Al Mal MENA Equity Fact Sheet

NAV Per Unit: USD 9.20

Al Mal Capital

March 2019

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.

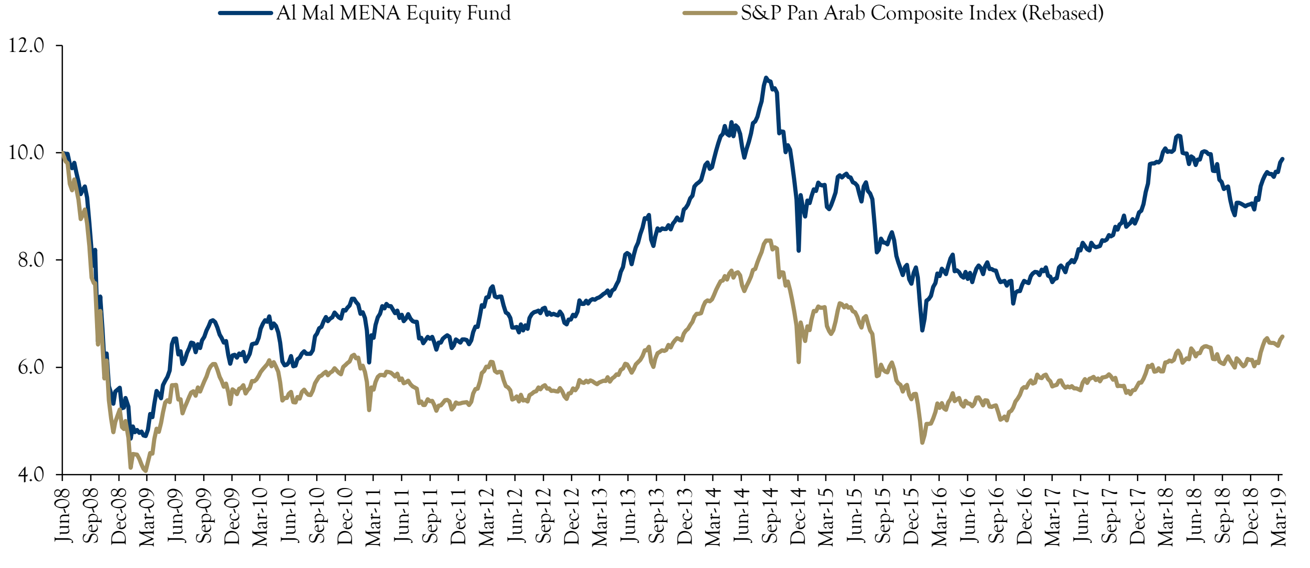
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
	Sanat Sachar, CFA
Inception Date	15th June 2008
Fund Size	USD 30 million
Strategy Size	USD 88 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.
2019	8.0%	7.7%	0.3%
2018	2.6%	6.8%	-4.1%
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.	-1.2%	-34.3%	33.1%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	3.5%	1.9%	1.6%
YTD*	8.0%	7.7%	0.3%
1 Year	-1.4%	7.3%	-8.7%
3 Years	26.9%	25.7%	1.2%
5 Year	-2.9%	-12.7%	9.8%
Since Inc.	-1.2%	-34.3%	33.1%

Performance



** As of 27 of March 2019*
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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Fund Manager Commentary:

Middle East and North Africa equities outperformed global emerging markets last month. The S&P Pan Arab Index added +1.9% compared to a -1.6% fall in MSCI Emerging Markets and a +0.5% gain for the U.S S&P 500. Top performing markets over the month were Kuwait and Saudi Arabia. The Fund had a very good month with a return of 3.5%. Top contributors were EK Holding and Gulf Bank ok Kuwait, a new addition to the fund which rose 15% during the month.

Orascom Construction - one of our core holdings - reported their 4Q 2018 results. Their core earnings (excluding provisions) skyrocketed 652% y-o-y to USD33.1mn (+14% q-o-q), mainly on the back of the strong performance from OC's subsidiary BESIX (unconsolidated), which contributed 73% of earnings during the quarter (+76% y-o-y). The stock is trading at P/E of 4.5x with dividend yield of 5%.

We had a call with the Investor Relations of NMC Health and our understanding is that the recent sharp selloff in the stock has nothing to do with fundamentals. The decline is due to technical factors, triggered by short positions that are betting on margin calls from some pledged shares. We are comfortable with the market risks and believe the company will deliver on expectations. NMC is one our long-time conviction and was recently re-introduced in the portfolio. The company reported a good set of results for the second half of the year. EBITDA grew +43% y/y fuelled by organic expansions and M&A however earnings missed estimates on higher finance costs. The company is forming a JV with Saudi's Hassana that will include its five assets in the Kingdom, and GOSI's 39 % stake in National Medical Care.

Last month, we saw the first phase of Saudi's inclusion in the FTSE EM Index, which drove in USD 600m of flows. In the short term, we think upside is limited, as it has been a well flagged event and the news seems to be already discounted. In the long run, there are some positive implications not just for the Saudi market but for the region as a whole. The foreign flows will bring more institutional investors who are research driven and who will thereby bring more discipline to the market

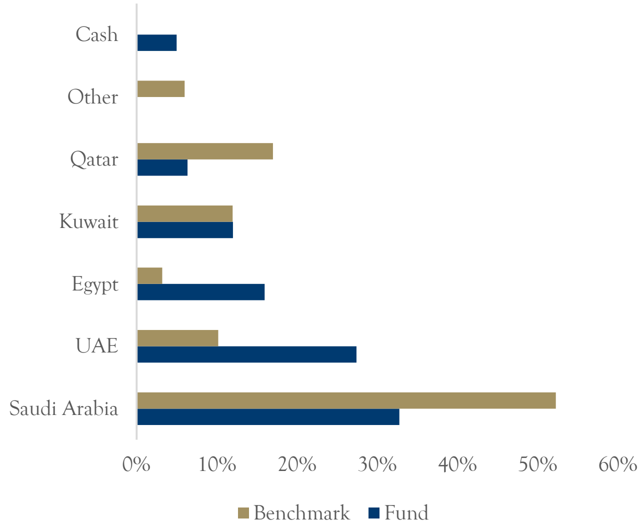
Top Portfolio Holdings	% of Fund
Egypt Kuwait Holding	5.6
Humansoft Holding	5.3
Al Rajhi Bank	4.7
Orascom Development	4.7
SABIC	4.6
Total # of Holdings	**38**

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

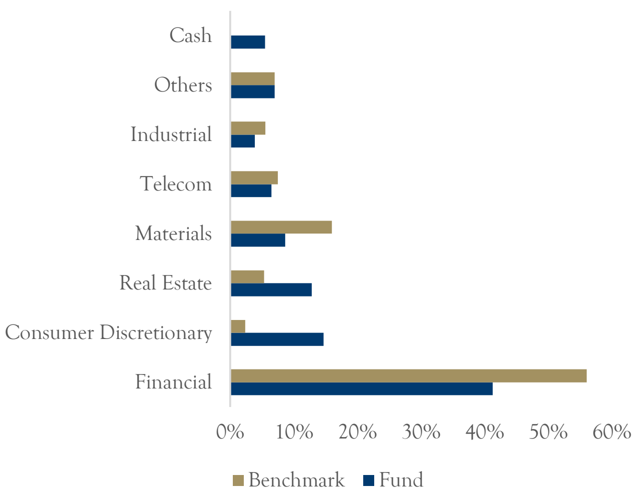
Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	14.5%	14.6%
Sharpe Ratio	-0.25	-0.39
Beta	0.88	-
Tracking Error	6.8%	
Information Ratio	0.32	

[2] Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation



Al Mal UAE Equity Fact Sheet

NAV Per Unit: AED 1.20

Al Mal Capital

March 2019

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.

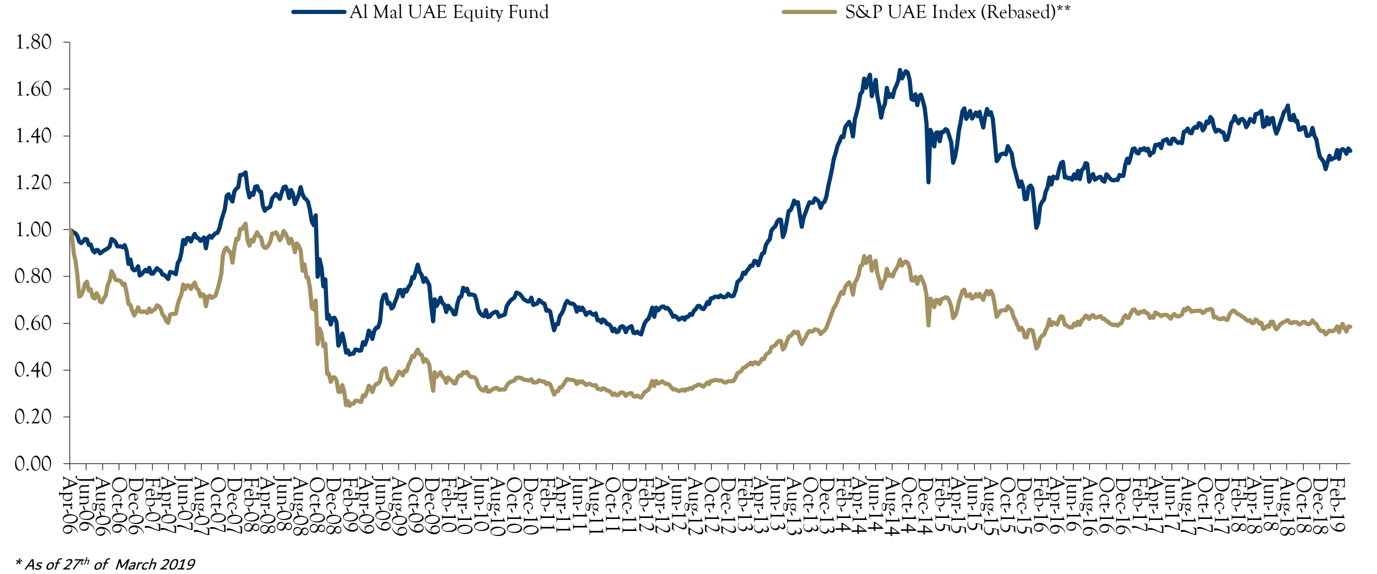
Key Terms:

Fund Manager	Charles-Henry Monchau, CFA
	Vrajesh Bhandari, CFA
	Sanat Sachar, CFA
Inception Date	5th April 2006
Fund Registration	UAE
Currency	AED
Fund Size	AED 31mn
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.
2019	2.3%	3.4%	-1.1%
2018	-5.7%	-7.7%	2.0%
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.	33.6%	-41.4%	75.0%

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	-0.6%	-2.1%	1.5%
YTD*	2.3%	3.4%	-1.1%
1 Year	-8.9%	-2.5%	-6.4%
3 Years	9.4%	-2.3%	11.7%
5 Year	-12.6%	-27.2%	14.6%
Since Inc.	33.6%	-41.4%	75.0%

Performance



** As of 27th of March 2019*
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 UAE Composite Index

Al Mal UAE Equity Fact Sheet

NAV Per Unit: AED 1.20

March 2019

Fund Manager Commentary:

The S&P UAE Index fell 2.1% last month with Dubai (-2.3%) underperforming Abu Dhabi (-0.8%).

The market weakness was largely attributed to the sharp decline in the employment tracker compiled by IHS Markit. This indicator fell to 47.5 last month, its lowest level since August 2009 – which in simple words means companies in the non-oil private sector cut jobs at the fastest pace in a decade. 'Some firms reported operating with the minimum level of staffing in a bid to keep costs down'.

However, the Emirate's PMI reading was still healthy at 55.8. Companies in the wholesale and retail sector reported strong volume growth, although driven by price discounting. The Travel and tourism sector came in at 56.8, a nine-month high. Construction registered a good performance as well. In the financial sector, the CEO of Mashreq bank suggested the lender will close 50% of its branches this year as part of a digital transformation.

The Top performer in the fund last month was Aramex. Some room has been unlocked in the company's FOL, as Australia Post sold its c10% stake. 2018 ended on a strong note for Aramex with 24% earnings growth. The new CEO Bashar Obeid (erstwhile CFO) has emphasized heavily on expense control and defending margins. The asset-light strategy is likely to translate into further acquisitions across the logistics supply chain, supported by low leverage.

The Central Bank in the UAE launched a program called the 'National Loans Scheme', which aims to ease the burden of debt accumulation for UAE nationals. This will consolidate all loans and introduces a monthly instalment limit of 50% of income, or 30% over a duration no longer than four years. Though in the short term this could have some pressure on banks profitability, in the long run this creates a healthy credit environment and more banking opportunities.

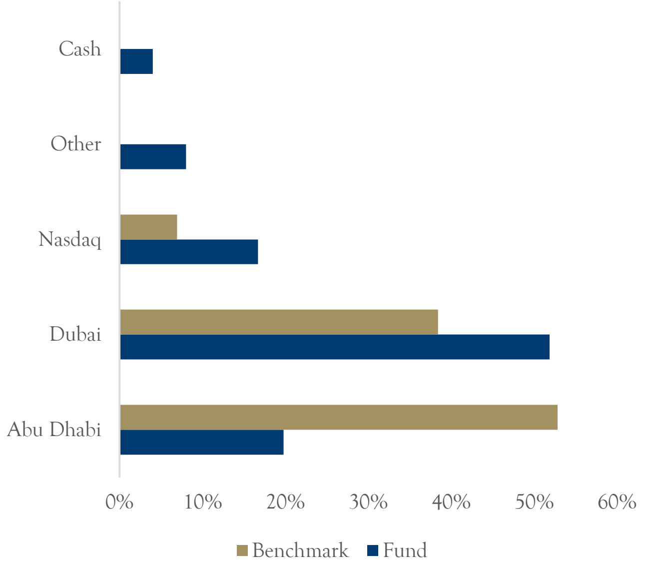
Top Portfolio Holdings	% of Fund
Emirates NBD	13.5
Emaar	12.1
DP World	9.3
Total # of Holdings	**12**

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

Fund Characteristics[2]	Fund	Benchmark
Standard Deviation	19.4%	21.4%
Sharpe Ratio	-0.29	-0.43
Beta	0.88	
Tracking Error	5.8%	
Information Ratio	0.54	

[2] Calculated using 5-year weekly data

Geographic Allocation



Sector Allocation