

BNP PARIBAS ISLAMIC FUND

FCP



SEMI-ANNUAL REPORT at 30/06/2020
R.C.S. Luxembourg K 642



BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

BNP PARIBAS ISLAMIC FUND

Table of contents

	Page
Organisation	2
Information	3
Financial statements at 30/06/2020	4
Key figures relating to the last 3 years	5
Securities portfolio at 30/06/2020	
<i>BNP PARIBAS ISLAMIC FUND - Equity Optimiser</i>	6
<i>BNP PARIBAS ISLAMIC FUND - Hilal Income</i>	9
Notes to the financial statements	10

BNP PARIBAS ISLAMIC FUND

Organisation

Management Company

BNP PARIBAS ASSET MANAGEMENT Luxembourg, 10 Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of BNP PARIBAS ASSET MANAGEMENT Luxembourg

Chairman

Mr. Fabrice SILBERZAN, Chief Operating Officer, BNP PARIBAS ASSET MANAGEMENT France, Paris

Members

Mrs. Isabelle BOURCIER, Head of Quantitative and Index (MAQS), BNP PARIBAS ASSET MANAGEMENT France, Paris

Mr. Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg

Mr. Georges ENGEL, Independent Director, Vincennes, France

Net Asset Value Calculation

BNP Paribas Securities Services, Luxembourg Branch, 60 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Depository, Transfer and Registrar Agent

BNP Paribas Securities Services, Luxembourg Branch, 60 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, Société coopérative, 2 Rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg

Effective Investment Managers

- BNP PARIBAS ASSET MANAGEMENT France, 1, Boulevard Haussmann, F-75009 Paris, France
- BNP PARIBAS ASSET MANAGEMENT Najmah Malaysia Sdn Bhd, Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia

Fund's Sharia Supervisory Committee

Sheikh Nizam Yaquby

Dr. Abdul Sattar Abu Ghuddah

Dr. Mohamed Daud Bakar

BNP PARIBAS ISLAMIC FUND

Information

BNP PARIBAS ISLAMIC FUND (the “Fund”) is a Sharia-compliant Mutual Investment Fund (*fonds commun de placement* - abbreviated to “FCP”), created under Luxembourg law on 10 February 2006 for an indefinite period.

The Fund is currently governed by the provisions of Part I of the law of 17 December 2010, as amended, governing undertakings for collective investment as well as by the Directive 2009/65/EC as amended by the Directive 2014/91.

The Fund was created on 10 February 2006 and a notice was published in the “*Mémorial, Recueil Spécial des Sociétés et Associations* (the “*Mémorial*”).

The Management Regulations have been modified at various times, most recently on 22 October 2018, published on 8 October 2018 in the *Memorial*.

The latest version of the Management Regulations has been filed with the Trade and Companies Registrar of Luxembourg, where any interested party may consult it and obtain a copy (website www.rcl.lu).

As to net asset values and dividends, the Management Company publishes the Fund's legally required information in the Grand Duchy of Luxembourg and in all other countries where the units are publicly offered. The information is also available on the website: www.bnpparibas-am.com.

The Management Regulations, the Prospectus, the KIID and the periodic reports may be consulted at the Fund's registered office and at the establishments responsible for the Fund's financial services. Copies of the Management Regulations and the annual and interim reports are available upon request.

Except for the newspaper publications required by Law, the official media to obtain any notice to unitholders from will be the website www.bnpparibas-am.com.

The documents and information are also available on the website: www.bnpparibas-am.com.

BNP PARIBAS ISLAMIC FUND

Financial statements at 30/06/2020

		BNP PARIBAS ISLAMIC FUND - Equity Optimiser	BNP PARIBAS ISLAMIC FUND - Hilal Income	Combined
	Expressed in Notes	USD	USD	USD
Statement of net assets				
Assets		54 589 806	13 443 896	68 033 702
<i>Securities portfolio at cost price</i>		48 155 296	12 594 509	60 749 805
<i>Unrealised gain/(loss) on securities portfolio</i>		5 959 223	365 438	6 324 661
Securities portfolio at market value	4	54 114 519	12 959 947	67 074 466
Cash at banks and time deposits		413 016	370 434	783 450
Other assets		62 271	113 515	175 786
Liabilities		133 600	14 150	147 750
Other liabilities		133 600	14 150	147 750
Net asset value		54 456 206	13 429 746	67 885 952
Statement of operations and changes in net assets				
Income on investments and assets		382 511	233 770	616 281
Management fees	6	339 370	51 280	390 650
Extraordinary expenses	7	4 487	4 500	8 987
Other fees	8	93 281	17 904	111 185
Taxes	9	21 871	6 389	28 260
Transaction fees	13	14 391	0	14 391
Total expenses		473 400	80 073	553 473
Net result from investments		(90 889)	153 697	62 808
Net realised result on:				
Investments securities	4	(1 511 568)	(7 551)	(1 519 119)
Financial instruments	4	(7 533)	0	(7 533)
Net realised result		(1 609 990)	146 146	(1 463 844)
Movement on net unrealised gain/(loss) on:				
Investments securities		(2 080 830)	7 274	(2 073 556)
Financial instruments		0	0	0
Change in net assets due to operations		(3 690 820)	153 420	(3 537 400)
Net subscriptions/(redemptions)		(556 281)	442 800	(113 481)
Dividends paid	11	0	(15)	(15)
Increase/(Decrease) in net assets during the year/period		(4 247 101)	596 205	(3 650 896)
Net assets at the beginning of the financial year/period		58 703 307	12 833 541	71 536 848
Net assets at the end of the financial year/period		54 456 206	13 429 746	67 885 952

BNP PARIBAS ISLAMIC FUND

Key figures relating to the last 3 years

BNP PARIBAS ISLAMIC FUND - Equity Optimiser

	USD	USD	USD	Number of units
	31/12/2018	31/12/2019	30/06/2020	30/06/2020
Net assets	48 344 829	58 703 307	54 456 206	
Net asset value per unit				
Units "Classic - Capitalisation"	1 734.36	2 143.48	2 008.95	20 812.909
Units "Classic - Distribution"	100.59	123.44	116.19	1.000
Units "I - Capitalisation"	196 129.12	245 300.39	231 271.32	31.920
Units "I - Distribution"	104 225.47	127 979.57	120 660.02	5.000
Units "Privilege - Capitalisation"	18 753.95	23 387.15	22 018.05	211.577

BNP PARIBAS ISLAMIC FUND - Hilal Income

	USD	USD	USD	Number of units
	31/12/2018	31/12/2019	30/06/2020	30/06/2020
Net assets	15 379 341	12 833 541	13 429 746	
Net asset value per unit				
Units "Classic - Capitalisation"	1 428.723	1 561.488	1 587.212	6 711.216
Units "Classic QD - Distribution"	0	99.673	99.792	10.000
Units "I - Capitalisation"	151 190.182	0	0	0
Units "Privilege - Capitalisation"	14 826.180	16 292.899	16 607.602	167.190

BNP PARIBAS ISLAMIC FUND - Equity Optimiser

Securities portfolio at 30/06/2020

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or traded on another regulated market			54 114 519	99.37
Shares			54 114 519	99.37
<i>United States of America</i>			<i>34 581 588</i>	<i>63.51</i>
1 435	3M CO	USD	223 846	0.41
8 728	ACTIVISION BLIZZARD INC	USD	662 455	1.22
3 263	AIR PRODUCTS AND CHEMICALS INC	USD	787 884	1.45
1 067	ALEXION PHARMACEUTICALS INC	USD	119 760	0.22
994	AMGEN INC	USD	234 445	0.43
2 304	APPLE INC	USD	840 499	1.54
11 967	APPLIED MATERIALS INC	USD	723 405	1.33
4 729	AUTOMATIC DATA PROCESSING	USD	704 101	1.29
410	AUTOZONE INC	USD	462 529	0.85
14 121	BAKER HUGHES A GE CO	USD	217 322	0.40
9 625	BEST BUY CO INC	USD	839 974	1.54
2 278	BIOGEN INC	USD	609 479	1.12
8 704	CADENCE DESIGN SYS INC	USD	835 236	1.53
2 862	CDW CORP/DE	USD	332 507	0.61
3 444	CHEVRON CORP	USD	307 308	0.56
7 179	CISCO SYSTEMS INC	USD	334 829	0.61
5 422	CITRIX SYSTEMS INC	USD	801 968	1.47
628	CLOROX COMPANY	USD	137 764	0.25
5 641	COLGATE-PALMOLIVE CO	USD	413 260	0.76
2 239	COPART INC	USD	186 442	0.34
4 745	CUMMINS INC	USD	822 119	1.51
4 172	DOLLAR GENERAL CORP	USD	794 808	1.46
4 193	DR HORTON INC	USD	232 502	0.43
8 164	EBAY INC	USD	428 202	0.79
2 545	ELI LILLY & CO	USD	417 838	0.77
4 929	FASTENAL CO	USD	211 158	0.39
3 049	FORTINET INC	USD	418 536	0.77
8 415	GILEAD SCIENCES INC	USD	647 450	1.19
3 502	HENRY SCHEIN INC	USD	204 482	0.38
4 991	HERSHEY CO/THE	USD	646 933	1.19
3 325	HOME DEPOT INC	USD	832 946	1.53
4 521	HONEYWELL INTERNATIONAL INC	USD	653 691	1.20
9 703	IHS MARKIT LTD	USD	732 577	1.35
13 580	INTEL CORP	USD	812 491	1.49
1 756	INTUIT INC	USD	520 110	0.96
5 159	JOHNSON & JOHNSON	USD	725 510	1.33
1 079	KEYSIGHT TECHNOLOGIES IN-WI	USD	108 742	0.20
3 417	KIMBERLY-CLARK CORP	USD	482 993	0.89
1 200	LAM RESEARCH CORP	USD	388 152	0.71
16 790	MASCO CORP	USD	843 026	1.56
3 611	MATCH GROUP INC	USD	386 558	0.71
2 517	MAXIM INTEGRATED PRODUCTS	USD	152 555	0.28
1 190	MCDONALDS CORP	USD	219 519	0.40
9 129	MERCK & CO INC	USD	705 946	1.30
4 093	MICROSOFT CORP	USD	832 966	1.53
1 746	MOHAWK INDUSTRIES INC	USD	177 673	0.33
4 775	MONSTER BEVERAGE CORP	USD	331 003	0.61
2 951	MOODYS CORP	USD	810 728	1.49
2 505	MOTOROLA SOLUTIONS INC	USD	351 026	0.64
887	MSCI INC	USD	296 098	0.54
11 071	NETAPP INC	USD	491 220	0.90
1 720	NIKE INC - B	USD	168 646	0.31
15 936	NUCOR CORP	USD	659 910	1.21
97	NVR INC	USD	316 099	0.58
14 507	ORACLE CORP	USD	801 802	1.47
831	OREILLY AUTOMOTIVE INC	USD	350 408	0.64

BNP PARIBAS ISLAMIC FUND - Equity Optimiser

Securities portfolio at 30/06/2020

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
1 360	PACKAGING CORP OF AMERICA	USD	135 728	0.25
24 645	PFIZER INC	USD	805 892	1.48
6 506	PHILLIPS 66	USD	467 781	0.86
6 620	PROCTER & GAMBLE CO.	USD	791 553	1.45
719	REGENERON PHARMACEUTICALS	USD	448 404	0.82
1 485	RESMED INC	USD	285 120	0.52
5 974	ROLLINS INC	USD	253 238	0.47
389	S&P GLOBAL INC	USD	128 168	0.24
1 560	SKYWORKS SOLUTIONS INC	USD	199 462	0.37
2 319	STARBUCKS CORP	USD	170 655	0.31
3 745	TARGET CORP	USD	449 138	0.82
4 769	UNITED PARCEL SERVICE- B	USD	530 217	0.97
542	VERISIGN INC	USD	112 102	0.21
2 589	VERTEX PHARMACEUTICALS INC	USD	751 613	1.38
4 319	VF CORP	USD	263 200	0.48
4 087	VISA INC - A	USD	789 486	1.45
1 604	VMWARE INC - A	USD	248 395	0.46
	<i>Japan</i>		<i>7 006 721</i>	<i>12.85</i>
2 900	ADVANTEST CORP	JPY	164 508	0.30
3 600	CALBEE INC	JPY	99 539	0.18
1 600	COSMOS PHARMACEUTICAL CORP	JPY	245 298	0.45
4 500	DAITO TRUST CONSTRUCTION CO LTD	JPY	413 315	0.76
6 600	FUJIFILM HOLDINGS CORP	JPY	282 023	0.52
2 700	HOYA CORP	JPY	256 773	0.47
4 500	KAKEN PHARMACEUTICAL CO LTD	JPY	229 828	0.42
6 300	KOBE BUSSAN CO LTD	JPY	355 045	0.65
23 800	KS HOLDINGS CORP	JPY	323 849	0.59
5 100	MORINAGA & CO LTD	JPY	197 836	0.36
2 000	NOEVIR HOLDING CO	JPY	85 369	0.16
29 000	NOMURA RESEARCH INSTITUTE LTD	JPY	786 791	1.44
17 100	NTT DOCOMO INC	JPY	456 803	0.84
3 400	ORACLE CORP JAPAN	JPY	400 871	0.74
2 600	PIGEON CORP	JPY	100 496	0.18
29 100	SANTEN PHARMACEUTICAL CO LTD	JPY	534 878	0.98
4 100	SUGI HOLDINGS CO LTD	JPY	277 425	0.51
7 400	SUNDRUG CO LTD	JPY	244 872	0.45
7 900	TOHO GAS CO LTD	JPY	395 421	0.73
11 100	TOYO SUISAN KAISHA LTD	JPY	620 411	1.14
5 600	WELCIA HOLDINGS CO LTD	JPY	451 073	0.83
4 900	YAMAZAKI BAKING CO LTD	JPY	84 297	0.15
	<i>Switzerland</i>		<i>2 230 647</i>	<i>4.10</i>
777	GEBERIT AG - REG	CHF	388 845	0.71
8 306	NOVARTIS AG - REG	CHF	722 468	1.33
2 279	ROCHE HOLDING AG GENUSSSCHEIN	CHF	789 724	1.45
961	ROCHE HOLDING AG-BR	CHF	329 610	0.61
	<i>Sweden</i>		<i>1 864 855</i>	<i>3.44</i>
15 112	BOLIDEN AB	SEK	343 873	0.63
11 342	EPIROC AB - A	SEK	141 339	0.26
14 881	ERICSSON LM - B	SEK	137 619	0.25
8 855	ESSITY AKTIEBOLAG - B	SEK	286 180	0.53
12 774	GETINGE AB - B	SEK	237 062	0.44
6 726	HENNES & MAURITZ AB - B	SEK	97 461	0.18
10 059	ICA GRUPPEN AB	SEK	477 002	0.88
6 248	SWEDISH ORPHAN BIOVITRUM AB	SEK	144 319	0.27
	<i>Ireland</i>		<i>1 546 273</i>	<i>2.85</i>
3 946	ACCENTURE PLC - A	USD	847 284	1.57
3 695	JAZZ PHARMACEUTICALS PLC	USD	407 706	0.75
6 017	SEAGATE TECHNOLOGY	USD	291 283	0.53

BNP PARIBAS ISLAMIC FUND - Equity Optimiser

Securities portfolio at 30/06/2020

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
	<i>Canada</i>		<i>1 488 317</i>	<i>2.73</i>
3 210	BARRICK GOLD CORP	CAD	86 094	0.16
727	CONSTELLATION SOFTWARE INC	CAD	818 206	1.50
4 823	DOLLARAMA INC	CAD	159 915	0.29
9 674	WHEATON PRECIOUS METALS CORPORATION	CAD	424 102	0.78
	<i>Denmark</i>		<i>902 773</i>	<i>1.65</i>
4 724	COLOPLAST - B	DKK	731 814	1.34
2 642	NOVO NORDISK A/S - B	DKK	170 959	0.31
	<i>Finland</i>		<i>879 026</i>	<i>1.61</i>
5 090	KONE OYJ - B	EUR	349 985	0.64
10 939	ORION OYJ - B	EUR	529 041	0.97
	<i>Belgium</i>		<i>655 285</i>	<i>1.20</i>
5 662	COLRUYT SA	EUR	311 414	0.57
16 878	PROXIMUS	EUR	343 871	0.63
	<i>France</i>		<i>632 397</i>	<i>1.16</i>
757	HERMES INTERNATIONAL	EUR	632 397	1.16
	<i>Australia</i>		<i>581 743</i>	<i>1.07</i>
64 569	EVOLUTION MINING LTD	AUD	252 064	0.46
34 573	FORTESCUE METALS GROUP LTD	AUD	329 679	0.61
	<i>Germany</i>		<i>484 741</i>	<i>0.89</i>
11 445	UNITED INTERNET AG - REG	EUR	484 741	0.89
	<i>United Kingdom</i>		<i>454 796</i>	<i>0.83</i>
27 748	ANTOFAGASTA PLC	GBP	321 457	0.59
2 591	BERKELEY GROUP HOLDINGS/THE	GBP	133 339	0.24
	<i>Norway</i>		<i>440 140</i>	<i>0.81</i>
50 368	ORKLA ASA	NOK	440 140	0.81
	<i>Spain</i>		<i>365 217</i>	<i>0.67</i>
13 796	INDUSTRIA DE DISENO TEXTIL	EUR	365 217	0.67
Total securities portfolio			54 114 519	99.37

BNP PARIBAS ISLAMIC FUND - Hilal Income

Securities portfolio at 30/06/2020

Expressed in USD

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or traded on another regulated market			12 959 947	96.50
Bonds			12 459 947	92.78
<i>Cayman Islands</i>			<i>7 058 110</i>	<i>52.56</i>
300 000	ALDAR SUKUK 4.750% 18-29/09/2025	USD	322 125	2.40
515 000	BOUBYAN SUKUK 2.593% 20-18/02/2025	USD	520 150	3.87
210 000	DIB SUKUK LTD 2.950% 19-20/02/2025	USD	211 181	1.57
300 000	DIB SUKUK LTD 2.950% 20-16/01/2026	USD	301 500	2.25
270 000	DP WORLD CRESCEN 3.908% 16-31/05/2023	USD	280 463	2.09
200 000	DP WORLD CRESCEN 4.848% 18-26/09/2028	USD	210 375	1.57
300 000	DUBAI DOF SUKUK 3.875% 13-30/01/2023	USD	313 969	2.34
300 000	EMG SUKUK LTD 4.564% 14-18/06/2024	USD	304 781	2.27
370 000	FAB SUKUK CO LTD 2.500% 20-21/01/2025	USD	374 625	2.79
300 000	FAB SUKUK CO LTD 3.875% 19-22/01/2024	USD	319 125	2.38
200 000	KSA SUKUK LTD 2.894% 17-20/04/2022	USD	205 700	1.53
200 000	MAF SUKUK LTD 3.933% 19-28/02/2030	USD	195 000	1.45
200 000	MAF SUKUK LTD 4.500% 15-03/11/2025	USD	210 875	1.57
240 000	MAF SUKUK LTD 4.638% 19-14/05/2029	USD	249 825	1.86
530 000	MAR SUKUK LTD 3.025% 19-13/11/2024	USD	535 134	3.98
200 000	QIB SUKUK LTD 3.982% 19-26/03/2024	USD	210 125	1.56
400 000	QIB SR SUKUK LT 4.264% 19-05/03/2024	USD	421 750	3.14
300 000	SAUDI ELECTRICITY GLO 5.060% 13-08/04/2043	USD	343 594	2.56
200 000	SHARJAH SUKUK 2.942% 20-10/06/2027	USD	200 000	1.49
200 000	SHARJAH SUKUK 3.234% 19-23/10/2029	USD	201 313	1.50
200 000	SHARJAH SUKUK 3.854% 19-03/04/2026	USD	211 000	1.57
200 000	SIB SUKUK CO III 2.850% 20-23/06/2025	USD	201 000	1.50
300 000	SIB SUKUK CO III 4.231% 18-18/04/2023	USD	313 500	2.33
400 000	UNITY 1 SUKUK LT 3.860% 16-30/11/2021	USD	401 000	2.99
<i>United Arab Emirates</i>			<i>1 795 321</i>	<i>13.37</i>
400 000	ALDAR SUKUK NO 2 3.875% 19-22/10/2029	USD	409 125	3.05
300 000	DUBAI ISLAMIC BANK 3.625% 18-06/02/2023	USD	308 625	2.30
300 000	EQUATE SUKUK 3.944% 17-21/02/2024	USD	310 500	2.31
500 000	ESIC SUKUK 3.939% 19-30/07/2024	USD	487 969	3.63
250 000	TABREED SUKUK 5.500% 18-31/10/2025	USD	279 102	2.08
<i>Indonesia</i>			<i>1 166 125</i>	<i>8.69</i>
300 000	SBSN INDO III 2.800% 20-23/06/2030	USD	299 250	2.23
200 000	SBSN INDO III 3.750% 18-01/03/2023	USD	209 375	1.56
400 000	SBSN INDO III 4.150% 17-29/03/2027	USD	435 125	3.24
200 000	SBSN INDO III 4.400% 18-01/03/2028	USD	222 375	1.66
<i>Saudi Arabia</i>			<i>894 502</i>	<i>6.65</i>
290 000	SAUDI ELECTRICITY 4.222% 18-27/01/2024	USD	309 847	2.31
530 000	SAUDI TELECOM CO 3.890% 19-13/05/2029	USD	584 655	4.34
<i>Malaysia</i>			<i>874 483</i>	<i>6.51</i>
250 000	MY SUKUK GLOBAL 3.179% 16-27/04/2026	USD	272 500	2.03
250 000	MY SUKUK GLOBAL 4.080% 16-27/04/2046	USD	307 578	2.29
250 000	TNB GLOBAL VC 4.851% 18-01/11/2028	USD	294 405	2.19
<i>Kuwait</i>			<i>356 125</i>	<i>2.65</i>
350 000	WARBA SUKUK 2.982% 19-24/09/2024	USD	356 125	2.65
<i>Qatar</i>			<i>315 281</i>	<i>2.35</i>
300 000	SOQ SUKUK A Q.S. 3.241% 12-18/01/2023	USD	315 281	2.35
Floating rate bonds			500 000	3.72
<i>Saudi Arabia</i>			<i>500 000</i>	<i>3.72</i>
500 000	RIYAD BANK 20-25/02/2030 FRN	USD	500 000	3.72
Total securities portfolio			12 959 947	96.50

Notes to the financial statements

Notes to the financial statements at 30/06/2020

Note 1 - General

BNP PARIBAS ISLAMIC FUND (“the Fund”) has been established for an undetermined period. The Fund may be dissolved at any time by agreement between the Management Company and the Depositary. The Fund may further be dissolved in any circumstances imposed by Luxembourg law. The liquidation of the Fund may not be requested by its Unitholders or by their heirs and beneficiaries.

The net asset values are expressed in US Dollar (USD).

The Fund is open to Islamic and non-Islamic investors alike.

The Fund is an Umbrella Fund containing two Sub-Funds, open for subscriptions:

- BNP PARIBAS ISLAMIC FUND - Equity Optimiser
- BNP PARIBAS ISLAMIC FUND - Hilal Income

The business of the Fund shall at all times be conducted in a manner that complies with written guidelines relating to Islamic Sharia criteria.

The Fund will observe the following guidelines in its investment activities:

- it will not invest in equity securities where the issuer’s core activity or activities relate to any of the following sectors:

- a) conventional banking or any other interest-related activity
- b) alcohol
- c) tobacco
- d) gaming
- e) gambling
- f) leisure
- g) biotechnology companies involved in human/animal genetic engineering
- h) arms manufacturing
- i) life insurance
- j) pork production, packaging and processing or any other activity relating to pork
- k) sectors/companies significantly affected by the above
- l) hotels and hospitality (unless no alcohol served)
- m) music
- n) films
- o) entertainment.

- it will not invest in any issuer that is unacceptable under Islamic Sharia principles due to excessive debt.

The current criteria exclude issuers whose gross interest-bearing debt to gross assets ratio exceeds the percentage permitted under Islamic Sharia from time to time (which currently is 33 per cent).

In addition, it is not permissible for the Fund to pay or receive interest, although the receipt and payment of dividends from equity securities is acceptable. However, dividends received by the Fund from its investments may comprise an amount which is attributable, for Islamic Sharia purposes, to interest income earned or received by the underlying investee companies as well as to the interest-bearing debt. Where this is the case, the amount of any dividend that is so attributed will be calculated in accordance with Islamic Sharia criteria (dividend cleansing procedure). In accordance with the Islamic Sharia, the amount of dividend income so attributed will be donated once a year by the Fund to the Arab World Institute (“Institut du Monde Arabe” or IMA), Paris. For any other charities with no direct or indirect benefit accruing to the Fund or any of its advisers, the donation will be performed from time to time, by the Management Company with the prior approval of the Supervisory Sharia Committee. Since that dividend income received by the Fund will be capitalised and rolled up outside the capital of the Fund, a donation of dividend income to charities will have no effect on the net asset value of the Fund.

Notes to the financial statements at 30/06/2020

Note 2 - General Information

BNP PARIBAS ISLAMIC FUND may be officially subscribed and may solicit public savings in the countries in which it has obtained a commercial distribution licence:

- Luxembourg (10 February 2006)
- Austria (2 September 2007)
- France (7 July 2009)
- Switzerland (30 July 2009)
- Singapore (21 September 2010)
- United Kingdom (11 December 2013)
- Ireland (15 May 2015)
- Germany (11 November 2015)

In addition, BNP PARIBAS ISLAMIC FUND is a restricted recognized scheme in Singapore (since 5 April 2006).

Before making any subscription in a country in which BNP PARIBAS ISLAMIC FUND is registered, it is necessary to verify the unit categories and classes that are authorized for commercial distribution.

Note 3 - The Fund's Units

The Fund's capital is represented by the assets of its various Sub-Funds. Subscriptions are invested in the assets of the relevant Sub-Fund.

In each Sub-Fund, the Management Company may issue Units of the following categories, their main difference being the various commissions and fees charged:

- "Classic": offered to all types of investors.
- "Privilege": offered to all types of investors. This category differs from the "Classic" category in that a specific management fee is charged and a minimum holding amount may be applied.
- "I": reserved to institutional investors and undertakings for collective investment and a minimum holding amount may be applied.
- "I Plus": reserved to authorized investors and a minimum holding amount may be applied.
- "X": reserved to authorized investors.

The categories "Classic", "Privilege", "I" and "I Plus" may offer two classes of Units: Capitalisation units and Distribution units. The category "X" offers only Capitalisation units.

Note 4 - Principal accounting methods

The financial statements of the Fund are prepared in accordance with the regulatory requirements applicable in the Grand Duchy of Luxembourg.

- *Valuation of the securities portfolio*

- a) The value of non-interest bearing cash in hand, non-remunerated deposits, bills and drafts payable at sight and accounts receivable, prepaid expenses, and dividends due but not yet received, shall comprise the nominal value of these assets, unless it is unlikely that this value could be received; in that event, the value will be determined by deducting an amount which the Management Company deems adequate to reflect the actual value of these assets;
- b) The value of shares or units in undertakings for collective investment shall be determined on the basis of the last net asset value available on the Valuation Day. If this price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Management Company in a prudent and bona fide manner;

Notes to the financial statements at 30/06/2020

- c) The valuation of all securities listed on a stock exchange or any other regulated market, which functions regularly, is recognised and accessible to the public, is based on the last known closing price on the Valuation Day, and, if the securities concerned are traded on several markets, on the basis of the last known closing price on the major market on which they are traded. If this price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Management Company in a prudent and bona fide manner;
- d) Unlisted securities or securities not traded on a stock exchange or another regulated market which functions in a regular manner, is recognised and accessible to the public, shall be valued on the basis of the probable sale price estimated in a prudent and bona fide manner by a qualified professional appointed for this purpose by the Management Company;
- e) Securities denominated in a currency other than the currency in which the sub-fund concerned is denominated shall be converted at the exchange rate prevailing on the Valuation Day;
- f) All liquid instruments may be valued at their nominal value;
- g) At its sole discretion, the Management Company's Board of Directors may permit the use of another valuation method if it believes that this valuation reflects the fair value of one of the Fund's assets more accurately.

Security transactions are accounted for on the date the securities are purchased or sold. Realized gains or losses on investments sold are computed on a weighted average cost basis.

- ***Income on investment assets***

Dividends are recorded as income on the ex-dividend date.

The caption "Income on investments and assets" in the "Statement of operations and changes in net assets" only includes dividends net of withholding tax.

- ***Presentation of the financial statements***

This semi-annual report is prepared on the basis of the last net asset value calculated as at 30 June 2020. In accordance with the prospectus, the net assets were calculated using the latest exchange rates known at the time of calculation.

The stock market prices and exchange rates used to value the securities portfolio at the date of the report are the latest available as at 30 June 2020.

- ***Valuation of forward foreign exchange contracts***

Forward foreign exchange contracts remaining open at the closing date are valued by reference to the forward foreign exchange rate corresponding to the remaining life of the contract. Any unrealised gains and losses are included when determining the result of the transactions.

To calculate the net positions per currency, the positions are converted at the forward exchange rates corresponding to the remaining life of the contract.

Note 5 - Exchange rates

As at 30 June 2020, all sub-funds and unit classes were denominated in USD.

BNP PARIBAS ISLAMIC FUND

Notes to the financial statements at 30/06/2020

Note 6 - Management fees

The management fee is defined for each unit class as mentioned below:

Sub-fund	Category	Management fee
BNP PARIBAS ISLAMIC FUND - Equity Optimiser	Classic	Max. 1.50%
	Privilege	Max. 0.75%
	I	Max. 0.60%
	X	-
BNP PARIBAS ISLAMIC FUND - Hilal Income	Classic	Max. 1.00%
	Privilege	Max. 0.60%
	I	Max. 0.35%
	X	-

Management fees are calculated and deducted monthly from the average net assets of a sub-fund, unit category, or unit class, are paid to the Management Company and serve to cover remuneration of the asset managers and also distributors in connection with the marketing of the Fund's units.

Note 7 - Extraordinary expenses

Expenses other than management, performance, distribution and other fees described below borne by each sub-fund. These expenses include but are not limited to Sharia supervisory committee fees, legal fees, taxes, assessments or miscellaneous fees levied on sub-funds and not considered as ordinary expenses.

Note 8 - Other fees

Other fees are calculated and deducted monthly from the average net assets of a sub-fund, unit category, or unit class and serve to cover general custody assets expenses (remuneration of the depositary) and daily administration expenses (NAV calculation, record and book keeping, notices to the unitholders, providing and printing the documents legally required for the unitholders, domiciliation, auditors cost and fees...), except for brokerage fees, commissions for transactions not related to the deposit, Fund's Sharia Supervisory Committee fees, bank fees, extraordinary expenses, and the "taxe d'abonnement" in force in Luxembourg, as well as any other specific foreign tax and other regulators levy.

Maximum other fees payable by the sub-fund:

Sub-fund	Category	Other fees
BNP PARIBAS ISLAMIC FUND - Equity Optimiser	Classic	Max. 0.40%
	Privilege	Max. 0.25%
	I	Max. 0.35%
	X	Max. 0.50%
BNP PARIBAS ISLAMIC FUND - Hilal Income	Classic	Max. 0.40%
	Privilege	Max. 0.20%
	I	Max. 0.40%
	X	Max. 0.40%

Notes to the financial statements at 30/06/2020

Note 9 - Taxes

The Fund is not liable to any Luxembourg income tax or capital gains tax.

The Fund is liable to an annual “*taxe d’abonnement*” in Luxembourg representing 0.05% of the net asset value. This rate is reduced to 0.01% for:

- a) Sub-funds with the exclusive objective of collective investments in money market instruments and deposits with institutions;
- b) Sub-funds with the exclusive objective of collective investments with credit institutions;
- c) Sub-funds, categories, or classes reserved for Institutional Investors, Managers, and UCIs.

The following are exempt from this “*taxe d’abonnement*”:

- a) The value of assets represented by units, or shares in other UCIs, provided that these units or shares have already been subject to the “*taxe d’abonnement*”;
- b) Sub-funds, categories and/or classes:
 - (i) whose securities are reserved to Institutional Investors, Managers, or UCIs and
 - (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with institutions, and
 - (iii) whose weighted residual portfolio maturity does not exceed 90 days, and
 - (iv) that have obtained the highest possible rating from a recognized rating agency;
- c) Sub-funds, categories and/or classes reserved to:
 - (i) institutions for occupational retirement pension or similar investment vehicles, set up at the initiative of one or more employers for the benefit of their employees, and
 - (ii) companies having one or more employers investing funds to provide pension benefits to their employees;
- d) Sub-funds whose main objective is investment in microfinance institutions;
- e) Sub-funds, categories and/or classes:
 - (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly that is recognized and open to the public, and
 - (ii) whose exclusive object is to replicate the performance of one or several indices.

When due, the “*taxe d’abonnement*” is payable quarterly based on the relevant net assets and calculated at the end of the quarter for which it is applicable.

In addition, the Fund may be subject to foreign UCI’s tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

Note 10 - Changes in the composition of the securities portfolio

The list of changes in the composition of the securities portfolio during the period is available free of charge at the Management Company’s registered office and from local agents.

Note 11 - Dividends

Dividends paid on 31 March 2020 on the distribution shares outstanding as at 18 March 2020 with an ex-date 19 March 2020:

Sub-fund	Share class	Currency	Dividend
BNP PARIBAS ISLAMIC FUND - Hilal Income	Classic QD - Distribution	USD	0.75

Dividends paid on 30 June 2020 on the distribution shares outstanding as at 16 June 2020 with an ex-date 17 June 2020:

Sub-fund	Share class	Currency	Dividend
BNP PARIBAS ISLAMIC FUND - Hilal Income	Classic QD - Distribution	USD	0.75

Notes to the financial statements at 30/06/2020

Note 12 - List of Investment managers

- BNP PARIBAS ASSET MANAGEMENT Najmah Malaysia Sdn Bhd
- BNP PARIBAS ASSET MANAGEMENT France

Sub-fund	Investment managers
BNP PARIBAS ISLAMIC FUND - Equity Optimiser	<u>BNP PARIBAS ASSET MANAGEMENT France</u>
BNP PARIBAS ISLAMIC FUND - Hilal Income	<u>BNP PARIBAS ASSET MANAGEMENT Najmah Malaysia Sdn Bhd</u>

Note 13 - Transaction fees

Transaction fees incurred by the Fund relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are mainly composed of standard fees, sundry fees on transaction, stamp fees, brokerage fees, Depository fees, VAT fees, stock exchange fees and RTO fees (Reception and Transmission of Orders).

In line with bond market practice, a bid-offer spread is applied when buying and selling securities. Consequently, in any given transaction, there will be a difference between the purchase and sale prices quoted by the broker, which represents the broker's fee.

Note 14 - Tax reclaims as part of the Aberdeen/Fokus Bank Project

In several European Union member states, community law grants undertakings for collective investments (UCIs) the right to file claims with a view to recovering taxes they have been unjustly forced to pay. When one member state imposes a greater tax burden on a foreign UCI than on a resident UCI, this constitutes discrimination under community law.

This principle was confirmed by the ruling of the Court of Justice of the European Union (CJEU) in the “Aberdeen” case (18 June 2009). This ruling acknowledges that a non-resident UCI can be subject to discriminatory taxation, which constitutes an obstacle to freedom of establishment and/or the free movement of capital. Other CJEU rulings have subsequently confirmed this jurisprudence. Key examples are the rulings in the Santander (10 May 2010) and Emerging Markets (10 April 2014) cases regarding French and Polish tax legislation, respectively.

In light of this jurisprudence and in order to safeguard the right of UCIs to receive tax rebates, the management company has decided to file claims with the tax authorities in several member states whose discriminatory legislation fails to comply with community law. Preliminary studies will be carried out to determine whether or not the claims are viable, i.e. for which funds, in which member states and over what period of time it is necessary to request a rebate.

To date, there is no European legislation establishing a uniform framework for this type of claim. As a result, the time taken to receive a rebate and the complexity of the procedure vary depending on the member state in question. This means that it is necessary to constantly monitor developments in this regard.

Due to the uncertainty of the recoverability of the amounts, no accrual is recorded and it is booked under the caption “Income on investments and assets” when received.

Note 15 - Information according to regulation on transparency of securities financing transactions

The Company is not affected by SFTR instruments as at 30 June 2020.

Note 16 - Subsequent event

Since the end of 2019, the development of the coronavirus (COVID-19) outbreak initially in China and has reached all continents leading to an unprecedented sanitary and economic crisis. The Board continues to follow the efforts of governments to contain the spread of the virus and monitor the economic impact on the companies in the portfolio of the fund.

ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

For the following sub-fund of BNP PARIBAS ISLAMIC FUND no notification for distribution in the Federal Republic of Germany was submitted and shares in this sub-fund may NOT be offered to investors within the scope of the German investment law. As a consequence, the following sub-fund is NOT available to investors in Germany:

BNP PARIBAS ISLAMIC FUND – EQUITY OPTIMISER

BNP PARIBAS ASSET MANAGEMENT Belgium, Zweigniederlassung Deutschland, Europa-Allee 12, 60327 Frankfurt am Main, has undertaken the function of Information Agent in the Federal Republic of Germany (hereinafter the “German Information Agent”).

Applications for the redemptions and conversion of shares may be sent to BNP Paribas Securities Services, Luxembourg Branch, 60, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (hereinafter “the Paying Agent”).

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through the Paying Agent.

The prospectus, the key investor information documents, the articles of association of the company and the annual and semi-annual reports may be obtained, free of charge, in hardcopy form at the office of the German Information Agent during normal opening hours.

Issue, redemption and conversion prices of shares and any other information to the shareholders are also available, free of charge, from the Paying Agent.

No units of EU UCITS will be issued as printed individual certificates.

The issue, redemption and conversion prices of shares are published on www.bnpparibas-am.de and any other information to the shareholders will be published in Germany in the Federal Gazette (“www.bundesanzeiger.de”) and on the website “www.wmdaten.de”, except for the publications concerning the payment of dividends, the exchange ratio and the convening notices to General Meeting which are available via the website. In addition, communications to investors in the Federal Republic of Germany will be by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the company rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.



BNP PARIBAS
ASSET MANAGEMENT

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world