



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.

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|---|--------------|
| NAV per Unit (AED) | 85.07 |
| Month to Date % | 0.51% |
| Dividends till Date (AED) | 49.63 |
| Returns Since Inception % | -51.41% |
| Returns Since Inception % (Including Div) | -46.12% |
| Dividend Yield | NA |

The performance of major regional indices in the GCC region was generally positive during January 2017 with the Kuwait StockMarket Index recording highest monthly gains of +18.9%. The strong performance of Kuwait's bourse was driven positive investor sentiments after the announcement of the launch of new economic development plan ("New Kuwait") that envisions diversification of the economy away from the oil-dependent sectors and strong focus on education, transportation and tourism sectors. The Kuwaiti bourse also saw strong trading activity during January 2017 (total value traded up +272.8% m-o-m) due to rise in its weight in MSCI Frontier Market Index after Pakistan was elevated to emerging market status.

On the other hand, Dubai Financial Market General index (DFMGI) closed up 3.2% while Abu Dhabi Securities Market General Index (ADSMI) was broadly flat at 0.1%. However, Saudi's Tadawul Index declined by -1.5% during the month of January 2017 on the back of softer earnings reported by the companies while Oman's MSM30 Index was marginally down by 0.1%.

The month of January 2017 saw the crude oil prices showing slight weakness after registering solid gains in the previous month. WTI crude oil closed at \$52.8, declining by -1.7% for the month (vs. +8.7% in December 2016) while Brent crude oil reached \$55.7, down -2.0% (+12.6% in December 2016). We believe that the recent oil production cut agreement by OPEC is the first concrete step towards stabilizing the crude oil prices and we expect that crude oil prices to remain range-bound within USD 48 - USD 60 in 2017.

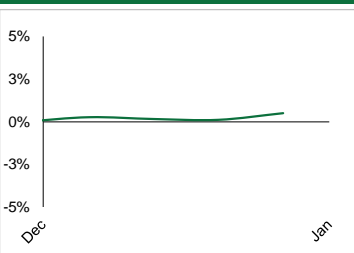
In our view, a stable and predictable oil price trajectory will be positive for investor sentiments as it provides more clarity and predictability to government actions and resulting macroeconomic policies. A case in point, recent government budget announcements by Saudi Arabia, UAE and Qatar have signaled higher levels of spending in 2017, even though the budget estimates are based on oil prices of less than USD 50. We remain positive on the UAE markets in 2017 given continuing commitment from the government towards investments (on the back of event-driven activities) and supportive initiatives (new bankruptcy laws, subsidy reforms, VAT).

| 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 |

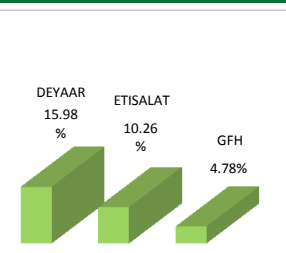
| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Full Year |
|------|--------|-------|--------|--------|--------|---------|-------|---------|--------|--------|--------|--------|----------------|
| 2013 | 5.64% | 0.64% | -5.56% | 10.88% | 10.52% | -2.62% | 7.29% | -6.22% | 4.29% | 0.05 | -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% | (0.07) | -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% | (0.05) | -7.02% | -1.72% | -25.07% |
| 2016 | -3.39% | 7.40% | 2.47% | 2.76% | -5.12% | 0.51% | 1.86% | 1.04% | -0.27% | -3.18% | -0.14% | 2.32% | 5.79% |
| 2017 | 0.51% | | | | | | | | | | | | 0.51% |

| | |
|-----------------|----------------|
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2017 YTD Performance



Top Holdings



Fund Allocation

