Al Mal MENA Equity Fact Sheet

NAV Per Unit: USD 8.70

September 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.

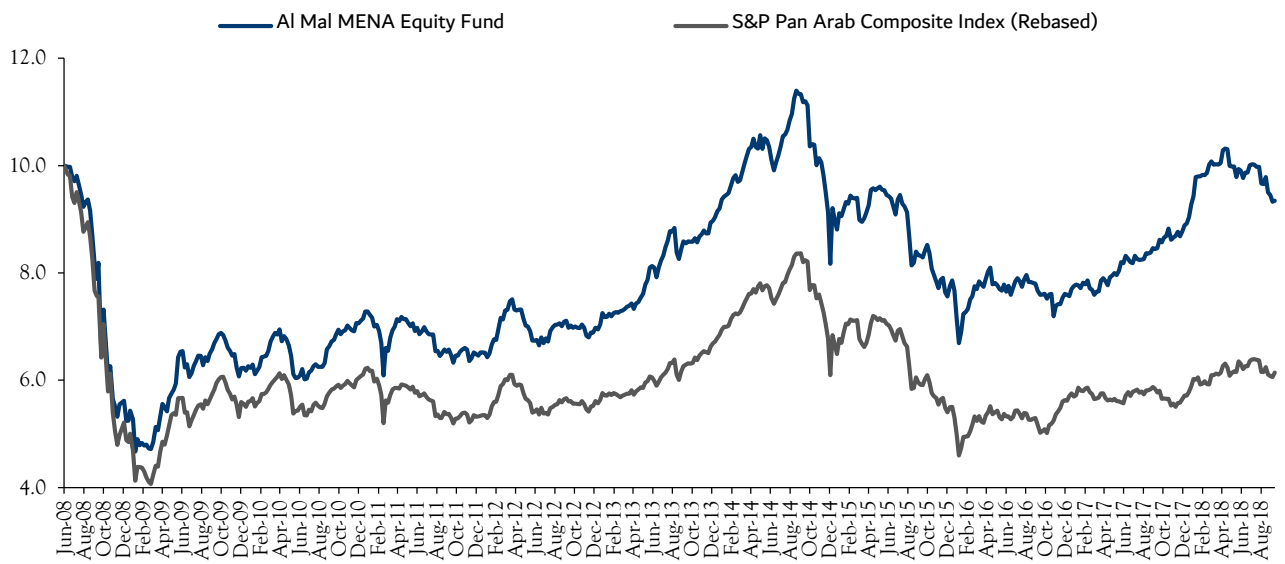
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
Inception Date	15th June 2008
Fund Size	USD 30 million
Strategy Size	USD 93 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	4.8%	7.5%	-2.7%
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.	-6.5%	-38.6%	32.1%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	-4.5%	-1.7%	-2.8%
YTD*	4.8%	7.5%	-2.7%
1 Year	10.4%	6.4%	4.1%
3 Years	12.8%	3.9%	8.8%
5 Year	8.8%	-2.8%	11.6%
Since Inc.	-6.5%	-38.6%	32.1%

Performance



** As of the last Wednesday of every month (26 of September 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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September 2018

Fund Manager Commentary:

Continuing the trend from last month, equity markets in the MENA region fell in September, although we saw some recovery in the last week of the month. Egypt sold off brutally -7.7% on the back of the turmoil which is taking place in global emerging markets. Saudi Arabia and Dubai also had a challenging month but the rest of the Gulf was more resilient.

Our Egypt exposure had a negative contribution to the performance of the fund. Egypt was a strong positive contributor to performance last year but while we have been substantially lowering our exposure to this country since June (from a high of 25% to 15%), the portfolio has inevitably been impacted by the volatility in the EGX. For instance, Orascom Development - a play on the tourism recovery - declined 19% last month although there was no adverse material development for this company. On the contrary, we expect Orascom to benefit from a weakening currency as it would attract more tourists to the country. Indeed, almost 80% of the revenues are in USD and there is very limited exposure to local demand. It is however worth highlighting that most of our allocation to Egypt is through one stock – EK Holding. The stock is denominated in US dollar, held mainly by institutional investors (as opposed to retail investors for most Egyptian stocks) and most of its revenues are generated in US dollars.

The other reason for the underperformance of our portfolio is the price decline of some of our core holdings – i.e stocks we consider as long-term holdings and on which we keep some exposure in the portfolio even when valuation seem full. For instance, DP World has lost almost 20% of its value over the last two months on global trade jitters. As a reminder, we see these businesses as run by highly efficient management who are capable to positively surprise the market in many ways.

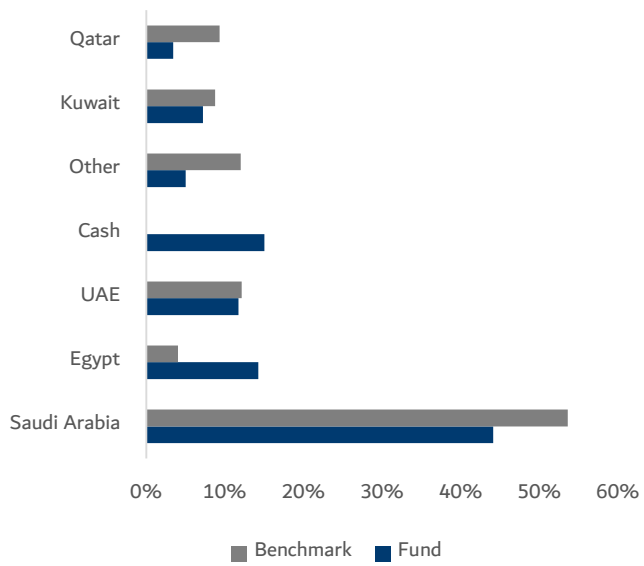
Top Portfolio Holdings	% of Fund
Al Rajhi Bank	8.5
Saudi Kayan	7.1
EK Holding	5.1
Alujain Corp	5.0
BUDGET Saudi	4.7
Total # of Holdings	**26**

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

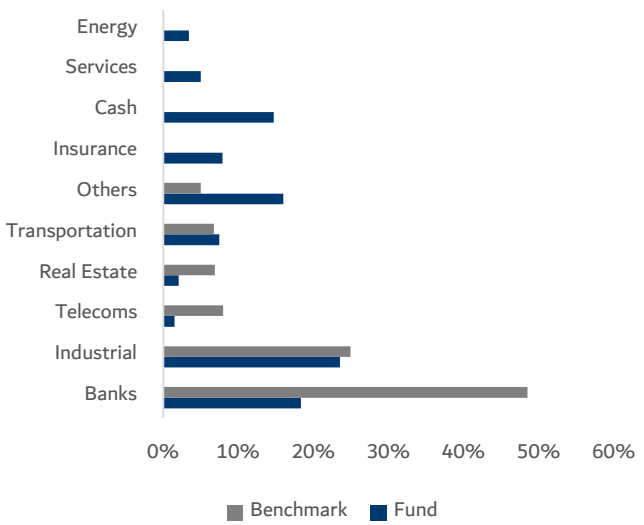
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	14.4%	14.5%
Sharpe Ratio	-0.09	-0.25
Beta	0.89	-
Tracking Error	6.6%	
Information Ratio	0.34	

[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 1.28

September 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.

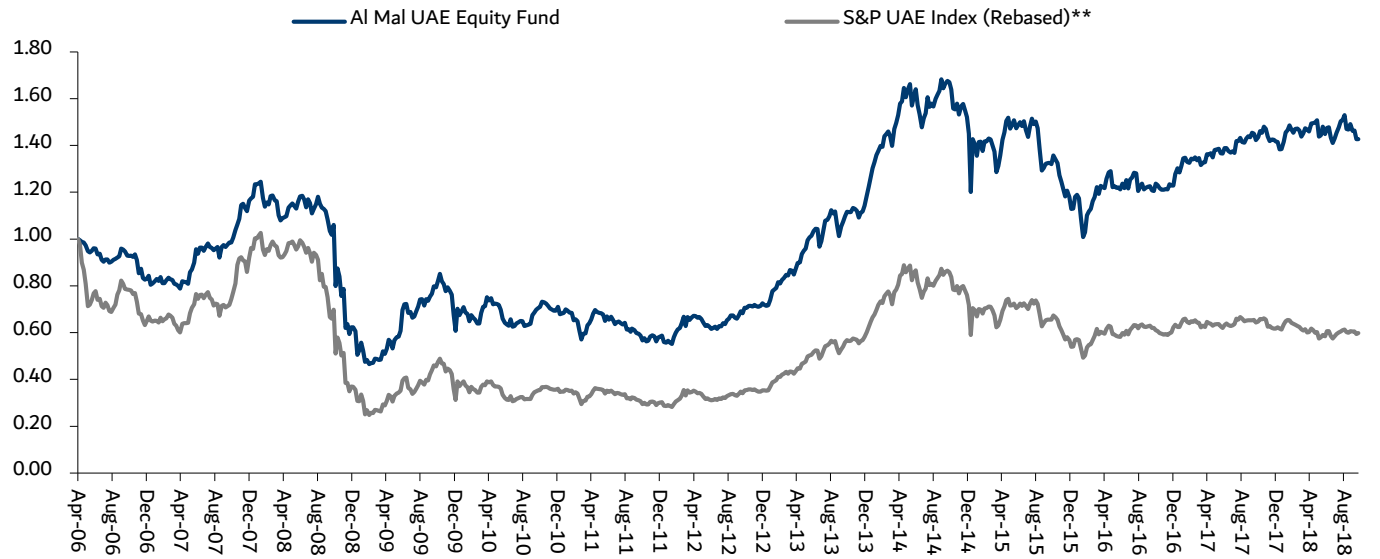
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
Inception Date	5th April 2006
Fund Registration	UAE
Currency	AED
Fund Size	AED 32mn
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	3.1%	-2.6%	5.7%
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.	42.8%	-40.2%	83.0%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	-4.3%	-1.3%	-3.0%
YTD*	3.1%	-2.6%	5.7%
1 Year	0.3%	-7.1%	7.4%
3 Years	8.1%	-8.7%	16.9%
5 Year	27.9%	5.3%	22.6%
Since Inc.	42.8%	-40.2%	83.0%

Performance



** As of the last Wednesday of every month (26 of September, 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 1.28

September 2018

Fund Manager Commentary:

The S&P UAE Index recorded a decline of 1.3% last month. The announcement of the potential merger between three banks in Abu Dhabi – ADCB, UNB & Al Hilal Bank – helped the ADX to once again outperform its DFM neighbor. Year to date, the return differential between the two markets now stands at a staggering 30 percentage points.

Our core holdings - NMC Healthcare & DP World – each fell 10% in September. NMC - which is listed on London stock exchange - mainly sold off due to global investors offloading their most liquid emerging markets related holdings. We remain positive on this story as we believe that current valuations do not reflect the strong 30% CAGR in earnings growth we expect for the coming 3 years driven by higher utilization of current facilities. The partnership with GOSI in Saudi Arabia is creating the second largest private healthcare player in the Kingdom (by beds capacity) and will benefit from economies of scale which are expected to unlock considerable synergies.

In case of DP World, the Government of Djibouti ordered the nationalization of the Doreleh Container Terminal, a joint venture operated by DP World until February when the government seized the terminal. We spoke to the IR Director and understood the company will continue to pursue all legal means to defend its rights as a shareholder. On the positive side, the company is in various stages of conversation with at least five state governments in India about 'major logistics facilities'. DP world is looking at opportunities beyond sea ports such as river ports and transportation, freight corridors, port-led special economic zones, inland container terminal and logistics infrastructure, including cold storage.

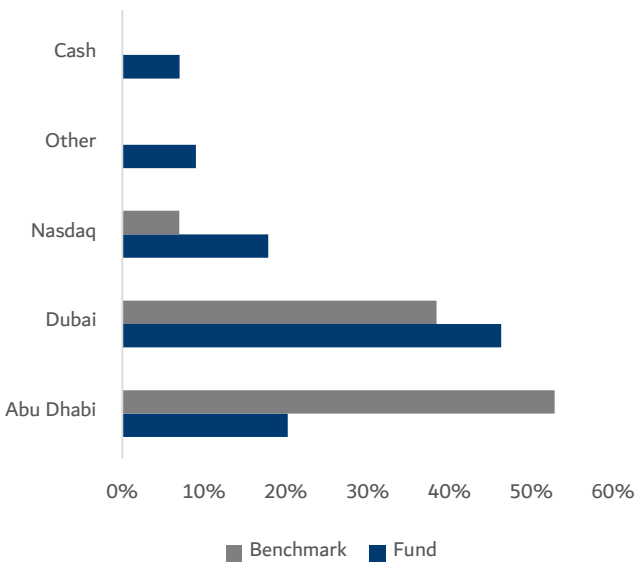
Top Portfolio Holdings	% of Fund
First Abu Dhabi Bank	14.6
Emirates NBD	10.4
Emaar Properties	10.4
Total # of Holdings	**11**

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

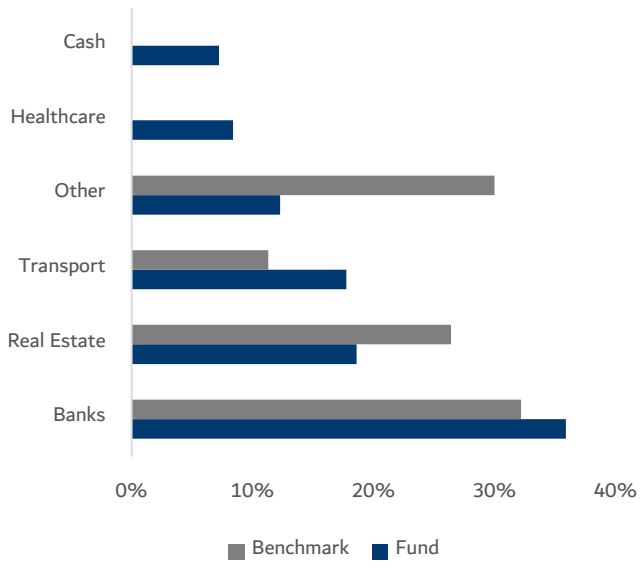
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	19.7%	21.8%
Sharpe Ratio	0.10	-0.09
Beta	0.87	
Tracking Error	5.6%	
Information Ratio	0.61	

[2] Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation



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