

THE INTERNATIONAL



ISLAMIC FINANCE FORUM

Dubai

13 - 17 April 2008 • Jumeirah Beach Hotel, Dubai, UAE

Islamic ETFs and Indexed funds

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**Head of ETFs and Indexed Funds Business
Development**











BNP Paribas

www.iiff.com



BNP Paribas: ETF expertise, Islamic Finance Excellence

- One of the first US Islamic Equity funds (1996)
- First Islamic capital protected fund structured by BNP Paribas (1999)
- Co-arranger in Project Finance Islamic tranches
- Financial Adviser for the largest Islamic financing to date
- First ETF on global Islamic index
- First currency Islamic fund

 <p>BNP PARIBAS</p> <p>2005 (On-going) Undisclosed</p> <p>SAR 750 Mio. Musharaka Sukuk</p> <p>Arranger</p> 	 <p>BNP PARIBAS</p> <p>2002</p> <p>Al Hidd Project</p> <p>1st Islamic Project Finance Coupled Export Credit Guaranteed Facility</p> 	 <p>BNP PARIBAS</p> <p>1996</p> <p>Caravan Fund</p> <p>One of the first US Islamic Equity Fund</p> 	 <p>BNP PARIBAS</p> <p>1999</p> <p>Faysal Shield Fund</p> <p>1st Islamic Equity Linked Capital Guaranteed Fund</p> 	 <p>BNP PARIBAS</p> <p>1985</p> <p>1st Murabaha Deposits</p> 
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BNP Paribas Islamic banking expertise combined with Asset Manager know-how

BNP Paribas Najmah

- Dedicated Islamic entity for 22 years
- Based in Bahrain
- Offering Islamic financial and investment products

BNP Paribas AM SIGMA

*Structured, Indexed,
Generation Multi Alpha*

- 17 years of experience
- A dedicated team : 60 specialists
- Fitch Rating AM2+
- €39 bios AUM
- €12.2 bios is indexed and ETFs

BNPParibas' expertise in Islamic Funds

- 1st ETF on Global Islamic index
- Best performing Global Equity Fund BNPParibas Islamic Fund Equity Optimiser
- Investment advisor to the Malaysian Government : 1st Malaysian National Islamic ETF
- First Currency Islamic fund
- Awards “Outstanding Islamic Fund Manager of the year 2007” at Kuala Lumpur Conference Nov 2007.
- Awards “Best Global Equity Fund 2006 and 2007 by Falaika



Strict Control

2 Sharia Supervisory Board Committees

Index Sharia's Supervisory Committee's Role

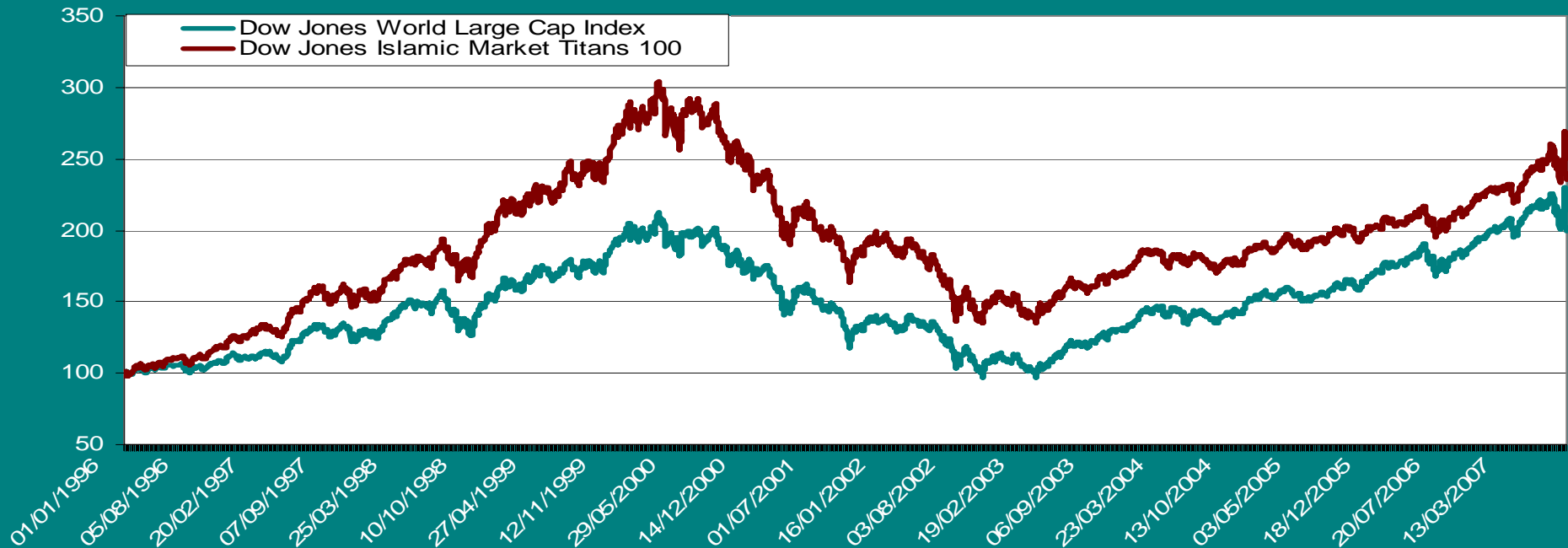
- Sharia's Supervisory Committee : Index independent Sharia Board
- Stringent and published methodology
- Index composition : quaterly reviewed

Fund's Sharia Supervisory Committee' Role

- BNPParibas Sharia Board independent from Index provider's
- Monitors the management replication compliance
- Fund audit : quaterly

Over performance

EasyETF DJIM vs conventional Index



Dow Jones Islamic Market Titans 100 IndexSM

7.2%

Dow Jones World Large Cap IndexSM

5.8%

+146bp

DJIM	1Y	2Y	5Y
Annualised Performance	3.1%	6.3%	10.6%

Source : Bloomberg, as of end March 2008

MyETF Dow Jones Islamic Market Malaysia 25

AUM : 225 USD Mios Over performance 3.57%

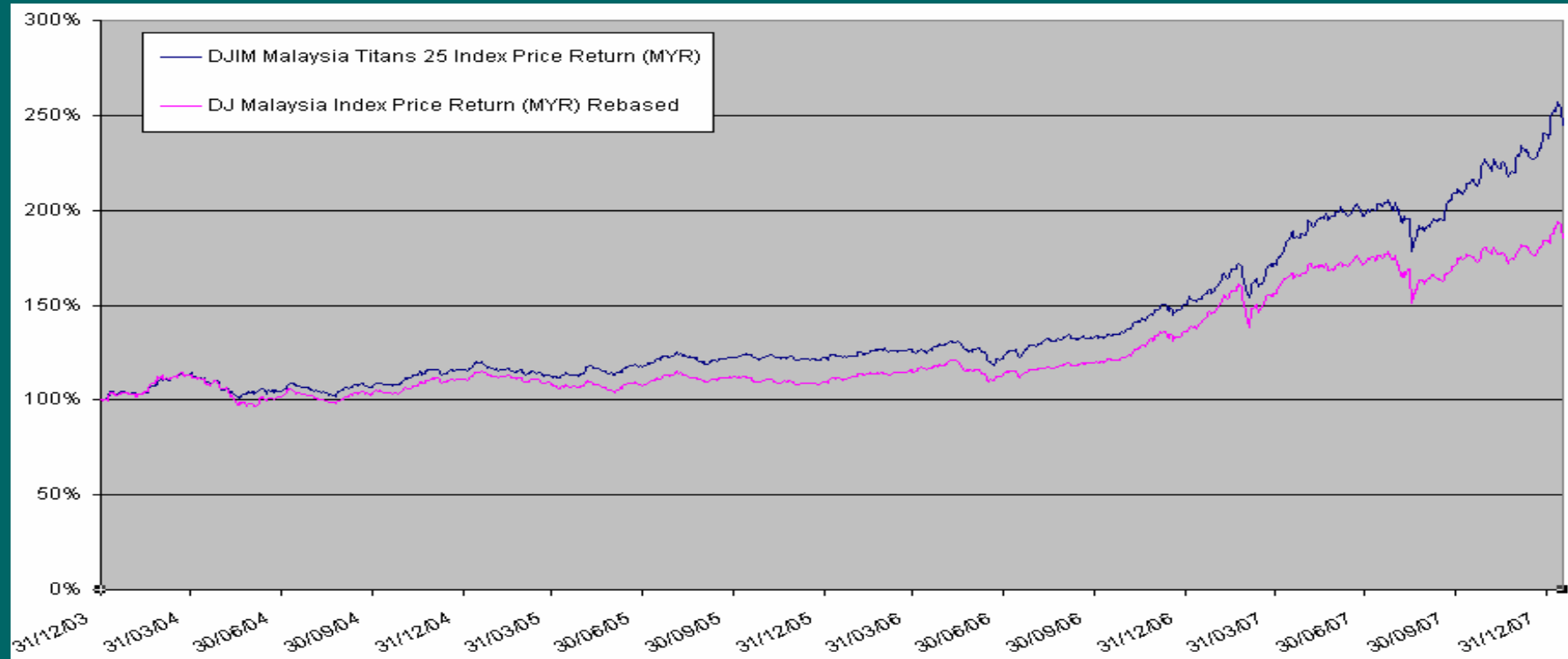


	Price Return (%) Since inception	Annualized PR (%)
MyETF DJIM 25	-7.37%	-36%
Conventional Benchmark	-10.94%	-49.5%
KLCC	-11.02%	-47.9%

Source : Bloomberg, as of end March 2008

Backtest Outperformance

DJIM Malaysia Titans 25 Index vs DJ Malaysia Index



Currency	Price Return (%)			Annualized Price Return (%)	
	3-Month	YTD	2006	3-year	Since Inception*
MYR	14,82	60,01	22,30	27,47	24,49

Inception date : December, 31st 2003

Benefits of Islamic Investments

- Overperformance : most islamic indices are over performing the underlying benchmark index from 10 to 20%
- Finance exclusive screening: macro hedge during the credit crisis
- Financial health: 33% debt to market capitalisation ratio
« watchlist stocks »
- Ethical bias
 - Negative screening :exclusive vs inclusive in sustainable investments
 - Diversification : through a specific sectorial distribution excluding finance

Islamic Finance in Malaysia

- Islamic assets 11% end of 2006, and target 20% in 2010.
- 60% of total Islamic banking assets
- Largest Sukuk market : USD 47 billion end of 2006
 - Sukuk Malaysia grew from 7% in 2000 to 76% in end 2005 of all Islamic bond market
- Largest Islamic in ASEAN 85%
 - vs Indonesia 8%, Thailand 6%, Brunei 1%
- Asset management business, 60% equity funds, 16% balanced funds and 15% bond funds
- Network availability : Merchant banks, Commercial banks, Stock brokers

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