

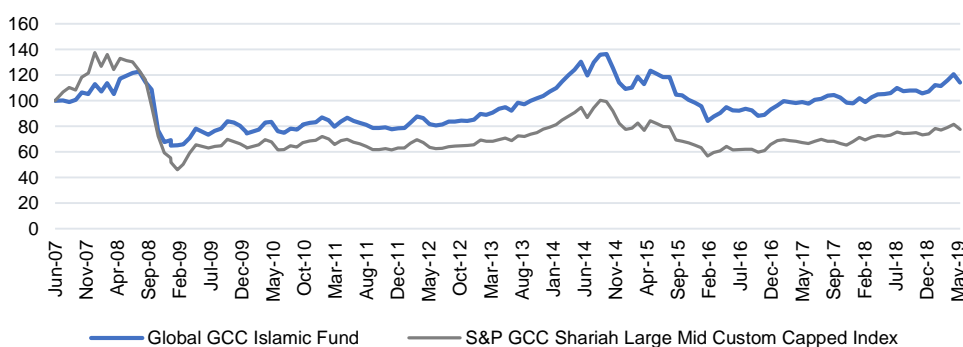
MENA Asset Management

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
Fund	-5.2	2.6	8.7	6.7	14.3
Benchmark	-4.7	0.6	7.2	4.9	-22.4
Difference	-0.5	2.0	1.6	1.7	36.7

*Since Inception (July 2007)

Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
Fund	25.9	1.9	-12.3	0.4	1.9	9.3
Benchmark	21.1	-2.4	-18.4	8.8	-1.1	8.7
Difference	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 114.33

Current Fund Size

USD 11.23 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 0.25

Sharpe Ratio NA

Standard Deviation 15.1%

Global GCC Islamic Fund

Fund Review

The Global GCC Islamic Fund decreased by 5.2% M/M in May, underperforming the benchmark which was down 4.7% M/M.

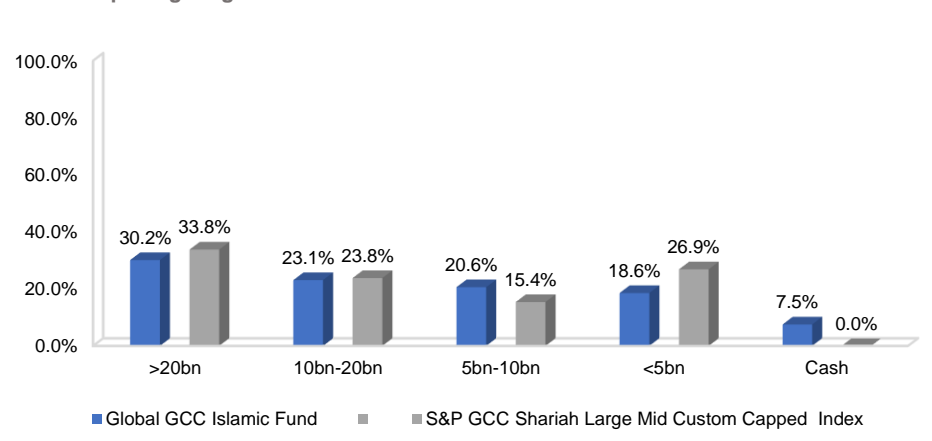
Positive Contributors:

Our UW position in Bilad bank, which was down 9.3% M/M, contributed positively to the fund relative performance.

Negative Contributors:

Our OW position in Aramex, which was down 9.9% M/M, contributed negatively towards the fund relative performance.

Market Cap Weightings



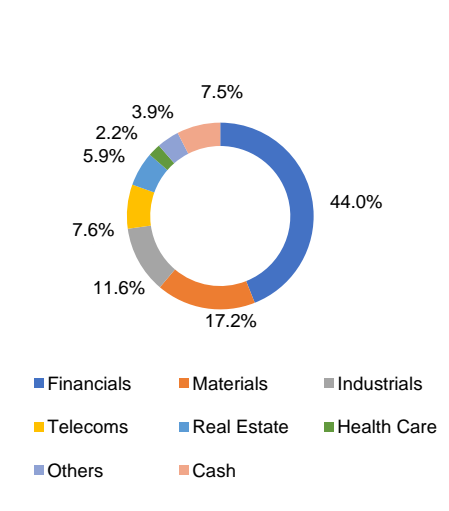
Top Five Fund Holdings

Stock	Country
RAJHI	Saudi Arabia
KFH	Kuwait
SABIC	Saudi Arabia
IQCD	Qatar
QIB	Qatar

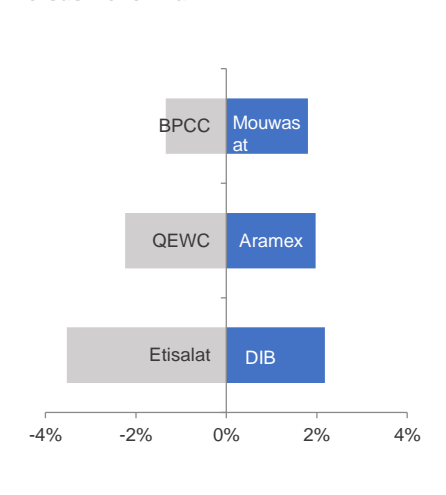
Country Weights

Country	Benchmark (%)	Fund (%)
Saudi	48.8	47.9
UAE	13.8	13.6
Kuwait	17.1	15.6
Qatar	19.3	15.4
Oman	0.5	0.0
Bahrain	0.4	0.0
Cash	NA	7.5

Sector Breakdown



Top Three Overweight / Underweight versus Benchmark



Market Commentary

The month of May witnessed a spike in the trade tensions between the US and China which resulted in a 6.6% correction in S&P 500. The trade worries also spilled globally in both developed and emerging equity markets as the respective benchmarks represented by MSCI EAFE and MSCI EM fell by 4.66% and 7.26% respectively during the month. Accordingly, a combination of the cues from the global equity markets and lack of any announcement regarding the renewal of supply cut agreement resulted in a 14% decline in Brent oil prices in May. The fall was despite the heightened US-Iran tensions which has raised geo-political tensions in the gulf region.

The GCC markets mirrored global trends and the fall was exacerbated by relatively thin

volumes in the holy month of Ramadan. Saudi Tadawul witnessed a sharp drop of 8.5% during the month despite the key inflow event regarding the first leg of MSCI inclusion. The massive supply from the foreign investors dragged the index albeit the MSCI related passive flows. Overall, the foreign holding in the kingdom increased by 99bps to 6.64%. Tadawul is expected to witness inflows with the remaining FTSE and MSCI events extending into 1Q20. In the UAE, both Abu Dhabi and Dubai markets fell by 4.8% and 5.3% respectively. Qatari market also eased 1% in May resulting in a flat YTD performance. Most listed stocks in Qatar market will go through 1 to 10 stock split in the month of June and July in a phased manner. Finally, Kuwait was the notable exception as the market bucked the broader

trend by moving up 3.2% during the month-taking the YTD performance to 18.5%-reiterating the country's low volatility status backed by its strong fiscal position.

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

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Global Investment House K.S.C.C.
P.O. Box: 28807 Safat, 13149 Kuwait
Tel.: (965) 2295 1000
www.globalinv.net

