

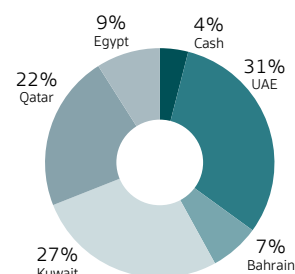
## Managers Commentary

During April, Saudi Arabia and Qatar were in the limelight and posted strong returns. Saudi Arabia appreciated by 4.3% given continued foreign inflows that supported the large caps. Qatar, on the other hand, rallied post the announcement that selected large caps have increased their Foreign Ownership Limit which would result in passive flows. Qatar National Bank rallied 15% on the back of this announcement where it is expected to receive around US\$800m in flows over the coming months. Dubai's horrid run continued and the index lost another 1.4% in April extending its loss for the year to 9%.

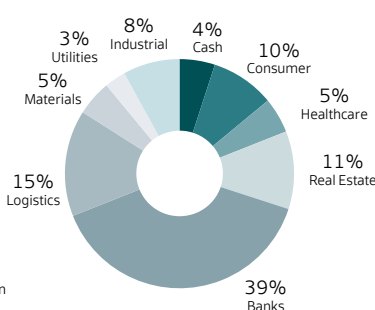
The fund appreciated by 1.1% in April and performed in line with the benchmark. Positive contributions came primarily from our holdings in Qatar that appreciated on the back of the FOL increase announcement. For the year, the fund is up 5.5%, marginally ahead of its benchmark.

Within the region, the momentum of the Saudi market remains high with investors positioning themselves ahead of the MSCI announcement expected to be made in June. Other markets have remained lacklustre with Dubai posting a disappointing performance. However, we would like to take a contrarian opinion and are looking to increase our exposure to Dubai. With blue chips trading at attractive valuations and some stocks offering dividend yields of over 6%, we think the downside is limited. Unfortunately, the market lacks any major catalyst and hence might take time to rerate.

## Asset Allocation



## Sector Allocation



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	11.9	13.2
Price to Book Multiple Latest (x)	1.3	1.3
Return on Equity TTM (%)	10.1	10.3
Dividend Yield—2016 (%)	3.8	5
Number of Holdings	21	154
Annualized Return (%) - Last 5 years	5.3	3.9
Annualized Standard Deviation (%) - Last 5 years	12.8	15.5
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.1 (Jun 14)	-13.6 (Jun 14)
% Positive Months (%)	57	51
Success Ratio (%) - Last 5 years	58	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-33.0
Duration of Drawdown (months)	17mths (Aug 14 to Jan 15)	21mths (May 14 to Jan 15)
Recovery from Latest Drawdown (%)	18.9	26.4

## Investment Objective

The primary objective of this Fund is to seek long-term capital appreciation. The Fund will aim to achieve this investment objective by primarily investing in equity securities listed on the stock markets of the GCC countries excluding Saudi Arabia.

Returns (%)	Fund	Index
Apr-18	1.1	1.3
YTD (April 2018)	5.5	4.8
2017	2.7	-0.1
2016	0.0	9.2
2015	1.8	-14.3
2014	4.2	6.8
Last 3 months	2.1	0.4
Last 6 months	1.1	3.0
Last 1 year	3.2	0.6
Last 3 years	-0.9	-5.3
Last 5 years	29.3	21.0
Since Inception (Feb 11— Feb 17)	64.7	-6.3

\* S&P GCC ex Saudi Total Return Index

## Fund Information

Launch Date	March 2006
Management Fee	1.50%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Deadline	Two business days before dealing day
Minimum Subscription	USD 100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/Administrator	HSBC Bahrain

## Top Holdings

Name	Sector	(%)
National Bank of Kuwait	Kuwait	9.0
DP World	UAE	7.5
Aramex	UAE	7.3

## Top Risk Statistics (last 5 years)

Standard Deviation (%)	12.8
Sharpe Ratio	0.2
Tracking Error (%)	6.3
Information Ratio	0.2
Alpha (%)	1.6
Beta	0.8

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