محفظة ضمان الإسلامية
Daman Islamic Fund

Monthly Fact Sheet - August 2015

Fund Objective

To achieve a combination of capital growth and dividend income.
To achieve annual performance growth rate of 12-15% p.a.
To distribute quarterly dividends based on performance.

Ex-Dividend NAV (AED)	**92.98**
Month to Date %	-10.61%
Dividends till Date (AED)	49.63
Returns Since Inception %	-46.89%
Returns Since Inception % (Ex-Div)	-42.96%
Dividend Yield	3.23%

FUND INFORMATION

Inception Date	June 1, 2007
Type	Sharia Based, Open Ended UAE Focused
Subscriptions	Weekly
Fund Manager	Daman Investments PSC
Administrator	Daman Assets LLC
Legal Advisors	Ali Al Aidarous
Regulator	UAE Central Bank
Auditors	Dahman & Co. RSM
Subscription Fee	2% of the value of the subscription amount
Performance Fee	15% above Hurdle Rate of 10% p.a.
Management Fee	1.50% p.a. of the Funds NAV payable weekly
Administration & Custody Fee	0.20% p.a. & 0.30% p,a. respectively, of NAV payable weekly

Bloomberg	DAMNISL UH
Zawya	DMNISLM.MF

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Market Commentary

Concern about the health of the Chinese economy and its impact on worldwide economic growth in what has since been described as the "summer swoon" led to global asset classes exhibiting high volatility and widespread losses during the month of August. The GCC markets suffered steep declines with the DFM closing the month at 3,662 down -11.60% and the ADX closing the month at 4,493 down -7.0%.

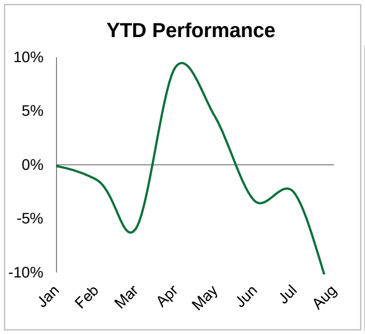
Developed and emerging markets equities plunged, in many cases erasing all of their year-to-date gains. Rather than a steady decline, stocks zig-zagged throughout the month, but strong rallies failed to match tumbles. According to Bloomberg data, the Saudi stock market was the third most volatile market in the world after Spot Oil and China.

Although the possibility of an imminent rate hike in the US weighed on investors sentiment, the main focus was fears of a hard landing in China and its unexpected currency devaluation. The People's Bank of China devalued the yuan by 1.9% on August 11, and at the end of the month it was 2.6% lower, versus the dollar. In devaluing its currency, China is seeking to move toward a more flexible, market-oriented exchange rate with the goal of making the yuan a free-floating global reserve currency. Additionally, China's central bank cut interest rates for the fifth time since November 2014 and reduced the amount of reserves that banks must hold in order to add liquidity to the financial system. The Chinese situation also resulted in a near currency war as seen in competitive devaluations by Vietnam and Kazakhstan and pushed currencies of other export dependent economies lower as seen in the case of Won, Rupiah and Yen. The Metals and energy sectors also saw sharp declines stemming from the slowdown in Chinese industrial and PMI data.

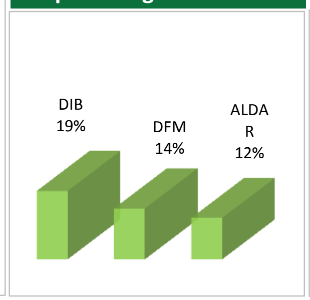
Turning our attention locally we saw that GCC markets experienced multiple headwinds in August, namely the steep drop in global markets coupled with a sharp decline in oil prices. Collectively the GCC markets lost USD 123bn in market capitalization during the month. The sharp decline in oil prices raised concerns on the ability of GCC economies to spend on infrastructure projects as per their strategic plans. The ratings agency Fitch revised its outlook on Saudi Arabia's Issues to negative citing concerns over lower revenue and higher spending, as a percentage of GDP. Over in the UAE, we saw that the federal government decided to remove local fuel subsidies in an effort to boost state revenue. Further measures such as corporate taxation and an introduction of value added tax are also being considered by the UAE cabinet in order to find alternative methods of widening state revenues.

Given the lack of local catalysts and the prevailing negative global environment the fund will maintain its positions. The next local catalyst will come at the beginning of October when the Q3 earning season starts in earnest.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
2011	-1.0%	0.5%	0.9%	-0.1%	-1.7%	1.0%	-1.2%	-0.3%	-0.4%	-0.7%	-0.8%	-0.7%	**-4.48%**
2012	0.0%	0.1%	-1.2%	0.2%	-1.3%	-0.9%	1.8%	-1.4%	1.2%	1.1%	-0.5%	-1.0%	**-2.13%**
2013	5.6%	0.6%	-5.6%	10.9%	10.5%	-2.6%	7.3%	-6.2%	4.3%	5.5%	-1.2%	9.9%	**43.95%**
2014	12.9%	5.2%	5.0%	17.4%	2.2%	-18.2%	3.6%	5.5%	-1.7%	-7.2%	-2.6%	-8.7%	**8.49%**
2015	-6.6%	5.6%	-4.6%	15.9%	-4.2%	-7.5%	0.8%	-10.6%					**-12.93%**



Top Holdings



Fund Allocations