



Market Commentary

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.

NAV per Unit (AED)	82.94
Month to Date %	-5.12%
Dividends till Date (AED)	49.63
Returns Since Inception %	-52.62%
Returns Since Inception % (Including Div)	-46.97%
Dividend Yield	NA

FUND INFORMATION

Inception Date	June 1, 2007
Type	Sharia Based, Open Ended UAE Focused
Subscriptions	Weekly
Redemptions	Monthly
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
Administration & Custody Fee	0.20% p.a. & 0.30% p.a. respectively, of NAV

Bloomberg	DAMNISL UH
Thomson Reuters	LP65122945
Email:	info@damanfunds.ae
Call:	+971-4-4080333
Fax:	+971-4-3324240

Crude oil prices continued their upward trajectory in the month of May'16, with WTI crude oil closing at \$49.10, gaining 6.9% for the month and Brent crude oil closing at \$49.69, up 3.2%. This price rise was largely driven by the rising instances of production outages at key crude oil suppliers (Nigeria, Canada etc.) and spending cutbacks by the shale oil producers in the US.

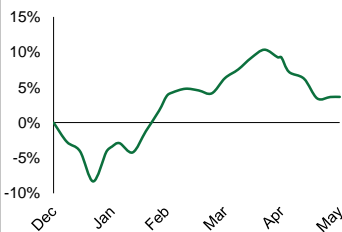
However, the GCC equity markets closed in negative territory for the month of May'16, after three successive months of rallying as investors sought to book profits ahead of the holy month of Ramadan. As a result, Dubai Financial Market General Index (DFMGI) fell by 5.1%, Abu Dhabi Securities Market General Index (ADX) was down 6.5%, Saudi Tadawul Index slipped by 5.3%, Qatar Exchange Index was down 6.4% and the MSCI GCC Countries Index dropped by 5.4%. Trading volume in the region also witnessed a decline of 6.6% in May'16, primarily led by decline in volumes in the UAE and Qatar.

Moody's downgraded Saudi's long-term issuer rating from Aa3 to A1 to reflect the burden of low oil prices on the government's finances. In addition, Oman's rating was downgraded one notch to Baa1 while Bahrain's rating was also cut one notch to Ba2. On the other hand, UAE's rating was maintained at Aa2 on the back of strong fiscal reserves and expectation of moderate leverage ratio as IMF predicted the government's Gross Debt-to-GDP ratio at about 21.2% in 2016 and 19.7 in 2017 (vs. 19.4% in 2015).

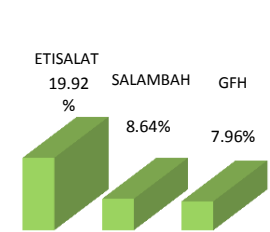
Looking ahead, we expect GCC indices to move higher during the month of June 2016, which covers a large part of the holy month of Ramadan. As per our analysis, DFMGI reported an average return of +5.8% in the Ramadan period during 2011-2015 while ADSMI reported an average Ramadan period return of +4.3% during the last 5 years. We continue to favor high beta stocks in the GCC markets and we will position ourselves accordingly to take advantage of such opportunities.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
2012	-0.03%	0.06%	-1.19%	0.15%	-1.27%	-0.90%	1.76%	-1.37%	1.15%	1.05%	-0.54%	-0.97%	-2.13%
2013	5.64%	0.64%	-5.56%	10.88%	10.52%	-2.62%	7.29%	-6.22%	4.29%	5.48%	-1.20%	9.86%	43.95%
2014	12.86%	5.19%	5.01%	17.42%	2.23%	-18.22%	3.57%	5.47%	-1.68%	-7.20%	-2.58%	-8.69%	8.49%
2015	-6.58%	5.59%	-4.65%	15.94%	-4.19%	-7.48%	0.77%	-10.61%	-0.64%	-5.22%	-7.02%	-1.72%	-25.07%
2016	-3.39%	7.40%	2.47%	2.76%	-5.12%								3.66%

2016 YTD Performance



Top Holdings



Fund Allocation

