

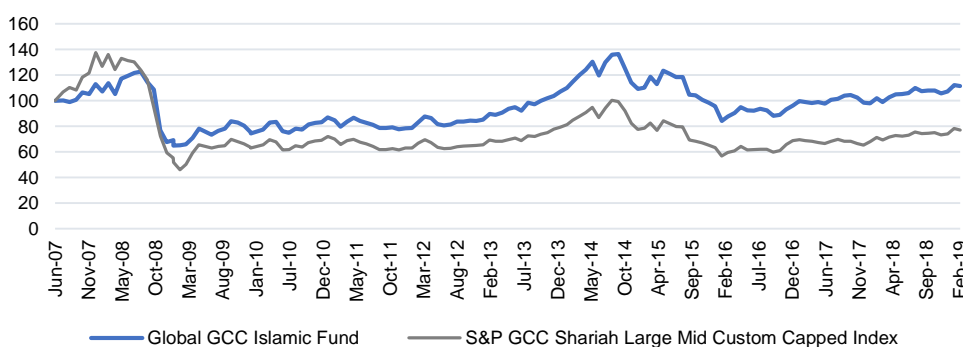
MENA Asset Management

# Global GCC Islamic Fund

## Fund Objective & Strategy

The fund aims to maximize returns through investing in a portfolio of Shari'ah compliant companies as per the predefined Shari'ah criteria set forth in the GCC markets. Asset allocation takes into consideration the market cap weightings of Shari'ah complaint companies in each country while anticipating changing market conditions.

### USD100 Invested Since Inception



\*Note: We have changed the benchmark to S&P GCC Islamic Index on Sept 30, 2010

### Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	*SI
<b>Fund</b>	-0.7	5.5	12.7	3.9	11.4
<b>Benchmark</b>	-1.3	5.2	11.2	4.3	-22.8
<b>Difference</b>	0.6	0.3	1.5	-0.4	34.3

\*Since Inception (July 2007)

### Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
<b>Fund</b>	25.9	1.9	-12.3	0.4	1.9	9.3
<b>Benchmark</b>	21.1	-2.4	-18.4	8.8	-1.1	8.7
<b>Difference</b>	4.9	4.3	6.1	-8.3	3.0	0.6

## Fund Information

### Asset Type

Equity

### Geographic Focus

GCC Markets

### Fund Manager

Global Investment House

### Benchmark

S&P GCC Islamic Index

### Domicile

Bahrain

### Launch Date

July 2007

### Structure

Open-Ended Fund

### NAV

USD 111.44

### Current Fund Size

USD 10.94 m

### Base Currency

US DOLLAR (USD)

### Initial Investment

USD 10,000

### Subsequent Investment

USD 5,000

### NAV Frequency

Weekly

### Initial Charge

2%

### Management Fee

1.75% p.a.

### Custodian Fee

0.22% p.a.

### Performance Fee

20% over 10% p.a.

### Redemption Fee

0.25% p.a.

### Custodian

HSBC Bank Middle East Limited / Bahrain

### Auditors

KPMG Fakhro / Bahrain

### Sharia Board

Bait Al Tadqeeq Al Sharie

### Bloomberg Code

GCCISLM

### ISIN Code

BH000A0QY1N7

### Risk Metrics 5 years to March 2018

Tracking Error 5.0%

Beta 0.89

Information Ratio 0.22

Sharpe Ratio NA

Standard Deviation 15.1%

# Global GCC Islamic Fund

## Fund Review

The Global GCC Islamic Fund decreased by 0.68% M/M in February, outperforming the benchmark which was down 1.32% M/M.

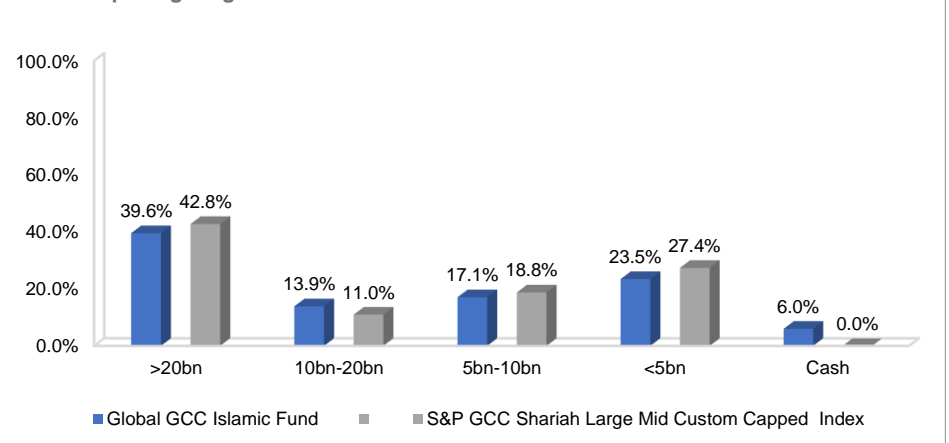
### Positive Contributors:

Our UW position in QEWS, which was down 6.1% M/M, contributed positively to the fund relative performance.

### Negative Contributors:

Our UW position in Mobily, which was up 10.2% M/M, contributed negatively towards the fund relative performance.

Market Cap Weightings



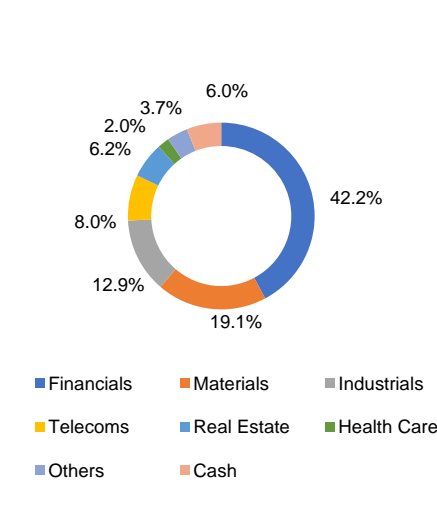
## Top Five Fund Holdings

Stock	Country
RAJHI	Saudi Arabia
SABIC	Saudi Arabia
IQCD	Qatar
KFH	Kuwait
DIB	UAE

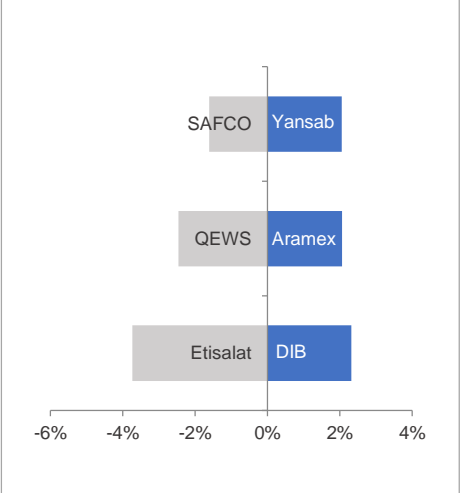
## Country Weights

Country	Benchmark (%)	Fund (%)
Saudi	50.5	50.1
UAE	14.4	14.1
Kuwait	13.4	13.3
Qatar	20.6	16.4
Oman	0.7	0.0
Bahrain	0.4	0.0
Cash	NA	6.0

Sector Breakdown



Top Three Overweight / Underweight versus Benchmark



## Market Commentary

US equities continued to rally in February as Dow gained 3.7% on optimism on the US-China trade talks. Contrary to the US performance, however, MSCI EM index consolidated following a strong January performance. Brent oil also continued its strong performance returning 9% during the month, taking the y-t-d gains to 23.3%- helped by a reduced supply from OPEC+ nations. The oil benchmark gained despite an increased US shale production as delivery bottleneck to the US Gulf coast remains until the second half of 2019.

With 4Q18 earnings season broadly concluded, the GCC companies reported 4Q earnings surge of 11% y-o-y- albeit it remained 10% below consensus. Factoring that, the GCC markets remained in consolidation mode in February. Following a strong rally in January,

Tadawul fell 0.8% during the month. Starting March '19, the first leg of implementation of Saudi inclusion to EM benchmarks will commence and its impact on the prices and the flows will be watched carefully by the market participants. In terms of performance, a similar trend was exhibited in Qatar with the benchmark correcting by 5.7% which we believe is due to stretched valuations following Qatar's strong performance in 2018. Moving to the gainers for the month, Kuwaiti market increased 1% and both Dubai and Abu Dhabi markets soared 2.7% and 1.8% respectively during the month. For the UAE markets, the gains were driven by strong reversals in real estate names led by Aldar and Emaar Properties as two developers reported better than expected earnings and payouts. Emaar surprised the market with strong real estate sales whereas the upside in

Aldar came from the better than expected dividend payout. Despite this rally, we still need to see the turnaround in the direct properties in the UAE- which would be critical to sustain the gains.

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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