



**NAV**  
**USD 13.7452**

**Facts**

**Fund Structure:** Open-ended

**Liquidity:** Weekly

**Currency:** US Dollars

**Inception Date:** 3rd March, 2016

**Minimum Investment:** USD10,000 with additional investments in multiples of USD1,000

**Subscription and Redemption deadline:** Wednesday of every week.

**Subscription Fee:** 2%

**Management Fee:** 1.50% per annum

**Performance Fee:** 10% of any positive variance between the return of the Fund and the index during the financial year.

**Investment Controller Fee:** 0.0625% per annum

**Fund Manager:** Watani Investment Company K.S.C.C. (regulated by Capital Markets Authority)

**Auditor:** KPMG Safi Al-Mutawa & Partners

**Investment Controller & Custodian:** Gulf Custody Company

**Distributor:** National Bank of Kuwait S.A.K.P.

**Fund Regulator:** Capital Markets Authority

**Executive Committee :** Nabil Maroof  
 Husayn Shahruur  
 Shadi Khadder  
 Wajih Alboustany  
 Islam Batrawi  
 Rajat Bagchi

**Fund Manager Contacts**

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**Objective**

The Fund seeks long-term capital appreciation by investing in equities of companies in the Gulf Cooperation Council. The Fund will follow an active strategy of allocating its investments between the various markets in the GCC. Allocation among the various markets in the GCC will contribute towards achieving this objective, along with investing in money market instruments such as deposits or equivalent in Islamic banks, sukuk or bonds issued or guaranteed by the governments of the GCC, either in Kuwaiti Dinars or any other foreign currency, and also with investing in other investment funds, based on the investment

**Investment Features and Risk**

- Easy access to your money on a weekly basis
- Investing in equities with strong fundamentals and good long-term prospects
- Measure Fund performance against S&P Custom GCC Composite LargeMidCap
- Volatility risk of the fund is high

**Fund Performance**

	Fund	Benchmark
1 Month return	1.49%	0.96%
3 Months return	-2.35%	-2.78%
YTD return	15.77%	15.01%
12 Months return	9.00%	11.97%
Return since full deployment <sup>1</sup>	42.82%	53.32%
Annualized return since full deployment <sup>1</sup>	11.71%	14.20%
Return since inception <sup>2</sup>	44.36%	63.34%
Annualized return since inception <sup>2</sup>	11.36%	15.47%
First financial year return	12.09%	18.77%
End of Q2'19 (return since inception)	42.34%	61.79%
Ann. St. Dev. full deployment	10.63%	11.38%
Sharpe ratio	0.96	1.21

<sup>1</sup> Calculated since Full Deployment Date: 12th May 2016. Higher alpha compared to since inception as return since inception negatively impacted due to cash drag

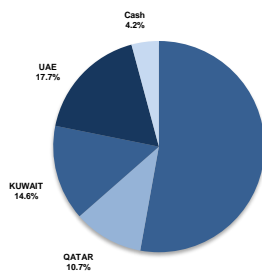
<sup>2</sup> Calculated Since Inception Date : 3rd March 2016

**Monthly Performance**

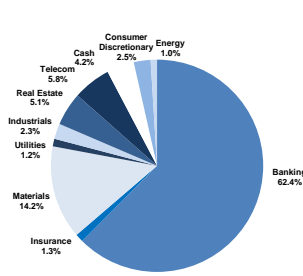
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	8.06%	0.11%	3.23%	6.32%	-6.31%	2.70%	1.49%						15.77%
2018	6.23%	-2.99%	5.55%	3.83%	0.22%	1.60%	3.01%	-3.01%	0.62%	-1.41%	-2.42%	0.27%	11.53%
2017	1.75%	-0.45%	-0.82%	0.59%	-0.44%	4.16%	0.06%	0.58%	-0.44%	-3.10%	-1.78%	1.33%	1.25%
2016			-0.04%	2.61%	-3.14%	0.95%	1.88%	-0.96%	-3.62%	3.41%	6.40%	3.17%	10.77%

Source: Fund Manager based on the Investment Controller valuation

**Country Allocation**



**Sector Allocation**



**Manager's Comments**

The Gulf Equity Investment Fund was up 1.49% in July compared to the benchmark return of 0.96%. The regional markets were up in July, outperforming global indices. The positive performance for the month came in spite of a negative performance for the Saudi market. Saudi was pressured by the petrochemical sector following significant decline in year-on-year (-72%) and sequential (-37%) quarterly earnings. The sector continues to remain under pressure owing to negative outlook on prices of major products. The weakness in Saudi was more than offset by a surprising resurgence in the UAE. Kuwait also closed the month on a strong positive performance as the market continues to see foreign inflows ahead of next year's highly anticipated MSCI EM upgrade. The Fund's overweight position in United Electronics and Emaar Properties had a positive relative effect. While the underweight positions in Aldar Properties and Zain Group had a negative relative effect during the month. We continue to be apprehensive of potentially more volatility going forward, as the global macro picture remains uncertain and oil prices volatile. However, we believe that the strong fundamentals should guide the path for long-term value creation. We think that support from regional governments through programs to diversify their economies and support the private sector will continue to provide a cushion for growth. This is likely to help operationally and fundamentally solid companies to continue generating strong performance and provide opportunities to investors.