

MONTHLY FACT SHEETS

March 2018

LET THE FALCON GUIDE YOU

Al Mal UAE Equity Fund

Al Mal MENA Equity Fund

المال كابيتال
Al Mal Capital

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Al Mal Investments Funds – Performance Review

Equity Funds

As of 28 March	Launch Date	NAV Per Unit[1]	Week To Date	Month To Date	YTD 2018	1 Year	Since Inception
Al Mal UAE Equity Fund (Performance Inclusive of Dividends)	April 2006	AED 1.36	-0.37%	0.26%	5.99%	10.13%	46.74%
S&P UAE Composite Index			-2.15%	-3.73%	-2.11%	-3.68%	-39.92%
Al Mal MENA Equity Fund	June 2008	USD 9.68	0.10%	1.68%	12.43%	30.91%	0.28%
S&P Pan Arab Composite Index			0.53%	3.41%	7.24%	7.98%	-38.72%

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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28 March 2018

NAV Per Unit: USD 9.68

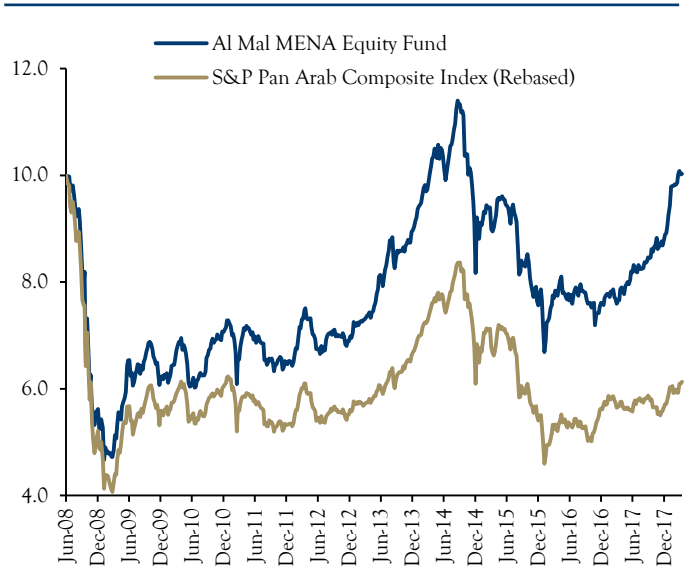
The first quarter of the year is already over. While MENA equities lagged most international equity markets in 2017, the picture looks very different for the last 3 months. Indeed, US equities, International ex-US equities and most fixed income segments recorded a small loss in 1Q 2018. Meanwhile, the S&P Pan Arabs is among the best performing region in the world with a gain of +7.2%. Thanks to the alpha generated by Al Mal Asset management team, the picture looks even better for the Al Mal Mena equities fund which recorded a gain of +12.4% (after fees and unlevered) over the last 3 months.

The simple message we want to convey here is that by combining alpha and beta, it is indeed possible to generate attractive return in Mena equities. As a remainder, our strategy is purely bottom-up, favor the most liquid securities within our universe and does not use any leverage.

Our meeting with Egypt Kuwait Holding:

We met with the management last month and believe that there is a lot value still left in the name. After 3 years of restructuring, the company started to reap the benefits with recurring net income expected to reach USD 100 million in 2018 from USD 70 million in 2017. The company has also a very strong balance sheet which allowed it to increase 2017 dividend distribution by 60%. EKH provides exposure to Egypt's booming gas and energy sectors. At the moment they are focusing on consolidating their operations across six pillars and target USD250-USD300 in net earnings over the next 3-5 years. A major catalyst will be gas discoveries in their Sinai concession which can add another USD 1.0 value per share (~2.0x current price) at 1 trillion cubic feet P1 gas reserves. We see very limited downside from here with ~5.0% dividend yield and 9.5x and 6.3x 2018 P/E and EV/ EBITDA, respectively.

Performance Graph



Performance[1]	Fund	Benchmark[2]	Relative Perf.
MTD*	1.7%	3.4%	-1.7%
YTD*	12.4%	7.2%	5.2%
1 Year	30.9%	7.9%	23.0%
3 Years	11.2%	-7.5%	18.6%
5 Year	35.7%	6.6%	29.1%
Since Inc.	0.3%	-38.7%	39.0%

** As of the last Wednesday of every month (28th of February, 2018)*
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 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

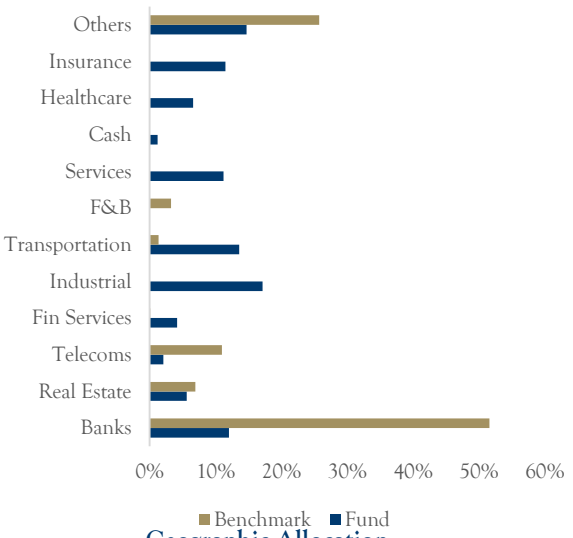
Fund Performance[1]

Performance	Fund	Benchmark	Relative Perf.
YTD 2018	12.4%	7.2%	5.2%
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.	0.3%	-38.7%	39.0%

[1] Performance is net of fees

Performance	Fund	Benchmark	Relative Perf.
Jan	9.9%	5.9%	4.0%
Feb	0.6%	-2.1%	2.7%
Mar	1.7%	3.4%	-1.7%
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
2018	**12.4%**	**7.2%**	**5.2%**

Sector Allocation



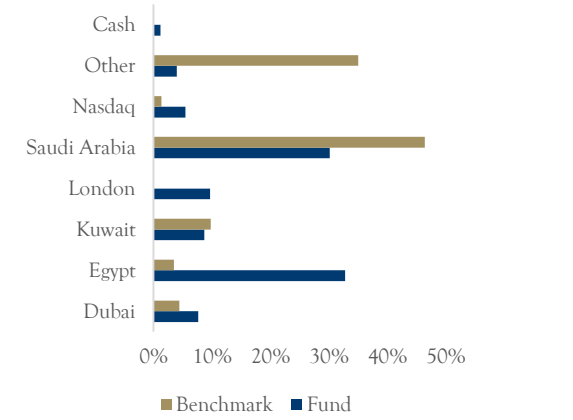
Top Portfolio Holdings	% of Fund
MM Group	7.2
Malath Insurance	6.9
Al Rajhi Bank	6.7
Samba Financial Group	6.0
Emirates NBD	6.0
Total # of Holdings	**28**

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

Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	14.6%	14.5%
Sharpe Ratio	0.29	-0.05
Beta	0.90	-
Tracking Error	6.6%	
Information Ratio	0.76	

[2] Calculated using 5-year weekly data

Geographic Allocation



Al Mal UAE Equity Fund– Monthly Factsheet

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Al Mal Capital

28 March 2018

NAV Per Unit: AED 1.36

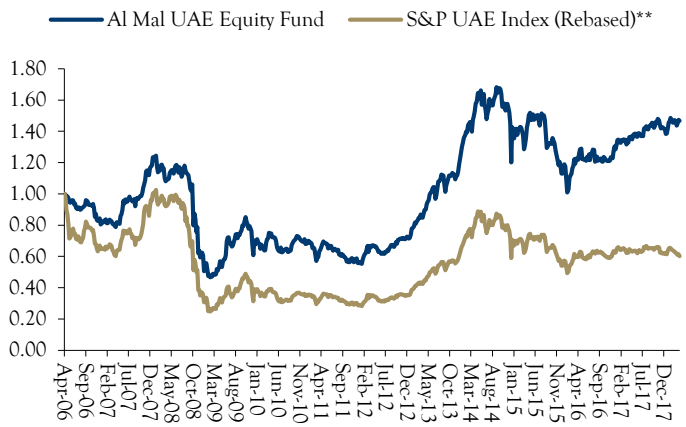
Market weakness continued in March with the benchmark retreating by another 3.7%. The S&P UAE Composite index is down -2.1% in 1Q. Our bottom-up fundamental, high conviction strategy enabled us to identify some winners; the Fund is up +6.0% so far this year. Over the past 12 months, the Fund is up +10.1% (net of all fees and unlevered), a relative performance of almost 14%.

Market Update:

Many things are keeping investors' sentiment muted in the UAE, although we believe that technical factors are playing a big role here. Indeed, regional investors prefer to reallocate to better growth opportunities across other MENA markets (i.e. Egypt) and position ahead FTSE/MSCI inclusion in Saudi rather than to inject fresh money into the region. The UAE is taking most of the burden given it has the highest foreign ownership percentage (~10% vs. 1.5% in KSA). Signs of weakness in Dubai and Abu Dhabi's real estate sectors are not helping. We did our homework and believe that current price for Emaar implies 50% of 2017 launches (~7.8k units) in 2018. So far the company launched around ~1.0k unit which explains the market pessimism. Therefore, the weakness does not rely only on technical factors - there might be a fundamental story as well.

Some technical factors like passive flows due to higher index weight will continue to support First Abu Dhabi Bank, and we believe raising foreign ownership in a high quality name like Emirates ENBD will help to close the valuation gap with the sector average. We are thus positive on ENBD Bank based on relative valuation.

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	0.3%	-3.7%	4.0%
YTD	6.0%	-2.1%	8.1%
1 Year	10.1%	-3.7%	13.8%
3 Year*	8.2%	-8.1%	16.3%
5 Year*	68.2%	38.2%	30.0%
Since Inc.*	46.7%	-39.9%	86.6%

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 2018	6.0%	-2.1%	8.1%
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%
Since Inc.	46.7%	-39.9%	86.6%

[1] Performance is net of fees

Performance Monthly	Fund	Benchmark	Relative Perf.
Jan	6.7%	4.6%	2.1%
Feb	-0.9%	-2.8%	1.9%
Mar	0.3%	-3.7%	4.0%
Apr			
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2018	6.0%	-2.1%	8.1%

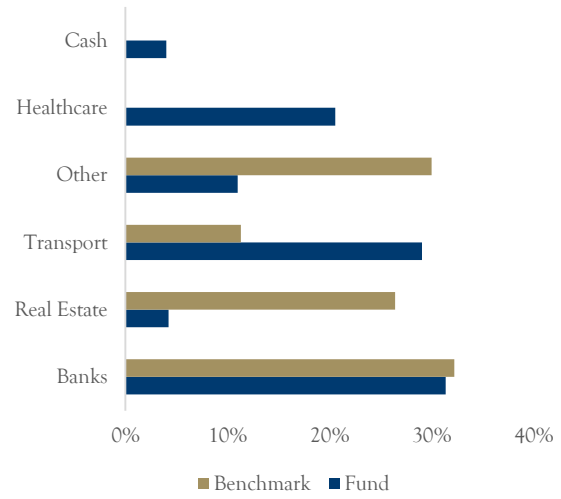
Top Portfolio Holdings	% of Fund
FAB	18.7
Aramex	16.8
Emirates NBD	15.1
Total # of Holdings	8

Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	20.3%	22.5%
Sharpe Ratio	0.44	0.21
Beta	0.88	-
Tracking Error	5.2%	
Information Ratio	0.59	

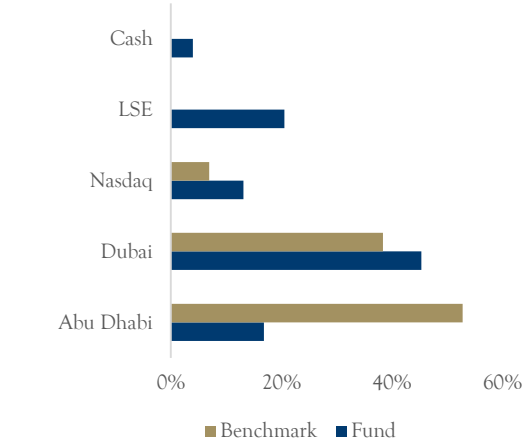
[2] Calculated using 5-year weekly data

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

Sector Allocation



Geographic Allocation



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