

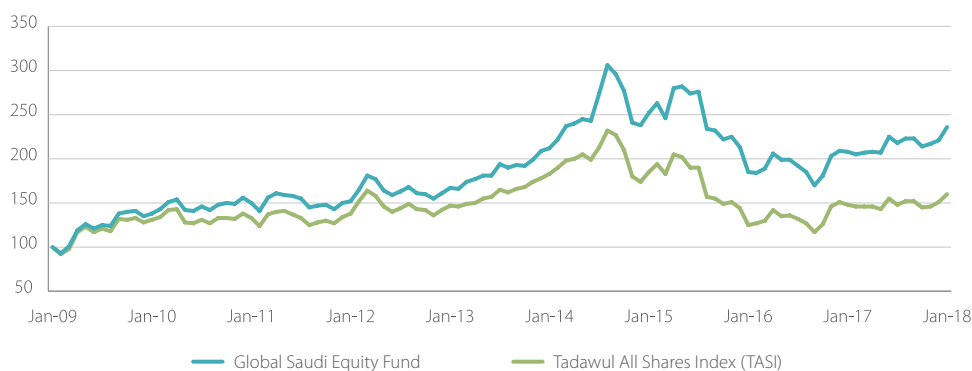
MENA Asset Management

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.

Performance (Re-based to 100)



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	SI *
Fund	7.0	10.3	13.5	7.0	136.3
Benchmark	5.9	10.3	7.7	5.9	59.7
Difference	1.1	0.0	5.8	1.1	76.6

*Since Inception (January 2009)

Yearly Performance Ending 31st December (%)

	2012	2013	2014	2015	2016	2017
Fund	7.0	30.1	13.8	-10.6	-1.8	5.8
Benchmark	6.0	25.5	-2.4	-17.1	4.3	0.2
Difference	1.0	4.6	16.2	6.5	-6.1	5.6

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 236.30

Current Fund Size
SAR 526.5 mn

Base Currency
Saudi Riyal

Initial Investment
10,000

Subsequent Investment
Minimum of 5,000

Subscription & Redemption
Sunday & Tuesday of every week

Initial Charge
2%

Management Fee
1.75% per annum

Custodian Fee
0.15 %

Custodian
SABB Securities - KSA

Redemption Fee
1% if exit before one month

Auditors
KPMG Al Fozan & Partners

Sharia Board
-

Bloomberg Code
GLOBEQC AB

RIC Code
LP65135767

Risk Metrics

Tracking Error	4.50%
Beta	0.94
Information Ratio	1.04
Sharpe Ratio	0.38
Standard Deviation	19.4%

Fund Review

Global Saudi Equity Fund was up 7.0% M/M in January 2018, outperforming the benchmark which was up 5.9% M/M during the same period.

Positive Contributors:

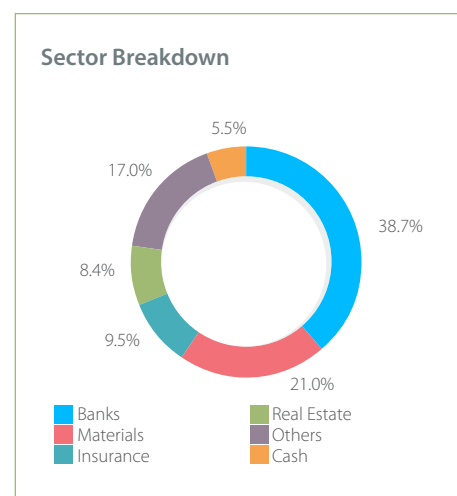
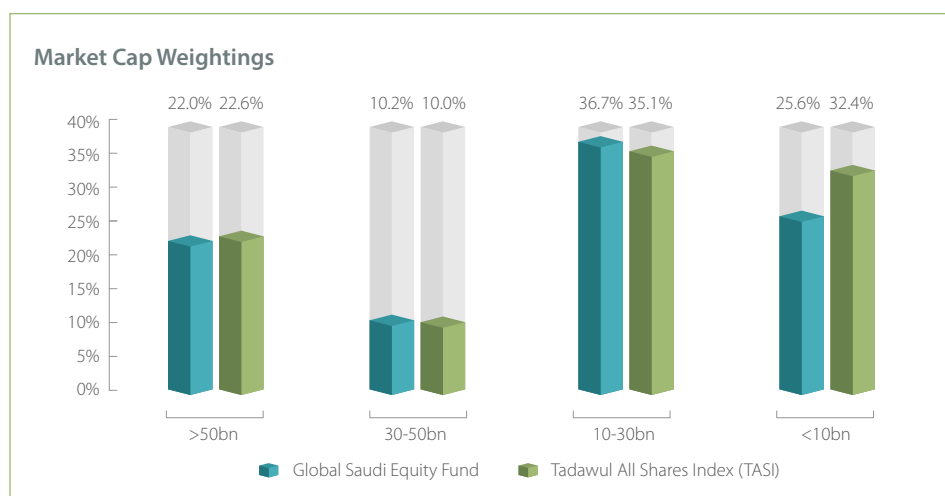
Our OW positions in AlRajhi Takaful and Walaa coupled with UW positions in Saudi Electricity and National Shipping contributed positively towards the fund's relative performance during the month.

Negative Contributors:

Our OW positions in Tawuniya and Khaleej Training coupled with UW positions in Kayan and AlRajhi Bank contributed negatively towards the fund's relative performance during the month.

Top Five Holdings

Stock	Sector	Fund (%)
Al Rajhi Bank	Banks	13.0
SABIC	Materials	8.99
NCB	Banks	6.21
Samba	Banks	4.10
Jabal Omar	Real Estate	4.01
Total of Top Five		36.3



Market Commentary

The year 2018 continued the strong performance in equities globally. US markets scaled new highs with Dow gaining 5.8% during the month. Likewise, EMs also continued the rally with MSCI EM index gaining impressive 6.5% in January. On the currencies front, contrary to the conventional wisdom, the weakness in USD intensified - despite the supportive moves like the US interest rate hikes and tax cuts. Brent oil continued momentum by rallying 3% during the month - helped by the supply cut agreement by OPEC+ nations, stronger demand expectations and a weaker USD.

Supported by higher oil prices and positive cues from global markets Tadawul gained 5.8% during the month backed by positive factors including optimism on spending and the winding down of corruption probe. Kingdom's banking and

materials sector performed strongly on earnings optimism. With Q4 earnings announcement timeline relaxed given transition to IRFS, annual earnings announcement are expected to continue all the way into March.

Moving forward, Saudi equity outlook for 2018 gives us comfort as the biggest revenue generator – crude oil – has found its base which has led to more accommodative fiscal policies. With this backdrop, the additional inflows from potential inclusion of Saudi in major passive trackers, we are generally optimistic on the market for 2018 with outlook ranging from slightly neutral to moderately bullish across the board.

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