

# Al Mal UAE Equity Fact Sheet

NAV Per Unit: AED 1.20



February 2019

**Fund Objective:** The Al Mal UAE Equity Fund's objective is to achieve medium to long-term capital growth by investing primarily in equities listed on the UAE Exchange.

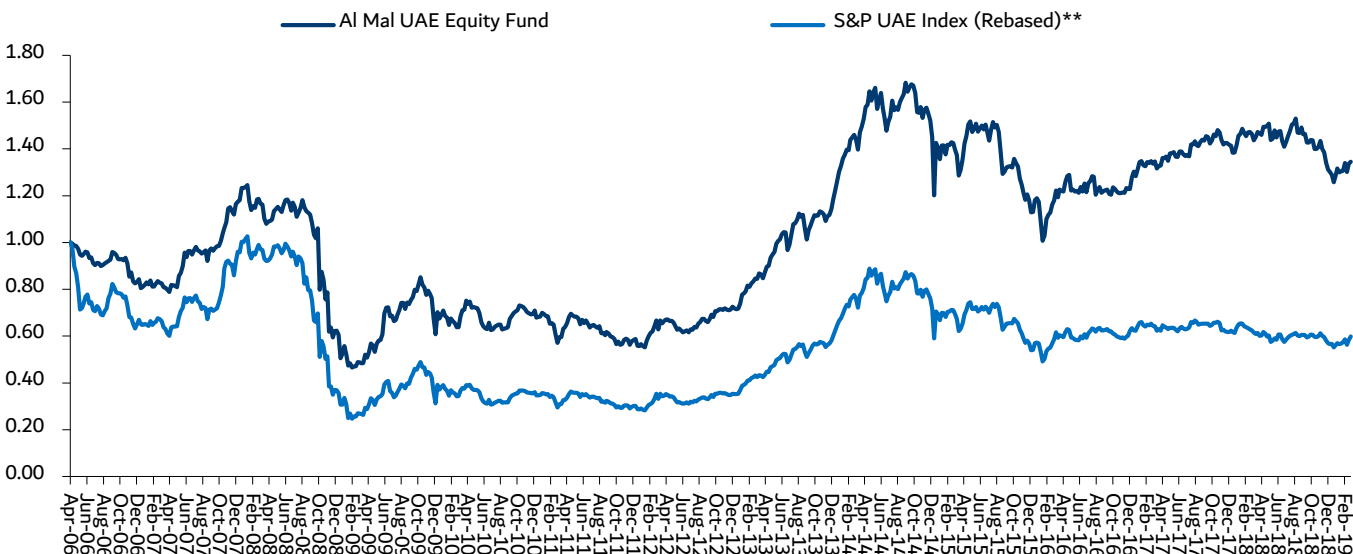
## Key Terms:

<b>Fund Manager</b>	Charles-Henry Monchau, CFA Vrajesh Bhandari, CFA Sanat Sachar, CFA
<b>Inception Date</b>	5th April 2006
<b>Fund Registration</b>	UAE
<b>Currency</b>	AED
<b>Fund Size</b>	AED 29mn
<b>Subscription</b>	Weekly
<b>Dividend Frequency</b>	Yearly
<b>Min Subscription</b>	AED 100,000
<b>Management Fee</b>	1.50%
<b>Performance Fee</b>	20% over 10% hurdle with high watermark
<b>Subscription Fee</b>	Up to 2%
<b>Redemption</b>	Weekly
<b>Benchmark Index</b>	S&P UAE Composite Index
<b>Fund Type</b>	Open Ended
<b>Administrator</b>	Standard Chartered
<b>Custodian</b>	Standard Chartered
<b>Financial Year End</b>	31st December
<b>Auditors</b>	Deloitte

Performance Yearly	Fund	Benchmark	Relative Perf.
2019	3.0%	5.6%	-2.6%
2018	-5.7%	-7.7%	2.0%
2017	7.8%	-1.6%	9.4%
2016	7.9%	9.0%	-1.1%
2015	-15.3%	-17.6%	2.3%
2014	11.2%	7.5%	3.7%
2013	81.4%	88.0%	-6.6%
2012	28.7%	23.5%	5.2%
2011	-18.4%	-17.7%	-0.7%
2010	-1.0%	-8.8%	7.8%
2009	31.2%	24.6%	6.6%
2008	-56.9%	-69.4%	12.5%
2007	50.4%	54.8%	-4.4%
2006	-19.1%	-35.2%	16.1%
<b>Since Inc.</b>	<b>34.5%</b>	<b>-40.2%</b>	<b>74.7%</b>

Performance <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Relative Perf.
<b>1 Month</b>	2.9%	4.1%	-1.2%
<b>YTD*</b>	3.0%	5.6%	-2.6%
<b>1 Year</b>	-8.1%	-4.1%	-4.0%
<b>3 Years</b>	14.0%	2.2%	11.8%
<b>5 Year</b>	-6.6%	-21.2%	14.7%
<b>Since Inc.</b>	<b>34.5%</b>	<b>-40.2%</b>	<b>74.7%</b>

## Performance



\* As of 27<sup>th</sup> of February 2019

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

<sup>1</sup> Performance is net of fees; 3-year and 5-year return is cumulative

<sup>2</sup>S&P Pan Arab Composite Index

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## Fund Manager Commentary:

Abu Dhabi's outperformance over Dubai seems to be finally reversing as the latter strongly outperformed last month (+5.4% for Dubai vs. 2.9% for Abu Dhabi). The heavily beaten down real estate stocks - Emaar Properties, Emaar Malls and Aldar – jumped by more than 15% each.

Emaar Development's 4Q numbers was most likely the trigger for the improved sentiment hovering Dubai Financial Market. Prior to the recent rebound, Property developers were valued at more than 50% discount to Net Asset Value. We have added exposure to the sector and intend to further increase, subject to supporting news flow. Our top pick in the space is Emaar Malls. Core asset 'The Dubai Mall' continues to operate well with stable rental rates and EBITDA margins. Expansion at the Fashion Avenue will contribute meaningfully to current year numbers. Furthermore, acquisition of completed retail assets from its parent company will add more than 2m sqft of GLA to the current portfolio. We believe market implied cap rate is too harsh and see very good upside even applying cyclical low multiples.

Aldar - a recent portfolio addition - acquired the remaining stake in two properties from Etihad Airways in a deal worth AED 1.2bn. These assets are expected to add AED 0.1bn in annual NOI and make it more tangible for investors to value them as core business versus currently being completely discounted under JV investments. Aldar could also be one of the biggest beneficiaries of the recent announcement from the UAE Government to build over 34,000 housing units for nationals by 2025. Funds worth AED 32bn have already been allocated for the project.

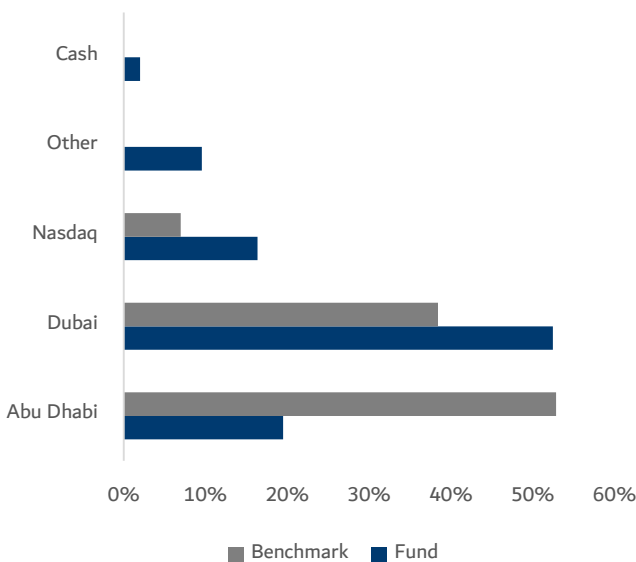
Top Portfolio Holdings	% of Fund
Emirates NBD	13.1
Emaar	12.8
DP World	9.6
<b>Total # of Holdings</b>	<b>12</b>

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

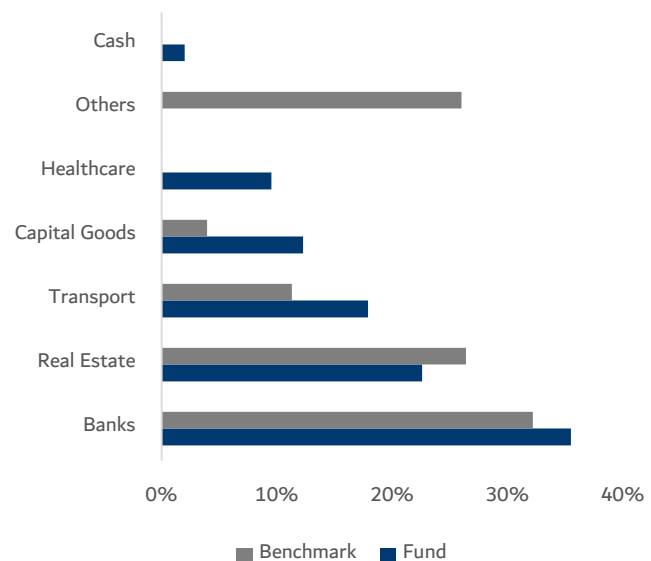
Fund Characteristics <sup>2</sup>	Fund	Benchmark
Standard Deviation	19.6%	21.6%
Sharpe Ratio	-0.23	-0.36
Beta	0.88	
Tracking Error	5.7%	
Information Ratio	0.54	

<sup>2</sup> Calculated using 5-year weekly data

## Geographic Allocation



## Sector Allocation



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