

# Khaleej Equity Fund

Fact Sheet - April 2015



NAV US\$ 338.76 ↑ 4.3%

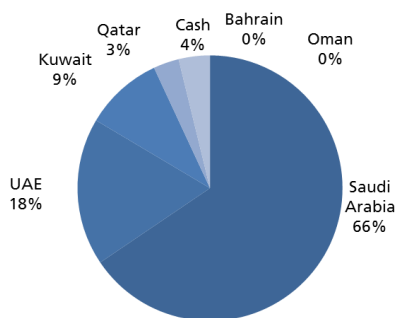
## Manager's Commentary

Regional markets rebounded sharply in April on the back of 22% increase in the price of oil. The S&P GCC index recorded the largest monthly gain (+10%) since April 2009 with Saudi Arabia (+12%) and Dubai(22%) contributing for most of the increase. While real-estate companies such as Damac (+65%), Deyaar (48%) and Emaar (25%) contributed to the gains in the UAE, the petrochemical sector was the main driver behind the gains in Saudi Arabia. The performances of the rest of the markets were relatively muted (up 2-4% for the month).

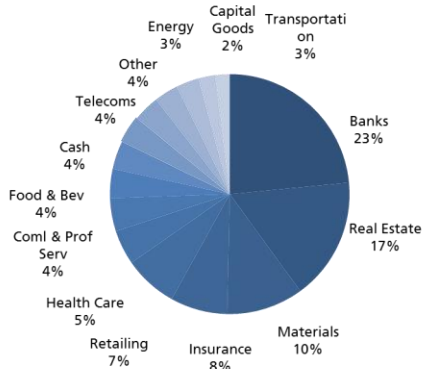
The Khaleej Equity Fund appreciated by 12% for the month compared to the 10% increase in the benchmark. We were vindicated by our strategy to increase exposure to the petrochemical sector and remaining fully invested in the market. In Saudi Arabia, our investments in petrochemical, financial and insurance sectors contributed to the outperformance of the fund. In the UAE, real-estate sector was the biggest contributor to the fund's performance.

We expect the regional markets to consolidate in May given the pace of the rally experienced in the month of April. However, the underlying positive momentum in markets should continue given the increase in oil prices and positive news flow regarding opening of the Saudi market to foreign investors. Despite the recent rally, we believe the Saudi financials and Petrochemicals are still trading at discount to their long-term fair value. In addition, the consumer sector has underperformed the overall market year-to-date; however we remain bullish on prospects for earnings growth in the sector given the low commodity prices. Hence we don't intend to make significant allocation changes to the portfolio during the month and we will opt to remain fully invested.

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	18.6	16.7
Price to Book Multiple Latest (x)	2.0	1.9
Return on Equity TTM (%)	13.2	11.5
Dividend Yield - 2014 (%)	2.8	3.5
Number of Holdings	42	276
Annualized Return (%) - Last 5 years	9.5	5.2
Annualized Standard Deviation (%) - Last 5 years	14.6	15.1
Largest Monthly Gain (%)	14.8 (Mar 05)	17.6 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 8)	-24.7 (Oct 08)
% of Positive Months	61	57
Success Ratio (%)	52	NM
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	126.5	94.8

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## Investment Objective

The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

### Returns (%)

	Fund	Index*
April 2015	12.0	10.1
YTD (Jan-April)	16.3	10.0
2014	4.7	-2.5
2013	28.4	25.0
2012	5.9	3.2
2011	-5.9	-8.2
2010	14.1	12.8
2009	16.9	14.1
2008	-33.9	-55.3
2007	43.9	35.4
2006	-13.9	-40.2
Last 3 months	14.4	7.0
Last 6 months	3.1	-6.3
Last 1 year	8.2	-5.3
Last 3 years	50.8	24.5
Last 5 years	57.3	28.9
Last 10 years	98.8	-19.7
Since Inception(Mar04- April15)	238.8	72.7

\* S&P GCC Composite Index

## Fund Information

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10%
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	KHALEQY BI
Fund ISIN Code	BH000A1CZ8W7
Custodian/ Administrator	HSBC, Bahrain

## Top Holdings

Name	Country	(%)
Emaar	UAE	4.7
SABB	Saudi	4.5
Bupa	Saudi	4.3

## Risk Statistics (Last 5 years)

Annualized Standard Deviation (%)	16.6
Sharpe Ratio	0.4
Tracking Error (%)	4.4
Information Ratio	0.99
Alpha (%)	4.5
Beta	0.9

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