



AWRAQ FUND

A Fund of the Awarq World Investments Fund Company B.S.C (closed)

NAV / Share

May-16

53.37

Fund Objective & Strategy

The Fund seeks to achieve long term capital appreciation by investing in a diversified portfolio of stocks listed on the MENA stock exchanges. The Fund employs a semi-active fund management style with a blend of growth and value and is benchmarked to a customized S&P Pan Arab Index limited to a country maximum of 30% and a position maximum of 7% to reflect the Fund's investment guidelines. The investment process is based on a bottom-up stock selection methodology coupled with a thorough analysis of top-down macro economic drivers.

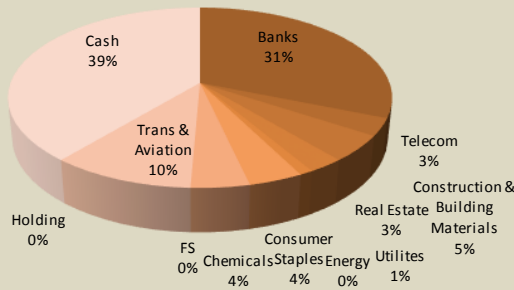
Fund Information

Asset Type	Equity
Fund Manager	Awarq Investments
Sponsor	Cairo Amman Bank
Custodian	Gulf Custody Company
Fund Listing	Bahrain
Fund Structure	Open Ended
Fund Size	USD 4,599,284
Liquidity	Bi Weekly
Indv. Min Sub	USD 25,000
Corp. Min Sub	USD 100,000
Management Fee	2.0% p.a.
Performance Fees	15% over 10%
Launch Date	31-Oct-07
Bloomberg Ticker	AWRAAQ BI Equity

Fund Characteristics & Risk Metrics

Number of Holdings	27
Alpha	3.96%
Beta	0.81
Standard Deviation	15.33%
Information ratio	0.62

Sector Allocation



Country Allocation

Country	Benchmark (%)	Fund (%)
Saudi	24.00%	15.93%
Egypt	8.85%	6.29%
Qatar	17.82%	17.72%
UAE	17.29%	15.10%
Jordan	5.60%	4.38%
Kuwait	16.55%	4.31%
Oman	5.29%	0.18%
Morocco	4.61%	0.00%

Market Review

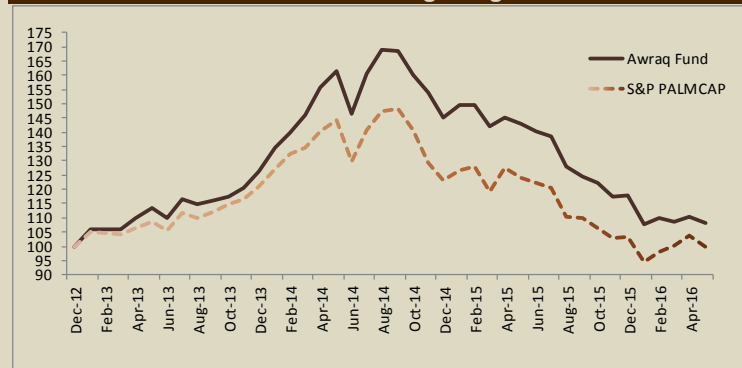
Global markets closed the month of May 2016 on a mixed note, with the S&P 500 and Dow Jones Industrial Index finishing 0.74% and -0.58%, respectively, while all MENA major indices slipped during the same month. Awarq Fund dropped 1.91% compared to the benchmark, which lost 3.79% for the same period.

On the global front, speculation over the next Fed interest rate hike dominated the scene, as the FOMC minutes of meeting hinted towards a possible hike next June. This sent FX and equity markets into a frenzy as investors have been underestimating the probability of such action before end of 2016. On the other hand, oil continued to trend upwards, with Brent achieving another 3.26% rise during May to close at USD49.69 per barrel. This came on the back of reports by the International Energy Agency (IEA), which expected supply to decline during the second half of the year, on the back of lower US production. Further, the IEA report indicated an upward revision of the demand expectations, mainly coming from India, China and Russia.

Regional Markets, however, lost momentum during the month as volumes dropped across the board. The Qatari and Abu Dhabi markets recorded the worst performances, dropping 5.48% and 4.91%, respectively. In addition to the lower volumes and lack of catalyst within the region in the coming period, the results of the MSCI EM May Semi-Annual Index Review indicated that the MENA markets, i.e Qatar and the UAE, witnessed passive outflows of around USD157 mn during the month, due to the phase two of China overseas listings within the EM universe.

This update does not constitute an offer of Units and should not be relied upon by any person acquiring or otherwise dealing in Units of the Fund. Subscription for Units in the Fund may only currently be made on the terms of the prospectus of the Fund. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in Awarq Fund and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of Units and the income from them to fluctuate and you may get back less than you invested when you decide to sell your Units. Awarq Fund is not licensed nor approved by Jordan Securities Commission.

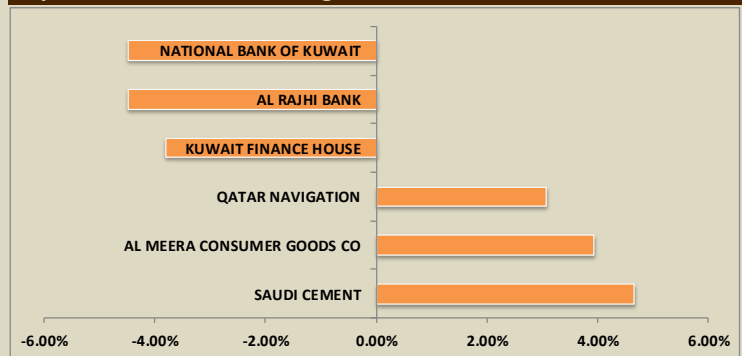
USD 100 Invested Since 2013 Year Beginning



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	Since Incp
Fund	-1.91%	-1.47%	-24.19%	-8.07%	-46.63%
Benchmark	-3.79%	2.13%	-19.40%	-3.34%	

Top Three Under & Overweight vs Benchmark



Top Five Fund Holdings

SAUDI CEMENT	4.67%
FIRST GULF BANK	4.62%
ARAB BANK PLC	4.38%
AL MEERA CONSUMER GOODS CO	3.93%
COMMERCIAL INTERNATIONAL BAN	3.83%

Market Outlook

Further, the Saudi market lost 3.99% of its value during the month. Major news coming from the country during May indicated that Saudi Arabia is preparing to sell its first bonds in the international capital markets as it seeks foreign financing to plug its budget deficit. The kingdom has sent invitations to banks to arrange the sale, which will probably take place after the Muslim holy month of Ramadan ends. Saudi Arabia is poised to join other countries from the six-nation Gulf Cooperation Council in tapping foreign markets in a sign the world's biggest oil-exporting region wants to move away from plundering rainy-day funds to bridge the \$900 billion fiscal shortfall the International Monetary Fund estimates they will face through 2021. Abu Dhabi raised \$5 billion in a Eurobond sale last month and Qatar is meeting investors for a possible deal, its first after a five-year break.

Going forward, we expect MENA markets to continue to ease as we enter the holy month of Ramadan and the summer effect, where historically volumes have come under pressure. We continue to trade selectively on fundamentally sound names across the board, while monitoring the possibility of a Fed interest rate hike and the continuous volatility of the oil markets.

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