

Alinma Saudi Equity Fund

Approved by Alinma Sharia Board

الإنماء للاستثمار

alinma investment



April-2019

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Fund's Objectives & Strategy

The fund aims to achieve long term capital growth by investing in shares of Shariah compliant listed companies in the Saudi equity market. The Fund also aims to outperform its Benchmark by utilizing an active management that enables movement between sectors in timely manner with focus on promising companies either having attractive valuations, or undergoing restructuring with strong momentum to improve profitability.

Fund Manager's Commentary

The Saudi main market (market) ended April up again by 5.5% on monthly basis (up by 3.85% for previous month), closing at its highest closing level during the month at 9,304.20 (trading between 8,896.55 and 9,304.20). Market's P/E, P/B, and Dividend Yield as of end of month were approximately 21.15, 2.07, and 3.21% respectively (as reported by Bloomberg) compared to 13.53, 1.61, and 2.70% 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 up by 8.60% and 1.64% versus last month respectively. Other sectors closed the month between up by 17.33% (Software & Services) and down by 7.71% (Diversified Financials). Market capitalization increased by 4.74% to SAR 2,186.00 billion versus last month of which 5.65% is owned by foreign investors (up from 5.31% as of end of last month) while average daily traded value increased sharply again by 19.40% to SAR 3,510.91 million.

Brent price increased again this month by 6.63% closing at 72.06 USD/bar. Similarly, OPEC's basket ended the month also up again by 6.96% to 71.91 USD/bar.

On interest rate issue, FOMC and as expected kept its rate at the same level on its meeting on May 1st 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 2.95534% p.a. (down again by 1.47% versus last month average) and closing at 2.95000% p.a. (down again by 0.51% versus closing of last month).

Regarding IPOs, there was only one listing in the Main Market (TASI) during the month, that of Al Moammar Information Systems Co. on April 24th. Aside from that, there was no other listing or offering on the Main Market (TASI) nor on the Nomu-Parallel Market during the month.

Major factors that affected markets movements during the month included the continuing improvement in oil prices and investors reactions to announcements of Q1 2019 earnings. In addition, market was also awaiting other tranches from FTSE (excluding Aramco, full weight of the Saudi market is expected to be about 2.86% within the FTSE Emerging All Cap Index) that will be implemented during 2019 (one of them in April while the others are on June and September) and to be completed by the last tranche during March 2020. In addition, inclusion of the Saudi market into MSCI Emerging Markets Index (where the Saudi market will approximately have a weight of 2.6%, also excluding Aramco) will be in two tranches on May 2019 and August 2019.

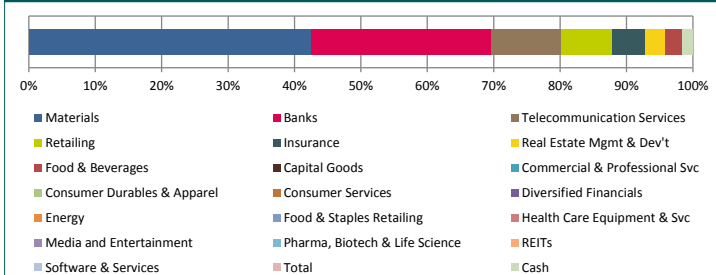
Fund's Information

Fund Type	Open-ended Fund
Risk Level	High
Fund Manager	Alinma Investment Company
Fund Listing	Saudi Arabia
Launch Date	01 January 2011
Benchmark	Alinma Saudi Islamic Index by IdealRatings
Inception Price (SAR)	10.00
Unit Price (SAR)	17.73
AUM (SAR)	53,672,628.34
Base Currency	Saudi Riyal
Initial Investment (SAR)	5,000 for Individual / 20,000 for Institution
Subsequent Investment (SAR)	1,000 for Individual / 10,000 for Institution
Minimum Redemption (SAR)	1,000 for Individual / 10,000 for Institution
Valuation Days	Monday and Wednesday of every week
Subscription Fees	1.5% max of initial or additional subscribed amount
Management Fees	1.75% per annum
Redemption Fees	None
Sharia Board	Yes
Bloomberg Code	ALSAUEQ AB Equity

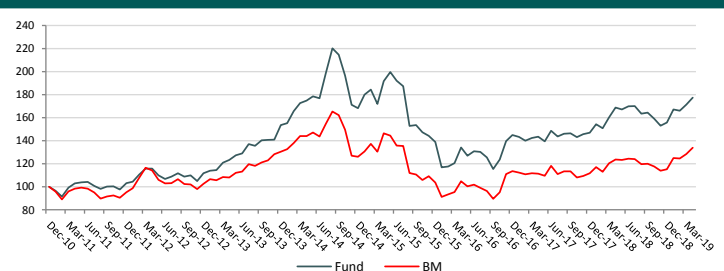
Abbreviations

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

Equity Sector Allocation



Performance & Risk Parameters



	1M	3M	YTD	1Y	2Y	SI
Fund	3.47%	6.11%	13.85%	5.04%	23.61%	77.29%
BM	4.27%	7.21%	16.24%	8.39%	20.20%	33.92%
Gap	-0.80%	-1.10%	-2.39%	-3.35%	3.40%	43.38%

	2018	2017	2016
Fund	6.01%	1.33%	4.48%
BM	3.21%	-1.69%	9.60%
Gap	2.80%	3.02%	-5.12%

	Avg R	SD	Sharpe*	Alpha**	Beta**	Correlation**
Fund	7.12%	14.39%	0.38	3.03%	0.80	0.78
BM	3.57%	14.08%	0.14			

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

** relative to benchmark

Note: Statistics are based on Inception Date

Top Equity Holdings

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

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