

Emirates MENA High Income Fund

Fact Sheet July 2014



Fund Objective

The Emirates MENA High Income Fund is an open ended fund which aims to provide a high level of income from a managed portfolio of MENA assets. The fund will primarily invest in equities, but also take exposure to other suitable asset classes such as fixed income instruments, deposits and ancillary assets. Income will be distributed on a semi-annual basis with a target rate of USD 3 month LIBOR plus 300-500 basis points. Additionally, through its mix of underlying investments, the fund offers potential for capital growth.

Market Commentary

July was a strong month for MENA markets with the MSCI Arabian Markets Index appreciating 8.1% for the month, outperforming the MSCI Emerging Markets Index which appreciated by 1.4% over the same period. The better performing regional markets for the month included Dubai (+22.6%), Qatar (+12.1%), and Abu Dhabi (+11.1%), while the laggards were Kuwait (+1.7%), Oman (+2.8%) and Saudi Arabia (+7.4%).

The Saudi Arabian stock market rallied towards the end of the month on news that the cabinet authorised the country's Capital Market Authority (CMA) to permit foreign investors to access the Arab world's largest bourse. Trading in the USD 531 billion market is currently limited to domestic investors and GCC nationals while foreign investors are only able to access the market via swaps and participatory-notes (P-notes). This is a very positive development for the Saudi Arabian and GCC equity markets, and the Kingdom could be a constituent of the MSCI Emerging Market Index by 2017. Countries of similar market capitalisation to Saudi Arabia which are currently constituents of the MSCI Emerging Market Index include Russia, Malaysia, South Africa, Mexico and Indonesia. These markets each have a weighting of between 3% - 8% in the Index. The inclusion of Saudi Arabia in the Index would be a positive structural change for the investment outlook of the MENA region following the inclusion of Egypt and more recently, the UAE and Qatar.

Investors still await the findings of the investigation into the awarding of the 2022 FIFA World Cup to Qatar which were previously expected to be announced by the end of July. The announcement of the findings has now been delayed to the first week of September, according to a brief statement by the investigatory chamber of the FIFA Ethics Committee.

Elsewhere, Egypt reduced its fuel subsidies as part of the government's plan to narrow its fiscal deficit. The price hikes included increases of 78% for Octane, 80% for fuel, and 64% for diesel. The government also slashed natural gas subsidies to several industries and increased gas prices between 30% - 75%. This is a positive development in the long-term but is expected to result in inflationary pressures in the short-term.

Overall, the Emirates MENA High Income Fund appreciated by 7.6% in July, compared to a 7.4% appreciation in the benchmark. The fund has returned 115.2% since inception as compared to the benchmark which has appreciated 81.6%.

In terms of performance attribution, the overweight in the UAE was the primary contributor to relative performance, while stock selection in Qatar was a detractor from relative performance. Sector wise, the financial sector was the largest contributor to relative performance while stock selection in the industrial and telecom sectors was a detractor from relative performance.

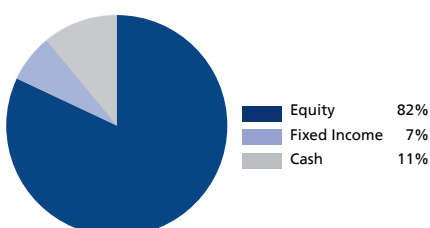
Top 5 Holdings

SABIC	7.3%
Emaar Properties	5.1%
Etihad Etisalat Co	4.5%
Industries Qatar	3.9%
Al Rajhi Bank	3.8%
Total Number of Holdings	49

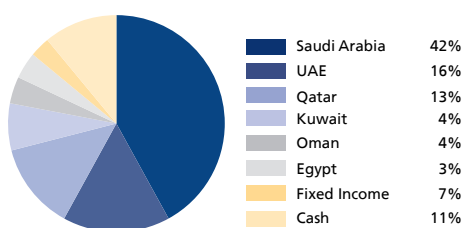
Performance Data	Fund	Benchmark*
1 Month	7.61%	7.44%
3 Month	4.01%	3.30%
Year to Date	16.29%	14.41%
12 Month	23.93%	23.14%
3 Year	54.38%	38.16%
Since Launch	115.16%	81.57%
CAGR (3 yr)	15.56%	11.37%
Annualised Volatility (3 yr)	9.11%	9.64%
Sharpe Ratio	1.15	0.81

* 80% MSCI Arabian Markets Domestic Index, 20% US 3 Month LIBOR

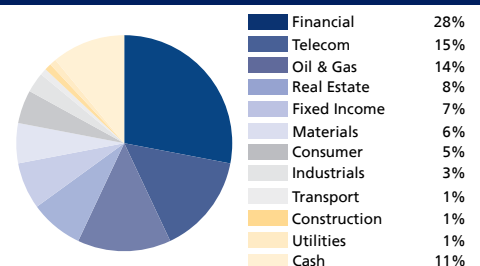
Asset Allocation



Country Weights



Sector Weights



Details

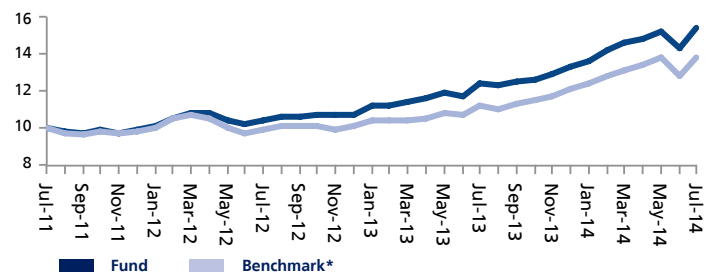
Domicile	Jersey, Channel Islands
Fund Manager	Emirates NBD Fund Managers (Jersey) Ltd
Delegate Investment Manager	Emirates NBD Asset Management Limited regulated by Dubai Financial Services Authority
Fund Launch Date	13 January 2009
Current Fund Size	USD 69 million
Annual Management Fee	A, B*, C*, & G* Share Classes: 1.75% P & I Share Classes: 1.50%
Performance Fee	Up to 10% of the share class returns above a hurdle rate of USD 3 month Libor plus 400bps payable quarterly
NAV/Share (01.08.2014)**	A Share Class Acc (USD): 2.0368 A Share Class Inc (USD): 1.2226 B Share Class Acc (USD): 13.2537 C Share Class Acc (USD): 1.3696 I Share Class Acc (USD): 2.0637 I Share Class Inc (USD): 12.2173 P Share Class Acc (USD): 2.1516
Distribution	Semi annual basis: Income share classes
Dealing	Daily
Bloomberg Tickers	A Share Class Acc (USD): EMHINSA JY A Share Class Inc (USD): EMHINSI JY B Share Class Acc (USD): EMHINBA JY C Share Class Acc (USD): EMHINCA JY I Share Class Acc (USD): EMHINIA JY I Share Class Inc (USD): EMHINI JY P Share Class Acc (USD): EMHINCP JY
Life Company Fund Codes	Oman Insurance Company: H89* Metlife Alico: EMH
Website	www.emiratesnbd.com/assetmanagement

* An additional distribution fee of 0.50% applies

** Pricing date as at 31.07.2014

† Regulars and Singles

Performance History (3 years)



Source: Emirates NBD AM, P share class, bid to bid, USD terms with net income reinvested. P share class inception date is June 2010, prior to this date institutional share class performance data has been used.

Monthly Performance Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
%	%	%	%	%	%	%	%	%	%	%	%	%	%
2009	1.23	-2.82	4.64	8.02	10.64	-4.21	3.44	3.12	6.77	0.94	-9.48	1.23	24.14
2010	2.34	2.52	6.92	2.56	-10.01	0.82	3.72	-0.16	4.11	0.66	-0.53	4.15	17.36
2011	-3.49	-5.21	5.24	2.08	-0.78	-1.00	-0.91	-1.98	-0.94	2.26	-1.74	1.74	-5.04
2012	1.64	4.44	2.54	0.31	-3.83	-2.26	2.42	1.78	0.05	1.07	-0.30	0.42	8.30
2013	4.24	-0.10	2.19	1.87	2.60	-1.75	6.05	-1.14	1.33	1.02	2.06	3.17	23.29
2014	2.84	4.28	2.45	1.76	2.47	-5.68	7.61	-	-	-	-	-	16.29

For any queries please contact your financial representative or alternatively Emirates NBD Asset Management: assetmanagement@emiratesnbd.com

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Past performance is not indicative of future performance. The value of investments and the income derived from them may go down as well as up and you may not receive back all the money which you invest.

For a full outline on applicable fees, please refer to the Fund's supplement or term sheet.

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