

Al Mal MENA Equity Fact Sheet

NAV Per Unit: USD 9.01



May 2019

Fund Objective: The objective of the Fund is to achieve significant capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

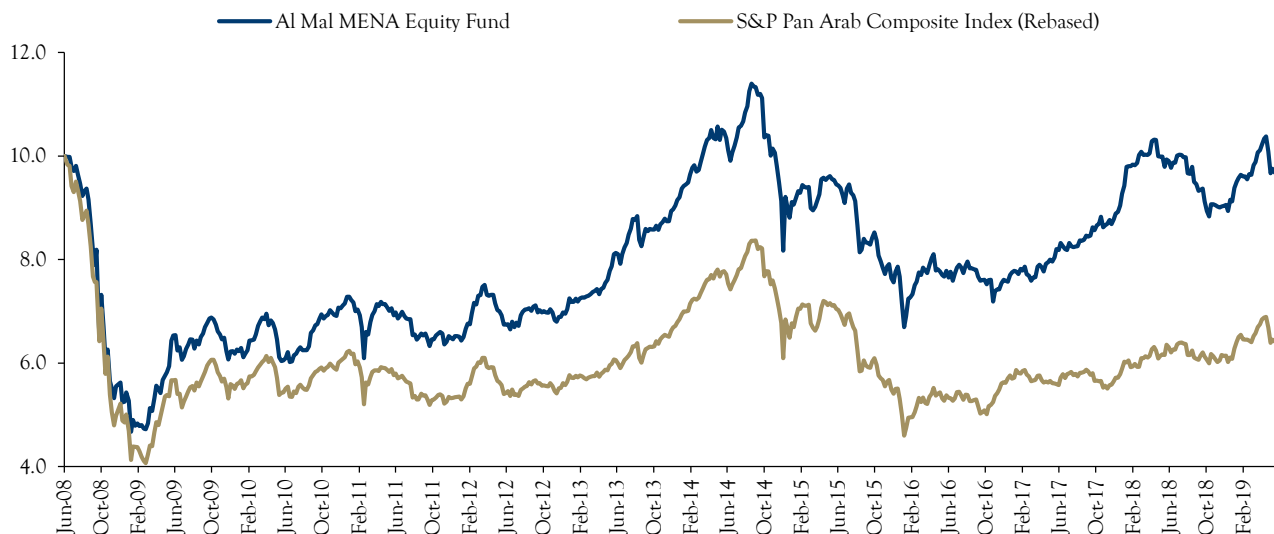
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA Vrajesh Bhandari, CFA
Inception Date	15th June 2008
Fund Size	USD 25 million
Strategy Size	USD 80 million
Fund Registration	Bahrain
Currency	USD
Subscription	Weekly
Min Subscription	USD 250,000
Bloomberg Code	MALMENE BI
Reuters Code	LP65123002
Management Fee	1.75%
Subscription Fee	Up to 3%
Redemption	Weekly
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered
Auditors	Deloitte

Performance	Fund	Benchmark	Relative Perf.
2019	5.8%	5.1%	0.7%
2018	2.6%	6.8%	-4.1%
2017	17.8%	1.3%	16.5%
2016	-3.7%	4.1%	-7.8%
2015	-12.5%	-17.6%	5.1%
2014	-0.7%	-1.5%	0.8%
2013	31.1%	18.9%	12.2%
2012	6.6%	2.6%	4.0%
2011	-8.8%	-15.1%	6.3%
2010	15.7%	13.9%	1.8%
2009	17.7%	12.7%	5.0%
2008	-47.5%	-49.9%	2.4%
Since Inc.	-3.2%	-35.9	32.7%

Performance ¹	Fund	Benchmark ²	Relative Perf.
1 Month	-6.3%	-6.8%	0.5%
YTD*	5.8%	5.1%	0.7%
1 Year	-1.1%	4.2%	-5.3%
3 Years	26.2%	21.7%	4.5%
5 Year	-7.5%	-17.5%	9.9%
Since Inc.	-3.2%	-35.9%	32.7%

Performance



* As of 29 of May 2019

Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)

¹ Performance is net of fees; 3-year and 5-year return is cumulative

²S&P Pan Arab Composite Index

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Fund Manager Commentary:

The month of May lived true to its reputation. Equities were routed globally due to the trade tariff tensions. The S&P Pan Arab Index lost -6.8%, more than half of its 2019 gain, though better than the -9.2% decline in MSCI Emerging Markets Index. Saudi Arabia and UAE were the worst hit, whereas Kuwait and the smaller markets of Oman and Bahrain fared better. The Fund outperformed the benchmark by 50 basis points.

Portfolio holding NMC Health raised its 2019 guidance to reflect the impact of the newly formed JV in KSA with GOSI/ Hassana. EBITDA was revised to USD580m and net income is expected to grow to USD325m. NMC will fully consolidate the JV operations and will have a combined bed capacity of 1,490 beds (665 beds contributed by NMC and 825 by CARE) – effectively adding 38% to its 2018 year end bed capacity of 2,185.

Orascom Construction, one of our bottom up ideas in Egypt, reported strong numbers. EBITDA grew 17% y/y with no drag from the US operations. Stock trades on 2x 2019e EV/EBITDA. With conservative assumptions of no growth in project awards, we still see upside of 40%.

In the Kingdom of Saudi Arabia, the Red Sea Development Co. is in talks with local and global companies for investment in the project. We have a close eye on actual on-ground progress to assess the impact on cement demand and bank lending, the two ways in which we like to play the theme.

We have added a new idea in the Saudi midcap space – Leejam Sports. The company operates 126 fitness clubs and is the market leader in the space with a 27% share. Saudi Arabia has one of the most overweight population globally, with around 34% obese and 68% overweight, according to the WHO. The young population is increasingly fitness conscious - a huge addressable market. Leejam runs four diverse formats – for mass market, budget, premium and junior- useful in capturing a wide range of customers based on different income brackets. Female fitness market is in its infancy and presents an excellent growth opportunity.

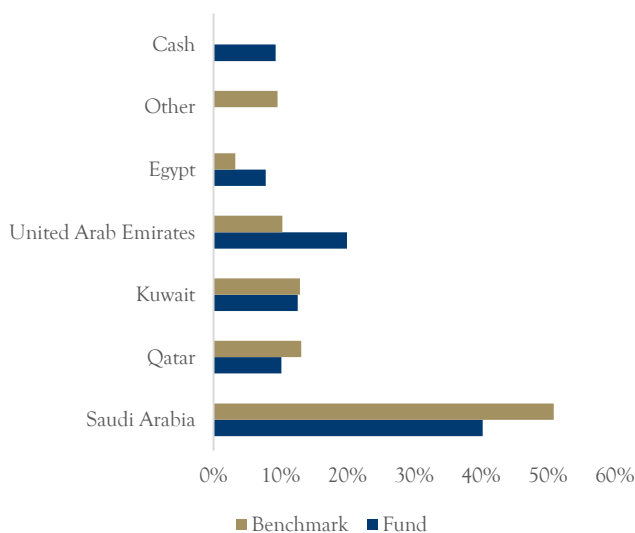
Top Portfolio Holdings	% of Fund
Al Rajhi Bank	6.2
National Bank of Kuwait	5.7
Qatar National Bank	5.6
Saudi Basic Industries Corp	3.9
Samba Financial Group	3.8
Total # of Holdings	36

Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)

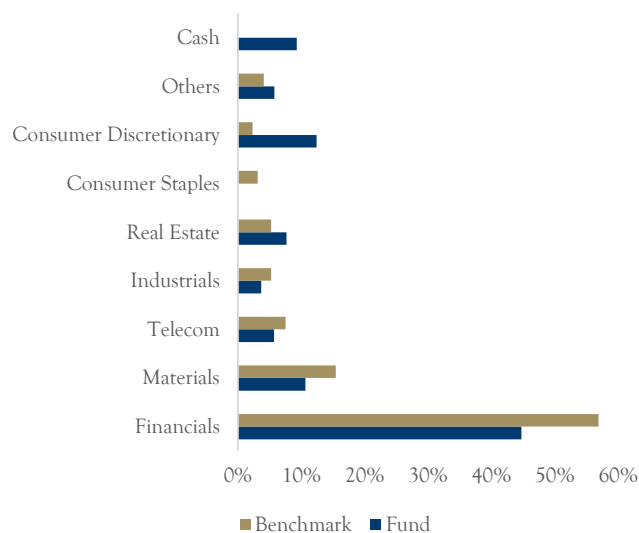
Fund Characteristics ²	Fund	Benchmark
Standard Deviation	14.5%	14.8%
Sharpe Ratio	-0.29	-0.43
Beta	0.88	
Tracking Error	6.7%	
Information Ratio	0.32	

² Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation



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