

FIRST SUPPLEMENTAL PROSPECTUS

This First Supplemental Prospectus is dated 20 July 2020 and must be read together with the Prospectus dated 19 January 2018, for:-

BIMB-Arabesque Asia Pacific Shariah-ESG Equity Fund
Constituted on 2 October 2017

Manager	:	BIMB INVESTMENT MANAGEMENT BERHAD Registration No.: 199301021508 (276246-X)
Trustee	:	SCBMB TRUSTEE BERHAD Registration No.: 201201021301 (1005793-T)

A copy of this First Supplemental Prospectus dated 20 July 2020 and the Prospectus dated 19 January 2018 for the Fund (collectively, "the Prospectuses") have been registered and lodged with the Securities Commission Malaysia, who takes no responsibility for their contents. Registration of the Prospectus does not indicate that the Securities Commission Malaysia recommends the units or assumes responsibility for correctness of any statement made, opinions expressed or reports contained in the Prospectus dated 19 January 2018 or this First Supplemental Prospectus dated 20 July 2020.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 WHICH IS TO BE READ TOGETHER WITH THE PROSPECTUS DATED 19 JANUARY 2018. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

Responsibility Statements

This First Supplemental Prospectus has been reviewed and approved by the directors of BIMB Investment Management Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirmed to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplemental Prospectus false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorised the Fund and a copy of this First Supplemental Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this First Supplemental Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for correctness of any statement made, opinions expressed or reports contained in the Prospectus dated 19 January 2018 or this First Supplemental Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of BIMB Investment Management Berhad, the management company responsible for the said Fund and takes no responsibility for the contents in this First Supplemental Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

The Fund has not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States persons, except in a transaction which does not violate the securities laws of the United States of America.

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in this First Supplemental Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplemental Prospectus or the conduct of any other person in relation to the Fund.

BIMB-Arabesque Asia Pacific Shariah-ESG Equity Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

This First Supplemental Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

Unless otherwise provided in this First Supplemental Prospectus, all the capitalised terms used herein shall have the same meanings ascribed to them in the Prospectus dated 19 January 2018 (“Prospectus”).

EXPLANATORY NOTES

1. This First Supplemental Prospectus is issued mainly to reflect the change in the investment process of the Fund (Item A herein).
2. In addition, other information in the Prospectus have been updated or deleted to reflect other changes and updates which are general in nature (Item B, C, D, E, F and G herein).

A. DETAILED INFORMATION OF THE FUND

Page 12 of the Prospectus

3.4 INVESTMENT POLICY AND STRATEGY

The information in relation to last paragraph of “**Investment Policy and Strategy**” is hereby deleted in its entirety and replaced with the following:

The investment strategy involves constructing an eligible investment universe, performing financial analysis for all companies in the investment universe in order to select the most attractive securities and finally constructing the portfolio.

Page 13 of the Prospectus

3.4.1 Construction of the Investment Universe

The information in relation to “**Construction of the Investment Universe**” is hereby deleted in its entirety and replaced with the following:

- The investment universe of the Fund initially considers all publicly listed equities trading in Australia, China (ex. A-Shares), Hong Kong, Japan, New Zealand, Singapore, Indonesia, Korea, Philippines, Taiwan and Thailand.
- Securities that do not satisfy minimum liquidity criteria are excluded from the investment universe.
- Arabesque S-Ray[®] is the Investment Advisor’s proprietary assessment of non-financial risk factors such as ESG issues as well as alignment with the principles of the UNGC.
 - UNGC: Through Arabesque S-Ray[®], companies with poor performance on the UNGC principles regarding human rights, labour rights, environment and anti-corruption are excluded.
 - ESG: Through Arabesque S-Ray[®], companies with poor performance on ESG topics are excluded. The S-Ray methodology identifies and weights ESG metrics based on their material (positive or negative) impact on financial performance.
- Companies are screened for Shariah-compliance according to the rules of the SAC. The Shariah screening methodology is explained in Section 5b: Shariah Screening Methodology.

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

Page 13-14 of the Prospectus

3.4.2 Financial Analysis

The information in relation to the “**Financial Analysis**” is hereby deleted in its entirety and replaced with the following:

3.4.2 Security Selection

Each stock within our Shariah compliant sustainable universe is then ranked on its exposure to five Risk Premia namely Momentum, Value, Carry, Illiquidity and Quality.

- I. **Momentum:** Seeks to harness the empirically observed tendency for recent winners to rise further i.e. continue a trend. This identifies stocks that are receiving increased investor attention.
- II. **Value:** Seeks to identify securities that are cheap relative to the rest of the market.
- III. **Carry:** Seeks to identify companies that offer some form of income/yield.
- IV. **Illiquidity:** Also known as the “Size” premium, seeks to identify companies that are typically smaller and relatively less liquid over their larger counterparts.
- V. **Quality:** Seeks to identify companies with strong balance sheets and stable profitability.

Once we have assessed each stock’s exposure to the five risk premia, we construct a composite Multi-factor score that gives us a view on each stock’s overall attractiveness. The top-ranking stocks are then selected for the portfolio and subjected to the next stage of the investment process: Portfolio Construction.

Page 14 of the Prospectus

3.4.3 Portfolio Construction

The information in relation to the “**Portfolio Construction**” of the Fund is hereby deleted in its entirety and replaced with the following:

The aim of the final step of the investment process is to weight the selected securities such that any unintended risk is minimized, and the overall portfolio’s sustainability score as measured by the Arabesque S-Ray® ESG (Environmental, Social, Governance) Score is maximised.

Starting with equal weights, we use an Equal Risk Contribution formula to adjust each security’s weight such that its tail-risk contribution is spread evenly across the portfolio. Equal-Risk Contribution is a portfolio-construction method that weights securities in order to ensure that the tail-risk (risk that arises due to the small possibility of an extreme negative return) contribution of each security in the portfolio is equalised.

We also consider the overall portfolio’s Arabesque S-Ray® ESG score in the optimization with the aim of maximizing it for the given level of risk. This adds a third dimension to the typical risk-return portfolio construction consideration, which is portfolio sustainability.

Portfolio Construction always aims to spread risk as evenly as possible whilst also increasing the overall sustainability of the portfolio. The portfolio is rebalanced on a monthly basis.

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

Page 15 of the Prospectus

3.5 POLICY ON ACTIVE AND FREQUENCY OF TRADING OF SECURITIES

The first paragraph in relation to the “**Policy on Active and Frequency of Trading of Securities**” of the Fund is hereby deleted in its entirety and replaced with the following:

The Fund is actively managed and follows a rule based, quantitative approach and is rebalanced/traded on a monthly basis while investment decisions are monitored by the Manager on a daily basis.

B. CORPORATE DIRECTORY

Page 10 of the Prospectus

SHARIAH COMMITTEE

The information in relation to the “**Shariah Committee**” is hereby deleted in its entirety and replaced with the following:

SHARIAH ADVISER

Dr. Ahmad Shahbari @ Sobri bin Salamon (Chairman)

J9 Felda Kampung Awah
28030 Temerloh
Pahang

Assoc. Prof. Dr. Asmak binti Ab. Rahman(Committee Member)

Department of Syariah & Economics
Academy of Islamic Studies
University of Malaya
50603 Kuala Lumpur

Dr. Shamsiah binti Mohamad (Committee Member)

5, Jalan Zuhrah U5/161
Taman Subang Murni
Bandar Pinggiran Subang
40150 Shah Alam
Selangor

Page 10 of the Prospectus

TRUSTEE

The corporate information of the “**Trustee**” is hereby deleted in its entirety and replaced with the following:

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

TRUSTEE	SCBMB Trustee Berhad Registration No. 201201021301 (1005793-T)
REGISTERED OFFICE	Level 26, Equatorial Plaza Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03 – 2117 7777
BUSINESS OFFICE	Level 23, Equatorial Plaza Jalan Sultan Ismail 50250 Kuala Lumpur Tel No: 03 – 7682 9724

C. FEES, CHARGES AND EXPENSES

Page 33 of the Prospectus

6.3 FEES INDIRECTLY INCURRED

The information in relation to the portfolio **Goods and Services Tax** is hereby deleted in its entirety.

D. THE MANAGEMENT COMPANY

Page 52 of the Prospectus

9.1 CORPORATE PROFILE OF THE MANAGER

The information in relation to the “**Corporate Profile of the Manager**” is hereby deleted in its entirety and replaced with the following:

BIMB Invest is a wholly-owned subsidiary of Bank Islam Malaysia Berhad. BIMB Invest, a licensed Islamic fund management company, was incorporated on 14 September 1993 and commenced its operations on 20 June 1994. BIMB Invest has been in the unit trust industry for more than 25 years.

Page 53 of the Prospectus

9.3 BOARD OF DIRECTORS

The information in relation to the “**Board of Directors**” is hereby deleted in its entirety and replaced with the following:

Name	Position
Mohamed Ridza Mohamed Abdulla	Chairman, Non-Executive Independent Director
Dato' Ghazali bin Awang	Non-Executive Independent Director
Dr. Mohd Hatta bin Dagap	Non-Executive Independent Director
Datin Maznah binti Mahbob	Non-Executive Independent Director
Azizan bin Abd Aziz	Non-Executive Non Independent Director
Najmuddin bin Mohd Lutfi	Chief Executive Officer

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

Note: None of the directors of BIMB Invest:

- (a) hold office as director of more than one management company at any one time; and
- (b) hold office as a member of an investment committee of a fund operated by another management company.

Page 55 of the Prospectus

9.5 SHARIAH COMMITTEE

“Shariah Committee” is hereby deleted and replaced with the following:

9.5 SHARIAH ADVISER

The profile of “Ustaz Dr Yusof Bin Ramli” is hereby deleted and replaced with the following:

Name	DR. SHAMSIAH BINTI MOHAMAD
Position	Committee Member
Experience	<p>Dr. Shamsiah is a member of the Shariah Supervisory Council of Bank Islam Malaysia Berhad, and she is a registered Shariah Adviser (individual) with the Securities Commission Malaysia.</p> <p>She served as the Senior Researcher for International Shariah Research Academy for Islamic Finance (ISRA) from May 2013 to April 2019. She also served as lecturer at Department of Fiqh and Usul at Academy of Islamic Studies at University of Malaya from 1999 until 2013. She is currently holding a post as a member of Shariah Advisory Council of Securities Commission Malaysia, and as a member of Shariah Committee for several institutions; among others Bursa Malaysia, Association of Islamic Banking Institutions Malaysia (AIBIM), Lembaga Zakat Selangor, and Pertubuhan Peladang Kebangsaan.</p> <p>Prior to that, she served as a Shariah Adviser for several financial institutions and organisations. She has been appointed as the Shariah Committee Member of BIMB Invest on 4 May 2020.</p>
Qualifications	<ul style="list-style-type: none">• PhD. in Foundation of Jurisprudence (Fiqh and Usul Fiqh), University of Jordan• Master of Shariah, University of Malaya• Bachelor of Shariah, University of Malaya

Page 56 of the Prospectus

9.6 INVESTMENT TEAM

The profile of “Badrol Ahmad Fathan” is hereby deleted and replaced with the following:

Name	ABD RAZAK SALIMIN
Position	Head of Investment

THIS FIRST SUPPLEMENTAL PROSPECTUS DATED 20 JULY 2020 IS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 19 JANUARY 2018.

Experience	<p>He joined BIMB Investment Management Berhad in May 2019 and was formerly an equity fund manager with Permodalan Nasional Berhad. He has more than ten years experience in investment management and research. He is responsible for leading and managing the Investment Department, overseeing domestic and global equities, sukuk and Islamic money market investments.</p> <p>He is the designated fund manager for BIMB-Arabesque <i>i</i> Global Dividend Fund, BIMB-Arabesque Asia Pacific Shariah-ESG Equity Fund, BIMB <i>i</i>-Tactical Fund (formerly known as BIMB <i>i</i> Dividend Fund) and BIMB Dana Al-Falah.</p>
Qualifications	<ul style="list-style-type: none"> • Chartered Financial Analyst (CFA), • Financial Risk Manager (FRM) • Bachelor of Mathematics, Operational Research, Statistics and Economics (MORSE), University of Warwick, United Kingdom • Holder of SC's Capital Markets Services Representative's License (CMSRL).

E. THE INVESTMENT ADVISER – ARABESQUE ASSET MANAGEMENT LTD

Page 58 of the Prospectus

10.1 PROFILE OF ARABESQUE ASSET MANAGEMENT LTD

The information in relation to the “**Profile of Arabesque Asset Management Ltd**” is hereby deleted in its entirety and replaced with the following:

Arabesque Asset Management Ltd is authorised and regulated by the UK Financial Conduct Authority (FCA), registered as Registered Investment Adviser with the US Securities Commission (SEC) and supervised by the German Federal Financial Supervisory Authority (BaFin). It is a wholly-owned subsidiary of Arabesque Asset Management Holding Limited and part of the Arabesque Group. Arabesque is headquartered in London and has a branch office in Germany. Arabesque integrates sustainability with momentum analysis and risk management techniques in its products. Arabesque offers socially responsible equity funds and bespoke investment products.

Arabesque uses a rules-based investment approach and its investment strategy is overseen by the investment committee. The Arabesque Investment Committee consists of Dr. Hans-Robert Arndt (Head of Quantitative Research and Chief Investment Officer), Dr. Qasim Nasar-Ullah (co-CEO of Arabesque AI Ltd), Gabriel Karageorgiou (Head of Client Services) and George Ssali (Head of Product Development).

Dr. Hans-Robert Arndt is a founding Partner of Arabesque, CIO and Head of Quantitative Research. His expertise lies in the combination of advanced mathematics, informatics and financial markets. Hans-Robert holds a Ph.D. in Mathematics.

Dr. Qasim Nasar-Ullah is the co-CEO of Arabesque AI Ltd. He is primarily responsible for high performance computing and applications of financial modelling to portfolio risk and optimization. Qasim holds a Ph.D. in Computer Science.

Gabriel Karageorgiou is a Partner at Arabesque, primarily responsible for client services globally. Gabriel is also actively contributing to Arabesque’s ESG research efforts focusing on thought

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leadership and integration topics. Gabriel holds a degree in Physics and an M.Sc. in Quantitative Finance.

George Ssali is the Head of Product Development of Arabesque Asset Management, primarily responsible for the development and execution of risk premia-based investment processes across different asset classes. George holds a BSc. in Electrical & Information Engineering and an M.Sc. in Finance.

F. ADDITIONAL INFORMATION

Page 79 of the Prospectus

Consents

This is a new section and the following statement is hereby inserted after the “**Other Information**”:

The Trustee and the Shariah Adviser have given their consent to the inclusion of their names and statements in the form and context in which such names appear in the Prospectus and have not subsequently withdrawn such consent before the issue of the Prospectus.

G. DIRECTORY OF SALES OFFICES

Page 81-96 of the Prospectus

The information in relation to the “**Directory of Sales Offices**” are hereby deleted in its entirety and replaced with the following:

- **Branches of BIMB Investment Management Berhad**

<u>JOHOR BAHRU</u>	<u>KELANTAN</u>
No 33B, Jalan Indah 15/2 Taman Bukit Indah 79100 Nusajaya Johor.	PT 433 & 434 Jalan Padang Garong 15000 Kota Bharu Kelantan.
Tel : 07-239 5608 Fax : 07-239 5609	Tel : 019-372 1996

- Please refer to BIMB Invest’s website at www.bimbinvestment.com.my for the list of licensed consultants.
- Please refer to BANK ISLAM MALAYSIA BERHAD website at www.bankislam.com.my for the list of its branches nationwide.

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