

## Investment objective

The Fund will seek to achieve attractive risk adjusted returns by investing in Sharia compliant Saudi equities based on bottom-up fundamental research and technical analysis. The fund also allows to add GCC Sharia compliant equity names.

## Fund Manager Commentary

The Fund returned -1.0% in March, outperforming the benchmark by 0.5% (SPSHG -1.5% as of March 29th 2024). The Fund's selective positioning in KSA, overweighting the consumer sector and underweighting financials, while remaining largely neutral in materials and energy, helped drive the outperformance of value over momentum during the month, as well as insulate against the corrective selloff in the closing sessions of the Ramadan period (SAEIDX -1.8% in March). The Fund closed several positions on valuation grounds, while adding exposure to quality growth names that are expected to continue outperforming index earnings growth. In the UAE, the Fund's OW position in the EMAAR stable, utilities, and financials, helped outperform the DFMGI 's corrective -1.5% MTD performance. Qatar's -6.0% YTD performance, due in large part to a lack of catalysts and low foreign interest, continues to warrant the Fund's UW position outside of IQCD, QIB, and QFLS.

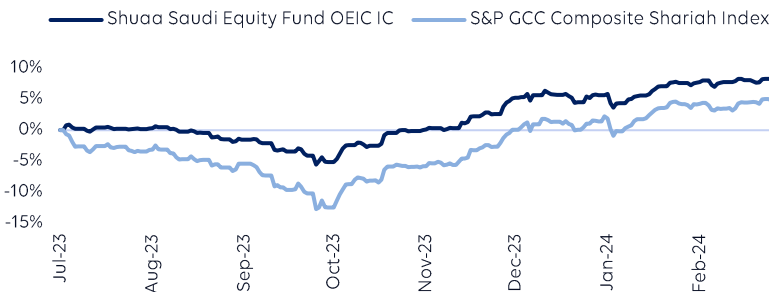
The key macro events of the month of March included the FOMC's decision to hold rates unchanged, thereby delaying and diminishing any anticipated triggers to regional rates. The new dot plot outlook for the year continues to see 75bps of cuts this year, with the rate cut outlook pushed further out, pointing to a higher-for-longer scenario. Oil markets closed higher in March as geopolitical tensions rose following Russian attacks and continued escalations in the Middle East, while a decline in US rig count supported prices further. Oil prices experienced a brief decline post-FOMC rate decision, given its dampening effect on demand, only to exhibit greater sensitivity to US inventory data and geopolitics.

In the GCC, Saudi Arabia's PIF is reportedly considering a takeover of national carrier Saudia Airlines, driving speculation that the airline may be privatized or merged with Riyadh Air. This drove further expectations that suppliers of Saudia (CATRION, SGS) would benefit, and resulted in c8% and 36% intra-month moves in their stock prices respectively. In the UAE, the key trade of the month was the EMAAR DEV dividend, as the market's overall disappointment did not precipitate weakness in the stock post-rally and instead catalyzed a re-rating in both names to the 6-6.5% DY range. Other key events in March included the issuance of a law in Dubai mandating 20% annual tax on foreign banks operating in the emirate. The move is a broad positive for the banks, as it averts double taxation (via the recent introduction of a 9% corporate tax in the UAE). Further positive developments in the UAE financials space included the settlement of NMC-related claims with DIB (exposure AED 12bn), via a mix of cash and HoldCo stake instead of insurance receivables. Aside from the immediate positive impact on NPL and writebacks of provisions, the settlement improves the FV calculus of NMC, implying a positive read-across for other UAE banks (ADCB and ADIB). The IPO of PARKIN CO concluded with the issue being 165x oversubscribed, and a 30% jump on its trading debut, aligning with peer SALIK on DY terms.

Egypt received a slew of positive macro developments in March (credit rating upgrade, front-loaded FDI spike via ADQ deal), counterbalanced by an unexpected inflation print jump. THE CBE's surprise rate hike (by magnitude, 600bps), arrived ahead of expectations, placing the discount rate within reach of January inflation (27.8% vs. 29.8%). The interbank market simultaneously closed the official-parallel rate gap. Overall, these are in our view positive triggers for FX flows, the external balance, the fiscal outlook, and inflation. Recent fuel price hikes should however impact the near-term inflation outlook.

The Fund continues to see better value in the UAE vs KSA and remains positioned for quality cash flow generation in the run up to Q1 earnings releases in April.

## Fund Returns Since Inception



## Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA SAUDI Equity Fund	-1.0%	1.3%	8.3%	N/A	1.3%	6.7%
S&P GCC Composite Shariah Index	-1.5%	2.2%	8.5%	N/A	2.2%	2.7%

## Fund Facts

Inception Date	July 2023
Domicile	Abu Dhabi Global Markets
Fund Currency	USD/SAR/AED
Asset Class	Sharia compliant Equities
Geography	GCC
ISIN	AE000A3CSWU8
Number of Holdings	63
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER /Management Fee	2.3% / 1.5%
Fund Manager	Mohammad Kamal
Co Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

## Portfolio Statistics

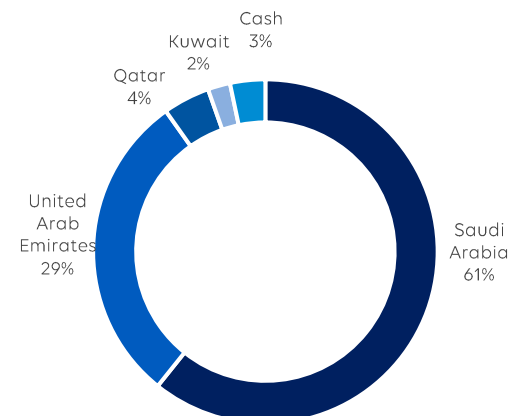
Fund AUM	\$43.8m
NAV per Share	106.7**

## Performance

Annualised return	10.0%
Sharpe ratio	0.9
Standard deviation	6.6%
2023 Return*	5.3%*

\* Inception 31st July 2023 \*\* As of March 29th 2024

## Country Allocation

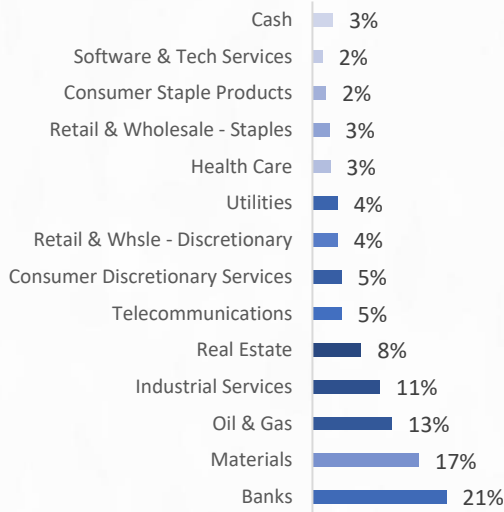
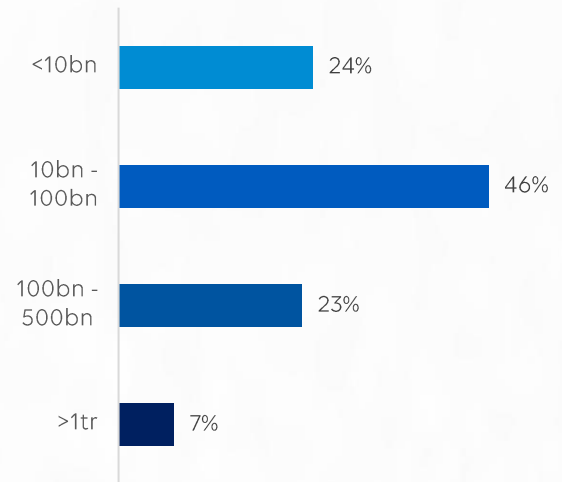


**Top 5 holdings (excluding cash)**

Al-Rajhi Bank	13.2%
Saudi Arabian Oil Co	6.8%
Saudi Telecom Company	3.9%
SABIC	3.7%
Americana Restaurants International	3.5%

**Fund Metrics**

RoE	22.9%
Earnings Yield	6.4%
PE (12m Forward)	15.6x
EV/EBITDA (12m Forward)	25.8x
Net Debt/EBITDA	1.7x

**Sector Allocation**

**Equity Market Capitalization of Holdings (USD)**

**Top 5 Performers**

Saudi Ground Services Co	22.7%
FERTIGLOBE PLC	10.9%
Mouwasat Medical Services Company	10.6%
Al Hassan Ghazi Ibrahim Shaker Company	8.7%
SALIK CO PJSC	7.2%

**Bottom 5 Performers**

Al-Dawaa Medical Services Co	-17.4%
Al Tayyar	-14.9%
Dubai Islamic Bank	-9.5%
Power & Water Utility Co for Jubail & Yanbu	-8.7%
Tabreed	-7.4%

**Asset Management Sales**

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