



GCC Market I Equity Global GCC Large Cap Fund

Factsheet I May 2020

Fund Information

Benchmark

S&P GCC Large Cap Custom Index

Domicile

Bahrain

Launch Date

February 2005

Structure

Open-Ended

NAV

USD 148.099

Current Fund Size

USD 122.761 mn

Base Currency

US DOLLAR (USD)

Initial Investment

USD 10,000

Subsequent Investment

USD 5,000

NAV Frequency

Weekly

Initial Charge

2%

Fees

Management 1.5% p.a.

Custodian 0.15% p.a.

Performance 10% over 8% p.a.

Redemption None

Custodian & Controller

HSBC Bank Middle East Limited / Bahrain

Auditors

KPMG Fakhro / Bahrain

Bloomberg Code

GLGLCFD

ISIN Code

BH000A0QZKF6

Fund Manager

Kamco Investment Company

Bader Ghanim Al Ghanim

Executive Director

balganim@kamcoinvest.com

Omer Jawaid

Senior Vice President

mjawaid@kamcoinvest.com

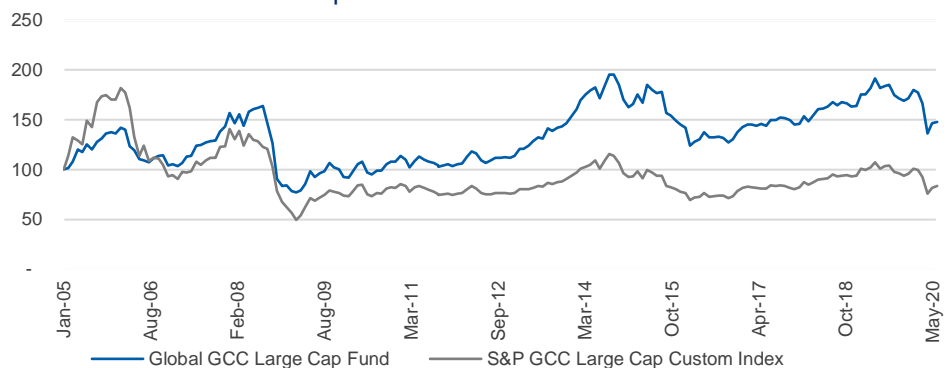
Fund Objective & Strategy

The fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of large cap stocks listed on the GCC stock exchanges. The investment process is based on a bottom-up stock selection methodology along with a

macroeconomic overlay to identify growth opportunities throughout the GCC region.

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

USD100 Invested Since Inception



*Note: We have changed the benchmark to S&P GCC Large Cap Capped Index on Sept 30, 2010

Cumulative Returns (%)

	1M	3M	6M	YTD	1Y	3Y	5Y	*SI
Fund	1.2	-10.9	-13.5	-17.7	-18.5	2.9	-17.9	48.1
Benchmark	2.1	-9.7	-12.6	-17.2	-17.3	3.2	-13.6	-16.4
Difference	-0.9	-1.2	-0.9	-0.5	-1.2	-0.4	-4.3	64.5

*Since Inception (February 2005)

Yearly Performance Ending 31st December (%)

	2014	2015	2016	2017	2018	2019
Fund	5.9	-12.6	0.4	2.0	12.5	9.9
Benchmark	-1.3	-17.4	6.8	0.7	14.3	7.6
Difference	7.2	4.8	-6.4	1.3	-1.8	2.3

Statistics over 5 years

Tracking Error	Beta	Information Ratio	Sharpe Ratio	Standard Deviation
3.2%	0.96	N/A	N/A	15.47

GCC Market I Equity

Global GCC Large Cap Fund

Fund Review

The Global GCC Large Cap Fund returned 1.2% M/M in May, trailing the benchmark which also gained 2.1% M/M during the same period.

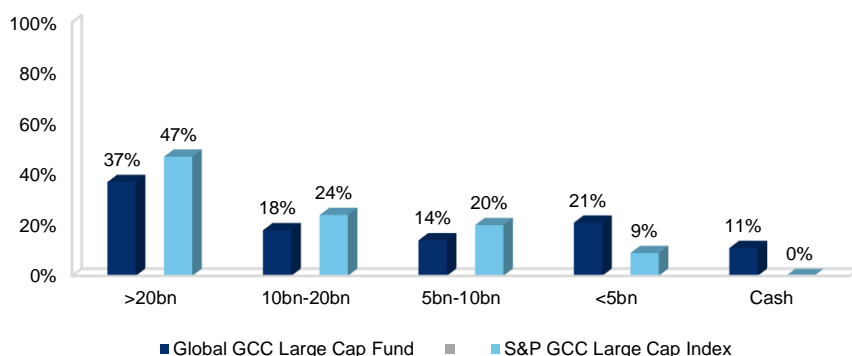
Positive Contributors:

Positive contributors to the fund relative performance include our OW position in Mowasat as the stock rose 2% M/M.

Negative Contributors:

Our UW position in SABIC, as the stock rose 14.5% M/M, contributed negatively towards the fund relative performance.

Market Cap Weightings



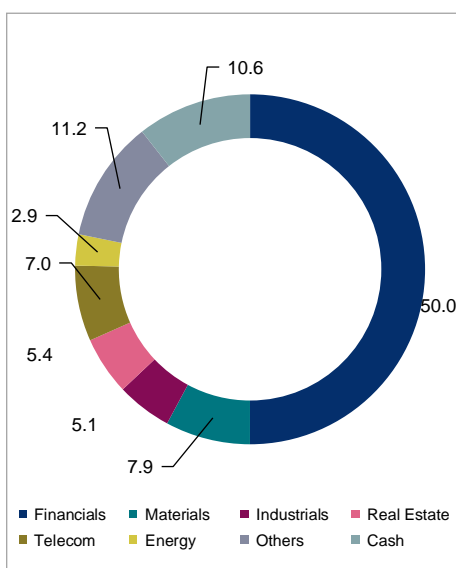
Top 5 fund holdings

Stock	Country
Rajhi	Saudi Arabia
NBK	Kuwait
QNB	Qatar
STC	Saudi Arabia
NCB	Saudi Arabia

Country Weights (%)

Country	Benchmark	Fund
Saudi	51.92	48.01
UAE	13.66	12.49
Kuwait	13.49	19.50
Qatar	17.75	9.51
Oman	1.29	0.00
Bahrain	1.89	0.00
Cash	NA	10.59

Sector Breakdown (%)



Top Three Overweight / Underweight versus Benchmark



Market Commentary

The US markets continued to perform well in May trumping the adverse economic data and US-China cold war rhetoric. The S&P500 ended up 4.8%, capping the y-t-d losses at just under 5%. Globally, the MSCI EM index gained 0.6% whereas MSCI EAFE gained 4% implying the recovery remained geared towards advanced economies. On the commodities front, Brent oil gained 40% in May. The crude price rally is underpinned by the expectations of OPEC+ agreeing to extend the 9.7mnb bpd product cut deal further until August.

Moving to the GCC, the positive momentum continued outmaneuvering the adverse newflows related to projected GDP and population data in the region with MSCI GCC Index gaining 1.75% following the large gains (+8%) last month. The majority of GCC gains can be explained by Saudi

as the benchmark Tadawul surged 1.4% during the month helped by a rebound by crude oil. While defensive sectors like consumers and telecoms propelled the index, newly announced reform measures including a suspension of cost of living allowance, tripling the VAT to 15% and increase in customs duties are likely to impact the consumer demand. In addition, the Saudi foreign reserves fell by USD45bn in last two month (March- April) albeit it was driven by USD40bn transfer to the PIF for the overseas investment purposes. Kuwait gained 1.3% in May, as the country moved toward phased resumption of economic activity. In the UAE, both Dubai and Abu Dhabi lost 4% and 2.1% following the steep rise in April- as banks and real estate sectors retreated. Finally, Qatar gained 0.9% during the month- in sync with the GCC Index.

Global and local markets continue to face the unprecedented challenges. Given the outbreak of COVID-19 and its adverse impact on commodities, interest rates and overall economic growth, we expect the GCC markets to remain volatile and in negative territory in 2020. Looking beyond the pandemic, the downside risks to the regional economies can be much bigger than expected due to the magnified impact on hydrocarbon sector (lower prices and production) and potential slowdown in non-oil sector including travel & tourism, retail, real estate etc. which can lead to spending disruptions and higher deficits than budgeted.

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