

BIMB-ARABESQUE VALUECAP MALAYSIA SHARIAH-ESG EQUITY FUND (“BVMSEF”)

FIRST QUARTER REPORT FOR
THE FINANCIAL PERIOD FROM
1 NOVEMBER 2018 TO 31 JANUARY 2019

BIMB  **INVESTMENT**
A BANK ISLAM
SUBSIDIARY

MANAGER:
BIMB INVESTMENT MANAGEMENT BERHAD (276246-X)

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1.0 Manager's Report

Dear Unit Holders,

We are pleased to present the Manager's report of BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund for the financial period from 1 November 2018 to 31 January 2019.

1.1 Fund Name/ Fund Type/ Fund Category/ Fund Investment Objective/ Fund Performance Benchmark/ Fund Distribution Policy

Fund Name	BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund
Fund Type	Growth
Fund Category	Wholesale Equity
Fund Investment Objective	<p>The Fund seeks to achieve medium to long term capital appreciation.</p> <p>Note: Medium to long term in this context refers to 3 years or more.</p> <p>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
Fund Performance Benchmark	<p>FTSE Bursa Malaysia EMAS Index</p> <p>(Please note that the risk profile of the Fund may be higher than the risk profile of the benchmark).</p>
Asset Allocation	<p>i) Up to 98% of the Fund's NAV will be invested in Shariah-compliant equities listed in Malaysia; and</p> <p>ii) At least 2% of the Fund's NAV in Shariah-compliant liquid assets.</p> <p>The Fund aims to be fully invested in equities at all time, while maintaining a small allocation to liquid assets for liquidity purposes.</p>

Investor's Profile	<p>The Fund is primarily suitable for Sophisticated Investors:-</p> <ul style="list-style-type: none"> i. Seeking exposure to ESG and Shariah-compliant Malaysia listed equities. ii. Seeking capital appreciation over medium to long term period. iii. With moderate to high risk tolerance. iv. With medium to long term period.
Fund Strategy / Outlook	<p>The Fund employs a quantitative approach. Given the quantitative and momentum-based nature of the strategy, the Manager does not manage the Fund based on macro analysis, views and expected outlook. The Fund invests through a rules-based investment process which will be rebalanced / traded on a monthly basis.</p>

1.2 Performance for the financial period from 1 November 2018 to 31 January 2019.

1.2.1 Performance review

Since Inception from 5 July 2018 to 31 January 2019

The Fund's performance since inception registered a negative return of -5.67%. The Fund had underperformed the benchmark by -0.89% as the benchmark registered a negative return of -4.78% since inception.

Financial period from 1 November 2018 to 31 January 2019

Subsequently, during the financial period under review, the Fund registered a negative return of -1.52%, outperforming the benchmark by 0.34% as the benchmark performance registered a -1.86% return.

The main sectors that contributed positively to the Fund's performance were Communications, Consumer Durables and Finance, whilst the Health Technology, Utilities and Industrial Services sectors contributed the most negatively. The Fund reacted over the period by decreasing its exposure to Health Technology (-2.5%) and Process Industries (-1.8%), and increasing its exposure to Communications (+2.2%) and Health Services (+0.9%).

As at 31 January 2019, the NAV per unit of the Fund was RM0.9433 while units in circulation were 50,436,731 units.

1.2.2 Total return and average total return for the financial period from 5 July 2018 (date of commencement) to 31 January 2019.

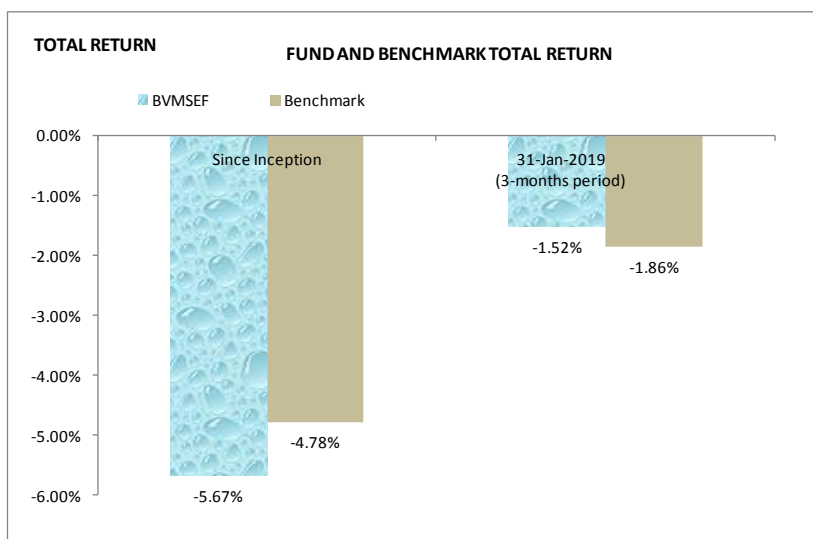
Period	BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund		Benchmark	
	Total Return (%)	Average Total Return (%)	Total Return (%)	Average Total Return (%)
Since Inception (5 July '18 – 31 Jan '19)	-5.67	-9.86	-4.78	-8.31
Financial Period from (1 Nov '18 – 31 Jan '19)	-1.52	-6.03	-1.86	-7.38

1.2.3 Total return for the last financial years

Financial Year*	Total Return	
	BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund (%)	Benchmark (%)
5 July 2018 to 31 October 2018	-4.21	-2.97

*Note: The Fund has not completed its first financial year, hence the first financial year and since inception period are similar.

Figure 1: Movement of the Fund versus the Benchmark



Note:

Data Source : BIMA Investment Management Berhad
Data verified by : Novagni Analytics & Advisory Sdn. Bhd.
Benchmark : FTSE Bursa Malaysia EMAS Index

Notes:

- Total Return** of the Fund has been verified by Novagni Analytics & Advisory Sdn. Bhd. (363145-W)
- Average Total Return** is derived by this formula:

$$\frac{\text{Total Return}}{\text{Number of Years under Review}}$$

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

1.3 Asset Allocation as at 31 January 2019

BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund	As at 31.1.2019 (%)
Investment in Collective Investment Scheme	
REITs	1.30
Investment in Quoted Securities in Malaysia	
Construction	0.85
Consumer products	12.11
Finance	0.36
Industrial products	23.49
Infrastructure	9.20
Plantation	10.26
Properties	3.26
Technology	1.41
Trading and services	35.81
	96.75
CASH AND SHORT TERM INVESTMENTS:	1.95
	100.00

1.4 Other Performance Data for the period ended 31 January 2019

BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund	1.11.2018 to 31.1.2019
Net Asset Value (RM)	47,577,498
Units in Circulation	50,436,731
NAV per unit (RM)	0.9433
Highest NAV per unit (RM)	0.9846
Lowest NAV per unit (RM)	0.9199

1.5 Unit Holdings as at 31 January 2019

Size of Holdings	BIMB-Arabesque Valuecap Malaysia Shariah-ESG Equity Fund			
	No. of Unit Holders		No. of Units Held	
	No.	%	Units	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	2	100.00	50,436,731	100.00
Units Held by Holders	2	100.00	50,436,731	100.00
Units Held by Manager	-	-	-	-
Grand Total for the Fund	2	100.00	50,436,731	100.00

1.6 Policy on Rebate and Soft Commission

Any stock broking rebates received by the Manager will be directed to the account of the Fund. Any soft commissions received from the broker which are in the form of research and advisory services that assist in the decision-making process relating to the Fund's investment may be retained by the Manager.

The Manager did not receive any rebate and soft commission from broker during the financial period.

For and on behalf of

The Manager

BIMB INVESTMENT MANAGEMENT BERHAD

Date:

2.0 Financial Statements (Unaudited)

2.1 Unaudited Statement of Financial Position as at 31 January 2019

	Note	31.1.2019 RM
Assets		
Collective investment scheme	1	618,540
Quoted securities	2	46,030,764
Amount due from Manager		-
Other receivables		10,557
Cash and cash equivalents	3	<u>965,883</u>
Total assets		<u>47,625,744</u>
Liabilities		
Other payables		<u>48,246</u>
Total liabilities		<u>48,246</u>
Net asset value		<u>47,577,498</u>
Unitholders' fund		
Unitholders' capital	4	50,445,430
Accumulated loss		<u>(2,867,932)</u>
Net asset value attributable to unitholders		<u>47,577,498</u>
Number of units in circulation		<u>50,436,731</u>
Net asset value per unit		<u>94.33</u>

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

2.2 Unaudited Statement of Profit or Loss and Other Comprehensive Income for the financial period from 1 November 2018 to 31 January 2019

	Note	1.11.2018 to 31.1.2019 RM
Income		
Gross dividend income from quoted securities		243,295
Income from short term investments		27,425
Loss on sale of quoted securities		(862,172)
Unrealised loss from financial instruments at fair value through profit or loss		<u>(41,306)</u>
Gross loss		<u>(632,758)</u>
Expenses		
Manager's fee	5	90,797
Trustee's fee	6	7,264
Audit fee		2,550
Tax agent's fee		785
Administrative expenses		<u>5,813</u>
		<u>107,209</u>
Net loss before taxation		(739,967)
Taxation		<u>-</u>
Net loss after taxation		(739,967)
Other comprehensive income for the period		<u>-</u>
Total comprehensive loss for the period		<u><u>(739,967)</u></u>
Total comprehensive loss for the period consist of:		
Realised amount		(698,661)
Unrealised amount		<u>(41,306)</u>
		<u><u>(739,967)</u></u>

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

2.3 Unaudited Statement of Changes in Net Asset Value for the financial period from 1 November 2018 to 31 January 2019

	Unitholders' capital	Accumulated loss	Total
Note	RM	RM	RM
As at 31 October 2018/ 1 November 2018	50,441,987	(2,127,965)	48,314,022
Creation of units	110,026	-	110,026
Cancellation of units	(106,583)	-	(106,583)
Total attributable to unitholders	3,443	-	3,443
Total comprehensive loss for the period	-	(739,967)	(739,967)
As at 31 January 2019	50,445,430	(2,867,932)	47,577,498

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

2.4 Unaudited Statement of Cash Flows for the financial period from 1 November 2018 to 31 January 2019

	1.11.2018 to 31.1.2019 RM
Cash flows from operating activities	
Proceeds from sale of quoted securities	6,958,087
Purchase of quoted securities	(9,542,483)
Dividend received	324,581
Income from short term investments	27,635
Management fee paid	(93,927)
Trustee fee paid	(7,514)
Payment for administrative expenses	(1,890)
Net cash used in operating activities	<u>(2,335,511)</u>
Cash flows from financing activities	
Cash receipt for creation of units	110,026
Cash payment for cancellation of units	(106,583)
Net cash generated from financing activities	<u>3,443</u>
Net decrease in cash and cash equivalents	(2,332,068)
Cash and cash equivalents at 1 November 2018	<u>3,297,951</u>
Cash and cash equivalents at 31 January 2019	<u><u>965,883</u></u>
Cash and cash equivalents comprise:	
Short term placements	845,445
Cash at bank	120,438
	<u><u>965,883</u></u>

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

2.5 Unaudited Notes to the financial statements

1. Collective Investment Scheme

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 31 January 2019				
<u>Main Market</u>				
(i) REITs				
KLCC Property Holdings Bhd.	79,300	616,539	618,540	1.30

2. Quoted securities

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 31 January 2019				
<u>Main Market</u>				
(i) Construction				
Gamuda Bhd.	42,000	114,022	115,920	0.24
IJM Corporation Bhd.	35,000	62,441	64,050	0.14
Muhibbah Engineering (M) Bhd.	56,800	168,767	161,312	0.34
WCT Holdings Bhd.	78,000	62,507	63,180	0.13
	<u>211,800</u>	<u>407,737</u>	<u>404,462</u>	<u>0.85</u>
(ii) Consumer products				
Dutch Lady Milk Industries Bhd.	3,500	218,408	216,930	0.46
Fraser & Neave Holdings Bhd.	21,900	791,026	743,724	1.56
Nestle (Malaysia) Bhd.	10,100	1,503,592	1,499,850	3.15
Padini Holdings Bhd.	62,100	368,555	230,391	0.48
PPB Group Bhd.	48,000	823,139	873,600	1.84
QL Resources Bhd.	112,300	686,391	759,148	1.60
UMW Holdings Bhd.	246,100	1,482,506	1,437,224	3.02
	<u>504,000</u>	<u>5,873,617</u>	<u>5,760,867</u>	<u>12.11</u>
(iii) Finance				
Syarikat Takaful Malaysia Bhd.*	40,600	159,875	171,332	0.36
(iv) Industrial products				
Cahaya Mata Sarawak Bhd.	127,400	373,010	391,118	0.82
DRB-Hicom Bhd.	79,000	176,812	127,980	0.27
Hartalega Holdings Bhd.	285,400	1,758,844	1,541,160	3.24
Hengyuen Refining Company Bhd.	23,000	112,376	110,630	0.23
Hibiscus Petroleum Bhd.	219,000	208,508	210,240	0.44

2. Quoted securities (continued)

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds %
As at 31 January 2019				
<u>Main Market (continued)</u>				
(iv) Industrial products (continued)				
Kossan Rubber Industries Bhd.	64,500	276,556	244,455	0.52
Petronas Chemical Group Bhd.	445,900	3,930,053	3,767,855	7.92
Petronas Gas Bhd.	162,400	3,012,138	2,936,192	6.17
Press Metal Bhd.	137,700	620,298	593,487	1.25
Scientex Bhd.	33,600	270,484	295,680	0.62
SKP Resources Bhd.	66,200	99,261	87,384	0.18
Supermax Corporation Bhd.	177,400	394,665	267,874	0.56
Top Glove Corporation Bhd.	97,400	517,922	469,468	0.99
Uchi Technologies Bhd.	52,000	161,278	133,640	0.28
	<u>1,970,900</u>	<u>11,912,205</u>	<u>11,177,163</u>	<u>23.49</u>
(v) Infrastructure				
DiGi.Com Bhd.	811,100	3,705,655	3,779,726	7.94
Lingkaran Trans Kota Holdings Bhd.	38,400	167,793	171,264	0.36
Time Dotcom Bhd.	52,800	427,351	428,208	0.90
	<u>902,300</u>	<u>4,300,799</u>	<u>4,379,198</u>	<u>9.20</u>
(vi) Plantation				
Batu Kawan Bhd.	4,400	72,187	74,800	0.16
IOI Corporation Bhd.	208,500	955,409	969,525	2.04
Kuala Lumpur Kepong Bhd.	17,100	418,420	422,028	0.89
Sime Darby Plantation Bhd.	634,000	3,291,373	3,277,780	6.89
United Plantations Bhd.	5,200	138,925	134,680	0.28
	<u>869,200</u>	<u>4,876,314</u>	<u>4,878,813</u>	<u>10.26</u>
(vii) Properties				
Eastern & Oriental Bhd.	73,566	104,528	79,451	0.17
Eco World Development Group Bhd.	55,000	65,386	50,600	0.11
IOI Properties Group Bhd.	123,000	196,715	191,880	0.40
Matrix Concepts Holdings Bhd.	45,900	92,210	89,964	0.19
Sime Darby Property Bhd.	683,600	890,163	786,140	1.65
Sunway Bhd.	150,400	234,530	243,648	0.51
UEM Sunrise Bhd.	144,500	128,410	109,098	0.23
	<u>1,275,966</u>	<u>1,711,942</u>	<u>1,550,781</u>	<u>3.26</u>

2. Quoted securities (continued)

Company's Name	Number of shares held	Cost RM	Market value RM	Percentage of value of funds of funds %
As at 31 January 2019				
<u>Main Market (continued)</u>				
(viii) Technology				
Globetronics Technology Bhd.	52,100	107,302	100,032	0.21
Inari Amertron Bhd.	193,700	471,935	290,550	0.61
Mi Technovation Bhd.	32,000	67,747	77,120	0.16
Unisem (M) Bhd.	67,400	195,705	205,570	0.43
	345,200	842,689	673,272	1.41
(ix) Trading and services				
Aeon Co. (M) Bhd.	101,200	226,633	156,860	0.33
Axiata Group Bhd.	114,300	503,647	458,343	0.96
Bermaz Auto Bhd.	154,600	335,032	338,574	0.71
Dayang Enterprise Holdings Bhd.	80,000	48,227	47,600	0.10
Dialog Group Bhd.	543,000	1,790,940	1,629,000	3.42
Gas Malaysia Bhd.	63,400	184,258	178,788	0.38
IHH Healthcare Bhd.	322,500	1,868,020	1,806,000	3.80
KPJ Healthcare Bhd.	554,500	583,234	598,860	1.26
Malakoff Corporation Bhd.	212,100	206,836	176,043	0.37
Maxis Bhd.	306,400	1,704,640	1,761,800	3.70
MBM Resources Bhd.	41,000	105,630	104,960	0.22
MISC Bhd.	95,900	623,071	650,202	1.37
My E.G. Services Bhd.	60,000	60,364	60,000	0.13
Petronas Dagangan Bhd.	44,400	1,150,177	1,171,272	2.46
Sapura Energy Bhd.	207,000	85,008	54,855	0.12
Serba Dinamik Holdings Bhd.	71,200	261,010	264,152	0.56
Sime Darby Bhd.	1,324,600	3,191,001	2,967,104	6.24
Taliworks Corporation Bhd.	73,000	57,857	60,590	0.13
Telekom Malaysia Bhd.	29,300	103,775	85,263	0.18
Tenaga Nasional Bhd.	264,200	3,898,222	3,408,180	7.16
UEM Edgenta Bhd.	39,600	87,202	105,336	0.22
Veestro Energy Bhd.	839,000	241,798	159,410	0.33
Westports Holdings Bhd.	152,200	535,008	566,184	1.19
Yinson Holdings Berhad.	55,000	251,634	225,500	0.47
	5,748,400	18,103,224	17,034,876	35.81
Total quoted securities as at 31 January 2019		48,188,402	46,030,764	96.75

* The Fund holds investments in company which is related to the Manager.

3. Cash and cash equivalents

	As at 31.1.2019 RM
Short term placements with maturity less than 30 days:	
Commodity Murabahah	845,445
Cash at bank	120,438
	<u>965,883</u>

4. Unitholders' capital

	No. of units	RM
As at 31 October 2018/1 November 2018	50,436,731	50,441,987
Creation of units	114,806	110,026
Cancellation of units	(114,806)	(106,583)
As at 31 January 2019	<u>50,436,731</u>	<u>50,445,430</u>

5. Manager's fee

The manager's fee payable to the Manager is based on 0.75% per annum of the net asset value of the Fund calculated on a daily basis.

6. Trustee's fee

The trustee's fee payable to the trustee is based on 0.06% per annum of the net asset value of the Fund subject to a minimum fee of RM15,000 per annum, calculated on a daily basis.

7. Comparative

No comparative are included in the financial statements because this is the Fund's first set of Financial statements after the Fund commenced operations on 5 July 2018.

3.0 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 – Resigned w.e.f. 14 December 2018) 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– Resigned 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 - Resigned w.e.f. 14 December 2018) 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-Executive Non Independent Member)
Company Secretaries	Norhidayati Mohamat Salim (MIA 27364) Level 32, Menara Bank Islam, No. 22, Jalan Perak, 50450 Kuala Lumpur. Aidil Haznul Zulkifli (MEIS 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	Deutsche Bank Berhad Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur
Trustee	DeutscheTrustees Malaysia Berhad (763590-H) Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.
Auditors	KPMG Desa Megat PLT (LLP0010082-LCA & AF 0759) 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
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