

Fund Information

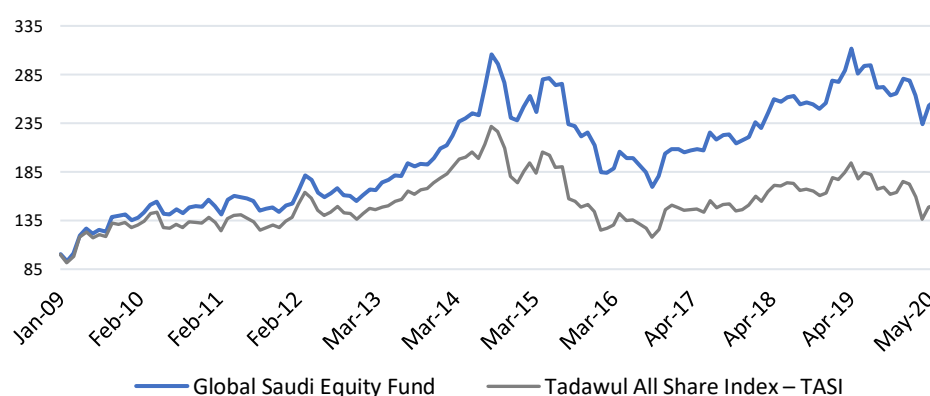
Asset Type: Equity
Geographic Focus Saudi Arabia
Fund Manager Global Investment House
Benchmark Tadawul All Share Index – TASI
Fund Listing: Saudi Arabia
Launch Date: January 2009
Structure: Open-Ended
NAV (SAR) Class A: 258.03; Class B: 258.25
Current Fund Size SAR 575.0 mn
Base Currency Saudi Riyal
Initial Investment: Class A – SAR 10,000 Class B – 50,000,000
Subsequent Investment Minimum of SAR 5,000
Subscription & Redemption Sunday & Tuesday of every week
Initial Charge: 2%
Management Fee (per annum): Class A – 1.75%; Class B – 0.75%
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 May 2020
Tracking Error 4.13%
Beta 0.88
Information Ratio 0.97
Sharpe Ratio NA
Standard Deviation 18.7%

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	YTD	1Y	3Y	5Y	*SI
Fund	1.98	-2.05	-8.10	-9.74	24.80	-8.28	158.24
Benchmark	1.41	-5.44	-14.02	-15.31	4.97	-25.55	50.60
Difference	0.57	3.39	5.92	5.56	19.83	17.27	107.64

*Since Inception (January 2009)

Yearly Performance Ending 31st December (%)

	2014	2015	2016	2017	2018	2019
Fund	13.8	-10.6	-1.8	5.8	15.7	10.0
Benchmark	-2.4	-17.1	4.3	0.2	8.3	7.2
Difference	16.2	6.5	-6.1	5.6	7.4	2.8

Global Saudi Equity Fund

Fund Review

Global Saudi Equity Fund was up 2.0% M/M in May 2020, outperforming the benchmark which was up 1.4% M/M during the same period.

Positive Contributors

Our OW positions in Sadafco and Othaim Markets coupled with UW positions in Jabal Omar and Dar AlArkan contributed positively towards the fund's relative performance during the month.

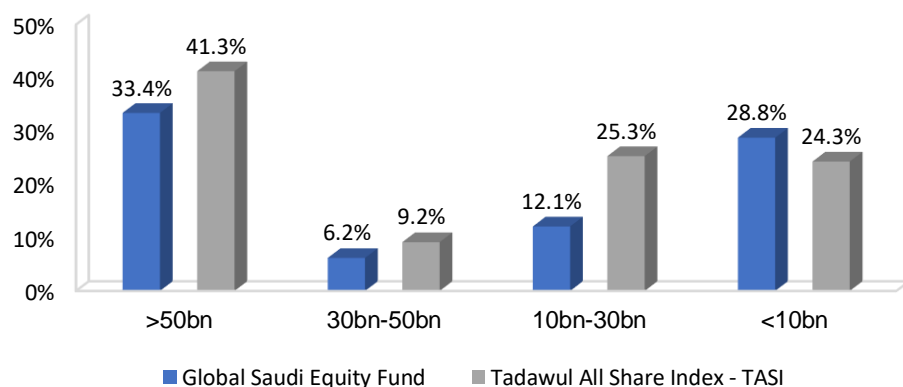
Negative Contributors:

Our OW positions in Extra and Qassim Cement coupled with UW positions in SABIC and Yansab contributed negatively towards the fund's relative performance during the month.

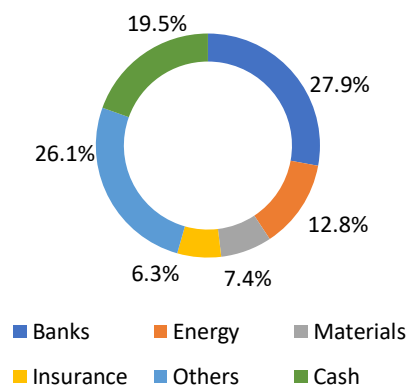
Top Five Holdings

Stock	Sector	Fund (%)
AlRajhi Bank	Banks	11.6
Aramco	Energy	10.3
STC	Telecom	6.2
NCB	Banks	5.2
Sadafco	F&B	3.5

Market Cap Weightings



Sector Breakdown



Market Commentary

The US markets continued to perform well in May trumping the adverse economic data and US-China cold war rhetoric. The S&P500 ended up 4.8%, capping the YTD losses at just under 5%. Globally, the MSCI EM index gained 0.6% whereas MSCI EAFE gained 4% implying the recovery remained geared towards advanced economies. On the commodities front, Brent oil gained 68% in May. The crude price rally is underpinned by the expectations of OPEC+ agreeing to extend the 9.7mn bpd product cut deal further until August.

The Saudi benchmark Tadawul surged 1.4% during the month helped by a

rebound in crude oil. While defensive sectors like consumers and telecoms propelled the index, newly announced reform measures including a suspension of cost of living allowance, tripling the VAT to 15% and increase in customs duties are likely to impact the consumer demand. In addition, the Saudi foreign reserves fell by USD45bn in last two month (March- April) albeit it was driven by USD40bn transfer to the PIF for the overseas investment purposes.

Global and local markets continue to face the unprecedented challenges. Given the outbreak of COVID-19 and its adverse impact on commodities' prices, interest

rates and overall economic growth, we expect the Saudi market to yield negative returns in 2020. Looking beyond the pandemic, the downside risks for the regional economies can be much bigger than expected due to the magnified impact on hydrocarbon sector (lower prices and production) and potential slowdown in non-oil sector including travel & tourism, retail, construction etc. which can lead to spending disruptions and higher deficits than budgeted.

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