

BIMB-ARABESQUE / GLOBAL DIVIDEND FUND 1



**FIRST QUARTER REPORT
FOR THE FINANCIAL PERIOD
FROM
1 APRIL 2018 TO 30 JUNE 2018**

TABLE OF CONTENTS

1.0	FUND KEY INFORMATION	3
2.0	MANAGER'S REPORT	5
3.0	FINANCIAL STATEMENTS (UNAUDITED)	11
4.0	CORPORATE DIRECTORY	19

1.0 FUND KEY INFORMATION

Fund Name	BIMB-ARABESQUE iGlobal Dividend Fund 1 (BiGDF1)
Target Fund Name	Arabesque Q1.17 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> <ol style="list-style-type: none">i. seeking exposure to Shariah-compliant global developed markets equityii. seeking capital appreciationiii. with moderate to high risk toleranceiv. with a 5-year or more investment horizon

<p>Distribution Policy and Mode of Distribution</p>	<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>
<p>Policy on Rebates and Soft Commissions</p>	<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>
<p>Income Distribution</p>	<p>There were no income distribution declared for the period under review.</p>
<p>State of Affair of the Fund</p>	<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	<p><u>RM Class</u></p> <p><u>Since Inception from 5 November 2015 to 30 June 2018</u> The Fund's performance since inception registered a positive return of 24.07%. The Fund had underperformed the benchmark by -2.64% as the benchmark registered a positive return of 26.71% since inception.</p> <p><u>Financial period from 1 April 2018 to 30 June 2018</u> Subsequently, during the financial period under review, the Fund registered a positive return of 8.31%, outperforming the benchmark by 3.33% as the benchmark performance registered a 4.98% return.</p> <p>As at 30 June 2018, the NAV per unit of the Fund was RM0.5371 while units in circulation were 676,455,665 units.</p> <p><u>USD Class</u></p> <p><u>Since Inception from 5 November 2015 to 30 June 2018</u> The Fund's performance since inception registered a positive return of 31.93%. The Fund had underperformed the benchmark by -3.08% as the benchmark registered a positive return of 35.01% since inception.</p> <p><u>Financial period from 1 April 2018 to 30 June 2018</u> Subsequently, during the financial period under review, the Fund registered a positive return of 3.61%, outperforming the benchmark by 3.08% as the benchmark performance registered a 0.53% return.</p> <p>As at 30 June 2018, the NAV per unit of the Fund was USD0.5764 while units in circulation were 70,231,829 units.</p> <p><i>Past performance is no indication of the future performance of the Fund.</i></p>
Target Fund Performance	<p>During the second quarter of 2018, global equities posted gains amid a volatile quarter. In the US, positive momentum of corporate earnings and good economic data compensated for the China-US trade uncertainty.</p> <p>In the Euro zone, equities also delivered gains while the ECB provided comfort around interest rates remaining at the existing levels until summer 2019.</p> <p>UK stocks posted solid gains with investors seeking exposure to UK companies. No rate hikes were positive news but contributed to a</p>

	<p>weaker pound.</p> <p>In Japan, equities rose as well despite trade uncertainties. The Yen depreciated against the dollar during the quarter.</p> <p>Emerging markets declined primarily due to a strengthening US dollar and trade tensions.</p> <p>The Arabesque Q3.17 Systematic returned +5.22% during Q2 2018 (in USD terms) outperforming the benchmark by 376bps. Most of the performance was contributed by Technology Services, Retail Trade and Health Technology stocks, especially from US and Canada. Compared to the market, both sector allocation (primarily underweight in Finance and overweight in Technology Services) and stock selection (Health Technology and Consumer Durables) decisions had a positive impact to relative performance. The largest current exposures are sector overweights in Technology Services and Consumer Non-Durables and underweights in Finance and Consumer Durables.</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. However, the below comments on what we observe as signs in the dynamics of the strategy.</p> <p><i>Source : Arabesque Asset Management Ltd (the Target Fund's investment manager)</i></p>
<p>Target Fund Strategy</p>	<p>The funds equity allocation was 97.3% on average in Q2 2018. During the quarter the fund reached new highs. The 0% target cash allocation indicates a healthy technical state of the market; a lot of stocks are in upward trends. The strategy will hold its high equity exposure as long as the strong markets last. But the cash allocation will kick in as soon as markets show signs of weakness in order to protect the gains.</p> <p><i>Source : Arabesque Asset Management Ltd (the Target Fund's investment manager)</i></p>

FUND PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

BIMB-Arabesque / Global Dividend Fund 1	1 April 2018 to 30 June 2018
Net Asset Value (USD)	
- RM Class	89,992,093
- USD Class	40,483,220
Units in Circulation	
- RM Class	676,455,665
- USD Class	70,231,829
NAV per Unit in USD	
- RM Class	0.1330
- USD Class	0.5764
NAV per Unit in respective class currencies	
- RM Class	0.5371
- USD Class	0.5764
Highest NAV per Unit in respective class currencies	
- RM Class	0.5572
- USD Class	0.6033

BIMB-Arabesque / Global Dividend Fund 1	1 April 2017 to 30 June 2017
Lowest NAV per Unit in respective class currencies	
- RM Class	0.4954
- USD Class	0.5556
Total Return (%) ⁽¹⁾	
- RM Class	8.31
- USD Class	3.61
Capital Return (%)	
- RM Class	8.31
- USD Class	3.61
Income Return (%)	
- RM Class	-
- USD Class	-
Management Expense Ratio (MER)(%) ⁽²⁾	1.22
Portfolio Turnover Ratio (PTR)(times) ⁽³⁾	0.18

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.

Total Return	Fund MYR Class	MSCI AC World Index(MYR)	Fund USD Class	MSCI AC World Index(USD)
Financial period from (1 April 2018 to 30 June 2018)	8.31%	4.98%	3.61%	0.53%
Since Inception (From 5 November 2015 to 30 June 2018)	24.07%	26.71%	31.93%	35.01%

Average Total Return	Fund MYR Class	MSCI AC World Index(MYR)	Fund USD Class	MSCI AC World Index(USD)
1-Year Period (From 1 April 2017 to 30 June 2018)	8.37%	3.85%	15.18%	9.95%
Since Inception (From 5 November 2015 to 30 June 2018)	9.09%	10.08%	12.05%	13.21%

Annual Total Return for Financial Year	Fund MYR Class	MSCI AC World Index(MYR)	Fund USD Class	MSCI AC World Index(USD)
Financial period from (1 April 2017 to 31 March 2018)	2.68%	0.20%	17.62%	14.53%
Financial period from (1 April 2016 to 31 March 2017)	25.01%	31.44%	10.18%	15.10%

Note: Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

Income distribution for the last financial years

Financial Year	Income Distribution MYR Class		Income Distribution USD Class		Benchmark
	Distribution (sen)/ unit	Distribution Yield per annum (%)	Distribution (cent)/ unit	Distribution Yield per annum (%)	
31 March 2018	4.18	8.00%	4.055	8.00%	6.0%
31 March 2017	3.55	7.1%	3.45	6.9%	6.0%

Bases of calculation and assumptions made in calculating returns:

$$\begin{aligned} \text{Percentage growth} &= \frac{\text{NAV}_t - 1}{\text{NAV}_0} \\ \text{NAV}_t &= \text{NAV at the end of the period} \\ \text{NAV}_0 &= \text{NAV at the beginning of the period} \\ \text{Performance annualised} &= (1 + \text{Percentage Growth})^{1/n} - 1 \\ n &= \text{Number of years} \end{aligned}$$

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 “MYR” Class as at 30 June 2018

Size of Holding	Number of Unit Holders	Number of Units Held
Below 5,000	0	0
5,001 to 10,000	0	0
10,001 to 50,000	13	467,085
50,001 to 500,000	379	58,476,362
500,001 and above	60	617,512,218
Total	452	676,455,665

Breakdown of Unit Holding by Size “USD” Class as at 30 June 2018

Size of Holding	Number of Unit Holders	Number of Units Held
Below 5,000	0	0
5,001 to 10,000	0	0
10,001 to 50,000	6	173,260
50,001 to 500,000	48	7,710,593
500,001 and above	6	62,347,976
Total	60	70,231,829

3.0 FINANCIAL STATEMENTS

3.1 Unaudited Statement of Financial Position as at 30 June 2018

	Note	30.6.2018 (unaudited) USD	31.3.2018 (audited) USD
Assets			
Investment in foreign collective investment scheme	1	119,205,655	72,589,494
Amount due from Manager		3,250,791	10,499,268
Other receivables		969	1,489
Cash and cash equivalents	2	8,402,293	16,485,706
Total assets		<u>130,859,708</u>	<u>99,575,957</u>
Liabilities			
Amount due to Manager		187,310	-
Other payables		197,085	146,661
Distribution payable		-	255,039
Total liabilities		<u>384,395</u>	<u>401,700</u>
Net asset value		<u>130,475,313</u>	<u>99,174,257</u>
Unitholders' fund			
Unitholders' capital	3	128,099,798	100,416,779
Retained profit/(Accumulated loss)		2,375,515	(1,242,522)
Net asset value attributable to unitholders		<u>130,475,313</u>	<u>99,174,257</u>
Net asset value attributable to unitholders			
- MYR class		89,992,093	62,352,939
- USD class		40,483,220	36,821,318
		<u>130,475,313</u>	<u>99,174,257</u>
Number of units in circulation			
- MYR class		676,455,665	485,638,002
- USD class		70,231,829	66,187,961
Net asset value per unit in USD			
- MYR class		13.30 cent	12.84 cent
- USD class		57.64 cent	55.63 cent
Net asset value per unit in respective currencies			
- MYR class		53.71 sen	49.59 sen
- USD class		57.64 cent	55.63 cent

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

3.2 Unaudited Statement of Profit or Loss and Other Comprehensive Income for the financial period from 1 April 2018 to 30 June 2018

	Note	1.4.2018 to 30.6.2018 USD	1.4.2017 to 30.6.2017 USD
Income			
Income from short term investments		43,301	6,224
Realised (loss)/income on foreign exchange		(209,652)	36,136
Other unrealised loss on foreign exchange		(249,681)	(350)
Unrealised gain from financial instruments at fair value through profit or loss		4,390,580	940,092
Gross income		<u>3,974,548</u>	<u>982,102</u>
Expenses			
Manager's fee	4	303,332	50,269
Trustee's fee	5	17,475	2,866
Audit fee		3,434	456
Tax agent's fee		227	95
Administrative expenses		32,043	8,249
		<u>356,511</u>	<u>61,935</u>
Net income before taxation		3,618,037	920,167
Taxation		-	-
Net income after taxation		<u>3,618,037</u>	<u>920,167</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>3,618,037</u>	<u>920,167</u>
Total comprehensive income for the period consist of:			
Realised amount		(522,862)	(19,575)
Unrealised amount		4,140,899	939,742
		<u>3,618,037</u>	<u>920,167</u>

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

3.3 Unaudited Statement of Changes in Net Asset Value for the financial period from 1 April 2018 to 30 June 2018

	Note	Unitholders' capital USD	Retained profit USD	Total USD
As at 31 March 2017/ 1 April 2017		13,375,673	502,021	13,877,694
Creation of units via cash				
– MYR class		5,590,509	-	5,590,509
– USD class		5,022,771	-	5,022,771
Cancellation of units				
– MYR class		(790,323)	-	(790,323)
– USD class		-	-	-
Total attributable to unitholders		9,822,957	-	9,822,957
Total comprehensive income for the period		-	920,167	920,167
As at 30 June 2017		<u>23,198,630</u>	<u>1,422,188</u>	<u>24,620,818</u>
As at 31 March 2018/ 1 April 2018		100,416,779	(1,242,522)	99,174,257
Creation of units via cash				
– MYR class		27,365,900	-	27,365,900
– USD class		2,373,027	-	2,373,027
Cancellation of units				
– MYR class		(2,005,067)	-	(2,005,067)
– USD class		(50,841)	-	(50,841)
Total attributable to unitholders	3	27,683,019	-	27,683,019
Total comprehensive income for the period		-	3,618,037	3,618,037
As at 30 June 2018	3	<u>128,099,798</u>	<u>2,375,515</u>	<u>130,475,313</u>

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

3.4 Unaudited Statement of Cash Flows for the financial period from 1 April 2018 to 30 June 2018

	1.4.2018 to 30.6.2018 USD	1.4.2017 to 30.6.2017 USD
Cash flows from operating activities		
Purchase of investments	(42,225,580)	(9,538,719)
Income from short term investments	43,821	5,919
(Loss)/Income from foreign exchange	(249,681)	36,080
Management fee paid	(274,878)	(41,428)
Trustee fee paid	(15,611)	(2,407)
Audit fee paid	(3,227)	-
Payment for administrative expenses	(39,850)	(6,438)
Loss on foreign currency exchange fluctuation	(209,652)	(294)
Net cash used in operating activities	<u>(42,974,658)</u>	<u>(9,547,287)</u>
Cash flows from financing activities		
Cash receipt for creation of units	37,014,882	10,594,762
Cash payment for cancellation of units	(1,868,598)	(886,335)
Payment of distributions	(255,039)	(36,062)
Net cash generated from financing activities	<u>34,891,245</u>	<u>9,672,365</u>
Net (decrease)/increase in cash and cash equivalents	(8,083,413)	125,078
Cash and cash equivalents at 1 April	<u>16,485,706</u>	<u>1,288,150</u>
Cash and cash equivalents at 30 June	<u><u>8,402,293</u></u>	<u><u>1,413,228</u></u>
Cash and cash equivalents comprise:		
Short term placements	5,732,008	879,324
Cash at bank	<u>2,670,285</u>	<u>533,904</u>
	<u><u>8,402,293</u></u>	<u><u>1,413,228</u></u>

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

3.5 Unaudited Notes to the Financial Statements

1. Investments

	As at 30.6.2018 USD	As at 31.3.2018 USD
Financial assets as FVTPL		
At cost:		
Foreign collective investment scheme	<u>116,524,498</u>	<u>74,298,918</u>
At fair value:		
Foreign collective investment scheme	<u>119,205,655</u>	<u>72,589,494</u>

Details of investment are as follows:

Foreign collective investment scheme	Number of units	Purchase cost USD	Fair value USD	Fair value as a percentage of net asset value %
As at 30 June 2018				
Arabesque Q3.17 SICAV				
– Arabesque Q3.17 Systematic (“Target Fund”)	1,059,041	116,524,499	119,205,655	91.36
			<u>2,681,156</u>	
Excess of fair value over cost			<u>2,681,156</u>	
As at 31 March 2018				
Arabesque Q3.17 SICAV				
– Arabesque Q3.17 Systematic (“Target Fund”)	675,754	74,298,918	72,589,494	73.19
			<u>(1,709,424)</u>	
Shortfall of fair value over cost			<u>(1,709,424)</u>	

A minimum of 70% of the Fund's net asset value will be invested 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.

2. Cash and cash equivalents

	As at 30.6.2018 USD	As at 31.3.2018 USD
<i>Short term placements with maturity less than 30 days:</i>		
Commodity Murabahah	5,732,008	-
Wafiyah Investment Account*	-	4,637,350
Wadiah	-	2,671,499
	<u>5,732,008</u>	<u>7,308,849</u>
Cash at bank	<u>2,670,285</u>	<u>9,176,857</u>
	<u>8,402,293</u>	<u>16,485,706</u>

* Wafiyah Investment Account is placed with Bank Islam Malaysia Berhad, the holding company of the Manager.

3. Unitholders' capital

	No. of units	USD
As at 31 March 2017/1 April 2017		
Creation of units	116,873,201	13,375,673
- MYR class	388,350,236	51,743,524
- USD class	66,342,135	38,073,079
Cancellation of units		
- MYR class	(19,388,929)	(2,566,507)
- USD class	<u>(350,680)</u>	<u>(208,990)</u>
As at 31 March 2018/1 April 2018	551,825,963	100,416,779
Creation of units		
- MYR class	205,471,227	27,365,900
- USD class	4,129,486	2,373,027
Cancellation of units		
- MYR class	(14,653,564)	(2,005,067)
- USD class	<u>(85,618)</u>	<u>(50,841)</u>
As at 30 June 2018	<u>746,687,494</u>	<u>128,099,798</u>

4. Manager's fee

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

As the Fund is investing in a Target Fund, Arabesque Q3.17 SICAV - Arabesque Q3.17 Systematic, Manager's fee was charged as follows:

	1.4.2018 to 30.6.2018 % p.a	1.4.2017 to 30.6.2017 % p.a
Manager's fee charged by Target Fund Manager, Arabesque Asset Management Ltd., on the net asset value of the Target Fund (Note a)	0.82	0.82
Manager's fee charged by the Manager, BIMB Investment Management Berhad, on the net asset value of the Target Fund (Note b)	0.98	0.98
Manager's fee charged by the Manager, BIMB Investment Management Berhad on the remaining net asset value of the Fund (Note b)	1.80	1.80

Note a) The Fund's share of manager's fee to the Target Fund Manager had been accounted for as part of net unrealised changes in fair value of investment in foreign collective investment scheme.

Note b) Manager's fee of the Fund as reported in the Statement of Comprehensive Income relates to 0.98% on the net asset value of investment in the Target Fund and 1.80% on the remaining net asset value of the Fund.

5. Trustee's fee

The trustee's fee payable to the trustee is based on 0.06% (30.6.2017: 0.06%) per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 (30.6.2017: RM15,000) per annum (excluding foreign custodian fees and charges), calculated on a daily basis.

6. Management Expense Ratio ("MER")

The management expense ratio for the financial period is 1.22% (30.6.2017: 2.04%). Management expense ratio is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average net asset value. It is a total management expenses expressed as an annual percentage of the Fund's average net asset value.

7. Portfolio Turnover Ratio ("PTR")

The portfolio turnover ratio for the financial period is 0.18 times (30.6.2017: 0.25 times). It represents the average of total acquisitions and disposals of the investments in the Fund for the financial period over the average net asset value of the Fund calculated on a daily basis.

4.0 CORPORATE DIRECTORY

Manager	BIMB Investment Management Berhad 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	Nik Mohd Hasyudeen Yusoff (Chairman - Non-Executive Independent Director) Dato' Ghazali Awang (Non-Executive Independent Director) Datuk Noripah Kamso (Non-Executive Independent Director) Dr. Mohd Hatta Dagap (Non-Executive Independent Director) Malkiat Singh @ Malkit Singh Maan (Non-Executive Non Independent Director) Mujibburrahman Abd Rashid (Non-Executive Non Independent Director – Appointed w.e.f. 5 December 2017, Resign w.e.f. 20 July 2018) Najmuddin 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 Kamso (Independent Member) Mohd Radzuan Ahmad Tajuddin (Independent Member)
Audit Committee	Dato' Ghazali Awang (Chairman – Independent Member) Dr. Mohd Hatta Dagap (Independent Member) Malkiat Singh @ Malkit Singh Maan (Non Independent Member)
Company Secretary	Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No.22 Jalan Perak, 50450 Kuala Lumpur Aidil Haznul Zulkifli (MACS 01638) Level 32, Menara Bank Islam, No. 22, Jalan Perak 50450 Kuala Lumpur
Key Management	Najmuddin Mohd Lutfi (Chief Executive Officer) Badrol Ahmad Fathan (Head of Investment) Mohd Hamidullah Che Hassan (Manager, Compliance)

Principal Banker	Bank Islam Malaysia Berhad Ground Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur
Trustee	Deutsche Trustees Malaysia Berhad (763590-H) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur
Auditors	KPMG Desa Megat PLT Level 10, KPMG Tower 8, First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor
Federation of Investment Managers Malaysia (FIMM)	19-06-1, 6th Floor, Wisma Tune No.19, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
Distributors	Bank Islam Malaysia Berhad Branches IFast Capital Sdn Bhd Phillip Mutual Berhad Kenanga Investment Bank Berhad Amanahraya Investment Sdn Bhd Areca Capital Sdn Bhd CIMB Investment Bank Berhad Standard Financial Adviser Sdn Bhd Malayan Banking Berhad Affin Bank Berhad Alliance Islamic Bank Berhad Genexus Advisory Sdn Bhd Johor Bharu Agency Office Registered Unit Trust Consultant with BIMB Investment Management Berhad

Toll Free Number: 1-800-88-1196