



GCC Market I Equity Global GCC Large Cap Fund

Factsheet | September 2021

Fund Information

Benchmark

S&P GCC Large Cap Custom Index

Domicile

Bahrain

Launch Date

February 2005

Structure

Open-Ended

NAV

USD 228.348

Current Fund Size

USD 187.064 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

BH000AQZKF6

Fund Manager

Kamco Investment Company

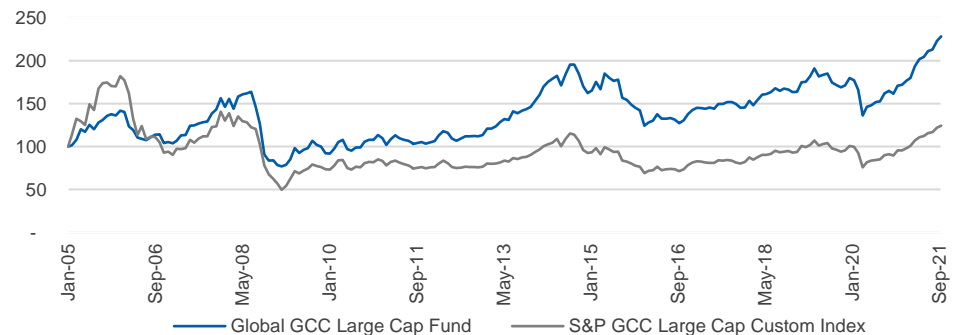
Fund Objective & Strategy

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	2.2	8.0	17.9	32.7	38.4	36.3	79.5	128.3
Benchmark	1.9	7.4	16.3	30.0	36.7	32.3	74.7	24.4
Difference	0.3	0.6	1.6	2.7	1.7	4.0	4.8	103.9

*Since Inception (February 2005)

Yearly Performance Ending 31st December (%)

	2015	2016	2017	2018	2019	2020
Fund	-12.6	0.4	2.0	12.5	9.9	-4.4
Benchmark	-17.4	6.8	0.7	14.3	7.6	-5.2
Difference	4.8	-6.4	1.3	-1.8	2.3	0.8

Statistics over 5 years

Tracking Error	Beta	Information Ratio	Sharpe Ratio	Standard Deviation
3.0%	0.94	0.20	0.65	13.68

Fund Review

The Global GCC Large Cap Fund returned 2.2% M/M in September, outperforming the benchmark which returned 1.9% during the same period.

Positive Contributors:

Positive contributors to the fund relative performance include our OW position in AUB as the stock gained 7% M/M.

Negative Contributors:

Our OW position in Mouwasat, as the stock fell 8% M/M, contributed negatively towards the fund relative performance.

Top 5 fund holdings

Stock	Country
Rajhi	Saudi Arabia
SNB	Saudi Arabia
QNB	Qatar
NBK	Kuwait
FAB	UAE

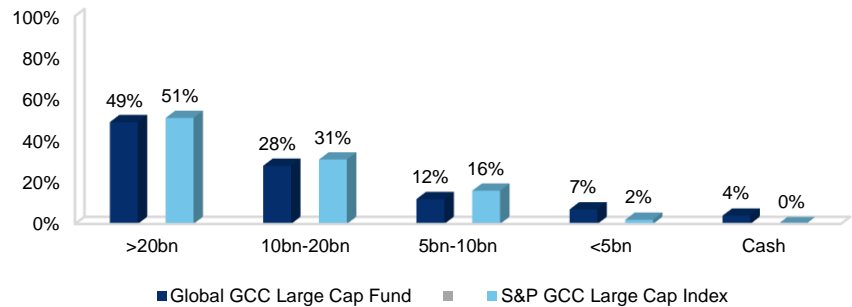
Country Weights (%)

Country	Benchmark	Fund
Saudi	49.5	47.8
UAE	16.8	16.2
Kuwait	14.8	14.2
Qatar	15.4	18.2
Oman	1.4	0.0
Bahrain	2.1	0.0
Cash	N/A	3.6

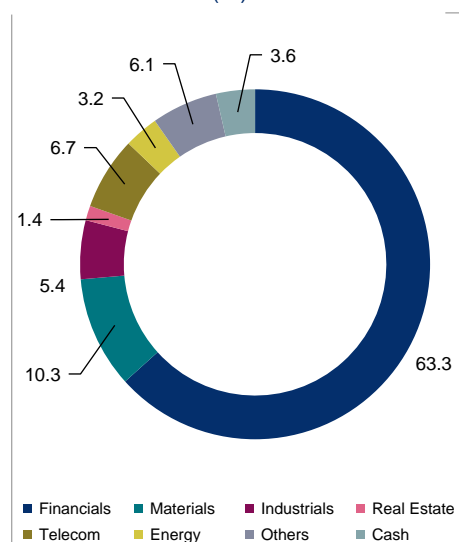
Market Commentary

US markets finally ended the eight-month winning streak with S&P 500 falling 4.76% in September. The losses were driven by concern that inflation might not be a transitory phenomenon due to supply and energy bottlenecks, and accordingly, the Fed's stance could turn more hawkish than previously anticipated. Globally, the MSCI EM and MSCI EAFE indices also exhibited a similar negative trend by correcting 4.25% and 3.2% respectively. On the commodities front, Brent oil rose 7.6% in September and breached USD80/bbl milestone during the month as rising demand tightened the energy shortages across all energy baskets leading to a sharp price spike. This was evident across the globe in the energy pricing of natural gas and coal.

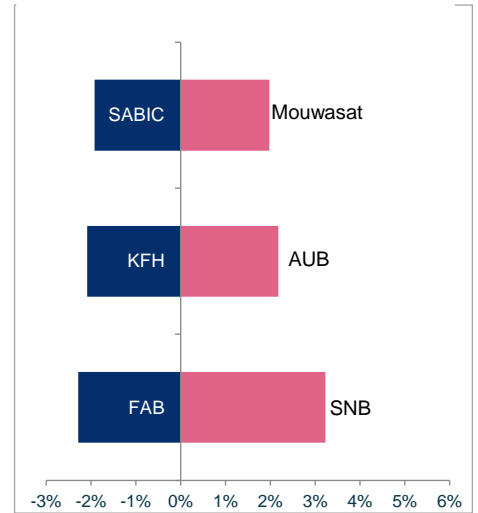
Market Cap Weightings



Sector Breakdown (%)



Top Three Overweight / Underweight versus Benchmark



Moving to the region, the MSCI GCC Index gained 2.3% in September driven by strong energy prices. This takes the y-t-d performance of the index to c31%. Also, the index recorded gains for the eleventh consecutive month. In terms of country performance, Saudi Arabia gained 1.6% bringing the y-t-d surge to 32.3%. The performance was supported by strong momentum in the energy, petchems and banking sectors. During the month, the Qatari market continued momentum by gaining 3.5% and taking the y-t-d performance to 10.1%. In the UAE, Abu Dhabi remained flat, and Dubai fell 2% despite the buzz around Expo 2020 and Emaar receiving the merger nod from SCA. In Kuwait, the Premier Index gained 0.9%. Elsewhere in the Gulf, Oman retreated by 0.6% whereas Bahrain gained 3.7%.

For the year 2021, our outlook for the GCC countries remains optimistic due to the overall improvement in energy realizations- thus easing the fiscal space and supported by a non-oil recovery in the post-pandemic world as borders open gradually. Although the regional markets have outperformed the global equities, the valuations remain on the moderate side driven by strong earnings growth as evidenced in 2Q21. Also, we expect the volatility to remain elevated driven by the underlying dynamics- like oil prices, yield movements and COVID-19 related developments. Accordingly, our strategy for alpha generation is by positioning the markets selectively and opportunistically in the UAE, Saudi and Qatar.

Disclaimer

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