.

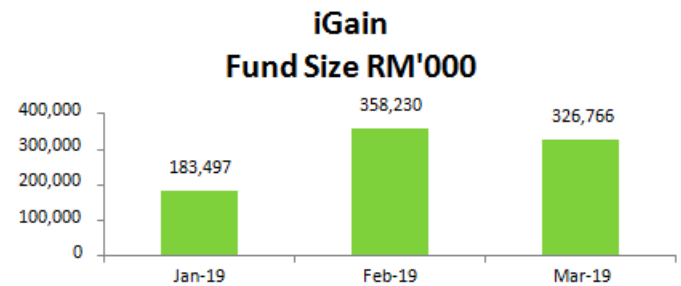
2.0 RISK STATEMENT

The Board of Directors of Bank Islam has the ultimate responsibility to manage risks related to its operations and business activities by setting risk appetite and tolerance levels that are consistent with the Bank's overall business objectives and desired risk profile. The Board Risk Committee, which is assisted by the Risk Management Division, ensures that there is an effective oversight on development of strategies, policies, procedures and infrastructure to manage the Bank's risks.

3.0 FUND PERFORMANCE

3.1 Fund Size and Growth

As at March 2019, iGain fund balance was recorded at RM 326.8 million.



3.2 Rate of Return

Position 2019	Return on Asset (ROA)* % (p.a.)	Return on Investment (ROI) % (p.a.)
January	6.20%	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions
February	6.07%	
March	6.39%	

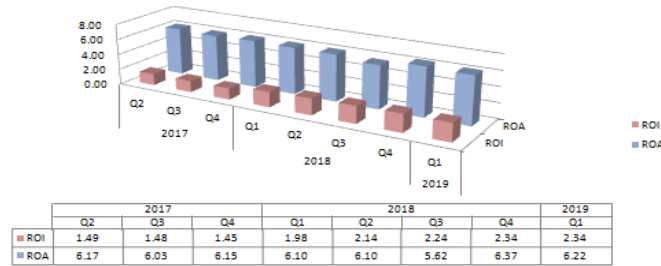
* ROA - allocated asset of the fund.

Note:

For further illustration, please refer to the Product Disclosure Sheet (PDS), Terms & Conditions and Investment Confirmation Notice (where applicable).

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3.3 Historical Rate of Return



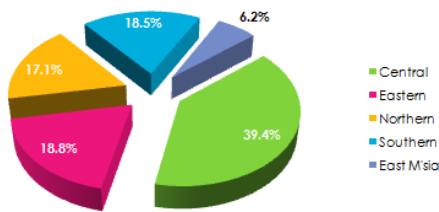
Note: The rates above are average annual rate of return on quarterly basis in percentage (%)

3.4 Income Statement

Profit & Loss Statement for the Quarter ended 31 March 2019			
	January	February	March
	RM'000	RM'000	RM'000
Profit from financing	901	1,029	1,712
Direct expenses*	-	-	-
Allowance for impairment on financing	(20)	(34)	(49)
Total Profit	881	995	1,663
Return on Asset (p.a.)	6.20%	6.07%	6.39%
Return on Investment (p.a.)	Based on the agreed profit sharing ratio upon placement of fund, subject to Terms & Conditions		

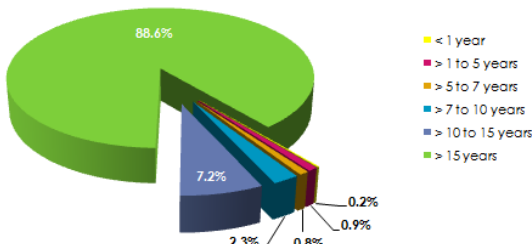
*Currently there are no charges imposed to this fund

3.5 House and Fixed Asset Financing Portfolio by Geographical Location in Malaysia



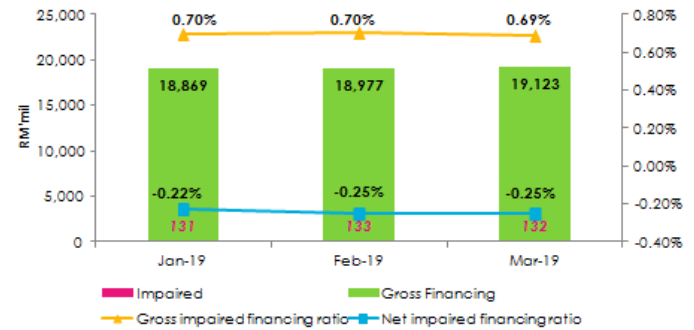
A total of 39.4% from the total House and Fixed Asset Financing Portfolio originates from the Central region. This reflects the concentration of HFA portfolio to the developed areas such as the Klang Valley.

3.6 House and Fixed Asset Financing Portfolio by Remaining Maturity of Facilities



The majority of the House and Fixed Asset Financing Portfolio has a maturity of more than 15 years. This will ensure stability in profit stream of HFA portfolio which can then benefit the investment return profile especially for long-term IAH.

3.7 Asset Quality of House and Fixed Asset Financing Portfolio



The portfolio's low impaired financing ratio reflects strong asset quality.

4.0 ECONOMIC REVIEW AND PROSPECT

The outlook for the global economy has been increasingly challenging. This is reflected in weak business sentiments amidst volatility in the financial markets. The JP Morgan Global Purchasing Managers Index (PMI) for the manufacturing sector sustained at 50.6 points for two consecutive months. This is lower compared to 53.2 points in the same period last year. On the domestic front, Malaysia's overseas shipment has been badly impacted from weak commodity prices. In February, total exports fell sharply by 5.3% year-on-year from 3.1% growth in the preceding month. Against such backdrop, Malaysian economy is anticipated to record slower growth this year. Bank Negara Malaysia has projected the country's Gross Domestic Product (GDP) to grow between 4.3% and 4.8% in 2019 from 4.7% growth in 2018.

5.0 PROPERTY MARKET AND HOUSE AND FIXED ASSET PORTFOLIO REVIEW

According to the National Property Information Centre's (NAPIC), Q1-Q32018 recorded total volume of transaction decreased by 0.3% (Q1-Q32018:228,867; Q1-Q32017:229,529) and value decreased by 1.4% (Q1-Q32018:RM100.86billion; Q1-Q32017:RM102.29billion). Residential property remains the major segment of the property market with 63% of total transaction and 49% of total value followed by agriculture 21.8%, commercial 7.4%, development land 6% and industrial sub-sector contributing 1.8% of total transactions respectively. The residential sub-sector's market recorded 144,321 transactions worth RM49.45billion. By price range, demand continued to focus on properties valued at RM200,000 and below, nearly 45% of the total residential market transactions.

Bank Islam's Housing and Fixed Asset (HFA) portfolio continued to expand to RM19.1billion in March, higher by 0.8% compared to the previous month. Meanwhile, the gross impairment ratio improved to 0.69% in March after remaining unchanged at 0.7% for two consecutive months. This is lower compared to 1.08% at the industry level as of February, which indicates Bank Islam's HFA portfolio has been resilient. Despite that, Bank Islam will remain cautious in its financing activities in view of the current supply glut in the property markets amidst challenging economic prospects for 2019.