

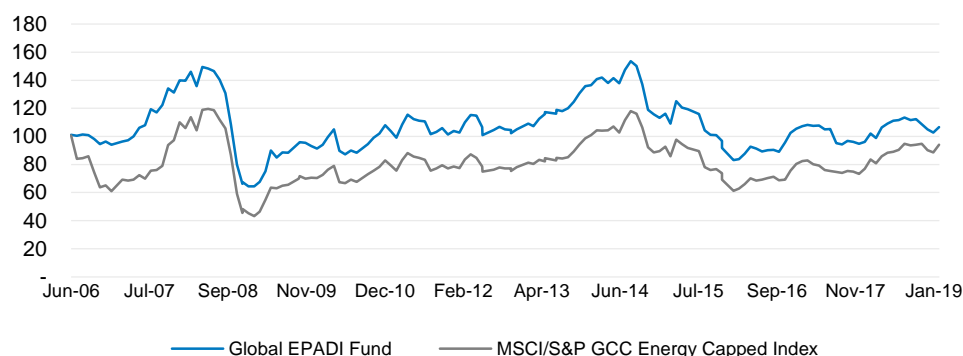
MENA Asset Management

# Global EPADI Fund

## Fund Objective & Strategy

The fund seeks to achieve long-term capital appreciation by investing in companies principally engaged in energy, petrochemicals, and downstream industries listed on the Arabian stock exchanges. The investment process is based on a bottom-up stock selection methodology along with a macroeconomic overlay to identify growth opportunities throughout the MENA region.

### USD100 Invested Since Inception



\*Note: We have changed the benchmark to S&P GCC Energy Capped Index on Sept 30, 2010

### Cumulative Returns (%)

	1 M	3 M	1 Y	2Y	YTD	*SI
<b>Fund</b>	3.7	-1.9	4.6	-0.5	3.7	6.6
<b>Benchmark</b>	6.1	-0.7	12.5	14.0	6.1	-6.0
<b>Difference</b>	-2.4	-1.1	-8.0	-14.5	-2.4	12.7

### Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
<b>Fund</b>	29.3	-14.8	-20.7	14.9	-8.9	7.1
<b>Benchmark</b>	26.3	-10.1	-21.8	16.0	-4.4	15.2
<b>Difference</b>	3	-4.7	1.1	-1.1	-4.5	-8.1

## Fund Information

**Asset Type**  
Equity

**Geographic Focus**  
GCC Markets

**Fund Manager**  
Global Investment House

**Benchmark**  
S & P GCC Large Mid Energy  
custom cap index

**Domicile**  
Bahrain

**Launch Date**  
March 2006

**Structure**  
Open-Ended

**NAV**  
106.634

**Current Fund Size**  
13.94mn

**Base Currency**  
US Dollar (USD)

**Initial Investment**  
10,000

**Subsequent Investment**  
5,000

**Subscription & Redemption**  
Weekly

**Initial Charge**  
2%

**Management Fee**  
1.75% p.a

**Custodian Fee**  
0.125% p.a

**Performance Fee**  
20% over 10% p.a.

**Redemption Fee**  
None

**Custodian**  
HSBC Bank Middle East Limited,  
Bahrain.

**Auditors**  
KPMG Fakhro, Bahrain

**Bloomberg Code**  
GEPADIN

**ISIN Code**  
BH000A0QY1S6

**Risk Metrics** - 5 years to Jan 2019

Tracking Error 7.3%

Beta 0.83

Information Ratio N/A

Sharpe Ratio N/A

Standard Deviation 16.5%

# Global EPADI Fund

## Fund Review

Global EPADI Fund returned positive for the month under review. The Fund gained 3.7% MoM, underperforming the benchmark which also gained 6.1% MoM.

### Positive Contributors:

Positive contributors to the fund performance include our OW position in Yansab as the stock returned 8% MoM.

### Negative Contributors:

Negative contributors to the fund performance include our UW position in QGTS as the stock gained by 11.5% MoM.

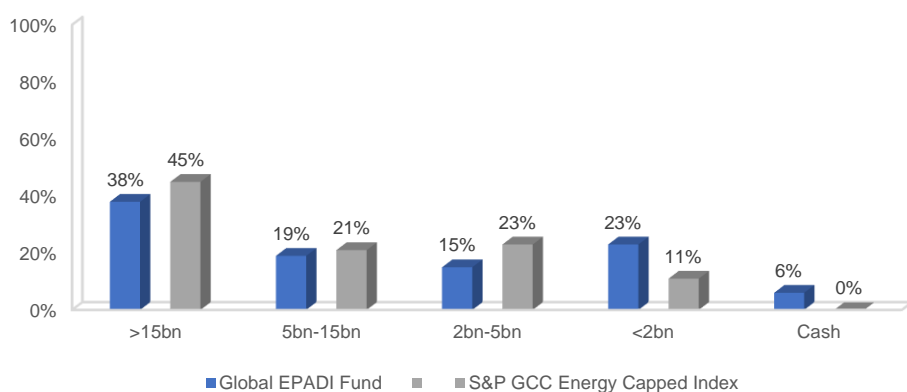
## Top Five Fund Holdings

Stock	Country
SABIC	Saudi Arabia
IQCD	Qatar
SIIG	Saudi Arabia
Yansab	Saudi Arabia
Safco	Saudi Arabia

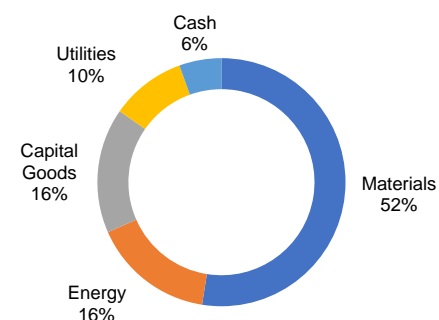
## Country Weights

Country	Benchmark (%)	Fund (%)
Saudi	60.1	54.7
UAE	0.0	0.0
Kuwait	6.2	19.4
Qatar	33.6	20.4
Oman	0.2	0.0
Cash	NA	5.5

## Market Cap Weightings



## Sector Breakdown



## Market Commentary

The January effect came into play this year with 2019 opening with the strong equities performance globally. US markets returned strongly in the first month with Dow gaining 7.9% despite government shutdown as the Fed turned dovish on the interest rate outlook. A similar trend was witnessed in the EMs with MSCI EM index gaining 8.75% during the month. On the commodities front, Brent oil recovered sharply in January gaining 13.1% helped by the renewed supply cut agreement by OPEC+ nations. The WTI outperformed Brent by gaining 18.5% due to concerns about Venezuelan crude supply due to political unrest and the imposition of US sanctions on the Latin American country.

As 4Q earnings season is underway, so far, the

GCC companies have reported an EPS increase of 9% y-o-y- albeit in remains slightly below consensus estimates. However, top down factors including strong oil and the imminent inclusion in leading passive indices resulted in strong rally for Saudi- which gained 9.4% during the month. Also, during the month, Saudi Arabia raised USD7.5bn by tapping international bond markets. This was also seen as a vote of market confidence to the largest gulf nation. The kingdom intends to issue USD32bn worth of bonds in 2019 to cover the budget deficit. Saudi's public debt amounted to SAR560bn (USD150bn) or 19.1% of GDP in 2018, and the budget forecasts a rise to SAR678bn or 21.7% of GDP in 2019. A strong rally in oil and Saudi cues helped other GCC markets with Qatar rising 4.1%- continuing its 2018 trend. Also,

Kuwaiti market increased 3.1% and both Abu Dhabi and Dubai gained 2.6% and 1.5% respectively during the month.

For 2019, our outlook for GCC countries remain mixed due to the impact of weaker oil restricting the fiscal space but supported by passive flows in Saudi and Kuwait. Also, despite the strong performance in 2018, the current valuations remain reasonable for key GCC markets. Overall, we expect the GCC markets to deliver muted returns in 2019 with risks tilted to the downside. Accordingly, our strategy for alpha generation is by positioning the markets opportunistically.

### Disclaimer

Past performance is not a guide to future returns. All the information contained in this document is believed to be reliable but may be inaccurate or incomplete. A full explanation of the characteristics of the investment is given in the prospectus. Any opinions stated are honestly held but are not guaranteed. The outlook expressed in this fact sheet represents the views of the fund manager at the time of preparation and are not necessarily those of the Global Investment House as a whole. They may be subject to change and should not be interpreted as investment advice. The document is meant for financial promotion and does not provide you with all the facts you need to make an informed decision about investing and hence is not intended to constitute investment advice. The information provided should not be considered as a recommendation or solicitation to purchase, sell or hold these securities. It should also not be assumed that any investment in these securities was or will be, profitable.

Global Investment House K.S.C.C.  
P.O. Box: 28807 Safat, 13149 Kuwait  
Tel.: (965) 2295 1000  
www.globalinv.net