

# BNP PARIBAS ISLAMIC FUND HILAL INCOME - (Classic)



## RISK AND REWARD INDICATOR



|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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   |
|-----------|--------------|
| ISIN      | LU1150255971 |
| BLOOMBERG | BPIHICA LX   |
| WKN       | A14368       |

## KEY FIGURES - USD

|                               |                 |
|-------------------------------|-----------------|
| NAV (Capi.)                   | <b>1,472.31</b> |
| 12M NAV max. Capi. (27/03/19) | <b>1,474.78</b> |
| 12M NAV min. Capi. (22/05/18) | <b>1,404.54</b> |
| Total net assets (mln)        | <b>16.49</b>    |
| Initial NAV                   | <b>1,000.00</b> |

## CHARACTERISTICS

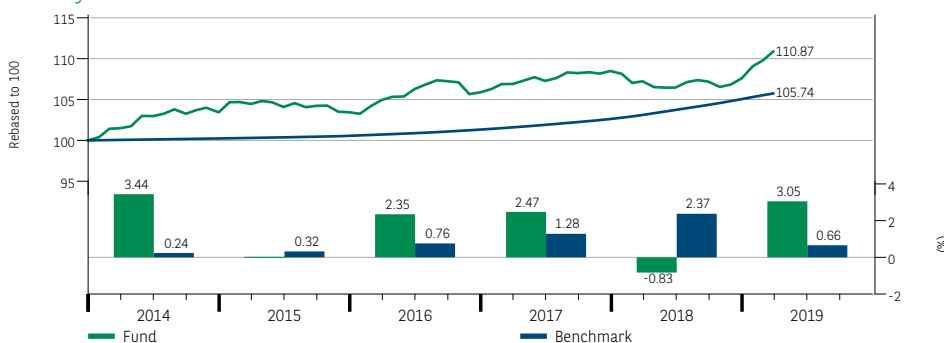
|   |  |
|---|--|
| <b>Benchmark</b>                        | Cash Index LIBOR USD 3 Months (RI)                     |
| <b>Nationality</b>                      | Luxembourg   |
| <b>Legal form</b>                       | FCP mutual fund with European passport                 |
| <b>Launch date</b>                      | 04 September 2015                                      |
| <b>Base currency (of share class)</b>   | U.S. Dollar  |
| <b>Fund Manager</b>                     | Poh Sim KHOO   |
| <b>Management Company</b>               | BNP PARIBAS ASSET MANAGEMENT Luxembourg                |
| <b>Delegated Investment Manager</b>     | BNP PARIBAS ASSET MANAGEMENT Najmah Malaysia Sdn. Bhd. |
| <b>External financial administrator</b> | BNP PARIBAS ASSET MANAGEMENT Luxembourg                |
| <b>Custodian</b>                        | BNP PARIBAS SECURITIES SERVICES-LUXEMBOURG BRANCH      |
| <b>Max. Entrance Fees</b>               | 3%   |
| <b>Exit fees</b>                        | 0%   |
| <b>Max. Switch Commission</b>           | 1.50%  |
| <b>Ongoing Charges at 31/12/2018</b>    | 1.30%  |
| <b>Maximum Management fees (annual)</b> | 1%   |
| <b>Periodicity of NAV Calculation</b>   | Daily  |
| <b>Execution/Subscription type</b>      | Trade executed on NAV of D+1                           |
| <b>For further information</b>          | www.bnpparibas-am.com                                  |

## INVESTMENT OBJECTIVE

The Fund aims to achieve attractive returns over the medium to long-term through capital appreciation and income relative to the returns of its benchmark Cash Index LIBOR USD 3 Months (RI). The Fund invests in Sharia compliant fixed income products known as Sukuk. The Fund may also hold ancillary liquid assets. Sharia principles are the rules, precepts and parameters of Islamic law as interpreted by Islamic scholars including, in this instance, by the Fund's Sharia committee (which is a panel of Islamic scholars appointed in respect of the Fund to provide guidance relating to the Fund's compliance with Sharia principles). The Fund will invest in investment grade Sukuk, or Sukuk deemed by the investment manager to have an equivalent rating. The Fund is permitted to invest in Sukuk denominated in a currency or issued by a country other than that of the accounting currency of the Fund, which is U.S. dollars.

## 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                               | 1.00 | 0.21      |
| 3 months                              | 3.05 | 0.66      |
| Year to date                          | 3.05 | 0.66      |
| March 2018 - March 2019               | 3.40 | 2.56      |
| March 2017 - March 2018               | 0.31 | 1.49      |
| March 2016 - March 2017               | 1.85 | 0.87      |
| March 2015 - March 2016               | 0.48 | 0.41      |
| March 2014 - March 2015               | 2.92 | 0.24      |
| <b>Annualised (%) (base 365 days)</b> |      |           |
| 1 year                                | 3.40 | 2.56      |
| 3 years                               | 1.85 | 1.64      |
| 5 years                               | 1.79 | 1.11      |
| Since First NAV (30/01/2009)          | 3.89 | 0.75      |

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.

## RISK ANALYSIS

|                                     | Fund | Bench. |
|-------------------------------------|------|--------|
| Modified duration                   | 2.02 | -      |
| Volatility (%)                      | 1.86 | 0.21   |
| Information ratio                   | 0.11 | -      |
| Sharpe ratio                        | 0.11 | -0.01  |
| YTM (%)                             | 3.63 | -      |
| Avg. maturity                       | 5.63 | -      |
| Avg. coupon (%)                     | 3.46 | -      |
| % under investment grade            | 3.06 | -      |
| Period: 3 years. Frequency: monthly |      |        |

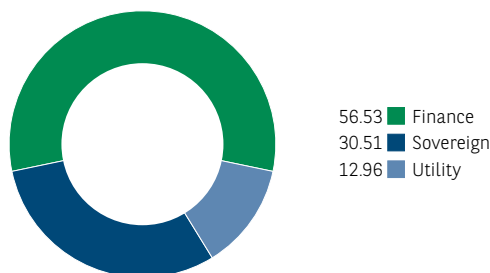
## PORTFOLIO'S MAIN HOLDINGS

| Asset name  | %    |
|---|------|
| EMG SUKUK LTD 4.564% 14-18/06/2024 4.56 18/06/2024    | 4.29 |
| DP WORLD CRESCEN 3.91 31/05/2023                      | 4.14 |
| DIFC SUKUK 4.325% 14-12/11/2024 4.33 12/11/2024       | 3.28 |
| MAL 4.08% 46 USD 4.08 27/04/2046                      | 3.24 |
| MAF SUKUK LTD 4.5% 15-03/11/2025 4.50 03/11/2025      | 3.13 |
| ALMARA 4.311 '24 USD                                  | 3.08 |
| DUBAI DOF 3.88 30/01/2023                             | 3.06 |
| SOQ SUKUK A Q.S. 3.24 18/01/2023                      | 3.06 |
| SAUDI ELECTRCITY 4.21 03/04/2022                      | 2.85 |
| DP WORLD CRESCEN 4.848% 18-26/09/2028 4.85 26/09/2028 | 2.53 |

Number of holdings in the portfolio: 48

Source of data: BNP Paribas Securities Services

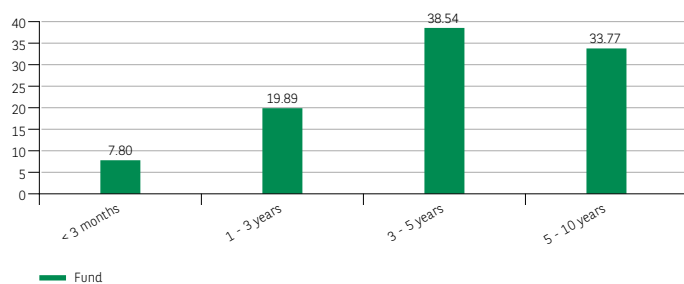
## BREAKDOWN BY SECTOR (%)



Total exposure: 21.97 %

Source of data: BNP Paribas Securities Services

## BREAKDOWN BY MATURITY (%)



Source of data: BNP Paribas Securities Services

## MAIN RISKS

- **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.
- **Credit Risk:** This risk relates to the ability of an issuer to honour its commitments: downgrades of an issue or issuer rating may lead to a drop in the value of associated bonds.

## 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.

### R<sup>2</sup>

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>

BNP Paribas Asset Management Luxembourg SA, a management company governed by chapter 15 of the law of 17 December 2010 and an alternative investment fund manager governed by the law of 12 July 2013 supervised by the Commission de Surveillance du Secteur Financier (CSSF) under number S00000608 and A00000763 respectively, incorporated under the form of a société anonyme, with its registered office at 10, rue Edward Steichen, L-2540 Luxembourg, Grand-Duchy of Luxembourg, RCS Luxembourg B27605, and its Website : [www.bnpparibas-am.com](http://www.bnpparibas-am.com) (hereafter the "Company").

This material is issued and has been prepared by the management company. It contains opinions and statistical data that are considered lawful and correct on the day of their publication according to the economic and financial environment at the time. This document does not constitute investment advice or form part of an offer or invitation to subscribe for or to purchase any financial instrument(s) nor shall it or any part of it form the basis of any contract or commitment whatsoever.

This document is provided without knowledge of an investors' situation. Prior to any subscription, investors should verify in which countries the financial instruments referred to in this document refers are registered and authorised for public sale. In particular financial instruments cannot be offered or sold publicly in the United States. Investors considering subscriptions should read carefully the most recent prospectus and Key Investor Information Document (KIID) agreed by the regulatory authority, available on the website. Investors are invited to consult the most recent financial reports, which are also available on the website. Investors should consult their own legal and tax advisors prior to investing. Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its investment objectives. Their value can decrease as well as increase. In particular, changes in currency exchange rates may affect the value of an investment. Performance is shown net of management fees and is calculated using global returns with time factored in, with net dividends and reinvested interest, and does not include subscription-redemption fees, exchange rate fees or tax. Past performance is not a guarantee of future results.

All information referred to in the present document is available on [www.bnpparibas-am.com](http://www.bnpparibas-am.com)