

BNP PARIBAS ISLAMIC FUND EQUITY OPTIMISER - (Classic)



RISK AND REWARD INDICATOR



The higher the risk, the longer the recommended investment horizon.

The investments in the funds are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the fund described being at risk of capital loss.

CODES

	Capi. code	Distri. code
ISIN	LU0245286777	LU0781589642
BLOOMBERG	BNPIEOC LX	BNPIECL LX
CUSIP	L1085X118	-

KEY FIGURES - USD

NAV (Capi.)	1,847.76
NAV (Distrib.)	106.86
12M NAV max. Capi. (26/01/18)	2,076.36
12M NAV min. Capi. (26/10/18)	1,801.16
Total net assets (mln)	52.65
Last dividend (23/10/18)	2.21
Initial NAV	1,000.00

CHARACTERISTICS

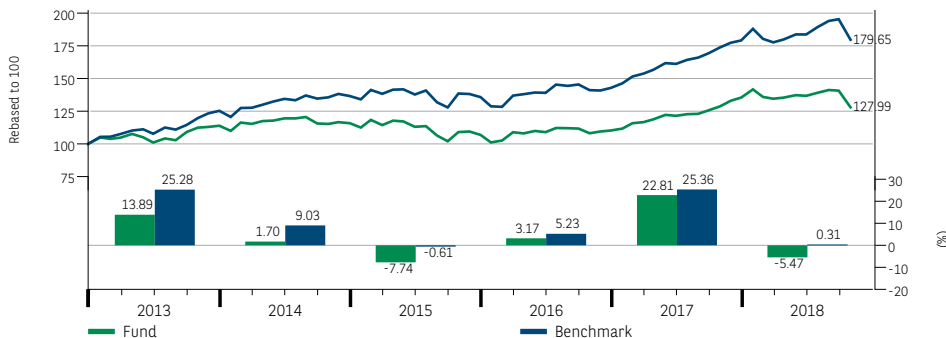
Benchmark	Dow Jones Islamic Developed Markets Top Cap Index
Nationality	Luxembourg
Legal form	FCP mutual fund with European passport
Launch date	12 November 2013
Base currency (of share class)	U.S. Dollar
Fund Manager	WADII EL MOUJIL
Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Delegated Investment Manager	BNP PARIBAS ASSET MANAGEMENT France
External financial administrator	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Custodian	BNP PARIBAS SECURITIES SERVICES-LUXEMBOURG BRANCH
Max. Entrance Fees	3%
Exit fees	0%
Max. Switch Commission	1.50%
Ongoing Charges at 31/12/2017	2.02%
Maximum Management fees (annual)	1.50%
Periodicity of NAV Calculation	Daily
Dealing deadline	Day D before 3p.m. (Luxembourg time)
Settlement and delivery	Account debited/credited: D+4 maximum
Execution/Subscription type	Trade executed on NAV of D+1
For further information	www.bnpparibas-am.com

INVESTMENT OBJECTIVE

The Fund seeks to increase the value of its assets over the medium to long term by investing in shares issued by companies that are part of the Dow Jones Islamic Market Developed Markets Top Cap Index. The Fund invests in a selection of shares based on valuation, profitability, momentum and volatility criteria in compliance with Sharia principles and is rebalanced at least quarterly. The composition of the Fund, as well as the investment process, are validated by the Fund's Sharia Supervisory Committee.

CUMULATIVE AND ANNUAL PERFORMANCE (USD) (Net)

Over 5 years



Past performance or achievement is not indicative of current or future performance. Source of Performance Calculation: BNP Paribas Securities Services.

PERFORMANCE AS OF 31/10/2018 (USD) (Net)

	Fund	Benchmark
Cumulative (%)		
1 month	- 9.04	- 8.03
3 months	- 7.98	- 5.12
Year to date	- 5.47	0.31
October 2017 - October 2018	- 0.56	3.37
October 2016 - October 2017	19.04	23.17
October 2015 - October 2016	- 0.84	1.87
October 2014 - October 2015	- 5.39	2.15
October 2013 - October 2014	2.52	13.24
Annualised (%) (base 365 days)		
1 year	- 0.56	3.37
3 years	5.48	9.05
5 years	2.63	8.45
Since First NAV (04/04/2006)	5.00	7.16

Past performance or achievement is not indicative of current or future performance. Source of Performance Calculation: BNP Paribas Securities Services.

*All data and performance are as of that date, unless otherwise stated.

MANAGEMENT COMMENT as of 30/09/2018

The third quarter 2018 was driven by trade talks between The US and its European and North American partners. Companies continue to report solid earnings in a robust economic environment. These two factors – robust economic growth and solid corporate earnings – are especially apparent in the US, with 4.2% GDP growth on annual basis in the second quarter and quarterly earnings boosted by corporate income tax cuts. In this context, the Classic share in USD gained +2.89% and the Benchmark 6.35%. This result is explained by the bad stock selection in Information Technology and Consumer Staples sectors and the underweight in the Healthcare sector.

Outlook: After being hit by several 'anxiety fits' during the summer related to emerging currencies, Italian bond yields and the latest global trade developments, tentativeness in early September quickly gave way to more constructive trends despite a market environment that remains somewhat tense. Given the many issues (US trade policy, the Italian government's fiscal policies, and the Brexit negotiations) that do not look near to being resolved, it makes sense to focus on favourable fundamentals, but without giving in to exuberance.

RISK ANALYSIS

	Fund	Bench.
Volatility (%)	9.57	9.56
Tracking error (%)	2.80	-
Information ratio	-1.27	-
Sharpe ratio	0.43	0.81
Alpha (%)	-2.92	-
Beta	0.96	-
R ²	0.91	-

Period: 3 years. Frequency: monthly

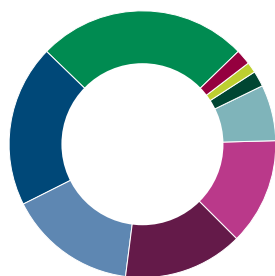
PORTFOLIO'S MAIN HOLDINGS

Asset name	%
INTEL	1.57
GRAINGER WW INC	1.56
BERKELEY	1.56
DELTA AIR LINES INC	1.54
SYMRISE AG	1.53
HOYA CORP	1.53
AUTOMATIC DATA PROCESSING	1.53
APPLE INC.	1.53
TIX	1.51
HP INC	1.51

Number of holdings in the portfolio: 122

Source of data: BNP Paribas Securities Services

BREAKDOWN BY SECTOR (%)

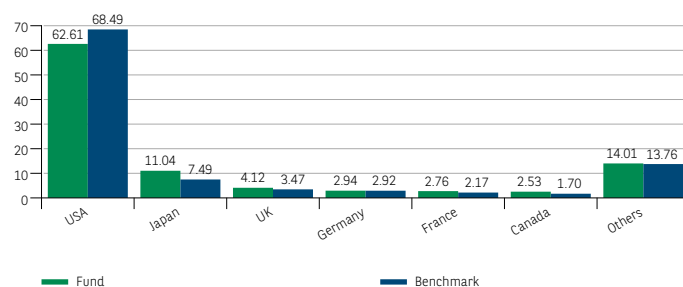


25.52	Consumer Goods
19.65	Industrials
15.56	Technology
14.52	Health Care
12.93	Consumer Services
6.79	Basic Materials
1.90	Oil & Gas
1.29	Telecommunications
1.83	Others

Total exposure: 99.28 %

Source of data: BNP Paribas Securities Services

BREAKDOWN BY COUNTRY (%)



Total exposure: 99.28 %

Source of data: BNP Paribas Securities Services

SECTOR EXPOSURE (%)

	of the portfolio	compared with the index
Industr Goods & Services	19.65	6.55
Pers. & Household Goods	16.85	10.24
Technology	15.56	-12.81
Health Care	14.52	-5.05
Retail	7.66	2.27
Travel & Leisure	4.69	2.4
Food & Beverage	4.13	-0.47
Automobile & Parts	3.26	2.27
Basic Materials	3.23	3.01
Basic Resources	2.77	1.07

Source of data: BNP Paribas Securities Services

MAIN RISKS

- Operational and Custody Risk: Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the subfund on such markets could be more risky.
- Liquidity Risk: This risk arises from the difficulty of selling an asset at a fair market price and at a desired time due to lack of buyers.

GLOSSARY

Alpha

Alpha is an indicator used to measure the value added by an active portfolio manager relative to a passive exposure to a benchmark. A positive alpha expresses an outperformance whereas a negative alpha indicates an underperformance. A simple way to calculate alpha is to subtract a portfolio's expected return (based on the benchmark's performance adjusted with the beta of the portfolio, see Beta definition for further details). For instance, an alpha of 0.50 means that the portfolio outperformed the market-based return (benchmark's performance adjusted from the Beta exposure of the portfolio) by 0.50%.

Beta

Beta is a measure of portfolio market risk, the market being represented by financial indices (such as MSCI World) that are consistent with the portfolio's guidelines. It measures the sensitivity of portfolio performance to the performance of the market. For example a beta of 1.5 means the portfolio will move by 1.5% for a market performance of 1%. Mathematically, it is the correlation between the portfolio and the market multiplied by their ratio of volatilities.

Conversion premium

Amount by which the price of a convertible security exceeds the current market value of the common stock into which it may be converted.

Convexity

Convexity measures the sensitivity of the price to interest rate fluctuations. Generally, bonds exhibit positive convexity.

Coupon

A certificate attached to a bearer security (share or bond) that entitles the holder to payment of dividend or interest. A bond will have one coupon for each interest payment.

Equity risk

Equity risk is "the financial risk involved in holding equity in a particular investment." Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Information ratio

The information ratio is a risk-adjusted return that measures the relationship between the portfolio's tracking error and its relative return compared with the benchmark index (called active return).

Investment grade

Investment grade is a high consideration of credit quality (low probability of default) assigned by a rating agency. For instance, to be classified investment grade according to Standard and Poor's, a bond or an issuer must have a rating greater than BBB-. Investment grade is opposed to high yield.

Maturity

Residual duration before the redemption of the principal amount of a bond.

Modified duration

A measure of a bond's sensitivity to changes in interest rates. The longer the remaining term to maturity, the more bond prices react to a change in interest rates, and the higher the duration. The rule is that if the yield rises or falls by 1%, the value of the bond will fluctuate by 1% x duration.

R²

The Correlation Coefficient indicates the strength and direction of a linear relationship between fund performance and benchmark. The coefficient is an element of [-1,1], where 1 equals a perfectly correlated increasing linear relationship, -1 equals a perfectly correlated decreasing linear relationship, and 0 means that there is no linear correlation.

Rating

An evaluation of a corporate or municipal bond's relative safety from an investment standpoint. Basically, it scrutinizes the issuer's ability to repay principal and make interest payments.

Sharpe ratio

A measure for calculating risk-adjusted return. It indicates the return earned in excess of the risk-free rate per unit of risk. It is calculated by dividing the difference between the return and the risk-free rate by the standard deviation of the return on the investment. The Sharpe ratio indicates whether the excess return was obtained thanks to good investment management or by taking additional risk. The higher the ratio, the better the risk-adjusted return.

Tracking error

The tracking error measures the volatility of a portfolio's relative return in relation to its benchmark index.

Volatility

An asset's volatility is the standard deviation of its return. As a measure of dispersion, it evaluates the uncertainty of asset prices, which is often equated to their risk. Volatility can be calculated ex post (retrospectively) or estimated ex ante (anticipatively).

YTM (Yield To Maturity)

A yield calculation that takes into account the relationship between a security's maturity value, time to maturity, current price, and coupon yield.

YTP / YTM

Yield to maturity has a few common variations that are important to know. One such variation is Yield to put (YTP) that is the interest rate that investors would receive if they held the bond until its put date.

A glossary of financial terms appearing on this document can be found at <http://www.bnpparibas-am.com>

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