

Alinma Multi-Assets Defensive Fund

Approved by Alinma Sharia Board

الإنماء للاستثمار
alinma investment



C. R. No. 1010269764 | CMA License No. 09134 - 37

February-2019

Fund's Objectives & Strategy

Fund seeks to balance between equity and fixed income asset classes by investing at most 25% of Fund's assets into equity markets. Fund adopts a variety of investment strategies, which aims to achieve optimal distribution of assets types to neutralize negative impact on return. The Fund invests in the following asset classes: Equity, Murabaha, Structured Products, Sukuk and Funds.

Fund Manager's Commentary

The Saudi main market (market) ended February slightly down by 0.79% on monthly basis (up by 9.37% for previous month), closing at 8,492.70 (trading between 8,433.09 and 8,633.33). Market's P/E, P/B, and Dividend Yield as of end of month were approximately 18.76, 1.90, and 3.31% respectively (as reported by Bloomberg) compared to 12.97, 1.58, and 2.83% respectively for emerging markets (represented by MSCI EM Index covering large and mid-cap companies across emerging markets countries). The two largest sectors in the market, Banks and Material, ended the month down by 1.15% and up by 0.33% versus last month respectively. Other sectors closed the month between up by 3.29% (Consumer Services) and down by 7.79% (Pharm, Biotech & Life Science). Market capitalization decreased slightly by 0.73% to SAR 2,010.49 billion versus last month of which 5.08% is owned by foreign investors (up from 4.98% end of last month) while average daily traded value decreased sharply by 20.76% to SAR 2,350.00 million.

Brent price increased sharply again this month by 8.99% closing at 66.31 USD/bar while average of the month was 64.49 USD/bar, up by 7.07% from last month average. Similarly, OPEC's basket ended the month also sharply up again by 6.68% to 65.28 USD/bar while average of the month was 63.83 USD/bar, up by 8.67% versus average of last month.

On interest rate issue, FOMC is most probably expected to keep its rate at the same level on its coming meeting on March 20th at the range 2.25% to 2.50%. On the local market, average of the Saudi Interbank rate for 6 months for this month was 3.06000% p.a. (down by 1.42% versus last month average) and closing at 3.02000% p.a. (down by 2.54% versus closing of last month).

Regarding IPOs, there was no listing or offering on the Main Market (TASI) nor on the Nomu-Parallel Market during the month except the offering of shares of Alqahtani Auction Co. in Nomu-Parallel Market which was offered starting from February 14th.

Aside from the effect of profit taking during the month, major factors that affected markets movements during the month included the continuing improvement in oil prices, the continuing buying of foreign investors in the Saudi market, Investors expectations regarding Q4 2018 earnings, in addition to the approach of inclusion of the Saudi market in emerging markets indices starting from the coming

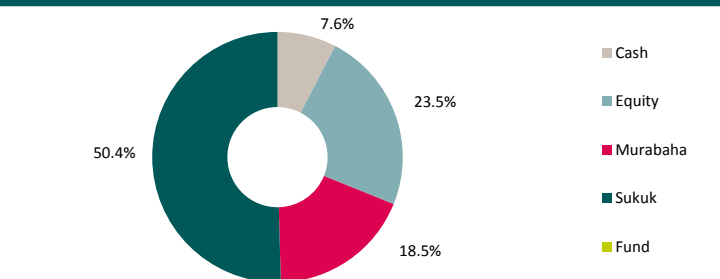
Fund's Information

Fund Type	Open-ended Fund
Risk Level	Low to Medium
Fund Manager	Alinma Investment Company
Fund Listing	Saudi Arabia
Launch Date	04 May 2013
Benchmark	30% equity and 70% Sibur 6 months
Inception Price (SAR)	10.00
Unit Price (SAR)	12.39
AUM (SAR)	5,375,392.80
Base Currency	Saudi Riyal
Initial Investment (SAR)	SAR 5,000
Subsequent Investment (SAR)	Minimum of SAR 1,000
Minimum Redemption (SAR)	Minimum of SAR 1,000
Valuation Days	Monday and Wednesday of every week
Subscription Fees	1.5% of subscribed amount
Management Fees	1.0% per annum
Redemption Fees	1.5% if Exit Before 1 Month
Sharia Board	Yes
Bloomberg Code	AMUDEFF AB Equity

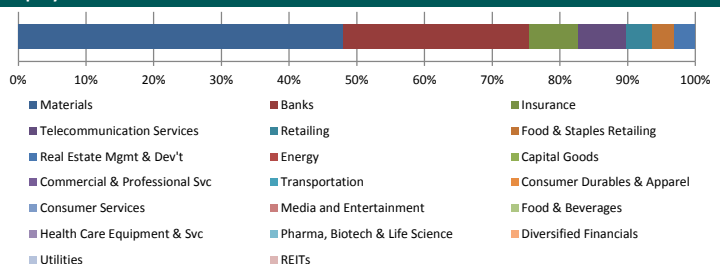
Abbreviations

* YTD: Year To Date * SD: Standard Deviation * BM: Benchmark
* SI: Since Inception * Avg R: Average Return

Asset Class Distribution



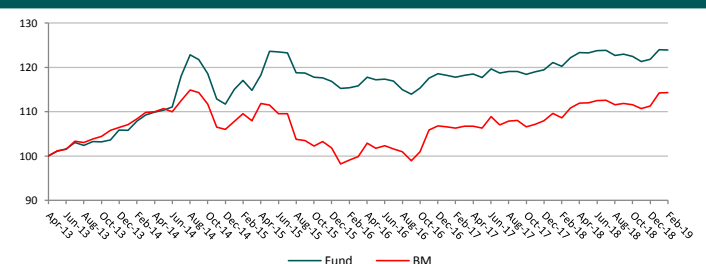
Equity Sector Allocation



Disclaimer

This material is produced by Alinma Investment Company, a firm authorized and regulated by the Capital Market Authority of Kingdom of Saudi Arabia. Past performance is not a guide to future returns. All the information contained in this document is believed to be reliable but may be inaccurate or incomplete. A full explanation of the characteristics of the investment is given in the prospectus. Any opinions stated are honestly held but are not guaranteed. The outlook expressed in this fact sheet represents the views of the fund manager at the time of preparation and are not necessarily those of the Alinma Investment as a whole. They may be subject to change and should not be interpreted as investment advice. The document is meant for financial promotion and does not provide you with all the facts you need to make an informed decision about investing and hence is not intended to constitute investment advice. The information provided should not be considered as a recommendation or solicitation to purchase, sell or hold these securities. It should also not be assumed that any investment in these securities was or will be, profitable. Alinma Investment accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. Alinma Investment shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by Alinma Investment for, or sent by Alinma Investment to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in

Performance & Risk Parameters



	1M	3M	YTD	1Y	2Y	SI
Fund	-0.06%	2.19%	1.77%	3.12%	5.27%	23.94%
BM	0.06%	3.27%	2.73%	5.24%	7.55%	14.31%
Gap	-0.12%	-1.08%	-0.95%	-2.13%	-2.28%	9.64%

	2018	2017	2016
Fund	1.97%	0.74%	1.46%
BM	3.09%	1.09%	4.85%
Gap	-1.12%	-0.35%	-3.40%

	Avg R	SD	Sharpe*	Alpha**	Beta**	Correlation
Fund	3.75%	4.43%	0.43	1.46%	0.70	0.70
BM	2.32%	4.46%	0.10			

* Risk-Free interest rate is taken to be the Saudi Interbank Average 12M

** relative to benchmark Note: Statistics are based on Inception Date

Murabaha Tenor Distribution



Top Equity Holdings

Code	Stock	Sector
1120	Al Rajhi	Banks
2010	SABIC	Materials
1150	Alinma	Banks
1211	MAADEN	Materials
7010	STC	Telecommunication Services

Head Office الإدارة العامة

ص. ب. 55560
Riyadh الرياض
المملكة العربية السعودية KSA

هاتف 218 5999 (11) +966 Tel