

Global Saudi Equity Fund

Fund Information

Fund Objective & Strategy

Achieving long-term capital growth with predefined and controlled levels of risk, by investing in stocks listed on the Saudi stock exchange. In addition, the fund will aim to achieve returns that exceed the average by benefiting from the expected economic growth in Saudi Arabia while maintaining a suitable level of diversification for fund assets and reduction of total risk by investing in different market sectors. The fund manager selects companies selling at a discount to intrinsic value. We identify intrinsic value through rigorous fundamental analysis and research conducted by an experienced investment team. Research is done on a company-by-company basis to determine the economic worth of companies based on projected future earnings and cash flows taking into consideration economy and market activity.

Asset Type

Equity

Geographic Focus

Saudi Arabia

Fund Manager

Global Investment House

Benchmark

Tadawul All Share Index – TASI

Fund Listing

Saudi Arabia

Launch Date

January 2009

Structure

Open-Ended

NAV

SAR 277.17

Current Fund Size

SAR 618.3 mn

Base Currency

Saudi Riyal

Initial Investment: SAR 10,000

Subsequent Investment

Minimum of SAR 5,000

Subscription & Redemption

Sunday & Tuesday of every week

Initial Charge: 2%

Management Fee: 1.75% per annum

Custodian Fee: 0.15 %

Administration Fee: 0.13%

Audit Fee: SAR 70,000

Tadawul Fee: SAR 5,000

CMA Fee: SAR 7,500

Annual Expenses For Individual

Members: Max SAR 40,000

Custodian *

HSBC Saudi Arabia

Redemption Fee

1% if exit before one month

Auditors

KPMG Al Fozan & Partners

Bloomberg Code

GLOBEQC AB

RIC Code

LP65135767

VAT Applies for the Fee Max 5%

Risk Metrics

5 years to February 2019

Tracking Error 4.71%

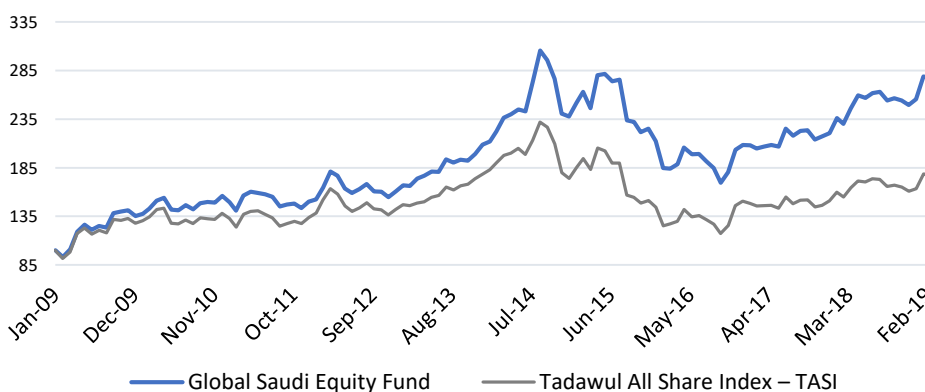
Beta 0.95

Information Ratio 1.25

Sharpe Ratio 0.10

Standard Deviation 20.5%

RS 100 Invested Since Inception



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	*SI
Fund	-0.6	11.1	20.4	8.5	177.2
Benchmark	-0.8	10.3	14.5	8.5	77.3
Difference	0.2	0.8	5.9	0.0	99.9

*Since Inception (January 2009)

Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
Fund	30.1	13.8	-10.6	-1.8	5.8	15.7
Benchmark	25.5	-2.4	-17.1	4.3	0.2	8.3
Difference	4.6	16.2	6.5	-6.1	5.6	7.4

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Fund Review

Global Saudi Equity Fund was down 0.6% M/M in February 2019, outperforming the benchmark which was down 0.8% M/M during the same period.

Positive Contributors:

Our OW positions in AlRajhi Takaful and BUPA coupled with UW positions in Jabal Omar and Savola contributed positively towards the fund's relative performance during the month.

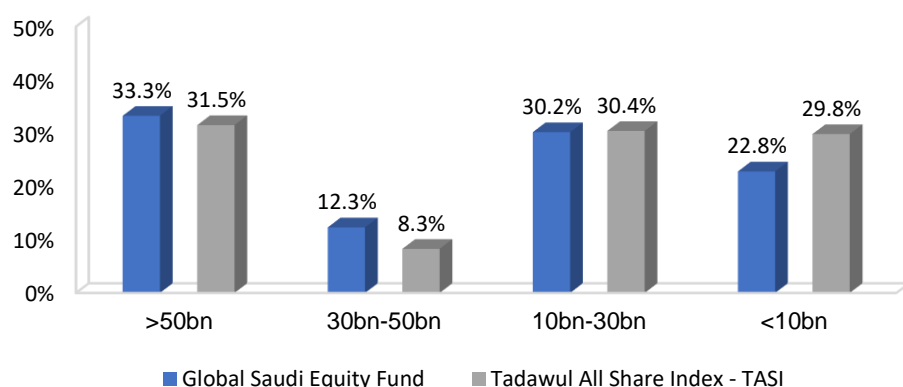
Negative Contributors:

Our OW positions in SAIB and Othaim Markets coupled with UW positions in Etihad Etisalat and Tasnee contributed negatively towards the fund's relative performance during the month.

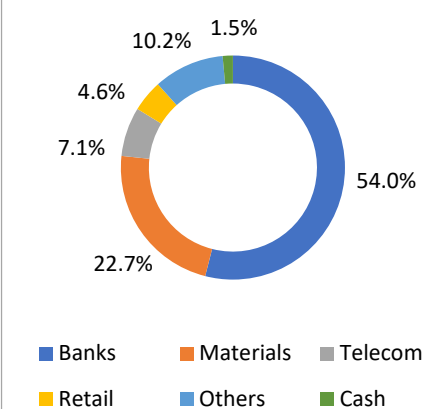
Top Five Holdings

Stock	Sector	Fund (%)
Al Rajhi Bank	Banks	15.9
SABIC	Materials	8.9
NCB	Banks	8.4
Samba	Banks	7.1
Riyad	Banks	5.2

Market Cap Weightings



Sector Breakdown



Market Commentary

US equities continued rally in February as Dow gained 3.7% on optimism on the US-China trade talks. Contrary to the US performance, however, MSCI EM index consolidated following a strong January performance. Brent oil also continued its strong performance returning 9% during the month, taking the YTD gains to 23.3% - helped by a reduced supply by OPEC+ nations. The oil benchmark gained despite an increased US shale production as delivery bottleneck to the US Gulf coast remains until the second half of 2019.

With Q4'18 earnings season underway,

only 60 companies have announced their results so far. Saudi companies reported Q4 earnings growth of 15.7% YoY - albeit with revenues growth of only 3.3%. Following a strong rally in January, Tadawul fell 0.8% during the month. Starting March-19, the first leg of implementation of Saudi inclusion to EM benchmarks will commence and its impact on the prices and the flows will be watched carefully by the market participants.

For 2019, our outlook for Saudi remains mixed due to the tight fiscal space and

stretched valuations but supported by passive flows. Overall, we expect the Saudi market to deliver strong returns in 2019 albeit with high volatility. Accordingly, our strategy for alpha generation is by positioning the markets opportunistically.

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