

BIMB-ARABESQUE / GLOBAL DIVIDEND FUND 1



**QUARTERLY REPORT
FOR THE FINANCIAL PERIOD
FROM
5 NOVEMBER 2015 (DATE OF
COMMENCEMENT) TO 31 MARCH 2016**

TABLE OF CONTENTS

1.0	FUND KEY INFORMATION	3
2.0	MANAGER'S REPORT	5
3.0	SHARIAH COMMITTEE'S REPORT	10
4.0	FINANCIAL STATEMENTS (UNAUDITED)	11
5.0	CORPORATE DIRECTORY	18

1.0 FUND KEY INFORMATION

Fund Name	BIMB-ARABESQUE / Global Dividend Fund 1 (BiGDF1)
Target Fund Name	Arabesque Q3.17 Systematic (USD)
Fund Type/ Fund Category	Income & Growth/ Feeder (Wholesale)
Base Currency of the Fund	USD
Fund Investment Objective	<p>The Fund seeks to achieve long-term capital appreciation.</p> <p><i>Any material changes to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Fund Benchmark	<p>MSCI AC World Index</p> <p>Source: https://www.msci.com/indexes</p>
Asset Allocation	<p>A minimum of 70% of the Fund's NAV to be invested in the Target Fund; and</p> <p>A maximum of 30% of the Fund's NAV to be invested in Islamic fixed deposits, Islamic money market instruments and/or Islamic liquid assets.</p>
Investor Profile	<p>The Fund is primarily suitable for Sophisticated Investors:</p> <ul style="list-style-type: none"> i. seeking exposure to Shariah-compliant global developed markets equity ii. seeking capital appreciation iii. with moderate to high risk tolerance iv. with a 5-year or more investment horizon
Distribution Policy and Mode of Distribution	<p>The Manager will declare annual distributions (subject to availability of income), after the end of its first financial year.</p> <p>The Fund will be measured against an average income distribution yield of 6% per annum over a 5-year period. This is not a guaranteed return and it is only a measurement of the Fund's performance. The Fund may or may not achieve 6% per annum growth rate in any particular financial year.</p>

Policy on Rebates and Soft Commissions	<p>The Manager or any delegate thereof shall not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the investments of the Fund. Accordingly, any rebate or shared commission shall be directed to the account of the Fund concerned. However, the Manager or any delegate thereof may retain goods and services ("Soft Commissions") from any broker/dealer, only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and advisory services which are incidental to the investment management activities of the Fund.</p>
Dividend Distribution	<p>There were no dividend declared for the period under review</p>
State of Affair of the Fund	<p>There were also no significant changes in the state of affairs of the Fund and no circumstances that materially affected the interest of the Unit Holders for the period under review.</p>

2.0 MANAGER'S REPORT

Feeder Fund Performance Review

RM Class

For the financial period under review, the Fund registered a negative return of -10.76% which was entirely capital in nature.

The Fund's negative return of -10.76% has underperformed the benchmark positive return of 1.87% by -12.63%. This effect is mostly due to the Ringgit appreciation against the US Dollar that occurred during the period under review.

As at 31 March 2016, the NAV per unit of the Fund was RM0.4462 while units in circulation were 129,331,058 units.

USD Class

For the financial period under review, the Fund registered a negative return of -1.74% which was entirely capital in nature.

The Fund's negative return of -1.74% as underperformed the benchmark positive return of 1.87% by -3.61%.

As at 31 March 2016, the NAV per unit of the Fund was USD0.4913 while units in circulation were 31,901 units.

Past performance is no indication of the future performance of the Fund

Target Fund Performance

In Q1 2016, global equities followed a V-shaped trajectory; stocks fell sharply from mid-February and rebounded thereafter to end Q1 2016 flat in US dollar terms.

The Arabesque Systematic initially outperformed given global markets experienced a sharp sell-off as investors feared the impact of negative interest rates in the Eurozone and Japan on the banking system, while falling oil prices raised concerns of debt defaults in the energy sector. These worries were later countered with upward revisions of economic growth in the US and an expectation that interest rate rises in most major economies would be pushed out well into the future.

During the last week of February and the month of March, global markets recovered against losses that occurred in the first half of this quarter. Central banks' actions and oil price recovery were the main drivers to the market turnaround. US equities gained over the first three months as markets favored forecasts deferring interest rate rises. In Europe, ECB's announcement on fresh monetary policy easing contributed to increased volatility. In the UK, uncertainty around the outcome of the forthcoming referendum is putting pressure on the sterling and the outlook of UK companies. In Japan, the Central Bank's decision to move to a negative interest rate regime negatively affected the markets that remained volatile. An easing in US dollar strength supported emerging markets; Brazil was the strongest market amid heightened expectations for political change.

Starting the year with a cash allocation of 25% contributed a lot to the relative performance during the very negative first half of the quarter.

	<p>When markets recovered during the second half of the month the Arabesque Systematic was not able to keep up. Beside the high cash allocation there were two further reasons for recent underperformance. The recovery was driven by stocks underrepresented in the portfolio (Finance, Producer Manufacturing, Non-Energy Minerals) and less by overrepresented stocks (Retail Trade, Health Technology and Consumer Non-Durables). Secondly the weak USD contributed negatively. In controlled trend-following manner the Systematic reacted to those factors. By end of Q1 2016 the current cash allocation went down to 21.2% and the investments were mainly done in underrepresented industries and countries.</p> <p><i>Source : Arabesque Asset Management Ltd (the Target Fund's investment manager)</i></p>
<p>Target Fund Market Outlook</p>	<p>Given the bottom-up, quantitative, and momentum-based nature of the strategy, we do not perform any macro analysis and do not manage the fund based on views/expected outlook.</p> <p><i>Source : Arabesque Asset Management Ltd (the Target Fund's investment manager)</i></p>
<p>Target Fund Strategy</p>	<p>Since middle March 2016, markets did not keep up the upward momentum observed since mid-February the Arabesque Systematic continued to reduce its cash allocation. This behavior is similar to what we observed in July 2015, but reversed. That means that the market improved technically. Furthermore, the Fund has started to outperform on relative quiet days again. That means the factors we are exposed to become relevant/invested again and that the strategy performs well.</p> <p><i>Source : Arabesque Asset Management Ltd (the Target Fund's investment manager)</i></p>

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

BIMB-Arabesque <i>i</i> Global Dividend Fund 1	5 November 2015 to 31 March 2016
Net Asset Value (USD)	
- RM Class	14,803,654
- USD Class	15,672
Units in Circulation	
- RM Class	129,331,058
- USD Class	31,901
NAV per Unit in USD	
- RM Class	0.1145
- USD Class	0.4913
NAV per Unit in respective class currencies	
- RM Class	0.4462
- USD Class	0.4913
Highest NAV per Unit in respective class currencies	
- RM Class	0.5058
- USD Class	0.5042
Lowest NAV per Unit in respective class currencies	
- RM Class	0.4440
- USD Class	0.4616
Total Return (%) ⁽¹⁾	
- RM Class	-10.76
- USD Class	-1.74
Capital Return (%)	
- RM Class	-10.76
- USD Class	-1.74
Income Return (%)	
- RM Class	-
- USD Class	-
Management Expense Ratio (MER)(%) ⁽²⁾	1.29
Portfolio Turnover Ratio (PTR)(x) ⁽³⁾	8.34

Note:

1). Total return is the actual return of the Fund for the respective financial period computed based on the net asset value per unit and net of all fees.

2). Management expense ratio ("MER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.

3). Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

Annual Total Return ^(a)	Fund MYR Class	Fund USD Class	MSCI AC World Index
Since Launch 5 Nov 2015 to 31 Mar 2016 ^(b)	-10.76%	-1.74%	1.87%

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

(b) Actual returns for the financial period from 5 November 2015 to 31 March 2016 given the fund has not completed its first financial year.

Average Total Return ^(a)	Fund MYR Class	Fund USD Class	MSCI AC World Index
Since Launch 5 Nov 2015 to 31 Mar 2016 ^(b)	-10.76%	-1.74%	1.87%

(a) Average Total Return is not applicable given the fund has not completed its first financial year.

(b) Actual returns for the financial period from 5 November 2015 to 31 March 2016 given the fund has not completed its first financial year.

Bases of calculation and assumptions made in calculating returns:

$$\text{Percentage growth} = \frac{\text{NAV}_t}{\text{NAV}_0} - 1$$

NAV_t = NAV at the end of the period

NAV₀ = NAV at the beginning of the period

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

n = Number of years

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Breakdown of Unit Holding by Size "RM" Class as at 31 March 2016

Size of Holding	Number of Unit Holders	Number of Units Held
Below 5,000	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	1	36,233.06
50,001 to 500,000	205	27,254,593.29
500,001 and above	17	102,040,231.95
Total	223	129,331,058.30

Breakdown of Unit Holding by Size "USD" Class as at 31 March 2016

Size of Holding	Number of Unit Holders	Number of Units Held
Below 5,000	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	1	31,901.36
50,001 to 500,000	0	0.00
500,001 and above	0	0.00
Total	1	31,901.36

3.0 SHARIAH COMMITTEE'S REPORT

QUARTERLY REPORT FOR THE FINANCIAL PERIOD FROM 5 NOVEMBER 2015 (DATE OF COMMENCEMENT) TO 31 MARCH 2016

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

To the Unitholders of

BIMB-ARABESQUE i GLOBAL DIVIDEND FUND 1

We have acted as the Shariah Committee of BIMB-ARABESQUE i Global Dividend Fund 1.

Our responsibilities are to ensure that the procedures and processes employed by BIMB Investment Management Berhad and that the provisions of the Deed dated 2 November 2015 are in accordance with Shariah principles.

In our opinion, BIMB Investment Management Berhad has managed and administrated BIMB-ARABESQUE i Global Dividend Fund 1 in accordance with Shariah principles and complied with applicable guidelines, ruling or decision issued by the Securities Commission pertaining to Shariah matters for the financial period from 5 November 2015 (date of commencement) to 31 March 2016.

In addition, we also confirm that the investment portfolio of BIMB-ARABESQUE i Global Dividend Fund 1 comprises investments which are Shariah-compliant.

والله أعلم

For and on behalf of the Shariah Committee

.....
USTAZ DR. AHMAD SHAHBARI@SOBRI SALAMON
(Chairman)

.....
USTAZ DR. YUSOF RAMLI
(Committee Member)

.....
USTAZAH DR. ASMAK AB. RAHMAN
(Committee Member)

4.0 FINANCIAL STATEMENTS

4.1 Unaudited Statement of Financial Position as at 31 March 2016

	Note	31.3.2016 (unaudited) USD
Investments		
Investment in foreign collective investment scheme	1	13,621,010
Current assets		
Amount due from Manager		526,086
Other receivables		307
Cash and cash equivalent	2	719,924
Total assets		<u>14,867,327</u>
Current liabilities		
Amount due to Manager		41,016
Other payables		6,985
Total liabilities		<u>48,001</u>
		<u>14,819,326</u>
Unitholders' fund		
Unitholders' capital	5	14,876,344
Accumulated losses		(57,018)
		<u>14,819,326</u>
Net asset value attributable to unitholders		
- RM class		14,803,654
- USD class		15,672
Number of units in circulation	5	
- RM class		129,331,058
- USD class		31,901
Net asset value per unit (sen) in USD		
- RM class		11.45
- USD class		49.13
Net asset value per unit (sen) in respective currencies		
- RM class		44.62
- USD class		49.13

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

4.2 Unaudited Statement of Profit or Loss and Other Comprehensive Income for the financial period from 5 November 2015 (date of commencement) to 31 March 2016

	Note	5.11.2015 to 31.3.2016 USD
Income		
Income from short term investments		16,270
Realised loss on foreign exchange		38,242
Unrealised loss on foreign exchange		(34,899)
Unrealised loss from financial instruments at fair value through profit or loss		(27,711)
Gross loss		<u>(8,098)</u>
Expenses		
Manager's fee	3	36,595
Trustee's fee	4	2,067
Audit fee		3,120
Tax agent's fee		3,120
Administrative expenses		4,018
		<u>48,920</u>
Net loss before taxation		(57,018)
Tax expense		-
Net loss after taxation		(57,018)
Other comprehensive income for the period		-
Total comprehensive loss for the period		<u>(57,018)</u>
Total comprehensive loss for the period consist of:		
Realised amount		5,592
Unrealised amount		(62,610)
		<u>(57,018)</u>

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

4.3 Unaudited Statement of Changes in Net Asset Value for the financial period from 5 November 2015 (date of commencement) to 31 March 2016

	Unitholders' capital USD	Accumulated losses USD	Total USD
At 5 November 2015 (date of commencement)	-	-	-
Movement in unitholders' contribution			
Creation of units			
– RM class	14,947,833	-	14,947,833
– USD class	15,245	-	15,245
Cancellation of units			
– RM class	(86,734)	-	(86,734)
– USD class	-	-	-
Total attributable to unitholders'	14,876,344	-	14,876,344
Net loss for the period	-	(57,018)	(57,018)
As at 31 March 2016	14,876,344	(57,018)	14,819,326

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

4.4 Unaudited Statement of Cash Flows for the for the financial period from 5 November 2015 (date of commencement) to 31 March 2016

	5.11.2015 to 31.3.2016 USD
Cash flows from operating activities	
Purchase of investments	(13,663,237)
Income from short term investments	15,963
Income from foreign exchange	38,242
Manager's fee paid	(23,881)
Trustee fee paid	(1,322)
Payment for administrative expenses	(4,017)
Loss on foreign currency exchange fluctuation	(20,383)
Net cash used in operating activities	<u>(13,658,635)</u>
Cash flows from financing activities	
Cash receipt for creation of units	14,446,634
Cash payment for cancellation of units	(68,075)
Net cash generated from financing activities	<u>14,378,559</u>
Net increase in cash and cash equivalents	719,924
Cash and cash equivalents at the date of commencement	-
Cash and cash equivalents at the end of the financial period	<u><u>719,924</u></u>
Cash and cash equivalents comprise:	
Cash at bank	103,725
Short term placements	616,199
	<u><u>719,924</u></u>

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

4.5 UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

1. Investments

	As at 31.3.2016 USD
Financial assets at FVTPL	
At cost:	
Foreign collective investment scheme	<u>13,663,237</u>
At market value	
Foreign collective investment scheme	<u>13,621,010</u>

Details of the investment as at 31 March 2016 are as follows:

Foreign collective investment scheme	Number of units	Cost USD	Market Value USD	Percentage of value of fund as at 31.3.2016 %
Arabesque Q3.17 SICAV – Arabesque Q3.17 Systematic ("Target Fund")	<u>144,520</u>	<u>13,663,237</u>	<u>13,621,010</u>	<u>91.91</u>

The Fund will be investing a minimum of 70% of the Fund's net asset value into the Target Fund. The objective of the investment policy of the Target Fund is long-term capital appreciation through investments into a sustainable Shariah-compliant equity universe (Arabesque Prime League) and Shariah-compliant cash instruments.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investments into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the unitholders' interest.

4.5 Unaudited Notes to the financial statements (continued)

2. Cash and cash equivalents

	As at 31.3.2016 USD
Short term placements in licensed financial institutions:	
Commodity Murabahah	256,542
Term Deposit / Tawarruq*	359,657
	<u>616,199</u>
Cash at bank	103,725
	<u>719,924</u>

* Term Deposit / Tawarruq and cash at bank are placed with Bank Islam Malaysia Berhad, the holding company of the Manager.

3. Manager's fee

The manager's fee payable to the Manager of the Fund is based on 1.80% per annum of the net asset value of the Fund calculated on a daily basis.

4. Trustee's fee

The trustee's fee is payable to the trustee of the Fund based on 0.06% per annum of the net asset value of the Fund calculated on a daily basis.

5. Unit holders' capital

	No. of units	USD
At date of commencement	-	-
Creation of units		
– RM class	130,113,650	14,947,833
– USD class	31,901	15,245
Cancellation of units		
– RM class	(782,592)	(86,734)
– USD class	-	-
As at 31 March 2016	<u>129,362,959</u>	<u>14,876,344</u>

6. Comparative Figures

There are no comparative amounts presented as this is the Fund's first set of financial statements since its commencement date.

5.0 CORPORATE DIRECTORY

Manager

BIMB Investment Management Berhad (276246-X)

Registered Office

Level 32, Menara Bank Islam, No. 22, Jalan Perak, 50450, Kuala Lumpur

Business Office

Level 19, Menara Bank Islam, No. 22, Jalan Perak, 50450, Kuala Lumpur

Board of Directors

Dato' Sri Zukri Samat (Chairman – Non-Executive Non Independent Director)

Dato' Ghazali Awang (Non-Executive Independent Director)

Datuk Noripah binti Kamso

(Non-Executive Independent Director)

Dr. Mohd Hatta bin Dagap (Non-Executive Independent Director)

Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director)

Khairul Kamarudin (Non-Executive Non Independent Director)

Najmuddin bin Mohd Lutfi (Chief Executive Officer)

Shariah Committee

Ustaz Dr. Ahmad Shahbari @ Sobri Salamon

Ustaz Dr. Yusof Ramli

Ustazah Dr. Asmak Ab. Rahman

Investment Committee

Khairul Muzamel Perera Abdullah (Chairman - Non Independent Member)

Datuk Noripah binti Kamso (Independent Member)

Darawati Hussain (Independent Member)

Audit Committee

Dato' Ghazali Awang (Chairman - Independent Member)

Dr. Mohd Hatta bin Dagap (Independent Member)

Malkiat Singh @ Malkit Singh Maan

(Non-Executive Non Independent Director)

Company Secretaries

Aidil Haznul Zulkifli (MACS 01638)

Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur

Norhidayati Mohamat Salim (MIA 27364)

Level 32, Menara Bank Islam,

No. 22 Jalan Perak

50450 Kuala Lumpur.

Principal Banker

Bank Islam Malaysia Berhad

Ground Floor, Menara Bank Islam,

No.22, Jalan Perak,

50350 Kuala Lumpur

Key Management

Najmuddin bin Mohd Lutfi (Chief Executive Officer)

Badrol bin Ahmad Fathan (Head of Investment)

Azman bin Ali (Head of Compliance)

Noor Rose Mona binti Aziz (Head of Finance and Operations)

Trustee

Deutsche Trustees Malaysia Berhad (763590-H)

Level 20, Menara IMC

8 Jalan Sultan Ismail

50250 Kuala Lumpur

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