

MENA Asset Management
Al-Durra Islamic Fund

Fund Objective & Strategy

The fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of Shariah compliant stocks listed Boursa Kuwait.

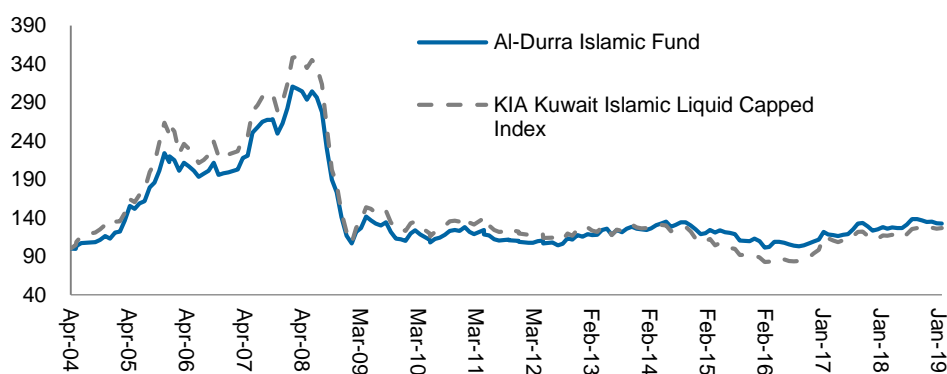
The investment process is based on a bottom-up stock selection methodology along with a macroeconomic overlay to identify growth opportunities in Kuwait

The fund invests in multiple sectors and growth/value categories.

Fund Information

Asset Type	Equity
Geographic Focus	Kuwait Markets
Fund Manager	Global Investment House
Benchmark	KIA Kuwait Islamic Liquid Capped Index
Domicile	Kuwait
Launch Date	March 2004
Structure	Open-Ended
NAV	KWD 1.328
Current Fund Size	KWD 30.159 m
Base Currency	Kuwaiti Dinar (KWD)
Initial Investment	KD1,000
NAV Frequency	Weekly
Initial Charge	49,999 and less 2% 50,000 - 499,999 1.5% 500,000 and above 1%
Management Fee	1.0% p.a.
Custodian & Controller Fees	0.125% p.a.
Performance Fee	None
Redemption Fee	None
Custodian & Controller	Gulf Custody Company (K.S.C.C.)
Sharia Advisory	Bait Al Tadqeeq Al Shariae
Auditors	Deloitte & Touche, Al Wazzan & Co.
Bloomberg Code	GLISLAM

USD100 Invested Since Inception



Cumulative Returns (%)

	1 M	3 M	1 Y	2Y	YTD	*SI
Fund	-0.2%	-1.3%	3.8%	9.1%	-0.2%	32.8%
Benchmark	0.6%	1.4%	7.9%	9.7%	0.6%	26.7%
Difference	-0.7%	-2.7%	-4.1%	-0.7%	-0.7%	6.1%

Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
Fund	8.2%	-4.9%	-7.8%	1.8%	11.8%	6.5%
Benchmark	3.3%	-14.8%	-17.9%	11.5%	14.4%	11.5%

Risk Metrics 5 years to January 2019

Tracking Error	6.48%
Beta	0.68
Information Ratio	0.21
Sharpe Ratio	(0.11)
Standard Deviation	10.80%

Al-Durra Islamic Fund

Fund Review

Al Durra Fund was 0.2% lower in January, underperforming KIA Kuwait Islamic Liquid Capped Index which ended the month up 0.6%.

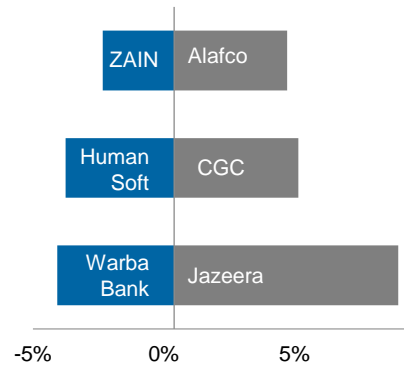
Positive Contributors:

Positive contributors to the fund performance include our OW position in Jazeera which was up 1.4% M/M.

Negative Contributors:

Negative contributors to the fund performance include our UW position in Warba Bank which was up 4.8% M/M.

Top Three Overweight / Underweight versus Benchmark



Agility Public Warehousing Company

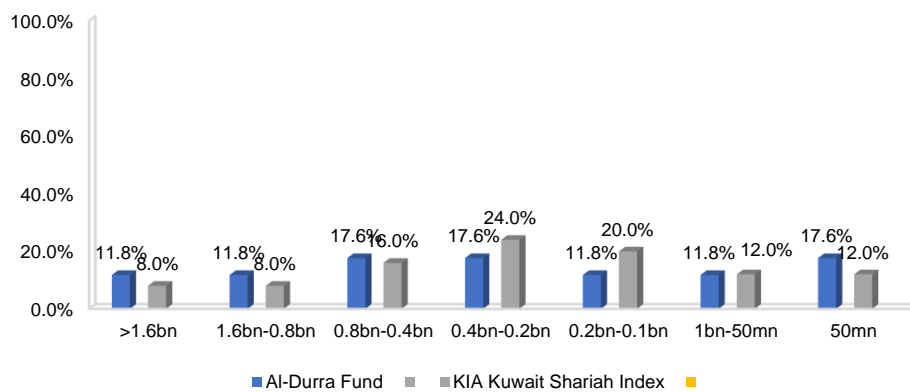
Kuwait Finance House (KFH)

Mobile Telecommunications Company (ZAIN)

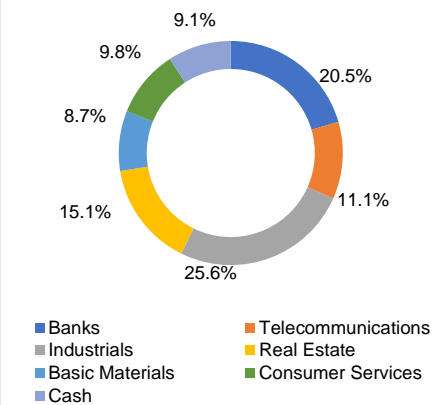
Jazeera Airways

Mabane Company

Market Cap Weightings



Sector Breakdown



Market Commentary

The January effect came into play this year with 2019 opening with the strong equities performance globally. US markets returned strongly in the first month with Dow gaining 7.9% despite government shutdown as the Fed turned dovish on the interest rate outlook. A similar trend was witnessed in the EMs with MSCI EM index gaining 8.75% during the month. On the commodities front, Brent oil recovered sharply in January gaining 13.1% helped by the renewed supply cut agreement by OPEC+ nations. The WTI outperformed Brent by gaining 18.5% due to concerns about Venezuelan crude supply due to political unrest and the imposition of US sanctions on the Latin American country.

As 4Q earnings season is underway, so far, the GCC companies have reported an EPS increase of 9% y-o-

y- albeit it remains slightly below consensus. However, top down factors including strong oil and the imminent inclusion in leading passive indices resulted in strong rally for Saudi- which gained 9.4% during the month. Also, during the month, Saudi Arabia raised USD7.5bn by tapping international bond markets. This was also seen as a vote of market confidence to the largest gulf nation. The kingdom intends to issue USD32bn worth of bonds in 2019 to cover the budget deficit. Saudi's public debt amounted to SAR560bn (USD150bn) or 19.1% of GDP in 2018, and the budget forecasts a rise to SAR678bn or 21.7% of GDP in 2019. A strong rally in oil and Saudi helped other GCC markets with Qatar rising 4.1%- continuing its 2018 trend. Also, Kuwaiti market increased 3.1% and both Abu Dhabi and Dubai gained 2.6% and 1.5% respectively during the

month.

For 2019, our outlook for GCC countries remain mixed due to tight fiscal space and slightly stretched valuations but supported by passive flows in Saudi, Kuwait and UAE. Overall, we expect the GCC markets to deliver muted returns in 2019 albeit with high volatility. Accordingly, our strategy for alpha generation is by positioning the markets opportunistically.

Disclaimer

Past performance is not a guide to future returns. All the information contained in this document is believed to be reliable but may be inaccurate or incomplete. A full explanation of the characteristics of the investment is given in the prospectus. Any opinions stated are honestly held but are not guaranteed. The outlook expressed in this fact sheet represents the views of the fund manager at the time of preparation and are not necessarily those of the Global Investment House as a whole. They may be subject to change and should not be interpreted as investment advice. The document is meant for financial promotion and does not provide you with all the facts you need to make an informed decision about investing and hence is not intended to constitute investment advice. The information provided should not be considered as a recommendation or solicitation to purchase, sell or hold these securities. It should also not be assumed that any investment in these securities was or will be, profitable.

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