

# Arabian Markets Growth Equity Fund



April 2012

## Investment Objective

The investment objective of the Fund is to achieve long term capital appreciation by primarily investing in publicly listed equity securities traded on the existing stock markets in the Middle East and North Africa. The universe of securities will be largely drawn from equity and equity-related securities listed on the various MENA exchanges. The Investment Manager will use a combination of quantitative and qualitative methodologies to set the asset allocation of the Fund.

## Market Performance

Arabian markets were down by -2.82% for the month as measured by the benchmark index. Morocco was the worst performing market with a -5.70% return for the month. It was followed by Saudi with a -3.53%, Egypt with a -1.46% and Qatar with a -0.99% return. The Omani market registered an exceptional return of 3.14% for the month. The declines owed to renewed concerns regarding the global growth outlook. Oil prices are expected to face pressure as the prospects of weaker Chinese demand were elevated as the country's economy grew at its slowest rate in nearly three years.

The Fund was up by 0.14% during April, outperforming the benchmark by 2.96%. The Fund benefitted from a large over weight to the Qatari market and underweights to Morocco and Egypt. On a sectoral basis, telecoms, retailing, materials and professional services were value accretive overall, whereas marginal negative contributions were from the banking and insurance sectors. Cash also added to the relative performance of the fund. The individual names which contributed significantly included Etihad Etisalat, Alhokair, Jarir Marketing, Arabian Cement and Industries Qatar.

## Market Outlook

The economic outlook for most GCC countries remains robust. We believe the recent drop in oil prices from an elevated level would still leave most countries with comfortable budget and current account surpluses. With risk-off sentiment taking hold in the global markets, we might see increased volatility, and a tilt towards defensive names is warranted.

## Fund Performance

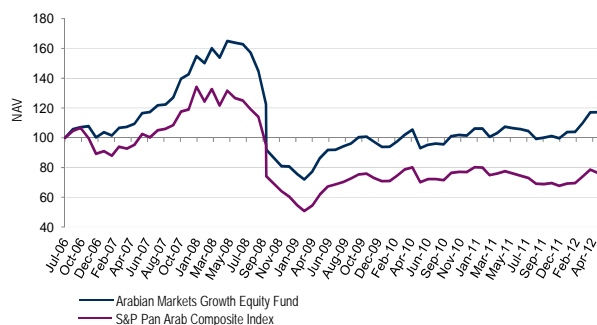
	April 2012	Year-to-Date	2011	2010	2009	2008	2007
Arabian Markets Growth Equity Fund	0.14%	12.89%	-2.16%	12.98%	16.35%	-47.85%	49.18%
S&P Pan Arab Composite Index**	-2.82 %	10.31%	-13.62%	13.12%	17.28%	-54.96%	47.38%

## Annualized Returns (%)

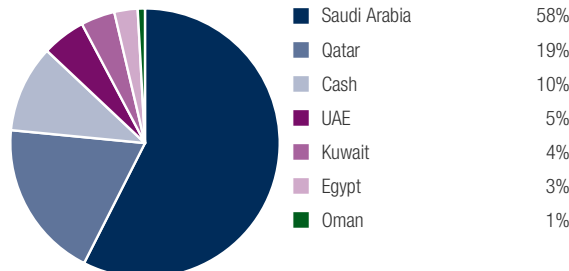
	1Y	2Y	5Y	Since Inception
Arabian Markets Growth Equity Fund	9.07%	5.39%	1.39%	2.80%
S&P Pan Arab Composite Index**	-1.47%	-2.36%	-4.32%	-4.58%
Difference	10.54%	7.75%	5.71%	7.37%

\*\*Index was MSCI Arabian Markets Index since inception until August 2010. After which, it was changed to S&P Pan Arab Composite Index.

## Performance Graph



## Country Allocation



## Fund Information

Asset Type	Equity
Fund Currency	USD
Country Focus	MENA Region
Domicile	Cayman Islands
Inception Date	July 30, 2006
Structure	Open-Ended
Subscription	Weekly
Redemption	Weekly
Lock Up	None
Official April NAV/unit (USD)*	117.1957
Management Fee	1.50%
Min. Initial Subscription	100,000
Min. Add. Subscription	50,000

\*NAV of the last week of the month

## Fund Manager

Muhammad Shabbir, CFA

## Risk Metrics\*

Tracking Error	3.94%
Beta	0.84
Information Ratio	1.87
Sharpe Ratio	0.19
Standard Deviation	12.91%

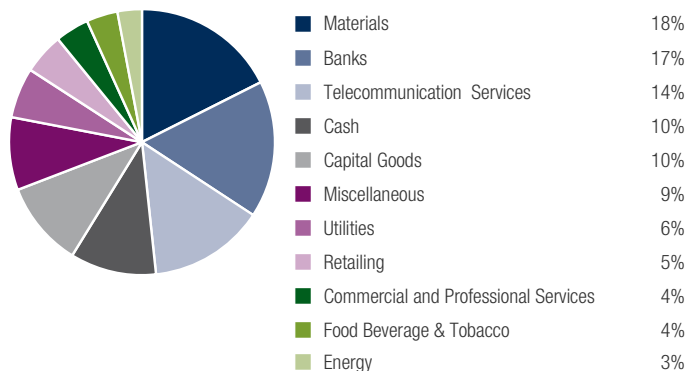
\*The above ratios are based on performance data over the last 36 months.

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## Sector Allocation



## Top Five Holdings

Top Five Holdings	Weight
ETIHAD ETISALAT CO	6%
AL RAJHI BANK	5%
QATAR ELECTRICITY & WATER CO	5%
SAUDI BASIC INDUSTRIES CORP	5%
SAUDI ARABIAN FERTILIZER CO	4%

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