

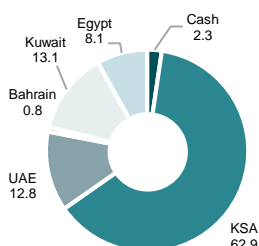
Managers Commentary

The S&P GCC index was up by 3.9% in April, and this was mainly due to the 5.5% increase in the Saudi Arabian market. The gains in the Saudi market can largely be attributed to the recent aggressive buying by Saudi institutions. The Qatari market also performed well during the month, as the market continued to benefit from investors building exposure to large caps in anticipation of increasing their weight in the MSCI Emerging Markets index. Dubai, on the other hand, continued its downward trend, seeing a 3% fall in April and a 10% fall over the year as a whole.

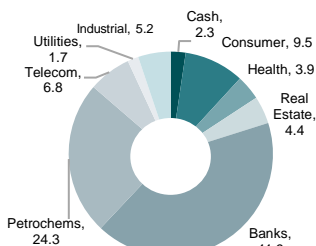
During the month, your fund generated a return of 3%. Despite the large caps in Saudi Arabia doing well, our allocation to the Kingdom outperformed the market due to our stock selection. However, the funds' monthly return was lower than that of the benchmark because the fund had no exposure to the Qatari market.

As much as investors were rejoicing in the positive performance of the Saudi market this year, the performance of the Dubai market has also created great deal of anguish amongst certain investors. Since November 2017, the DFM index has fallen by as much as 20%. The declines were initially triggered in the fourth quarter of 2017, by the rather uninspiring IPO of Emaar Development and lower than expected dividend declared by Emaar Properties. The downtrend in the market continued this year, fueled by fears of a significant slowdown in Dubai's real estate market. In the first quarter, real-estate prices in Dubai are estimated to have fallen by 5%, while rent prices are estimated to have declined by 2% according to Chestertons MENA, a real-estate consulting company. Additionally, international fund managers are reallocating money from UAE to Saudi in order to gains exposure to the market before the MSCI upgrade. This, of course, has further exacerbated the declines. Despite these poor sentiments, we believe that at current valuation, Dubai has multiple attractive stocks to offer. Hence, going forward, we intend to gradually increase our allocation to the market.

Asset Allocation %



Sector Allocation %



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	13.6	15.5
Price to Book Multiple Latest (x)	1.7	1.6
Return on Equity TTM (%)	12.4	10.5
Dividend Yield—2015 (%)	3.2	3.9
Number of Holdings	35	300
Annualized Return (%) - Last 5 years	7.4	5.0
Annualized Standard Deviation (%) - Last 5 years	14.4	15.4
Largest Monthly Gain (%) - Last 5 years	12.0	11.2
Largest Monthly Loss (%) - Last 5 years	-12.9	-13.0
% Positive Months (%)	58.3	55.4
Success Ratio (%) - Last 5 years	46	
Latest Drawdown-Peak to Trough (%)	-29.9	-40.2
Duration of Drawdown (months)	25mths (Aug 14 to Sep 16)	25mths (Aug 14 to Sep 16)
Recovery from Latest Drawdown (%)	41.6	40.6

Investment Objective

The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

Returns (%)	Fund	Index
April 2018'	3.0	3.9
YTD (April 2018)	13.1	12.1
2017	7.6	3.3
2016	5.8	8.5
2015	-6.2	-14.6
2014	4.7	0.6
Last 3 months	6.6	6.4
Last 6 months	13.2	14.2
Last 1 year	15.4	14.1
Last 3 years	3.8	-4.8
Last 5 years	42.6	27.7
Since Inception (Mar 04— April 18)	251.6	149.4

*S&P GCC Total Return Index

Fund Information

Launch Date	Mar-04
Management Fee	1.50%
Performance	10% over 10%
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two business days before dealing day
Minimum Subscription	100,000
Bloomberg Code	KHALEQY BI Equity
Fund ISIN Code	BH000A1CZ8W7
Custodian/Administrator	HSBC / Apex Fund Services

Top Holdings

Name	Sector	(%)
Al Rajhi Bank	Banks	9.6
NCB	Banks	6.5
SAMBA	Petrochemical	6.3

Top Risk Statistics (last 5 years)

Standard Deviation (%)	14.4
Sharpe Ratio	0.3
Tracking Error (%)	4.6
Information Ratio	0.5
Alpha (%)	2.6
Beta	0.9

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