

Global Saudi Equity Fund

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.

Fund Information

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 289.3

Current Fund Size

SAR 645.3 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 March 2019

Tracking Error 4.64%

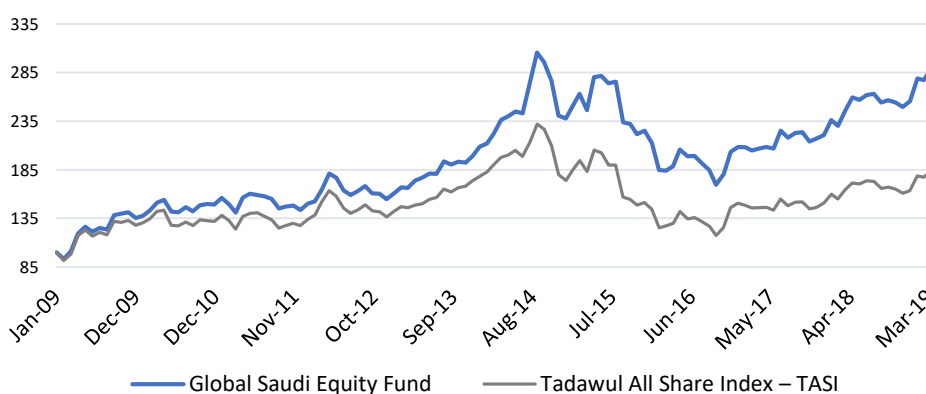
Beta 0.94

Information Ratio 1.19

Sharpe Ratio 0.09

Standard Deviation 20.4%

RS 100 Invested Since Inception



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	*SI
Fund	4.36	13.23	17.62	13.23	189.26
Benchmark	3.85	12.68	12.05	12.68	84.14
Difference	0.51	0.55	5.56	0.55	105.12

*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 up 4.36% M/M in March 2019, outperforming the benchmark which was up 3.85% M/M during the same period.

Positive Contributors:

Our OW positions in Zain KSA and Samba coupled with UW positions in Jabal Omar and Saudi Kayan contributed positively towards the fund's relative performance during the month.

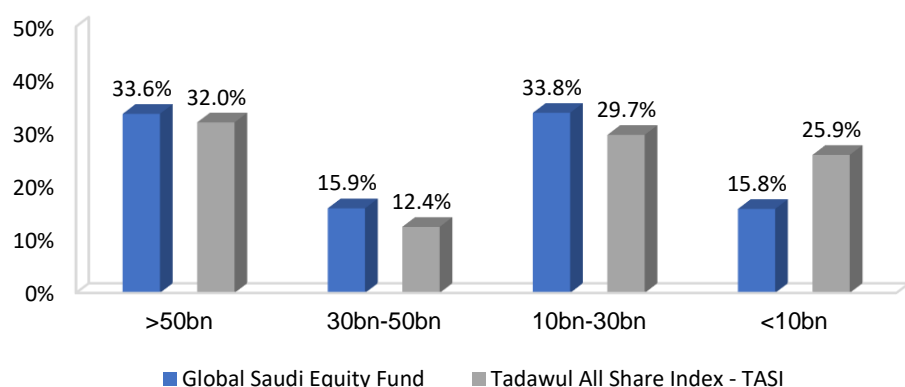
Negative Contributors:

Our OW positions in AlRajhi Takaful and Extra coupled with UW positions in AlTayyar and Etihad Etisalat contributed negatively towards the fund's relative performance during the month.

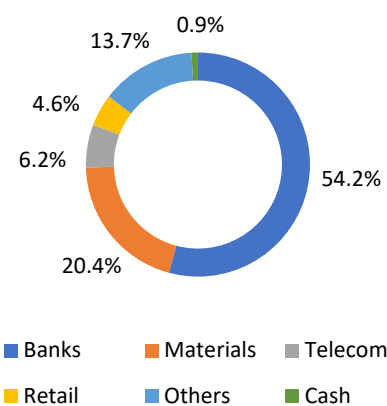
Top Five Holdings

Stock	Sector	Fund (%)
Al Rajhi Bank	Banks	16.4
SABIC	Materials	8.7
NCB	Banks	8.5
Samba	Banks	6.6
Riyad	Banks	5.4

Market Cap Weightings



Sector Breakdown



Market Commentary

US equities recorded the best quarterly gains in nearly 10 years as S&P 500 gained 12.3% during the quarter. The performance was amplified following a weaker last quarter, strong momentum in US economy and dampened expectations of interest rates hike. US equities also outperformed MSCI EM Index which recorded a gain of c9% in Q1'19 but remained flat in the month of March. Oil continued the momentum in March with both WTI and Brent gaining 5.1% and 1.9% respectively as supply cut remained strictly enforced with stable demand outlook.

Tadawul gained 3.8% during March which took the YTD gains to 12.7%. The Kingdom's inclusion to FTSE EM index kick started in mid-March with the first tranche being implemented during the month. Another major event in Saudi Arabia occurred in Petrochemicals sector where Saudi Aramco announced the acquisition of PIF's 70% stake in SABIC for cUSD70bn. The month concluded with the end of annual financial earnings announcement window. In all, earnings of 171 listed companies grew by 5.6% and 7.9% YoY for Q4 and 2018 respectively.

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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