

Saudi Market I Equity Kamco Saudi Equity Fund

Factsheet | October 2020

Fund Information

Benchmark

Tadawul All Share Index – TASI

Domicile

Saudi Arabia

Launch Date

January 2009

Structure

Open-Ended

NAV (SAR)

Class A: 284.87; Class B: 287.47

Current Fund Size

SAR 638.4 mn

Base Currency

Saudi Riyal

Initial Investment

Class A – SAR 10,000

Class B – 50,000,000

Subsequent Investment

Minimum of SAR 5,000

NAV Frequency

Twice a week

Initial Charge:

2%

Fees

Management Class A – 1.75% p.a.
Class B – 0.75% p.a.

Custodian 0.15% p.a.

Administration 0.13% p.a.

Audit SAR 70,000

Tadawul SAR 10,000

CMA SAR 7,500

Custodian

HSBC Saudi Arabia

Auditors

KPMG Al Fouzan & Partners

Bloomberg Code

GLOBEQC AB

RIC Code

LP65135767

Fund Manager

Kamco Investment Company

Bader Ghanim Al-Ghanim

Chief Executive Officer

balganim@kamcoinvest.com.sa

Husain Thaker

Vice President

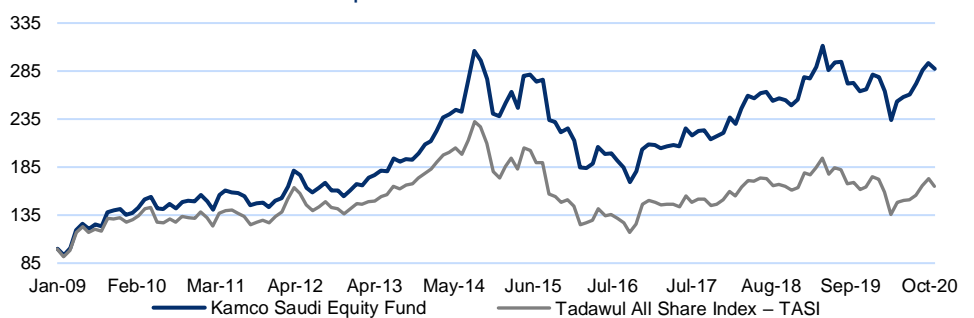
hthaker@kamcoinvest.com.sa

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.

USD100 Invested Since Inception



Cumulative Returns

	1 M	3 M	6M	YTD	1 Y	3Y	5Y	*SI
Fund	-2.04	5.69	13.49	2.27	8.89	34.19	29.75	187.40
Benchmark	-4.72	6.01	11.17	-5.74	2.11	14.04	10.99	65.11
Difference	2.68	-0.32	2.32	8.01	6.78	20.15	18.76	122.29

*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

Statistics over 5 years

Tracking Error	Beta	Information Ratio	Sharpe Ratio	Standard Deviation
4.08%	0.88	0.79	N/A	17.4%

Saudi Market | Equity

Kamco Saudi Equity Fund

Fund Review

Kamco Saudi Equity Fund was down 2.0% M/M in October 2020, outperforming the benchmark which was down 4.7% M/M during the same period.

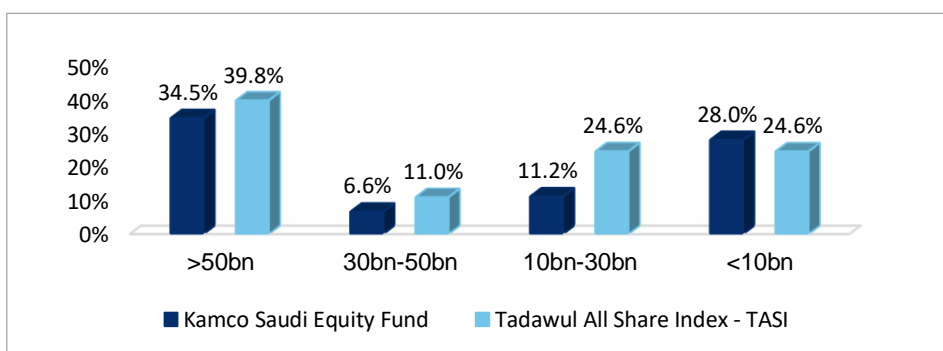
Positive Contributors:

Our OW positions in Saudi Electricity and Mouwasat coupled with UW positions in Jabal Omar and Kayan contributed positively towards the Fund's relative performance during the month.

Negative Contributors:

Our OW positions in Riyadh REIT and Sadafco coupled with UW positions in SABIC and Extra contributed negatively towards the Fund's relative performance during the month.

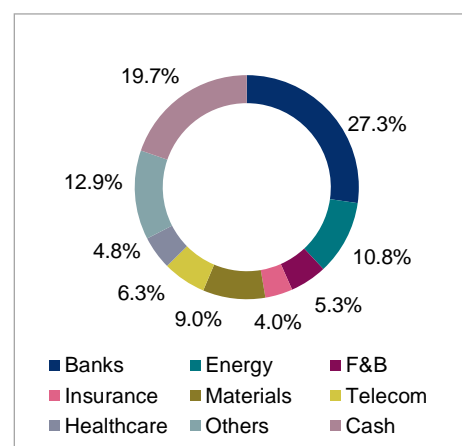
Market Cap Weightings



Top Five Fund Holdings

Stock	%
AlRajhi Bank	12.4
Aramco	9.8
STC	6.3
NCB	6.1
Sadafco	3.3

Sector Breakdown



Market Commentary

US markets continued easing in October with both Dow and S&P 500 retreating 4.6% and 2.8% respectively as a combination of factors including the US presidential elections and second wave of COVID-19 related lockdowns impacted the markets. A divergent trend emerged in the EM with MSCI EM Index rising 2% whereas MSCI EAFE Index maintained its losing momentum by correcting 4% during the month. On the commodities front, Brent oil corrected sharply by 8.5% with prices falling below USD40/bbl- as the demand outlook worsened in Europe with renewed lockdowns in major economies in the continent.

A combination of global cues, profit booking and falling oil prices impacted the Kingdom's market adversely during the month. Saudi Tadawul dropped 4.7% during the month - a first such occurrence in last seven months. The returns were impacted by high beta sectors including the insurance and consumer discretionary stocks. Earnings season continue to unfold with Bank earnings and balance sheet surprising positively while petrochemical companies continue to be a mixed bag.

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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