Al Mal MENA Equity Fact Sheet

NAV Per Unit: USD 8.38

November 2018

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.

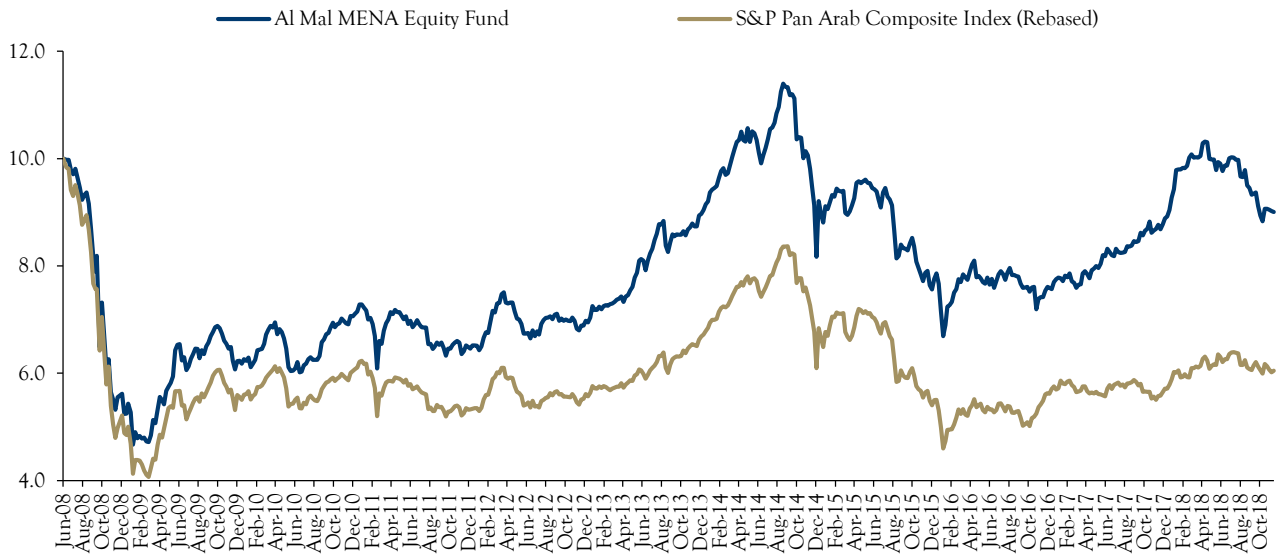
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
Inception Date	15th June 2008
Fund Size	USD 27 million
Strategy Size	USD 85 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.
YTD 2018	0.9%	5.9%	-5.0%
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.	-10.0%	-39.5%	29.5%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	-0.7%	-2.0%	1.4%
YTD*	0.9%	5.9%	-5.0%
1 Year	2.7%	8.5%	-5.8%
3 Years	13.8%	6.6%	7.2%
5 Year	3.0%	-4.4%	7.4%
Since Inc.	-10.0%	-39.5%	29.5%

Performance



** As of the last Wednesday of every month (28 of November 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

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November 2018

Fund Manager Commentary:

Middle East Equities had another down month (-2%), the third of the last four periods. The 22% fall in crude oil led to a -3.5% of Saudi equities. Meanwhile, Kuwait and Qatar managed to generate positive performances. In this context, our Fund managed to outperform the market by 130 basis points.

Egypt is making amendments to the Income Tax Law and this should result in increased tax charges for banks. We view this as poor timing as foreigners have been selling their T-bill holdings with ownership almost halving to 18% from more than 30% in April, as risk adjusted returns are no longer attractive. The new tax will likely accelerate foreign selling pressure as it raises doubts whether the government can finance its debt and dents investor's confidence in the Egypt reform agenda.

One of our new additions - Qalaa Holdings said its subsidiary Asec Cement signed a MoU to sell the stake in Zahana cement. Earlier this month, the company said it expects to receive final bids for its confectionery unit and targets reaching a sale deal for another glass manufacturing unit. Qalaa, previously known as Citadel Capital, operates within diversified sectors - energy, cement, logistics, and agrifoods and has companies operating across North America, the Caribbean, Northern Africa and Eastern Africa. The company's main investment is a USD 4.2bn greenfield refinery with a capacity of 4.7mtpa, called the Egyptian Refining Company (ERC), planned to start commercial operations at the beginning of 2019, and which alone should represent around 90% of EBITDA.

United Electronics (better known as Extra) is establishing a Shariah compliant consumer finance company. It would have a capital of SR 150m & the maximum debt-to-equity ratio is set at 3x. Current portfolio stands at SR 280m and the target is SR 500m by the end of next year. Being connected to the credit bureau and having access to clients' job histories and bank statements, the Saudi company would be able to provide instant pre-approvals compared to a minimum period of 2 days for banks.

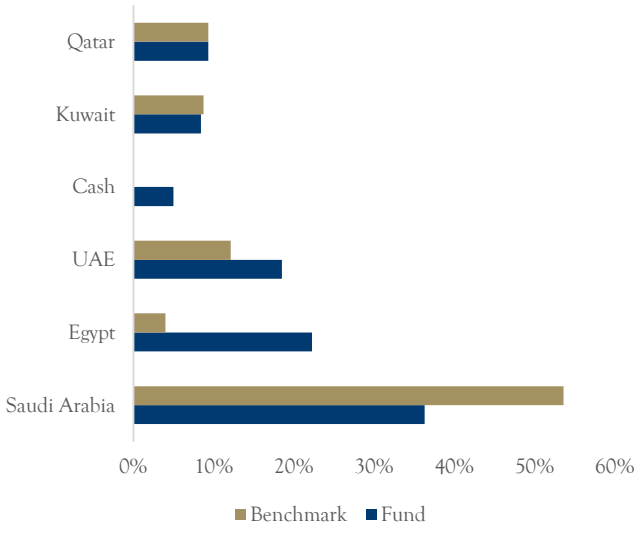
Top Portfolio Holdings	% of Fund
Al Rajhi Bank	8.1
Qatar National Bank	6.2
SABIC	5.7
Dana Gas	5.3
Qalaa Holding	5.1
Total # of Holdings	**33**

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

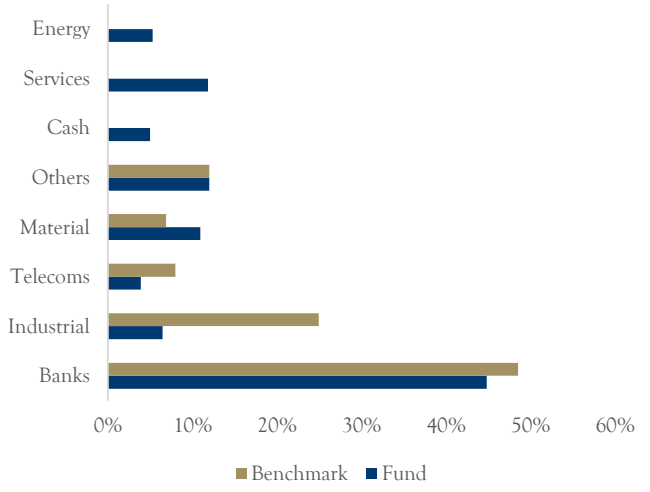
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	14.5%	14.6%
Sharpe Ratio	-0.17	-0.31
Beta	0.89	-
Tracking Error	6.7%	
Information Ratio	0.31	

[2] Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation



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Al Mal UAE Equity Fact Sheet

NAV Per Unit: AED 1.20

November 2018

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.

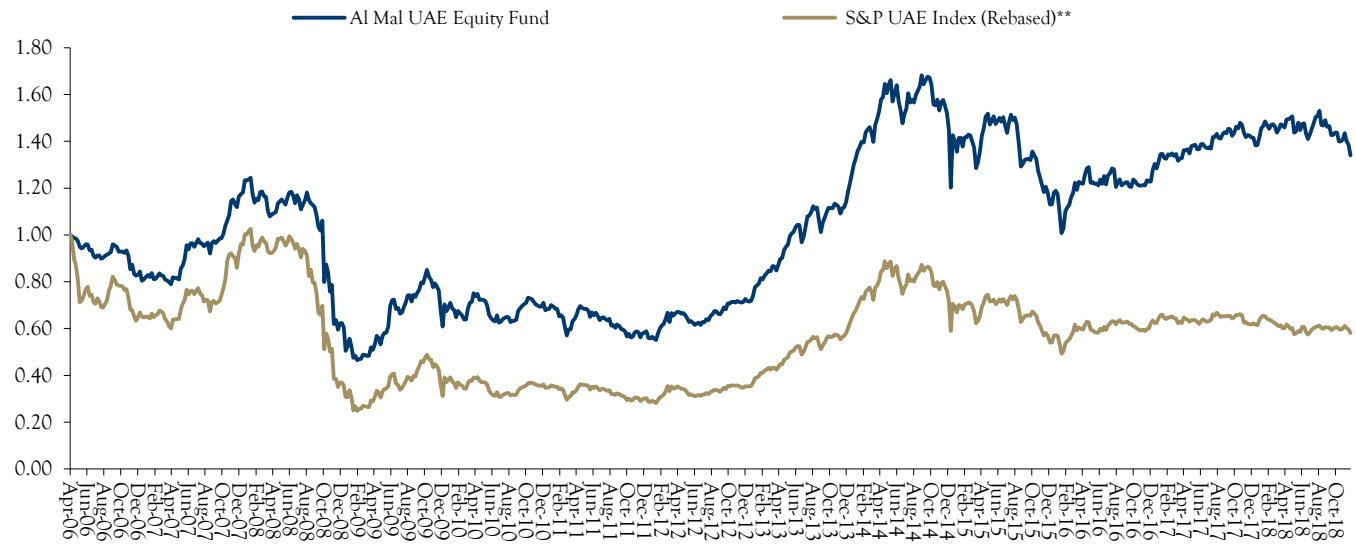
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
Inception Date	5th April 2006
Fund Registration	UAE
Currency	AED
Fund Size	AED 30mn
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

Performance Yearly	Fund	Benchmark	Relative Perf.
YTD 2018	-3.2%	-5.4%	2.2%
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.	34.1%	-41.9%	76.0%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	-4.7%	-3.2%	-1.5%
YTD*	-3.2%	-5.4%	2.2%
1 Year	-5.8%	-6.0%	0.2%
3 Years	13.6%	2.2%	11.4%
5 Year	17.4%	0.0%	17.4%
Since Inc.	34.1%	-41.9%	76.0%

Performance



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

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

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

[2] S&P Pan Arab Composite Index

Al Mal UAE Equity Fact Sheet

NAV Per Unit: AED 1.20

November 2018

Fund Manager Commentary:

November was 2018's worst month for the S&P UAE Index. Most of the damage was led by Dubai index (-3.6%), which is now down -24% since the start of the year. This is in sharp contrast with Abu Dhabi which is up 10% year to date.

The UAE cabinet approved the long-term (10 year) visa system for investors, entrepreneurs, specialized talents and researchers including their spouses and children and outstanding students. We see this as a long term positive, however not having much impact in the near term. The AED 5mn visa threshold for real estate investors is high compared to the average real estate transaction value in Dubai which is around AED 1.5 to 2mn. Moreover, most new projects are focused on launching affordable/budget housing units - typically less than an AED 1mn price tag.

Last week, Emaar sold five of its hotels in Dubai with a total of 1000 keys to Abu Dhabi National Hotels. The company will continue to operate the assets and earn management fees. It is in this context that the Chairman of Al Habtoor Group advised to not 'build more hotels' as the market is saturated, to his opinion. JLL expects incremental hotel supply of 30k keys over 2018-2020 period which is 30% of the 2017-year end supply.

The central bank expects economic growth to accelerate to 4.2% next year from 2.3% in 2018. On Iran's sanctions, the CB governor said that he doesn't expect any material impact. Moreover, with the federal debt law of the UAE now being passed, the central bank can now issue debt, bonds and sukuk as an agent for the government. This will help building a yield curve that is going to set the stage for banks as well as other borrowers to tap capital markets.

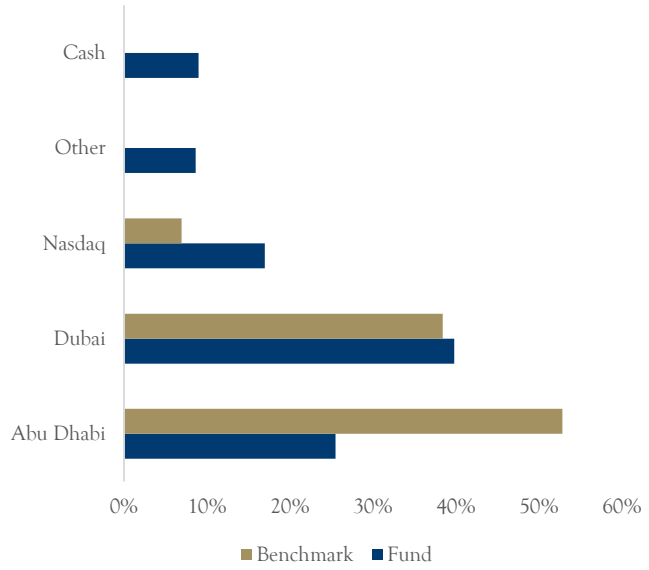
Top Portfolio Holdings	% of Fund
Dana Gas	13.2
Emirates NBD	10.6
Emaar	10.3
Total # of Holdings	**11**

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

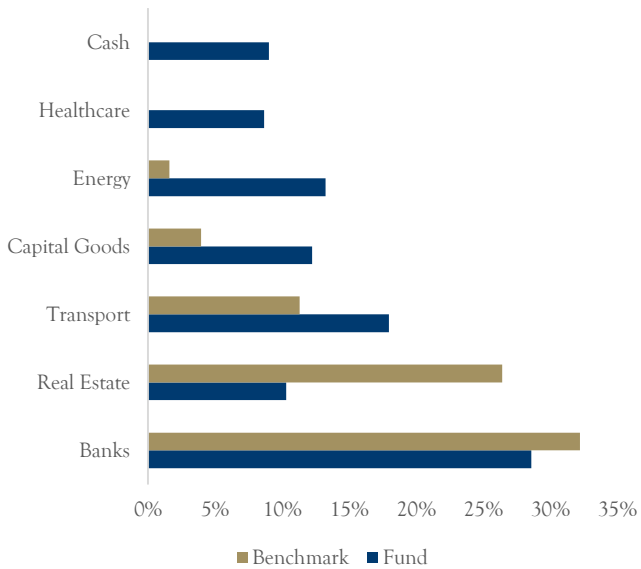
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	19.7%	21.8%
Sharpe Ratio	0.01	-0.14
Beta	0.87	
Tracking Error	5.7%	
Information Ratio	0.54	

[2] Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation



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