

## Fund Information

### Asset Type

Equity

### Geographic Focus

Saudi Arabia

### Fund Manager

Global Investment House

### Benchmark

Tadawul All Share Index – TASI

### Fund Listing

Saudi Arabia

### Launch Date

January 2009

### Structure

Open-Ended

### NAV

SAR 272.43

### Current Fund Size

SAR 606.6 mn

### Base Currency

Saudi Riyal

**Initial Investment:** SAR 10,000

### Subsequent Investment

Minimum of SAR 5,000

### Subscription & Redemption

Sunday & Tuesday of every week

**Initial Charge:** 2%

**Management Fee:** 1.75% per annum

**Custodian Fee:** 0.15 %

**Administration Fee:** 0.13%

**Audit Fee:** SAR 70,000

**Tadawul Fee:** SAR 5,000

**CMA Fee:** SAR 7,500

### Annual Expenses For Individual

**Members:** Max SAR 40,000

### Custodian \*

HSBC Saudi Arabia

### Redemption Fee

1% if exit before one month

### Auditors

KPMG Al Fozan & Partners

### Bloomberg Code

GLOBEQC AB

### RIC Code

LP65135767

**VAT Applies for the Fee Max 5%**

### Risk Metrics

5 years to September 2019

Tracking Error 3.92%

Beta 0.92

Information Ratio 1.04

Sharpe Ratio (0.16)

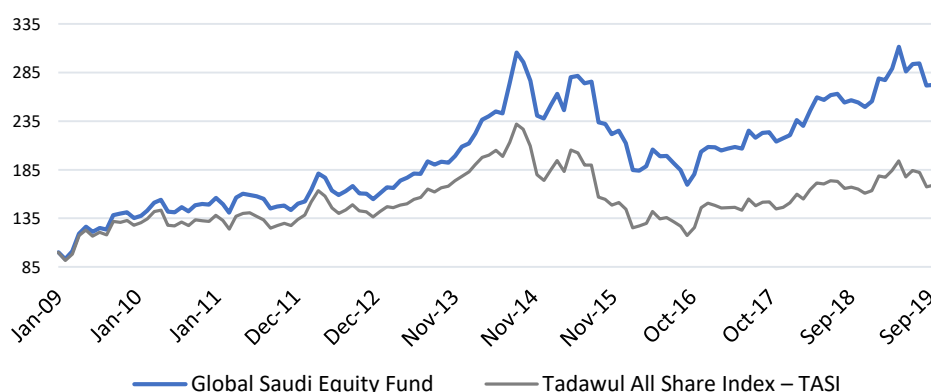
Standard Deviation 19.9%

# Global Saudi Equity Fund

## Fund Objective & Strategy

Achieve long-term capital growth with predefined and controlled levels of risk, by investing in stocks listed on the Saudi stock exchange. In addition, the fund will aim to achieve returns that exceed the average by benefiting from the expected economic growth in Saudi Arabia while maintaining a suitable level of diversification for fund assets and reduction of total risk by investing in different market sectors. The fund manager selects companies selling at a discount to intrinsic value. We identify intrinsic value through rigorous fundamental analysis and research conducted by an experienced investment team. Research is done on a company-by-company basis to determine the economic worth of companies based on projected future earnings and cash flows taking into consideration economy and market activity.

## RS 100 Invested Since Inception



## Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	*SI
<b>Fund</b>	0.25	-7.26	6.19	6.65	172.43
<b>Benchmark</b>	0.90	-8.27	1.15	3.39	68.95
<b>Difference</b>	-0.65	1.01	5.04	3.26	103.48

\*Since Inception (January 2009)

## Yearly Performance Ending 31st December (%)

	2013	2014	2015	2016	2017	2018
<b>Fund</b>	30.1	13.8	-10.6	-1.8	5.8	15.7
<b>Benchmark</b>	25.5	-2.4	-17.1	4.3	0.2	8.3
<b>Difference</b>	4.6	16.2	6.5	-6.1	5.6	7.4

# Global Saudi Equity Fund

## Fund Review

Global Saudi Equity Fund was up 0.25% M/M in September 2019, underperforming the benchmark which was up 0.9% M/M during the same period.

### Positive Contributors:

Our OW positions in Tawuniya and Othaim Market coupled with UW positions in Saudi Electricity and Yamama Cement contributed positively towards the fund's relative performance during the month.

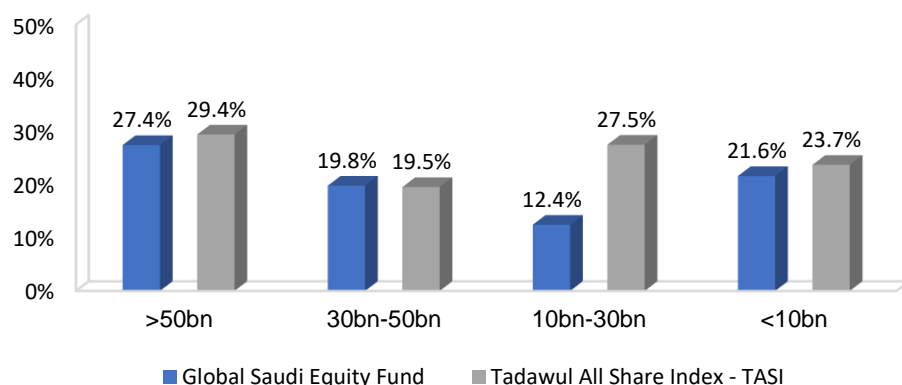
### Negative Contributors:

Our OW positions in Hammadi and BUPA coupled with UW positions in Saudi Investment Bank and Sipchem contributed negatively towards the fund's relative performance during the month.

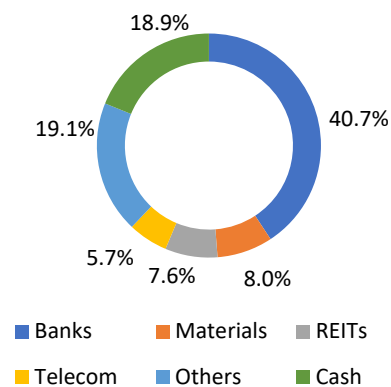
## Top Five Holdings

Stock	Sector	Fund (%)
AlRajhi Bank	Banks	15.4
NCB	Banks	6.8
STC	Telecom	5.7
SABIC	Materials	5.2
Riyad	Banks	4.6

## Market Cap Weightings



## Sector Breakdown



## Market Commentary

US markets rebounded in September with the benchmark Dow gaining 1.9% amidst increased volatility. A similar trend was exhibited in other developed markets as both DAX and Nikkei gained 4.1% and 5.1% respectively during the month. On the commodities front, oil markets witnessed extreme price movements driven by attacks on Saudi oil producing facilities which initially impacted c50% of production. However, prices retreated as Saudis were able to reassure markets by quickly resuming the lost production by the month end. Eventually, Brent oil remained flat at USD59.25/bbl while WTI

fell 1.9% driven by weak global economic data.

In September, despite the headwinds, Saudi market was relatively stable, gaining 0.9% during the month as lost oil production was resumed quickly. Also, there was positive news flow on Aramco listing - which coupled with tranche-4 of FTSE inclusion provided support to the market.

With index driven events mostly behind us, fundamentals should increasingly come into play in Saudi. Given tight fiscal

space and slightly stretched valuations, earnings momentum will be critical for the market to sustain at current levels with 3Q2019 results providing a litmus test. Overall, we expect the Saudi market to deliver muted returns in 2019 albeit with high volatility. Accordingly, our strategy for alpha generation is by positioning the markets opportunistically.

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