

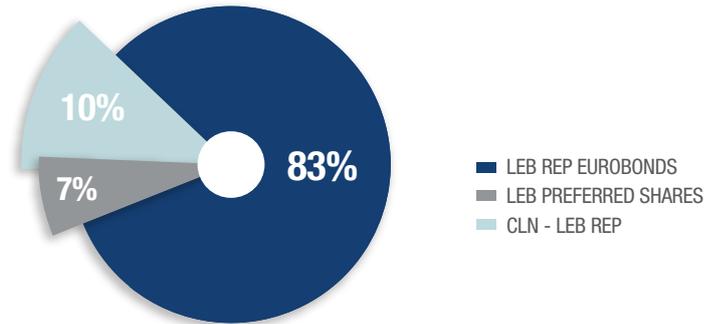
# FACT SHEET MAY 2018

# BLC BANK - INCOME FUND I

## INVESTMENT AND STRATEGY

The objective of the fund is to achieve steady income and capital appreciation by way of investing in Lebanese and GCC fixed income instruments denominated in U.S. dollars, including: Eurobonds, Corporate bonds, Credit Linked Notes (Rating "A"), Alpha group Preferred Shares, Certificates of Deposits and others. So far the fund has been achieving target return and stable growth, with a major allocation to the local fixed income market which provided competitive yields in comparison to the GCC countries that have yet to present adequate opportunities that would generate additional return for the fund.

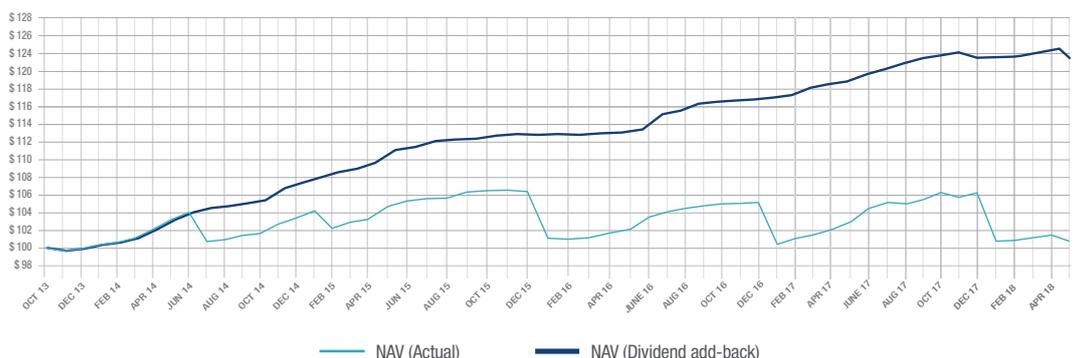
## ASSET ALLOCATION



## PERFORMANCE

QUARTER	DATE	NAV/SHARE (ACTUAL)	NAV/SHARE (DIVIDEND ADD-BACK)	DATE	NAV/SHARE (ACTUAL)	NAV/SHARE (DIVIDEND ADD-BACK)
Q1	2015	\$102.98	\$109.25	2017	\$101.55	\$118.47
Q2		\$105.45	\$111.72		\$103.45	\$120.37
Q3		\$106.24	\$112.51		\$105.80	\$122.72
Q4		\$106.34	\$112.61		\$106.25	\$123.17
Q1	2016	\$101.56	\$113.23	2018	\$101.44	\$124.21
Q2		\$103.94	\$115.61			
Q3		\$104.69	\$116.36			
Q4		\$105.38	\$117.05			

Annualized Performance since inception **5.07 %**



## MARKET OVERVIEW

This month was one of the worst, in the past few years, for the local fixed income market; regional political tension coupled with local economic weakness drove Lebanese Government Eurobonds prices even further to record low levels, offer prices were down by around USD 5 to 15 along the curve in the past 2 months which reflects the increase in market risk. Lebanon 5 and 10 year CDS also jumped by around 100 bps to reach 630 and 660 record-high levels respectively. The Lebanese Central Bank sold USD 3 bln in Eurobonds with 3 maturities between 2028 and 2034 yielding from 7 to 8.25%; this came after an LBP to USD debt swap operation with the Ministry of Finance for USD 5.5 bln which is said to help secure financing needs for 2018 and boost Central Bank FX reserves. In the GCC region, 5 years CDS levels remained mostly stable except for Bahrain which had a significant increase by around 60 bps given investor concerns over the country's economic fundamentals and an IMF report stating that the Kingdom needs to accelerate budget reforms to sustain its economy.

*Disclaimer: The information on this sheet is merely informative and does not represent any offer or solicitation. The information presented is not to be taken as fact and the past performance shown is not necessarily indicative of future results; it is the property of BLC Bank SAL and is subject to amendment. The Bank is not liable for any loss resulting from the use of this information.*

**Issue Date**  
October 7, 2013

**Currency**  
USD

**Type**  
Open-Ended

**Maturity**  
September 30, 2019

**Subscription/ Redemption**  
Monthly

**Expected Annual Return**  
5.00%

**NAV (As at May 31, 2018)**  
\$100.79

**Management Fees**  
1.00%

**Subscription Fee**  
0.50%

**Exit Fees (Only First 6 Months)**  
1.5%

**Dividend Payment**  
Annually

**Manager**  
BLC Bank SAL

**Registrar**  
BLC Bank SAL

**Administrator And Custodian**  
Midclear SAL

**Auditors**  
Deloitte & Touche



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