AL HAYER GCC FUND

DECEMBER 2016

Fund Manager Amwal LLC | www.amwalqa.com

Manager's Commentary

The GCC markets concluded 2016 positively after a year that had volatility written all over it from day one. Improved sentiment and general market optimism during December stemmed a healthy end of year rally across all markets, with Qatar rallying 6.6%. Oman, Dubai and Abu Dhabi up over 5%. Bahrain Kuwait and Saudi increasing by around 3%.

The year was highlighted by regional geopolitical tensions, drastic macro-economic measures and high volatility in Oil prices, which was the trendsetter for the year, putting further pressure on oil exporting countries. While diversified economies like Dubai were very resilient to oil price movements.

The Fund closed December up by 2.6% while the benchmark was up 3.4%. YTD, the Fund appreciated by 0.3% compared to 9.1% for the benchmark. As the Fund was positioned defensively during the first half of the year with a high cash allocation due to uncertainty in oil price direction and government fiscal policies to combat lowered revenues. In August, the Fund Manager hired a new investment team with a proactive and engaging investment strategy, unfortunately the team's efforts were put to a halt in 4Q2016 due to change in custodians. This limited the Fund's ability to participate in the rally witnessed during the last months of the year.

We expect the downside risk in 2017 to be primarily linked to geopolitical events, we are however optimistic and expect the region to report better numbers given stable oil prices and expansionary budgets out of Saudi, Qatar and the UAE which encourage cost rationalization and support economic growth through contentious capital spending and increased diversification.
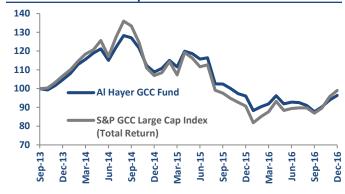
Fund Information

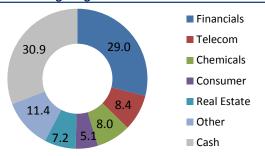|	
Fund NAV as of 31-Dec-2016	USD 96.39 per unit
Fund NAV as of 30-Nov-2016	USD 93.87 per unit
Fund AUM	USD 11.9 million
Fund Launch Date	23 September 2013
Fund Manager Inception Date	1 June 2014
Fund Type	Open ended
Subscription/Redemption	Monthly
Bloomberg Ticker	ALHAYER QD Equity
Investment Objective	Long term capital appreciation investing in listed GCC equities
Founder	Doha Bank Q.S.C.
Fund Manager	Amwal LLC (Since June, 2014)
Management Fee	1.5%
Performance Fee	15% over 10% annual hurdle rate
Auditors	Ernst & Young Qatar
Custodian and Administrator	Standard Chartered

Performance Metrics

Performance Metrics	Fund	S&P GCC Index*
Return – December 2016	+2.6%	+3.4%
YTD 2016	+0.3%	+9.1%
Return Since Inception	-3.7%	-1.0%
Volatility	15.2%	19.8%

* S&P GCC Large-Cap Index

Performance Since Inception

- Al Hayer GCC Fund
- S&P GCC Large Cap Index (Total Return)

Sector Weightings in %

- Financials — 29.0
- Telecom — 8.4
- Chemicals — 8.0
- Consumer — 5.1
- Real Estate — 7.2
- Other — 11.4
- Cash — 30.9

Geographical Weightings in %

- Saudi — 26.5
- UAE — 20.7
- Qatar — 14.8
- Kuwait — 5.9
- Oman — 1.2
- Cash — 30.9

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