

BIMB-ARABESQUE i GLOBAL DIVIDEND FUND 1



**FIRST QUARTER REPORT
FOR THE FINANCIAL PERIOD
FROM
1 APRIL 2016 TO 30 JUNE 2016**

TABLE OF CONTENTS

1.0	FUND KEY INFORMATION	3
2.0	MANAGER'S REPORT	5
3.0	SHARIAH COMMITTEE'S REPORT	11
4.0	FINANCIAL STATEMENTS (UNAUDITED)	12
5.0	CORPORATE DIRECTORY	19

1.0 FUND KEY INFORMATION

Fund Name	BIMB-ARABESQUE iGlobal 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> <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>Dividend Distribution</p>	<p>There were no dividend 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 2016</u> The Fund's performance since inception registered a negative return of -6.40%. The Fund had underperformed the benchmark by -7.84% as the benchmark registered a positive return of 1.44% since inception.</p> <p><u>Financial period from 1 April 2016 to 30 June 2016</u> Subsequently, during the financial period under review, the Fund registered a positive return of 4.89%, underperforming the benchmark by -1.86% as the benchmark performance registered a 6.75% return.</p> <p>This effect is mostly due to the Ringgit appreciation against the US Dollar that occurred since the Fund's inception and during the period under review.</p> <p>As at 30 June 2016, the NAV per unit of the Fund was RM0.4680 while units in circulation were 140,836,827 units.</p> <p><u>USD Class</u></p> <p><u>Since Inception from 5 November 2015 to 30 June 2016</u> The Fund's performance since inception registered a negative return of -0.22%. The Fund had underperformed the benchmark by -1.66% as the benchmark registered a positive return of 1.44% since inception.</p> <p><u>Financial period from 1 April 2016 to 30 June 2016</u> Subsequently, during the financial period under review, the Fund registered a positive return of 1.55%, underperforming the benchmark by -6.97% as the benchmark performance registered a 6.75% return.</p> <p>As at 30 June 2016, the NAV per unit of the Fund was USD0.4989 while units in circulation were 49,819 units.</p> <p><i>Past performance is no indication of the future performance of the Fund.</i></p>
Target Fund Performance	<p>During the period from January to March 2016, financial markets had a roller-coaster experience. Sharp falls in January were followed by a rally which left investors close to where they started the year. The concerns that triggered the market sell off the first months (i.e. slowdown in China) were not featured in the second quarter thanks to actions by the Chinese authorities to reinforce growth.</p> <p>For the period from April to June 2016, markets made a confident start. However, the decision by UK voters to reject membership of the European Union overshadowed other developments. In the wake of</p>

	<p>the UK's decision markets fell sharply and sterling reached multi-decade lows against the US dollar.</p> <p>Overall, in the second quarter, global equities delivered positive returns (in US dollar terms). Supported by expectations that additional interest rate rises would be delayed, US equities strengthened over the quarter. Euro zone markets had a choppy quarter with, especially, financials under pressure. A sharp appreciation of the Yen led to considerable losses for Japanese equities. Emerging markets lagged behind developed markets.</p> <p>Commodities and commodity-producer equities gained significantly, rebounding amid a rally in oil prices. Falling rates benefited dividend yielding sectors (e.g. utilities, consumer staples, telecom) while cyclical industries (e.g. consumer discretionary, technology) lagged behind.</p> <p>During the period under review, the performance of the Fund can be attributed to good stock selections across most sectors. With an underweight in UK and financial stocks the fund was well positioned for the British referendum. Nevertheless the initial market correction led to a total 8% increase in cash allocation. The following revival has already reversed this move and brought the Arabesque Systematic into almost fully invested state. The largest exposures are sector overweights of Health Technology, Producer Manufacturing and Consumer Durables and underweights in Finance, Energy and Communications.</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>The low cash allocation indicates a healthy technical state of the market, a lot of stocks are trending upwards. Furthermore during the current earnings season we already benefited from a couple of earnings surprises. The strategy continues to perform 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 30 JUNE 2016

BIMB-Arabesque / Global Dividend Fund 1	1 April 2016 to 30 June 2016
Net Asset Value (USD)	
- RM Class	16,369,727
- USD Class	24,853
Units in Circulation	
- RM Class	140,836,827
- USD Class	49,819
NAV per Unit in USD	
- RM Class	0.1162
- USD Class	0.4989
NAV per Unit in respective class currencies	
- RM Class	0.4680
- USD Class	0.4989
Highest NAV per Unit in respective class currencies	
- RM Class	0.4842
- USD Class	0.5112

BIMB-Arabesque / Global Dividend Fund 1	1 April 2016 to 30 June 2016
Lowest NAV per Unit in respective class currencies	
- RM Class	0.4409
- USD Class	0.4841
Total Return (%) ⁽¹⁾	
- RM Class	4.89
- USD Class	1.55
Capital Return (%)	
- RM Class	4.89
- USD Class	1.55
Income Return (%)	
- RM Class	-
- USD Class	-
Management Expense Ratio (MER)(%) ⁽²⁾	1.27
Portfolio Turnover Ratio (PTR)(times) ⁽³⁾	0.79

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 from 5 Nov 2015 to 30 June 2016 ^(b)	-6.40%	-0.22%	1.44%

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

(b) Actual returns for the financial period from 5 November 2015 to 30 June 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 from 5 Nov 2015 to 30 June 2016 ^(b)	-6.40%	-0.22%	1.44%

(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 30 June 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 30 June 2016

Size of Holding	Number of Unit Holders	Number of Units Held
Below 5,000	1	2,000.00
5,001 to 10,000	0	0.00
10,001 to 50,000	1	34,233.06
50,001 to 500,000	220	28,037,824.54
500,001 and above	17	112,762,769.29
Total	239	140,836,826.89

Breakdown of Unit Holding by Size “USD” Class as at 30 June 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	2	49,819.25
50,001 to 500,000	0	0.00
500,001 and above	0	0.00
Total	2	49,819.25

3.0 SHARIAH COMMITTEE'S REPORT

FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2016 TO 30 JUNE 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 1 April 2016 to 30 June 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 30 June 2016

	Note	30.6.2016 USD
Investments		
Investment in foreign collective investment scheme	1	15,830,596
Current assets		
Amount due from Manager		69,422
Other receivables		32
Cash and cash equivalent	2	<u>720,983</u>
Total assets		<u>16,621,033</u>
Current liabilities		
Amount due to Target Fund Manager		192,146
Amount due to Manager		25,252
Other payables		<u>9,055</u>
Total liabilities		<u>226,453</u>
Unitholders' fund		
Unitholders' capital	5	16,212,454
Retained profit		<u>182,126</u>
		<u>16,394,580</u>
Net asset value attributable to unitholders		
- RM class		<u>16,369,727</u>
- USD class		<u>24,853</u>
Number of units in circulation		
- RM class	5	140,836,827
- USD class		<u>49,819</u>
Net asset value per unit (sen) in USD		
- RM class		<u>11.62</u>
- USD class		<u>49.89</u>
Net asset value per unit (sen) in respective currencies		
- RM class		<u>46.80</u>
- USD class		<u>49.89</u>

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 1 April 2016 to 30 June 2016

	Note	1.4.2016 to 30.6.2016 USD
Income		
Income from short term investments		4,770
Realised gain on foreign exchange		14,977
Other unrealised loss on foreign exchange		(49,869)
Unrealised gain from financial instruments at fair value through profit or loss		<u>318,214</u>
Gross income		<u>288,092</u>
Expenses		
Manager's fee	3	40,234
Trustee's fee	4	2,317
Audit fee		870
Tax agent's fee		870
Administrative expenses		<u>4,657</u>
		<u>48,948</u>
Net income before taxation		239,144
Tax expense		<u>-</u>
Net income after taxation		239,144
Other comprehensive income for the period		-
Total comprehensive income for the period		<u>239,144</u>
Total comprehensive income for the period consist of:		
Realised amount		(29,201)
Unrealised amount		<u>268,345</u>
		<u>239,144</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 1 April 2016 to 30 June 2016

	Unitholders' capital USD	Retained profit USD	Total USD
As at 31 March 2016	14,876,344	(57,018)	14,819,326
Movement in unitholders' contribution			
Creation of units			
- RM class	1,493,392	-	1,493,392
- USD class	9,742	-	9,742
Cancellation of units			
- RM class	(166,021)	-	(166,021)
- USD class	(1,003)	-	(1,003)
Total attributable to unitholders'	1,336,110	-	1,336,110
Net income for the period	-	239,144	239,144
As at 30 June 2016	16,212,454	182,126	16,394,580

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 financial period from
1 April 2016 to 30 June 2016**

	1.4.2016 to 30.6.2016 USD
Cash flows from operating activities	
Purchase of investments	(1,699,225)
Income from short term investments	5,044
Income from foreign exchange	14,977
Manager's fee paid	(38,132)
Trustee fee paid	(2,220)
Payment for administrative expenses	(4,424)
Loss on foreign currency exchange fluctuation	(49,869)
Net cash used in operating activities	<u>(1,773,849)</u>
Cash flows from financing activities	
Cash receipt for creation of units	1,960,590
Cash payment for cancellation of units	(185,682)
Net cash generated from financing activities	<u>1,774,908</u>
Net increase in cash and cash equivalents	1,059
Cash and cash equivalents at the beginning of the financial period	<u>719,924</u>
Cash and cash equivalents at the end of the financial period	<u><u>720,983</u></u>
Cash and cash equivalents comprise:	
Cash at bank	372,175
Short term placements	348,808
	<u><u>720,983</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 30.6.2016 USD
Financial assets at FVTPL	
At cost:	
Foreign collective investment scheme	<u>15,554,609</u>
At market value	
Foreign collective investment scheme	<u>15,830,596</u>

Details of the investment as at 30 June 2016 are as follows:

Foreign collective investment scheme	Number of units	Cost USD	Market Value USD	Percentage of value of fund as at 30.6.2016 %
Arabesque Q3.17 SICAV – Arabesque Q3.17 Systematic ("Target Fund")	<u>164,525</u>	<u>15,554,609</u>	<u>15,830,596</u>	<u>96.56</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 30.6.2016 USD
Short term placements in a licensed financial institutions:	
Commodity Murabahah	348,808
Cash at bank	372,175
	<u>720,983</u>

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.

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

	1.4.2016 to 30.6.2016 % p.a
Manager's fee charged by Target Fund's Manager, Arabesque Asset Management Ltd on the net asset value of the Target Fund (Note a)	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
Manager's fee charged by the Manager, BIMB Investment Management Berhad on remaining net asset value of the Fund (Note b)	1.80

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

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

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. Unitholders' capital

	No. of units	USD
At beginning of the period	129,362,959	14,876,344
Creation of units		
– RM class	12,947,661	1,493,392
– USD class	19,918	9,742
Cancellation of units		
– RM class	(1,441,892)	(166,021)
– USD class	(2,000)	(1,003)
As at 30 June 2016	140,886,646	16,212,454

6. Management Expense Ratio ("MER")

The management expense ratio for the financial period is 1.27%. 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 0.79 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.

8. 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

Khairul Kamarudin (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)
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
Tel: 03-20537522 Fax: 03-03-20537526

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