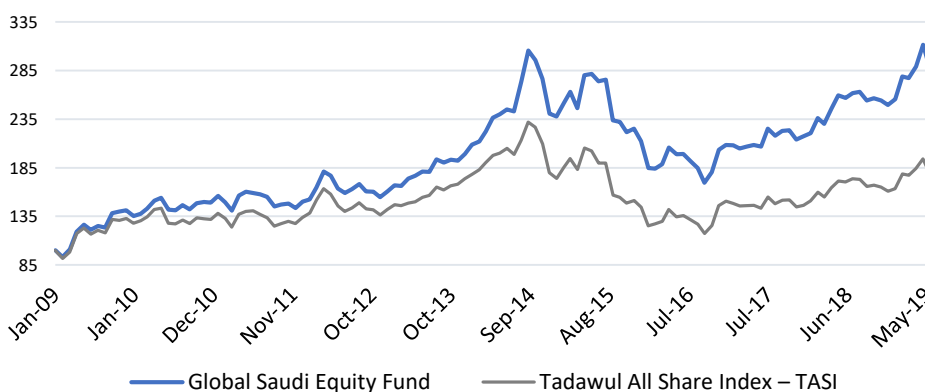


# Global Saudi Equity Fund

## 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.

### RS 100 Invested Since Inception



### Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	*SI
<b>Fund</b>	-8.15	3.23	11.43	12.00	186.12
<b>Benchmark</b>	-8.47	0.28	4.35	8.81	77.82
<b>Difference</b>	0.32	2.95	7.08	3.19	108.30

\*Since Inception (January 2009)

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

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

## 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 286.12

### Current Fund Size

SAR 638.3 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 May 2019

Tracking Error 4.68%

Beta 0.95

Information Ratio 1.28

Sharpe Ratio 0.06

Standard Deviation 21.0%

# Global Saudi Equity Fund

## Fund Review

Global Saudi Equity Fund was down 8.2% M/M in May 2019, outperforming the benchmark which was down 8.5% M/M during the same period.

### Positive Contributors:

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

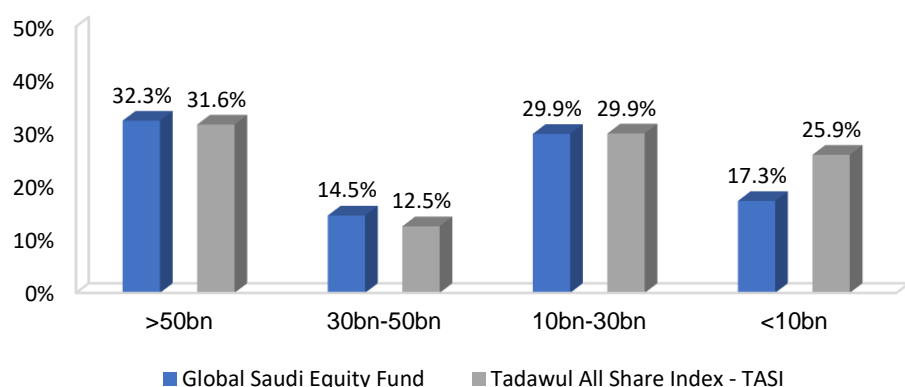
### Negative Contributors:

Our OW positions in AlRajhi Takaful and NCB coupled with UW positions in Southern Cement and Saudi Catering contributed negatively towards the fund's relative performance during the month.

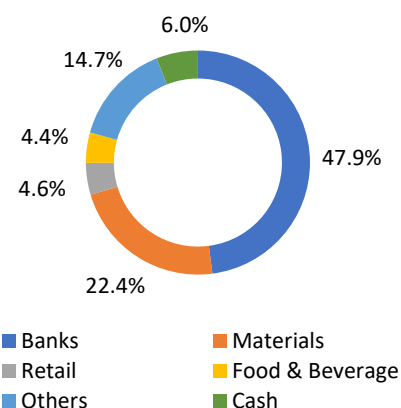
## Top Five Holdings

Stock	Sector	Fund (%)
AlRajhi Bank	Banks	16.6
SABIC	Materials	8.1
NCB	Banks	7.7
Riyad	Banks	5.8
Samba	Banks	4.9

## Market Cap Weightings



## Sector Breakdown



## Market Commentary

The month of May witnessed a spike in the trade tensions between the US and China which resulted in a 6.6% correction in S&P 500. The trade worries also spilled globally in both developed and emerging equity markets as the respective benchmarks represented by MSCI EAFE and MSCI EM fell by 4.66% and 7.26% respectively during the month. Accordingly, a combination of the cues from the global equity markets and lack of any announcement regarding the renewal of supply cut agreement resulted in a 14% decline in Brent oil prices in May. The fall was despite the heightened US-Iran

tensions which has raised geo-political tensions in the gulf region.

Tadawul witnessed a sharp drop of 8.5% during the month despite the key inflow event regarding the first leg of MSCI inclusion. The massive supply from the foreign investors dragged the index albeit supported by the MSCI related passive flows. Overall, the foreign holding in the Index increased by 99bps to 6.64%. Tadawul is expected to witness inflows with the remaining FTSE and MSCI events extending into Q1'20.

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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