

MONTHLY FACT SHEETS

October 2017

LET THE FALCON GUIDE YOU

Al Mal UAE Equity Fund

Al Mal MENA Equity Fund

Al Mal Capital
المال كابيتال

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Al Mal Investments Funds – Performance Review

Equity Funds

As of 25 October	Launch Date	NAV Per Unit[1]	Week To Date	Month To Date	YTD 2017	Since Inception
Al Mal UAE Equity Fund (Performance Inclusive of Dividends)	April 2006	AED 1.37	1.77%	4.02%	15.25%	48.04%
S&P UAE Composite Index			0.67%	2.83%	6.08%	-33.83%
Al Mal MENA Equity Fund	June 2008	USD 8.39	0.36%	2.69%	14.82%	-13.09%
S&P Pan Arab Large Cap Index			-0.08%	-2.18%	0.92%	-43.33%

Notes:

Performance data is net of fees. Performance computation is done internally based on reports from third-party administrators (Standard Chartered/Apex/Al Mal)

1. NAV Per Unit is rounded to two decimal places for reporting purposes only.
2. For Al Mal MENA Income Fund, yield refers to average Yield to Maturity ("Yield") for the invested portion (excl cash portion). For Al Mal Liquidity Fund, yield refers to 7-day annualized portfolio return (net).

Al Mal MENA Equity Fund – Monthly Factsheet

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25 October 2017

NAV Per Unit: USD 8.39

October was a very decent month for the fund as we add another 2.7% of performance supported by **EK Holding** in Egypt and **NMC Healthcare** in the UAE. Meanwhile, the benchmark lost -2.2% during the month with Saudi, Qatar and Oman being the weakest market over the period.

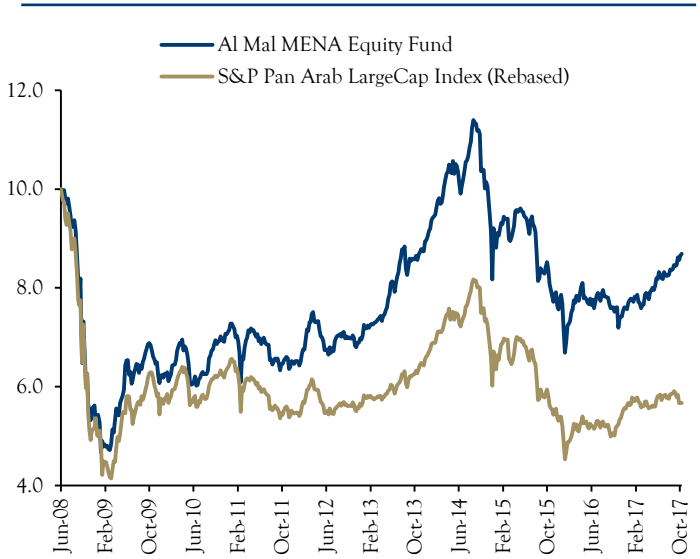
Allocating to Oman for the first time this year

Oman is canceling the bidding process for the third mobile license. We stay very skeptical of any material development on the third license and believe the regulator will settle with just two operators for the moment. This development did not come as surprise to us and were suspecting such a thing after the incumbent operator Omantel acquired a stake in Kuwait's largest player Zain Telecommunications and the bid was extended from its original date in September. We built a position in **Ooredoo Oman** prior to the event as it was trading at battered valuations and we saw very limited downside risk even when pricing in a third operator. It is amongst the cheapest telecoms within the MENA universe at EV/EBITDA of 2.6x, P/E ratio of 9x times and a dividend yield of 7.9%.

Holding Curse

Holding companies are loathed by most investors and we agree on most occasions, especially when underlying companies are coming from unrelated industries. However, when a holding operates within the same industry, but through several companies, we keep a close eye on it, as the traditional "holding discount" could bring in great opportunities. **EK Holding**, managed to overcome many hurdles and continues to divest non-core businesses. We believe the company still has more to add given its attractive valuation, a strong balance sheet and a probable dividend hike.

Performance Graph



Performance[1]	Fund	Benchmark[2]	Relative Perf.
MTD	2.7%	-2.2%	4.9%
YTD	14.8%	0.9%	13.9%
1 Year	14.4%	9.5%	4.8%
3 Years	-16.3%	-25.3%	9.0%
5 Year	24.7%	1.1%	23.6%
Since Inc.	-13.1%	-43.3%	30.2%

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
[2] S&P Pan Arab Composite LargeCap Index

Fund Key Information

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

Fund Manager	Marwan Haddad, CFA
Inception Date	15th June 2008
Fund Registration	Bahrain
Currency	USD
Subscription	Weekly
Min Subscription	USD 250,000
Management Fee	1.75%
Subscription Fee	Up to 3%
Redemption	Weekly
Benchmark Index	S&P Pan Arab Large Cap
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered
Financial Year End	31st December
Auditors	Deloitte
Zawya Code	MALMENA.MF
Bloomberg Code	MALMENE BI
Reuters Code	LP65123002
Morningstar Sec ID	F00000JQIQ

Al Mal MENA Equity Fund – Monthly Factsheet

Fund Performance[1]

Performance	Fund	Benchmark	Relative Perf.
YTD 2017	14.8%	0.9%	13.9%
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.	-13.1%	-43.3%	30.2%

[1] Performance is net of fees

Top Portfolio Holdings	% of Fund
NMC Health	8.5
Budget	5.8
Walaa Insurance	5.3
EK Holding	5.1
DP World	5.0
Total # of Holdings	**24**

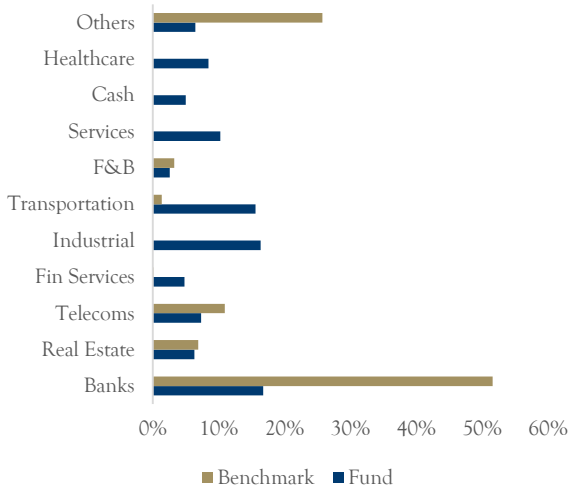
Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)

Performance	Fund	Benchmark	Relative Perf.
Jan	2.6%	3.0%	-0.4%
Feb	1.2%	0.0%	1.2%
Mar	-2.5%	-3.1%	1.4%
Apr	1.4%	-0.8%	2.2%
May	3.5%	0.70%	2.8%
Jun	2.7%	4.2%	-1.5%
Jul	0.0%	0.2%	-0.2%
Aug	1.2%	0.1%	1.1%
Sep	1.2%	-1.0%	2.2%
Oct	2.7%	-2.2%	4.9%
Nov			
Dec			
2017	**14.8%**	**0.9%**	**13.9%**

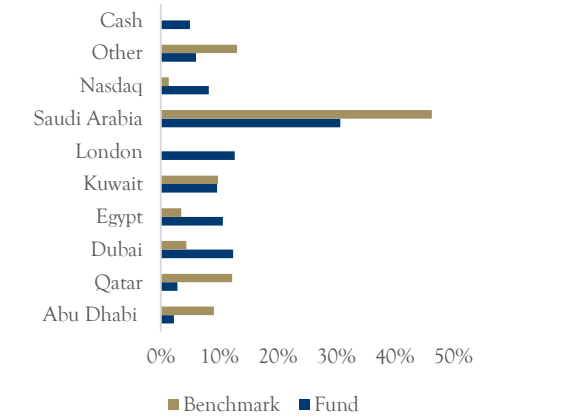
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	14.5%	14.1%
Sharpe Ratio	0.19	-0.11
Beta	0.94	-
Tracking Error	6.0%	
Information Ratio	0.73	

[2] Calculated using 5-year weekly data

Sector Allocation



Geographic Allocation



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25 October 2017

NAV Per Unit: AED 1.32

UAE Markets rebounded in October and added +2.8% supported by Drake n' Scull and Dubai Investments. We believe gains in DSI are not sustainable given the big dilution post Tabarak's AED500 capital injection. The Fund performed well adding +4.0% during the month on the back of gains in NMC Health and DP World.

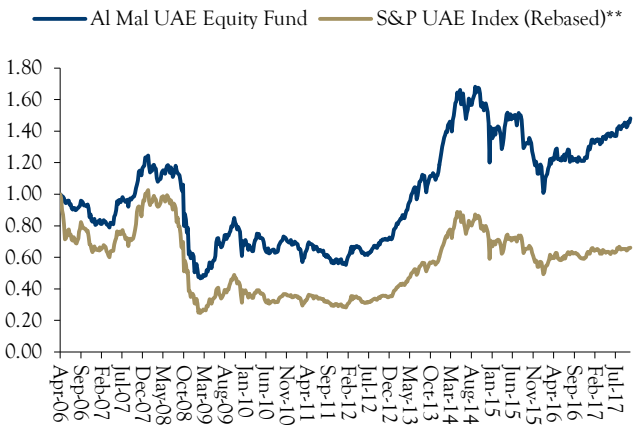
More strength from DP World

DP World – one of our core holding – disclosed a good set of volume numbers for the third quarter of 2017. Like for like growth across all regions came in at +9.3% versus the same period last year (yoy), driven by sustained improvement in global trade. This is ahead of Drewry Maritime's industry throughput growth estimate of 5.5% for this year. The UAE handled 3.9m TEU (twenty foot equivalent unit), up 5.3% yoy despite the ban of trade with Qatar. The company's unique value offering to its clients (logistical infrastructure and value chain across the globe) should help DP World to generate above sector average growth in the years to come.

Emaar Development IPO

The upcoming IPO of Emaar Development continues to make the headlines. The holding company Emaar Properties stated it would only offer 20% of its stake in Emaar Development which is lower than the initial announcement of up to 30%. The proceeds will be paid in the form of a special dividend to the parent's company shareholders. We think the market (and most retail investors) are underestimating the value of this one off dividend. We indeed believe that this one off dividend could be higher than what is implied by the cash inflow from the equity sale (~AED5.6 billion or AED0.79 per share). This possible upside surprise could bring in more excitement on the story.

Performance Graph



[1]Benchmark was MSCI UAE Index since inception until Dec 2008, replaced thereafter by S&P UAE Composite Index

Performance[2]	Fund	Benchmark[3]	Relative Performance
MTD	4.0%	2.8%	1.2%
YTD	15.3%	6.1%	9.2%
1 Year	22.3%	11.2%	11.1%
3 Year*	-6.2%	-17.2%	10.9%
5 Year*	108.0%	86.3%	21.7%
Since Inc.*	48.0%	-33.8%	81.8%

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

[2] Performance is net of fees; 3-year and 5-year return is cumulative
[3]S&P UAE Composite Index

Fund Key Information

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.

Fund Manager	Marwan Haddad, CFA
Inception Date	5th April 2006
Fund Registration	UAE
Currency	AED
Subscription	Weekly
Dividend Frequency	Yearly
Min Subscription	AED 100,000
Management Fee	1.50%
Performance Fee	20% over 10% hurdle with high watermark
Subscription Fee	Up to 2%
Redemption	Weekly
Benchmark Index	S&P UAE Composite Index
Fund Type	Open Ended
Administrator	Standard Chartered
Custodian	Standard Chartered
Financial Year End	31st December
Auditors	Deloitte
ISIN	AEA003630026
Zawya Code	MALEQTY.MF
Bloomberg Code	MALUAEQ UH
Reuters Code	LP65038334
Morningstar Sec ID	F00000JQIN

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Fund Performance[1]

Performance Yearly	Fund	Benchmark	Relative Perf.
YTD 2017	15.3%	6.1%	9.2%
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%
Since Inc.	48.0%	-33.8%	81.8%

[1] Performance is net of fees

Top Portfolio Holdings	% of Fund
Emaar Properties	15.4
NMC	14.4
DP World	12.2
Total # of Holdings	**10**

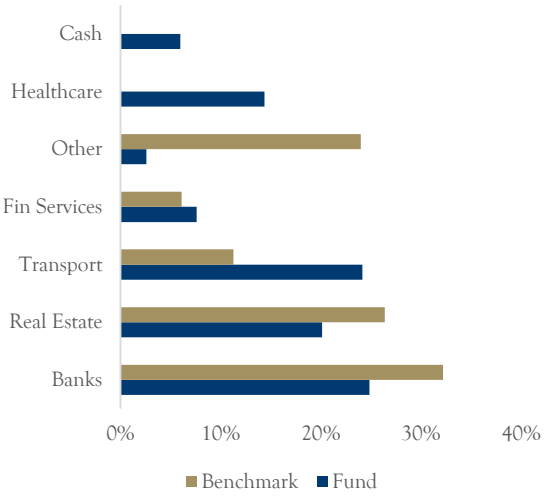
Performance Monthly	Fund	Benchmark	Relative Perf.
Jan	3.7%	3.6%	0.1%
Feb	1.4%	1.1%	0.3%
Mar	-1.5%	-4.5%	3.0%
Apr	1.5%	1.0%	0.5%
May	1.3%	-1.6%	2.9%
Jun	-0.1%	1.4%	-1.5%
Jul	10.1%	5.1%	5.0%
Aug	1.5%	-0.4%	1.9%
Sep	-1.1%	-1.4%	0.3%
Oct	4.0%	2.8%	1.2%
Nov			
Dec			
2017	**15.3%**	**6.1%**	**9.2%**

Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	20.4%	22.5%
Sharpe Ratio	0.68	0.51
Beta	0.89	-
Tracking Error	4.8%	
Information Ratio	0.30	

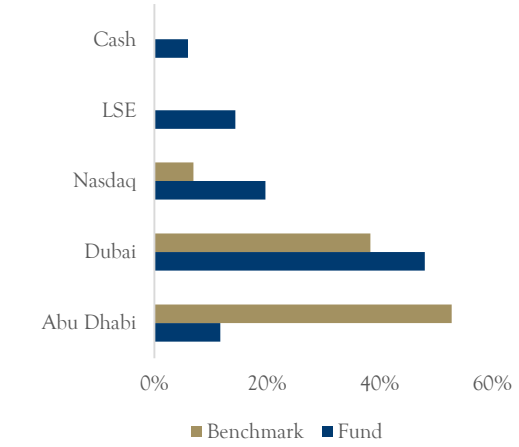
[2] Calculated using 5-year weekly data

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

Sector Allocation



Geographic Allocation



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