

BNP PARIBAS ISLAMIC FUND EQUITY OPTIMISER - (Classic)



RISK AND REWARD INDICATOR



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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.)	1,949.39
NAV (Distrib.)	113.42
12M NAV max. Capi. (12/06/18)	2,051.54
12M NAV min. Capi. (21/12/18)	1,690.05
Total net assets (mln)	54.34
Last dividend (23/10/18)	2.21
Initial NAV	1,000.00

CHARACTERISTICS

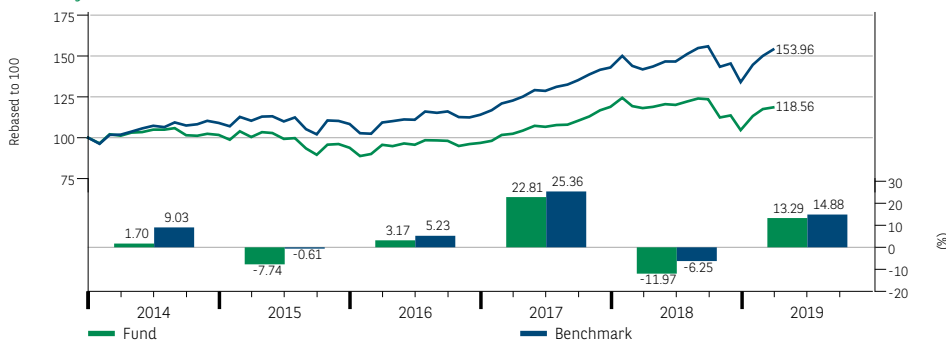
Benchmark	Dow Jones Islamic Developed Markets Top Cap Index
Nationality	Luxembourg
Legal form	FCP mutual fund with European passport
Launch date	12 November 2013
Base currency (of share class)	U.S. Dollar
Fund Manager	Wadii EL MOUJIL
Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Delegated 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 31/12/2018	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 29/03/2019 (USD) (Net)

Cumulative (%)	Fund	Benchmark
1 month	0.88	2.60
3 months	13.29	14.88
Year to date	13.29	14.88
March 2018 - March 2019	0.37	8.58
March 2017 - March 2018	15.33	15.53
March 2016 - March 2017	7.08	12.29
March 2015 - March 2016	- 4.74	- 0.97
March 2014 - March 2015	- 0.81	8.36
Annualised (%) (base 365 days)		
1 year	0.37	8.58
3 years	7.43	12.12
5 years	3.21	8.62
Since First NAV (04/04/2006)	5.28	7.51

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 31/03/2019

In the first quarter, markets were driven by central bank decisions and comments, with an impressive rally on the equities. Given the uncertainties over global growth and lacking any inflationary pressures, the watchword at central banks was "caution" and expectations receded of a monetary policies normalisation in 2019. Regarding trade talks between the US and China, constructive statements on both sides provided sufficient reassurance despite doubts on the global economy and political risks particularly in Europe. In this context, the Classic share in USD returned 13.29% over the quarter when the Benchmark returned 14.88%. This result is explained by the bad stock selection within Consumer Discretionary and Health Care and the underperformance of stocks like EISAI, BIOGEN and WELCIA HOLDINGS.

Outlook: The lull in the Sino-US trade conflict and central banks decisions have been the main factors in the year-to-date equity rally. With a persisting doubts on the global economy and mounting political risks, the financial markets could over-react to any unexpected developments, much as they did in last December.

RISK ANALYSIS

	Fund	Bench.
Volatility (%)	10.63	10.49
Tracking error (%)	2.62	-
Information ratio	-1.79	-
Sharpe ratio	0.55	1.00
Alpha (%)	-3.97	-
Beta	0.98	-
R ²	0.94	-

Period: 3 years. Frequency: monthly

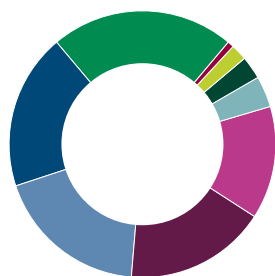
PORTFOLIO'S MAIN HOLDINGS

Asset name	%
ACCENTURE	1.57
UNITED PARCEL B	1.57
LULULEMON ATHLETICA INC	1.56
PEPSICO	1.55
AUTOMATIC DATA PROC.	1.55
CANADIAN NATL RAILWAY CO	1.55
CLOROX CO.	1.55
FASTENAL COM	1.54
CADENCE DESIGN SYSTEMS INC COM STK USDO.	1.53
INTUIT INC	1.53

Number of holdings in the portfolio: 110

Source of data: BNP Paribas Securities Services

BREAKDOWN BY SECTOR (%)

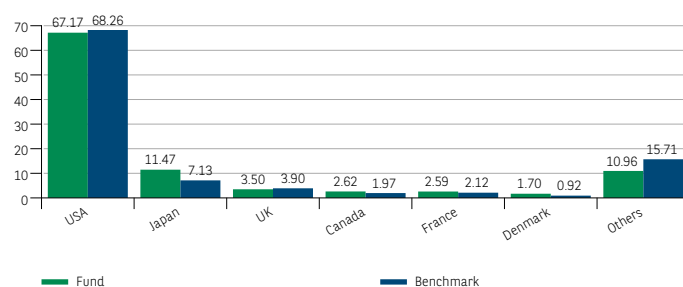


Total exposure: 99.38 %

Source of data: BNP Paribas Securities Services

22.27	Industrials
18.93	Consumer Services
18.61	Consumer Goods
17.22	Health Care
13.68	Technology
3.78	Basic Materials
2.78	Oil & Gas
1.97	Financials
0.76	Others

BREAKDOWN BY COUNTRY (%)



Total exposure: 99.38 %

Source of data: BNP Paribas Securities Services

SECTOR EXPOSURE (%)

	of the portfolio	compared with the index
Industr Goods & Services	22.27	9.01
Health Care	17.22	-1.14
Technology	13.68	-14.9
Retail	12.28	7.04
Pers. & Household Goods	12.04	4.94
Travel & Leisure	6.04	3.73
Food & Beverage	5.41	0.88
Oil & Gas	2.78	-4.0
Basic Resources	2.04	0.13
Financial Services	1.53	-1.48

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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