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EARTH'S FUTURE BRIGHTER WITH SOLAR POWER



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DUBAI INVESTMENTS



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Al Serkal, GM of
Dubai Investments

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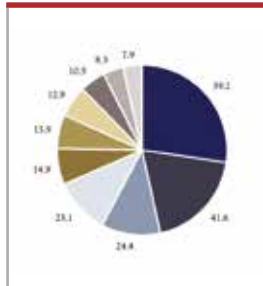
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THE INSIDE VIEW

Manufacturing of primarily Building Material Products has been one of the core focus areas for Dubai Investments since its inception, and the sector has witnessed a strong growth push. The Company's manufacturing assets, comprising nearly 18% of its total asset mix, has grown close to AED 3 billion with a diversified presence, be it in building materials, aluminium or steel industries. Dubai Investments has been one of the first movers in the UAE manufacturing sector since the late-1990s, when industrial activity was still in its infancy. In these two decades, Dubai Investments has not only made significant contribution to the UAE's non-oil Gross Domestic Product [GDP], but has also prioritized some of its manufacturing activities in line with the UAE Vision 2021 and Dubai Industrial Strategy, which form the main pillars of the Country's and the Company's sustainable growth plans.

To achieve this phenomenal growth, the commitment to quality and innovation has been pivotal at Dubai Investments. Innovation fuels long-term growth, and the Company has acquired experience and expertise across its manufacturing businesses, achieving quantum leaps – both quantitative and qualitative – in its assets and portfolio. The latest technologies across the steel, aluminium and glass portfolio as also the pioneering knowhow with Emirates Insolaire's coloured solar glass, is proof enough of the Company's commitment to innovation. The world's first Emirates Insolaire technology is starting to yield desired results with number of projects completed in Europe and two major projects likely to be announced in the UAE shortly.



These projects, coupled with plans to open its Emiroll aluminium rolling joint venture in KIZAD Abu Dhabi, will accelerate the Company's growth trajectory in the manufacturing domain, further enhance profitability and increase the overall corporate value. With proper planning, extensive feasibility studies and prudent steps in determining the market realities & trends, Dubai Investments is in a strong position to move ahead with great confidence and drive profitable growth in the near future in its manufacturing business. The priority is to keep pace with the UAE's government plans to adopt the technologies of the Fourth Industrial Revolution.

Khalid Bin Kalban

Managing Director and Chief Executive Officer

LEAD STORY



Earth's future brighter with Solar power

Solar energy is the cleanest and most abundant renewable energy source available on Earth. The solar energy that hits the Earth every second is equivalent to 4 trillion 100-watt light bulbs and still accounts for just 1% of the energy consumption across the whole world!

There are no doubts on the potential of solar power, whether it is harnessed for generating electricity or for thermal uses. Solar energy is perhaps the most elegant solution to global energy needs. The sun blasts the planet's surface with more than enough energy to keep life forms going. Estimates show that the Earth receives over 173,000 terawatts of energy every year, more than 10,000 times what humanity needs.

The challenge has always been collecting that energy. Even though there is considerable awareness about photovoltaic cells, solar panels have been expensive enough to keep them firmly in the luxury bracket. For years, the low efficiency of solar panels and the high costs per square inch of these panels made solar power economically unviable.

However, things started to change in the early 2000's. Between 2008 and 2013, the cost of solar panels fell by over 50 per cent. Between 2015 and 2017, the cost fell further and continues its downward spiral, and global energy estimation now is that solar will contribute 20% of international energy consumption by 2027.

Concurrently, technology has also caught up in terms of costs and efficiency. It's now at the brink of mass adoption. But where can the technology go from here? What's in store for the future of solar energy?

Every new technology brings new opportunities for business. It is thus natural for companies across the world to get into the solar energy bandwagon, both for cost-effective bottom line as well as a sustainable future. Solar energy is clearly the future. Till date, humanity has only scratched the surface of the sun's true potential. Researchers across the globe are working tirelessly to improve the way sunrays are collected and converted into energy.

Solar photovoltaics is growing fast — faster than any other energy technology. Cumulative installed PV capacity worldwide has doubled every two years (43% CAGR) since 2000. According to the latest research by industry experts, the demand for photovoltaics is expected to grow to nearly 392 GW this year, which would mean a doubling of the global PV market since 2014. Globally, there was nearly 306 GW of solar power capacity in 2016, up from around 50 GW in 2010 and virtually nothing at the turn of the millennium.

In the GCC region, an estimated 2,000 MW of solar energy projects are likely to be tendered, and by 2020, \$50 billion will be invested in the region's solar sector, according to official estimates, with the UAE and Saudi Arabia taking the lead. The GCC countries are expected to increase their installed solar capacity 50-fold between 2015 and 2025, with Saudi Arabia announcing plans for an additional 9.5 GW of renewable energy by 2030.

If PV capacity were to keep growing at the current rate, solar panels have the potential to satisfy all world electricity demands within a decade. By switching over to solar power, the carbon dioxide emissions can be reduced by over 37 million metric tons.

Moreover, it's the myths that deter people from trusting in the technology. Most commonly, potential consumers worry that solar panels will not work in cold or cloudy climates. The truth is, they're highly functional in cold climates, as conductivity is increased at colder temperatures. Germany, a country that receives half as much sun as the sunniest city in the United States, has the most successful solar power system in the world.

When faced with the facts, it's hard to see it any other way: solar power roofs are essential investments for your home and the future. The prospects for solar panels is indeed bright!

SAVINGS WITH SOLAR PANELS

- Any solar panel, including Kromatix™ can produce electricity only when there is sun light (unless the electricity is stored). The considerable plus which Kromatix™ brings is that you can now cover much bigger areas of the buildings and houses (entire roofs, facades), producing much more energy.
- Kromatix™ can supply between 20% and 60% of the needed energy. For certain industries with large roofs and facades and/or land available around, this figure can go to 100%.
- For a villa of 800 square metres, assuming that this area of 800 square metres is the internal area, the roof will represent between 200 square metres and 400 square metres and the facades around 100 square metres. This means between 60 and 90 panels can be installed, which will generate between 15 KWH and 22 KW peak power, enough for 5 to 10 persons.
- Contribution to decrease the housing harmful gas emissions is considerable. In Dubai, each panel would save about 280 kilos of carbon dioxide every year, or the equivalent of planting 7 trees and growing them for 10 years.
- A skyscraper with solar panels on its roof and facades will spare the planet every year more than 1,000 tons of carbon dioxide – equivalent to planting 30,000 trees and growing them for 10 years. In Europe, there is an European Union directive imposing on all buildings and houses to be category 6 by 2020, meaning zero carbon emission.

Emirates Insolaire sets new benchmarks

Emirates Insolaire LLC, a pioneer in development and application of unique solar technologies and a joint venture of Dubai Investments PJSC and SwissINSO Holding Inc., took a massive leap in 2013 with the launch the world's first coloured solar material for both facades and roofs.

The coloured solar panels, built with Emirates Insolaire's Kromatix™ technology, allows solar solutions to be completely integrated into the architectural design of all types of buildings for the very first time across the globe. It also opens a whole new world of opportunities in terms of aesthetic design of buildings.

The Kromatix™ solar glass panels are available in various colours and offer the only attractive alternative to black and dark blue glass panels, with similar efficiency.

Each photovoltaic module is capable of generating 170 to 190 watts per square metre for roof or 110 to 130 watts per square metre for facades. Simply put, they are the building envelopes to efficiently produce energy from roof to bottom.

GLOBAL PROJECTS

The Emirates Insolaire technology is now established worldwide as reference for beauty, high efficiency and durability for Building-Integrated Photovoltaics [BIPV], including Lausanne, Basel, Leysin, Austria, Copenhagen, Germany etc. Last year, the company supplied over 12,000 coloured solar glass for Copenhagen International School [CIS] Nordhavn in Copenhagen, Denmark and has made significant inroads in Europe and Gulf, with enquiries from the UAE, Saudi Arabia, Kuwait, Egypt, Bahrain, Lebanon, Europe, Asia, the US, and Brazil.



INTERVIEW

Abdulaziz Bin Yagub Al Serkal, General Manager Dubai Investments PJSC

Enhancing global presence of Dubai Investments

Building on its success in the UAE over the last 22 years, Dubai Investments has defined its future vision to be a global conglomerate. To achieve this vision, the Company is targeting new sectors and markets across the region and beyond. Dubai Investments, which is currently in negotiations with various entities across different countries, has also unveiled plans to replicate its successful business models in new geographies. In an interview with **INVESTALK**, the General Manager of Dubai Investments, **ABDULAZIZ BIN YAGUB AL SERKAL**, speaks about the Company's international growth plans and future prospects. Excerpts:

How do you analyze Dubai Investments' international presence?

From where it started 22 years ago, Dubai Investments has come a long way. During this period, Dubai Investments has not only gained the expertise, developed knowledge in different fields, added value to its stakeholders but also clearly defined its future vision – to take the Company's business towards newer horizons, newer sectors and newer geographies across the globe.

With prudent planning, feasibility studies and a clear vision to be the leader in developing new investment dimensions, the Company identified trends to chart its growth path. As on date, Dubai Investments and its subsidiaries have presence in a wide array of markets across the globe – either through manufacturing facilities or exports the products across different countries. The Company is looking at growing this presence in the years to come.



Abdulaziz Bin Yagub Al Serkal,
General Manager of Dubai Investments PJSC

What kind of steps have been taken to achieve this futuristic vision?

As a first step, Dubai Investments announced the launch of Dubai Investments International – a wholly owned subsidiary mandated to target global investments, in 2014. Aimed at expanding the Company's global footprint, it is currently in advanced negotiations with strategic players on investment opportunities across diversified sectors in the existing and new geographical locations across the globe to consolidate its position as an important international player.

Dubai Investments, which has international investors, also reaches out to the global investor community through various roadshows in coordination with the Dubai Financial Market [DFM] and the UAE International Investor Council.

Any particular businesses / sectors that are being targeted as part of the international expansion?

Dubai Investments has become synonymous with innovative and successful business concepts, state-of-the-art technologies, high quality

products & services and has developed the trust as well as capabilities of generating huge returns and value on its investments by continually reaching out to different sectors to succeed in the global marketplace, and thereby creating value for the shareholders.

Dubai Investments has a number of successful and pioneering business models which are being analyzed to be replicated in different geographies. One of this is the Dubai Investments Park [DIP] business model which has carved a niche with its uniqueness and strategic contribution to the economic growth of the UAE.

The plan is to leverage Dubai Investments' competencies in developing and managing mega projects similar to DIP and to replicate the DIP model in different countries. This will be done by creating self-contained, master-planned, sustainable business parks and communities which encompasses the right mix of residential, commercial and industrial attractions as a catalyst to drive their economic growth.

Similarly, Dubai Investments has a number of businesses, ranging from glass and coloured solar panels, which have implications in different markets in the region, as well as beyond.

What are the key markets being targeted?

While particular focus is on expansion in the Gulf, Middle East and Africa, there is no set perimeter on geographical footprint. Dubai Investments has strong growth plans in the Kingdom of Saudi Arabia, where it has already announced a new joint venture entity and is developing a business park near Riyadh. The Riyadh Investment Park will spread across approximately 11 million square metres and is strategically located at the periphery of the Saudi capital. The Park will encompass warehouses, commercial showrooms, labour amenities, offices and other logistics facilities similar to DIP.

The company is also in negotiations to develop a major project in Angola, Tunisia, Morocco, and is in negotiations with Kenya and Kazakhstan. The Dubai Investments team will visit these countries to select the locations of the investment parks and look into other issues such as laws, connectivity, proximity to sea or air logistics base as well as the overall development plans in these countries before finalizing the feasibility of the projects.

Where would you like to see Dubai Investments in the next 10 years and how do you see the company becoming globally competitive?

In today's competitive business environment, success is benchmarked by an organization's ability to change and evolve. With a clearly-defined strategic roadmap for 2017 and beyond, Dubai Investments is confident of maintaining a consistent growth trajectory in the months and years to come.

Dubai Investments' ambitions, much like its determination and vision, are boundless. Not one to rest on past laurels, Dubai Investments looks to expand market share and achieve greater milestones in the future that is brim-full with opportunities and activities. Accentuated by a gradual upswing in the economic environment across the UAE and the region, the company's future is brighter than its illustrious past. The best is yet to come.



UAE NEWS



UAE leads Arab countries in FDI in 2016

The United Arab Emirates has been ranked the most attractive destination for Foreign Direct Investment [FDI], among the Arab countries in 2016, accounting for 29%, or US\$9 billion, of the total inflow investment, according to a study issued by the Ministry of Economy.

The UAE also topped the Arab countries in terms of new foreign investment projects in the period from 2003 to 2016, with 4,492 out of the total 12,192 new projects, the study showed. The analytic study monitored the movement of FDI in the Arab World in 2016, in light of the investment inflows, and Arab and global accumulative outbound and inbound FDI.

The accumulative FDI in the UAE rose 8.2% to US\$117.9 billion in 2016, from \$109 billion in 2015,



mainly boosted by the increasing investment in the manufacturing and heavy industries, including aluminium and petrochemicals, while FDI inflows constituted 16.9% by the end of 2016 of the total FDI in West Asia, and 26.5% in the Gulf Cooperation Council.

- Wam

AED 151 billion invested by foreigners in Dubai property in 18 months

A total of AED151 billion was invested by foreigners in Dubai property market in 18 months, according to the Dubai Land Department. The DLD revealed the figure while announcing a list of the top 10 nationalities that invested in the Emirate's realty market between January 2016 and June 2017. The new list confirms that UAE nationals are in the lead, outperforming all other nationalities.

Sultan Butti bin Mejren, Director-General of Dubai Land Department, commented: "Up to 217 nationalities have invested a total of AED151 billion in Dubai's real estate market. This demonstrates the confidence that the world has in our real estate environment, which is characterised by a strong regulatory system that provides safety and security for all parties."



The recent research found out that Emiratis made close to 12,000 investment transactions worth AED37.4 billion, while Indian, Pakistani, Saudi Arabian and British investors ranked second, third, fourth and fifth respectively in terms of the number of registered transactions.

- Wam

Dubai Industrial Strategy to help GDP growth to AED 165 billion by 2030

Dubai's industrial sector has seen significant progress this year, under a new strategy launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai. The Dubai Industrial Strategy, which entered the implementation phase earlier this year, aims to elevate the emirate into a global platform for knowledge-based, sustainable and innovation-focused businesses, in line with the framework of Dubai Plan 2021.

The Dubai Industrial Strategy focuses on enhancing industrial coherence and integration with other economic sectors - linking the target sectors to education and research institutions, with a view towards stimulating innovation and creativity, as well as creating an attractive investment environment for the targeted industries. The strategy is projected to increase Dubai's total GDP by AED165 billion by 2030.



The progress indicates overall implementation of the directives, and assists in the continuous development of Dubai's economic capabilities and its policy of diversifying income sources. More broadly, it has provided decision makers with a clear government operational plan, paving the way for innovative ideas and acceleration of the strategy's objectives.

Already, industrial GDP growth has risen significantly from only 0.6% in 2015, to 3.4% in 2016. And under the strategy, the industrial sector is expected to grow by an additional AED18 billion by 2030 creating 27,000 jobs with exports forecast to increase by AED 16 billion.

- Wam

UAE non-oil foreign trade hits AED 401 billion in Q1 2017

The UAE total non-oil foreign trade volume of Q1 2017 reached approximately AED 401 billion against AED 388 billion during the same period last year, a growth of 3.2%, according to statistics released by the Federal Customs Authority.

Direct foreign trade, which represents 68% of the UAE's total trade volume, was valued at AED 272 billion during the same period, while the Free Zone Trade represented 32% of the UAE total trade volume at a value of AED 129 billion.

The total non-oil trade of the state in the past period has seen a remarkable stability due to the economic diversification and declining oil sector's contribution to GDP in favour of the productive and service sectors. Statistical data for non-oil trade shows a significant increase of 7.4 per cent in re-exports to reach AED 110 billion during the same period against AED 102.4 billion in Q1 2016, with exports valued at AED 46 billion.

- Wam

UAE International Investors Council backs Emirati companies

The UAE International Investors Council has made a range of strategic decisions to support the development of its working procedures, to serve its goals of promoting coordination and supporting Emirati companies that invest abroad. The Council made its decisions during its meeting, chaired by Sultan bin Saeed Al Mansouri, Minister of Economy and President of the Council.

Al Mansouri stated that global Emirati investments are witnessing continuous growth and diversity in various world markets, as the value of the country's total direct foreign investments in 2017 reached around US\$16 billion. He also noted that these

investments have acquired a wide and prominent reputation, due to their key development achievements and continuous growth.

He added that the Council is an important platform for promoting the UAE investments abroad, as well as protecting the interests of Emirati investors, overcoming the obstacles they face, and providing them with the knowledge and information to help develop their businesses abroad.

Dubai Investments PJSC is a member of the UAE International Investors Council.

- Wam

GROWTH



Dubai Investments real estate projects worth AED 4.5 billion generate investor interest

Dubai Investments has announced that its real estate projects worth over AED 4.5 billion across the UAE are generating investor interest, amidst optimistic trends in the real estate sector in the country.

Dubai Investments is currently developing the Mirdif Hills project in Mirdif through Dubai Investments Real Estate Company [DIRC]; Green Community DIP – West Phase 3 in Dubai Investments Park through its subsidiary Properties Investment; and Fujairah Business Centre in Fujairah through Al Taif Investment, besides a number of other residential projects.

Dubai Investments currently has one of the largest land banks in the UAE, and plans to develop projects with over 20 million square feet Gross Floor Area [GFA] in the next two years. The land banks, owned by DI subsidiaries – DIP, DIRC and Properties Investment, includes nearly 15 million square feet GFA within DIP and at strategic locations across the UAE.

Projects, which are either in planning or finalization stage, include a tower on Sheikh Zayed Road, residential buildings in Al Nahda, Al Barsha, Jumeirah Village Circle, Meydan and Abu Dhabi and a hotel in Bur Dubai, among others. Other

projects include expansion of The Market shopping arcade in Green Community – DIP and two residential buildings in DIP.

The current projects will boost Dubai Investments' market presence in the real estate sector. The company's assets in the sector constitute over 65% of its total asset mix and is worth AED 10.82 billion, as of June 30, 2017.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, said: "The UAE real estate market is characterised by strong fundamentals and the government's strategy further accentuates its reputation as the preferred investment destination in the Middle East with ample opportunities to drive added value. The real estate projects by Dubai Investments are aimed at not only rejuvenating the sector but also boosting the strong growth potential on offer."

He added: "As a company, Dubai Investments continues its strong thrust in developing its real estate portfolio in the UAE over the next two to three years to take advantage of renewed market interest and investor confidence, particularly in the wake of the infrastructure projects to be announced for Expo 2020."



Dubai Investments reports net profit of AED 480 million in first half of 2017

Dubai Investments PJSC reported net profit of AED 480 million for the six month period that ended on June 30, 2017, compared to AED 516 million in the same period last year.

Company's total assets grew to AED 16.42 billion and the total income during the period was AED 1.28 billion. The results include 8% growth in rental income to AED 459 million.

The Company's net profit for the second quarter of 2017 was AED 191 million, compared to AED 218 million in Q2 2016.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, said: "Dubai Investments has delivered a solid set of financial results. Excluding the one-off gain from divestments amounting to AED 186 million in the first half of 2016, the Company's net profit has in fact grown by

AED 150 million, an increase of 45%, in the first half this year. The positive results are driven by growth in rental income which has contributed to increase in underlying cash flows."

Kalban added: "Dubai Investments is positive on the outlook for the remainder of 2017; and progressing on schedule on its various real estate projects across the UAE. The Company plans to continue its diversification strategy, aimed at broadening its geographical footprint and branching out into the education and health care sectors whilst growing its asset base and creating value for the shareholders."

GROWTH

DIRC signs AED 1.1 billion financing deal with FAB and ADCB for Mirdif Hills

Dubai Investments Real Estate Company LLC [DIRC] has signed an AED 1.1 billion financing deal with First Abu Dhabi Bank [FAB] and Abu Dhabi Commercial Bank [ADCB] for Mirdif Hills development.

The project financing was arranged as a club deal by FAB and ADCB. FAB acts as a Sole Coordinator, Joint Mandated Lead Arranger, Book runner, Issuing Bank and Account Bank. ADCB acts as a facility agent and security agent on the 'Mirdif Hills' project financing.

The deal was signed by Khalid Bin Kalban, Managing Director & CEO of Dubai Investments and Chairman



of DIRC, André Sayegh, Deputy Group CEO of FAB, and Colin Fraser, Head of Wholesale Banking at ADCB.

Khalid Bin Kalban said: "Mirdif Hills is an iconic project by Dubai Investments, which sets new benchmarks in freehold mixed-use developments in Dubai. The financing agreement with First Abu Dhabi Bank and Abu Dhabi Commercial Bank reinforces Dubai Investments' commitment to work in strategic partnership with banks for its projects. This is a significant step forward as Dubai Investments continues to develop and monetize its real estate land bank."

GROWTH

MODUL University Dubai empowers students with guaranteed paid internships

MODUL University Dubai has announced key strategic initiatives aimed at not only empowering its students and securing their future employability, but also revolutionizing the sector with a 360-degree education approach.

Close on the heels of its first-of-its-kind opportunities to students: paid internships with Dubai's leading institutions and complementary pre-internship training known as 'Internships by MODUL', launched at GETEX in April 2017 which received a phenomenal response from students as well as enrollments and internship placement uptake by MODUL's various corporate partners.

Encouraged by the success of its unique approach, MODUL University Dubai has re-launched its offer for interested students to enroll to any of MODUL's academic programmes during August 2017. Benefits include free access to 'Internships by



MODUL', guaranteed paid internships at select corporate partners of MODUL as well as exclusive study grants including a sponsored trip to Vienna for MODUL's rotation programme while availing interest-free payment plans.

With the potential of saving up to AED 25,000 on MODUL's internationally accredited Austrian education, the benefits extend across MODUL's wide range of undergraduate (bachelors), post-graduate (MBA) and Graduate (MSc in Sustainable Development, Management and Policy) degrees.

The 360-degree education encompasses a global learning approach through rotation programmes across MODUL's Dubai & Vienna campuses, driving sustainability through investment in education & research and becoming a regional hub for collaboration between industry, policy makers & NGOs.



Al Mal Capital announces dividend distribution in its flagship products – Al Mal UAE & MENA Equity Fund

Al Mal Capital announced the first cash dividend for its flagship product – Al Mal MENA Equity Fund. The MENA Fund distributed USD 29 cents per unit yielding 3.5%.

Al Mal MENA Equity Fund has posted an impressive 10 year track record of successfully investing and delivering consistent returns to its unitholders. Year till date as of July 17, the Fund has generated 9.1% total returns, outperforming the benchmark by 5.1%.

Al Mal Capital is also distributing the second cash dividend for its flagship product – Al Mal UAE Equity Fund. The UAE Fund distributed 5.0 Fils per unit yielding 3.7%.

The UAE Fund posted an impressive 11 year track record of successfully investing and delivering consistent returns to unitholders. For the 12 months ending July 17, the Fund generated a total return of 10.2%. Year till date, the Fund has outperformed the benchmark by 5.0%.

The UAE and MENA Funds distributed cash dividends to all its unitholders with entitlement date being August 23, 2017 and the distribution date August 31, 2017.

By distributing cash dividends, the objective is to maintain returns that are higher than term deposit rates, whilst continuing to offer high potential for capital appreciation.

In recognition of its top-tier performance, the Fund has won several awards and nominations; the recent one being the nomination for the MENA Fund Manager Award for the UAE Equity Fund of the Year: 1-year and 3-year performance in 2016.

MENA Equity Fund outperforms

Al Mal Capital also announced that the Al Mal MENA Equity Fund has generated an alpha of +7.31% this year as of June 8.

The Fund generated a year-to-date returns of +6.87% versus a drop of -0.44% for the benchmark [S&P Pan Arab Large Cap Index].

The performance is a result of the Al Mal Capital Asset Management Division's newly-adopted deep research high conviction approach.

GROWTH

Gulf Dynamic Services targets 25% surge in sales in 2017

Gulf Dynamic Services [GDS] is targeting 25% increase in sales in 2017 as demand for quality fit-out solutions increases with new projects and renovation contracts across the UAE and GCC countries.

The Company, headquartered in Sharjah, is looking at expanding its portfolio and has undertaken a number of hotel and university projects in the UAE as part of its strategic growth plans, aimed at complementing its existing portfolio.

GDS is currently finalizing its interior work contracts for a hotel in Jaddaf, another hotel in Jumeirah Beach Residence [JBR], Balamand University in Dubai Investments Park [DIP] and FedEx offices across the Middle East and North Africa [MENA] region, among other projects.



During 2017, the Company completed a number of projects, including a 38-villa development for Al Moosa Real Estate, the FedEx Headquarters, a hotel in Dubai Production City, branches of ADCB, DIB and UNB, a fine-dining restaurant at Dubai International Financial Centre [DIFC] and headquarters for Kings College Hospital in Dubai.

With its wide portfolio, GDS is today an integral part of many prestigious architectural and commercial projects across the UAE and GCC.

PROJECTS



Emirates Glass awarded mega projects worth AED 100 million in UAE, Kuwait, Saudi Arabia

Emirates Glass LLC has announced significant growth in profitability in the first half of 2017, with mega projects worth AED 100 million awarded to the company across the UAE, Kuwait and Saudi Arabia.

Emirates Glass announced that it is executing more than AED 50 million worth of contracts in GCC countries and has also won contracts for a number of projects across Asia.

The new project wins include high performance, energy-saving, reflective coated glass products for the Ministries Complex in Kuwait, the first-ever

greenhouse being constructed in Dubai named as The Quran Park, the Enterprise Command and Control Center – EC3 of Roads & Transport Authority, Dubai and ITCC Tower & Maad Tower in Saudi Arabia.

Within the UAE, the company has also won glass contracts for Akoya Villas, Nad Al Sheba Villas, Dubai Hills Villas, Oud Al Mateena Villas, 1017 Yas West, Al Yaher, Tiara United Tower, Suites in the SKAI, Hathboor Tower, Mamsha Al Saadiyat, Adnoc Complex, Manazil Terhab Hotel, Ajman City Center and other developments.



DIRC showcases Mirdif Hills at Cityscape Global 2017; announces sale of units in Nasayem, Janayen Avenues

Dubai Investments Real Estate Company [DIRC] showcased the AED 3 billion Mirdif Hills project – the only freehold in Mirdif now, at Cityscape Global 2017 with plans to launch sale of units in the project's second cluster – Nasayem Avenue, in addition to the sale of units in Janayen Avenue, the first cluster.

Surrounded by linear gardens, Nasayem Avenue – situated at the centre of the project – offers a mix of two & three bedroom apartments up to three and four bedroom duplexes with a contemporary look. The Janayen Avenue comprises a mix of residential units of one, two, three bedroom apartments and three and four bedroom duplexes.

Construction of Mirdif Hills, being developed across three clusters – Janayen, Nasayem and Al Multaqa Avenues, is expected to be completed starting Q4 of 2018.

In addition to Mirdif Hills, spread across 3.9 million square feet, DIRC is currently developing six

residential and commercial projects across the UAE with a total built-up area of over 1.6 million square feet.

The other projects include Violet Tower in Jumeirah Village Circle [total built-up area 484,300 square feet, with 29 Floors and over 260 units, estimated completion by Q3 of 2019]; Barsha Tower in Barsha [total built-up area 418,000 square feet with 14 Floors, over 270 units, estimated completion by Q2 2019]; Nahda I building in Al Nahda [total built-up area 200,000 square feet with 14 Floors, over 140 units, estimated completion by Q1 2018]; Nahda II building in Al Nahda [total built-up area 109,000 square feet with 12 Floors, 72 units, estimated completion by Q1 2019]; Four-star hotel in Bur Dubai [total built-up area 175,000 square feet with 132 keys, estimated completion by mid-2019] and Desert Tower hotel apartment in Abu Dhabi [total built-up area 250,000 square feet with 20 Floors, 166 keys].

PROJECTS



Green Community DIP – West Phase III set to hand over 134 townhouses, 16 duplex apartments by end of 2017

Properties Investment LLC has announced plans to hand over 134 townhouses and 16 duplex apartments in stage 2 & 3 of its Green Community Dubai Investments Park – West Phase III project, by the end of 2017.

The project, covering an area of 1.48 million square feet, comprises 210 townhouses, including 122 four-bedroom and 88 three-bedroom townhouses, 16 duplex apartments, retail units, recreational centres, swimming pools, squash court and landscaped areas. A total of 76 townhouses were handed over in stage 1 in July 2017.

Stage 2 will include 100 townhouses with expected handover in October 2017; and stage 3 handover, comprising 34 townhouses, 16 apartments and

three retail units, will be completed by the year-end. The project model was also showcased at Cityscape Global 2017.

To coincide with this project progress, Properties Investment also announced plans to develop two residential buildings and expansion of The Market shopping arcade within Dubai Investments Park. The two projects, covering a total built-up area of over 480,000 square feet, are expected to be completed by the third quarter of 2019.

The new projects announced by Properties investment include two residential buildings within DIP [G+4 floors, 115 units] and The Market shopping arcade expansion [200 retail units including new food courts, plus six cinemas, 65,000 square feet].

EVENTS

Dubai Investments hosts expert talk on Positive Thinking Day

As part of its commitment to spread Happiness and Positivity in line with the UAE Government's initiatives, Dubai Investments marked the International Positive Thinking Day on September 13 with an inspiring keynote by noted life coach and trainer Sharif Maghraby.



The interactive talk session focused on positive leadership, and Maghraby engaged the audience to shed light on some progressive psychological practices to always see the glass as half full.

The long-term case for Middle East Equities

Middle East equity markets have been out of favor for a long time now. Since the financial crisis, markets have not recovered in tandem with other developed or emerging markets. From its trough in March 2009, Middle East equity markets have returned +38.0% versus +170.0% for developed markets and 107.0% for emerging markets. The financial crisis in 2008, followed by the Arab spring in 2011 and the oil crash in 2014, have not given our regional equity markets adequate time to breathe.

The Game Changer

We believe the region is on the verge of an inflection point and we expect the performance gap to narrow over time as the region's largest market opens up for foreign investors and will soon join the MSCI Emerging Market Index. Indeed, we expect Saudi Arabia to soon join the MSCI EM index with an expected weight of ~2.5% which will lead to ~\$11bn of passive inflows in total (\$3 billion through FTSE and \$8 billion through MSCI). In addition, an IPO by Saudi Aramco will add another 2% to 3% which can lead to another \$5 to 10 billion in passive flows.

Allowing more foreign ownership in the UAE, along with the addition of Kuwait and Saudi Arabia to the Index (especially with Aramco's IPO) would push

Middle East weight within the MSCI index between 8.0% and 10.0%. This can translate to \$50 billion in passive and active flows. Most importantly, asset allocators could then no longer afford to ignore the region. From one day to another, a new line will be added to global asset allocation grids: Middle East equities, alongside Asia ex-Japan, Eastern Europe and Latin America.

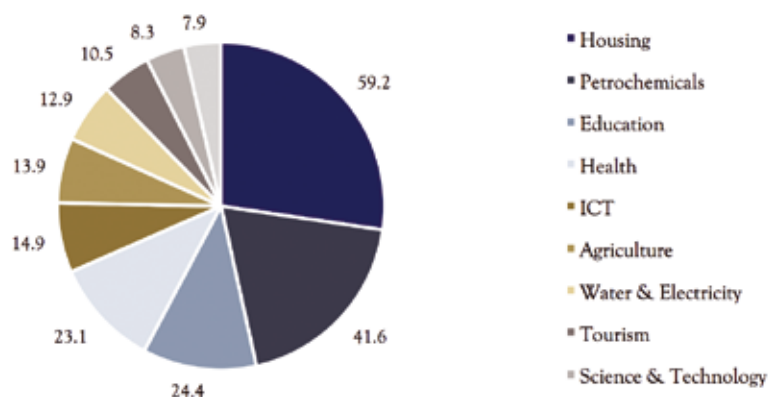
Other exciting stories are also gaining traction as the region evolves post the high oil prices era to a more sustainable economic and fiscal model that is less sensitive to oil price movement. The last two years have seen many reforms and inefficiencies being tackled (see chart below).

We like the seriousness of regional governments in addressing reforms as the room for error is actually very small. We specifically applaud the determination we see in Saudi Arabia, the region's largest economy. Put simply, their goal is to attract foreign investors and diversify revenue, and for that to happen they need to invest in infrastructure and amend regulations. The chart below shows that the expected investments are well diversified among industries.

Chart: Which reforms and inefficiencies have been addressed?

	GCC	Egypt
Fuel Subsidy	Yes	Yes
Water & Electricity Subsidy	Yes	Yes
Food Subsidy	Yes	Yes
Spending Rationalization	Yes	Yes
Monetary Reforms	No	Yes
Increasing fees	Yes	Yes
VAT	Yes	Yes

Saudi National Transformation Plan 2020 – Expected investments by Industry



Middle East equities: Inefficient, under-covered, uncorrelated and under-owned

Despite the optimistic outlook mentioned above, there is currently very little appetite for the region. And this is precisely where we do see opportunities for asset allocators and fund selectors. There is no better alpha opportunity than a market which is still full of inefficiencies (see previous section), under-covered, uncorrelated and under-owned. These are precisely the current features of Middle East equities:

Inefficient

Capital markets in Middle East are still premature and many of them took off just recently (late nineties). Moreover, markets are dominated by retail investors, where retail accounts for 90% of daily trading in Saudi Arabia, and around 75% in other GCC countries.

Transparency is not the greatest, as more than 50% of companies listed across the Middle East still report their financials and release their disclosures in Arabic, especially in Saudi Arabia and Egypt. As markets evolve, investors will be more comfortable to allocate to the region.

Under-covered

International brokers only cover a few large caps, while regional and local brokers' coverage is both limited and shallow.

Only 7% of listed companies are covered by more than 8 brokers and 35.0% are covered by at least one broker. As more companies get covered, visibility and returns should improve.

Uncorrelated

Correlation with emerging and developed markets is very low (see chart below).

Correlation of S&P Pan Arab index with other indices

Index	Index
MSCI GCC	0.97
MSCI EM	0.41
Nikkei	0.34
MSCI World	0.50
Dow Jones	0.50
S&P 500	0.48
FTSE	0.46
S&P Pan Arab Mid Large Cap NTR	1.00
Tadawul	0.74

Under-owned

Middle East markets are perceived as an “oil-only play” and thus highly exposed to geopolitical risks. If compared to their contribution to global GDP, Middle East equities are 15x under-represented within MSCI World.

Moreover, due to the absence in major indices (less than 2.0% in the MSCI Emerging Markets Index), Middle East markets are often overlooked by foreign

investors as the current foreign ownership in Saudi Arabia (the region’s largest market) is only 1.4%.

Economic Transformation and the longer term view

Since the start of the millennium, aggregated GDP in the Middle East grew at an impressive CAGR of 13.4%. Most importantly, economic diversification within GCC countries has started to take place many years ago (see chart below).

Middle East region economics & demographics - 2000 versus 2016

Middle East Region		
Indicator	2000	2016
GDP (US bn)	706.4	2,221.7
Population (mn)	214.4	302.7
GDP per Capita (US)	9,120.0	16,047.2
Oil Reserves (BBLs)	645.9	707.0
Debt to GDP	%54	%36.2
Oil % of Global Production	%29.6	%31.2
Market Cap (US bn)*	982	1,284.7

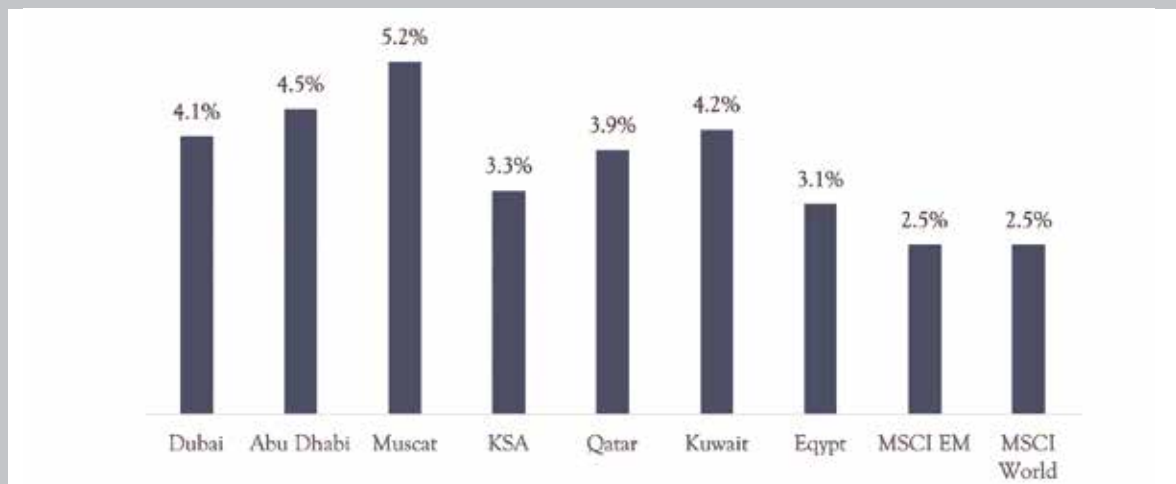
Even the region’s largest economies, such as Saudi Arabia and the UAE, have shown significant diversification efforts. Today the issue is more about diversifying fiscal revenues.

The Middle East has very strong foundations to spur future growth. It has a very young population, with ~50% under the age of 25, solid technological infrastructure, with 60% internet penetration rates (above 75% in the GCC), 47% of proven global oil reserves, and 30% of global oil production. Moreover, transforming regional economies will not be as painful as many expect due to strong fiscal positions and ~\$3.1 trillion in foreign currency reserves.

Valuations are still attractive

Middle East has a very strong dividend culture (see chart below). Importantly, Middle East companies exhibit a higher Return on Equity (~12.0%) than their Global Emerging Markets peers (~10.0%) and the potential for increasing dividends as payouts increase.

Due to higher Return on Equity and more generous dividends, Middle East equities have historically traded at a premium to emerging markets. However, they have been trading at a discount recently and missed the emerging market rally this year. Middle East equities trade at a P/E of 14.5x versus 15.9x for emerging markets.

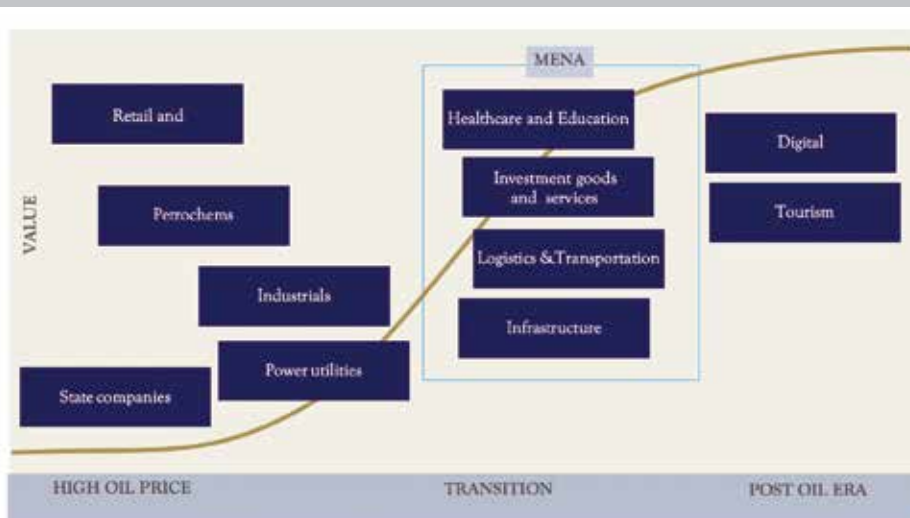
Average MENA dividend yield by market (source: Bloomberg)**Conclusion:**

We believe that Middle East equities are at a cross road today. Should Middle East governing bodies deliver on only half of the reforms and transformation discussed above, the reward for investors is likely to be very interesting.

True, volatility is likely to stay elevated but investors with a long investment horizon will be rewarded accordingly. As we discussed in last month's edition of Perspectives, we believe that 2017 should be a year of normalization in terms of government spending and consumer demand, but the longer term view is also very well-supported.

During the high oil prices era, sectors like discretionary consumption and petrochemicals were market leaders within Middle East equities. But as the region moves towards a more sustainable model, industries related to infrastructure, power, healthcare, education, transportation and outsourcing will be the main beneficiaries (see chart below). This transition is likely to offer many alpha opportunities to seasoned investors.

Historically, top quartile active managers have been able to outperform their respective benchmark by 5% to 7% per annum. We expect this outperformance to continue.

The Middle East is in transition

SUSTAINABILITY

Dubai Investments aligns with UN Sustainable Development Goals



As part of its commitment to a sustainable community and future, Dubai Investments has reinforced its support to the Sustainable Development Goals [SDGs] adopted by United Nations which was designed as the follow-on to the Millennium Development Goals 2015.

The SDGs are the core element of an 'ambitious and transformative' 2030 Agenda for Sustainable Development – the first global development agenda to be fully negotiated by UN member states, of which the UAE is a member.

The 2030 Agenda provides a global framework for national and international efforts to eradicate poverty and hunger, ensure inclusive education and empower women and girls, promote sustainable economic growth and employment, protect natural resources, and strengthen governance and institutions. There are 17 Sustainable Development Goals supported by a

total of 169 targets.

Among the steps taken by Dubai Investments in its support included distribution of leaflets and puzzle cubes to employees of Dubai Investments and its subsidiaries that detail the 17 SDGs, in addition to setting up various displays across the company's premises with SDG posters and paraphernalia.

To make the process interactive and inclusive, the employees of Dubai Investments and its subsidiaries have also been invited to be a part of the campaign; select the Sustainable Development Goals linked with their business activity and come up with an idea/initiative with the Sustainability Champion of their department/ company and help the department / company win amazing prizes.

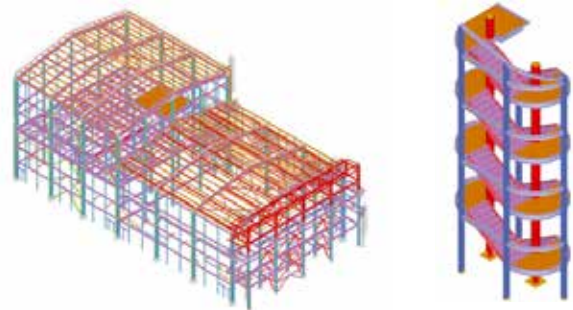
PRODUCTS

Premium quality Structural Steel set benchmarks

As a leading manufacturer in the steel structures industry, Dubai Investments subsidiary Emirates Building Systems [EBS] provides premium quality structures for all types of buildings in the region. One of its world-class products is the renowned Structural Steel.

The high-quality Structural Steel makes EBS the preferred supplier for large industrial and infrastructure projects. The company boasts of the best manufacturing capabilities in Structural Steel, with automatic submerged welding, cutting & drilling competencies under computerised numeric control [CNC].

The engineering, planning, manufacturing and delivery of EBS are large as well as flexible to



undertake major projects in an effective and competitive manner. EBS has an established track in power plants, petrochemicals and large industrial plants with its Structural Steel.

As a Structural Steel manufacturer, EBS can engineer and manufacture any complex structures and buildings. The Company is capable of handling special type steel structures with complex shapes – be it the crown structures of high-rise buildings and airport terminals. To meet these requirements, EBS special steel structures are specifically designed and modelled.

For the last 20 years, innovation has been at the core of all product launches at Dubai Investments. Aimed at driving value to its stakeholders, Dubai Investments unveiled a number of product innovations – which have set new benchmarks across sectors. The products have been driven by pioneering technologies and the latest knowhow across specific industries, to deliver optimum value.

DI GALLERY



Dubai Investments Real Estate Company [DIRC] and Properties Investment [PI] showcased the Mirdif Hills and Green Community DIP – West Phase III projects at Cityscape Global exhibition at Dubai World Trade Centre in September. The projects received an overwhelming response with encouraging sales enquiries.



Dubai Investments supported the Blind Goalball Championships, recently organized by Emirates Association of the Visually Impaired in Dubai.

MODUL University Dubai students marked the first day of the September 2017 academic session with celebrity radio show hosts Kris Fade and Priti Malik from Virgin Radio.



DI GALLERY



MODUL University Dubai held an Orientation for its September 2017 intake at DI House Auditorium. The orientation included a keynote address by Zaid Maleh, Managing Director of MODUL University, followed a welcome speech by Mohammed Saeed Al Raqbani, General Manager of Dubai Investments Industries. This was followed by address by Prof. Dr. Jorg Finsinger, Academic President, and felicitation of some MODUL achievers.



King's College Hospital [KCH], London's new Medical Centre was inaugurated in Jumeirah, Dubai in September by H.E. Humaid Al Qutami, Chairman of Board and Director-General of Dubai Health Authority, Ahmed H. Al Tayer, Chairman of KCH UAE and Al Tayer Group, Mohammed Saeed Al Raqbani, General Manager of Dubai Investments Industries, in the presence of dignitaries.

Dubai Investments supported the 'Helayel Reads' program by Rawafed Development and Learning Centre, in partnership with Emirates Red Crescent and Dubai Public Libraries in July and August 2017. The program focused on children struggling with literacy and aged 6 to 12 years and encourage them to read and learn.

