

Period : 25 July 2018 to 31 December 2018

## Alpha Saudi Equity Fund

### Annual Fund Report

#### Investment Fund Information:

|  |  |
|--|--|
| Fund Name                              | Alpha Saudi Equity Fund  |
| Investment Objectives and policies     | To provide medium & long term capital growth by investing in listed equities in the Saudi Market. The fund invests its assets in a diversified portfolio of shariah compliant companies listed in the Saudi Equity market. The Fund may also invest a part of its assets in short term murabaha investments. |
| Distribution of income and Gain Policy | The Fund will not make any distributions to unit holders. Instead, dividends will be reinvested.   |

#### Fund Performance:

| Description                                   | 2018           | 2017 | 2016 |
|---|----------------|------|------|
| Net Assets Value at the end of financial year | 45,515,502.12  | N/A  | N/A  |
| NAV per unit at the end of financial year     | 9.70633        | N/A  | N/A  |
| Highest NAV per unit for the financial year   | 10.00000       | N/A  | N/A  |
| Lowest NAV per unit for the financial year    | 9.02171        | N/A  | N/A  |
| No. of Units at the end of financial year     | 4,689,260.8236 | N/A  | N/A  |
| Income Distribution per unit - Gross          | N/A            | N/A  | N/A  |
| Income Distribution per unit - Net            | N/A            | N/A  | N/A  |
| Total Expense Ratio % - Avg AUM               | 0.68           | N/A  | N/A  |

|            |  |
|------------|--|
| Disclosure | Total Expense ratio is calculated based on average AUM over the period and there was no Fee Rebate paid to the clients. However, The subscription Fee is waived for all the subscriptions. |
|------------|--|

| Description    | 1 Year | 3 Years | 5 Years |
|----------------|--------|---------|---------|
| Total Return % | -2.94  | N/A     | N/A     |

| Description           | 2018  | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------------------|-------|------|------|------|------|------|------|------|------|------|
| Annual Total Return % | -2.94 | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |

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#### Performance Record:

| Fund Fee & Expenses        | 2018 - SAR        | 2018 - %age    |
|----------------------------|-------------------|----------------|
| Administration fee expense | 51,457.18         | 18.22%         |
| Audit fee                  | 13,125.00         | 4.65%          |
| Directors fee              | 8,712.33          | 3.09%          |
| Management fee             | 173,629.76        | 61.48%         |
| Management fee VAT         | 8,681.49          | 3.07%          |
| Custodian Fee              | 15,245.08         | 5.40%          |
| Regulatory fee             | 3,267.12          | 1.16%          |
| Shariah Advisory Fee       | 6,098.63          | 2.16%          |
| Tadawul Publication Fee    | 2,178.08          | 0.77%          |
| <b>TOTAL</b>               | <b>282,394.68</b> | <b>100.00%</b> |

#### Exercise of Annual Voting Rights , Issuer's Name and Date of AGM

The Fund was launched in July of 2018. The Fund Manager was in the process of developing the voting policy that was presented and approved by the Board of Directors of the Fund in December 2018. For this reason, the fund manager didn't participate in any voting during the previous period.

#### Material Changes affecting fund performance

There were no material changes during the reporting period affecting the fund performance

#### Fund Board Annual Report

There were 3 fund board meetings during 2018.

1- The first meeting was held on the July 5<sup>th</sup>, 2018 with the below agenda:

- Approval of agreements with the service providers
- Approval of the subscription period
- Approval of the fund's launching date
- Approval of the offering documents.

2- The second meeting was held on September 10<sup>th</sup>, 2018 and has as agenda the below:

- Change the paragraph B of Article 17 of the fund's T&C from "**B- NOTIFICATION TO THE AUTHORITY AND CONSENT OF UNITHOLDERS TO SIGNIFICANT CHANGES**" to "**B- NOTIFICATION TO THE AUTHORITY UNITHOLDERS TO SIGNIFICANT CHANGES**"
- Change the paragraph c of Article 17 of the fund's T&C from "**C- NOTIFICATION TO THE AUTHORITY AND CONSENT OF UNITHOLDERS TO NOTIFIABLE CHANGES**" to "**C- NOTIFICATION TO THE AUTHORITY UNITHOLDERS TO NOTIFIABLE CHANGES**"

3- The last meeting was held on December 24<sup>th</sup>, 2018 and below was the agenda for the meeting:

- Review the voting policy of the Fund and submit it to fund's board members approval
- Confirm that no conflict of interest is resulting from the designation of the fund's board members
- Discuss the compliance and Money Laundering issues, if there is any.
- Discuss any additional update.

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## Alpha Saudi Equity Fund Annual Fund Report

### Manager & Sub Manager

The fund manager is Alpha Capital Company which is the sole responsible for managing the fund's assets, hence no Sub Fund Manager is used.

### Review of Investment Activities During the Period

During the period since inception toward the year end, the Fund invested its assets in shares of Saudi listed companies that are compliant with the shariah principals. The Asset Allocation of the Fund as on 31 December 2018 was as follows:

| Sector                 | Weight |
|------------------------|--------|
| Financials             | 29.80% |
| Materials              | 29.40% |
| Health Care            | 9.60%  |
| Consumer Staples       | 7.30%  |
| Industrials            | 7.10%  |
| Communication Services | 5.80%  |
| Real Estate            | 4.60%  |
| Others                 | 6.40%  |

### Investment Fund's performance during the period

The fund was launched in July 25<sup>th</sup>, 2018. The fund's performance since inception stood at -2.94% v/s -6.07% for the benchmark. The fund outperformed its benchmark since inception by 3.13%.

### Other Information for Unit Holders

All information contained in this report is as per the Investment Fund Regulations (IFR) issued by the Capital Market Authority (CMA)

During the period, the following deviation were reported:

- On December 19<sup>th</sup>, 2018, the fund had not being fully in-line with the provisions of Paragraph D of Article 41 of the IFRs, which stipulates that "Not more than 20% of the public fund's net asset value may be invested in all classes of securities issued by any single issuer". While this deviation, which lasted for 1 day only, was due to market fluctuations and thus was beyond our control, we managed to rectify it in a very short time period.

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### Details of Changes during the period in Fund T&Cs and Information Memorandum

- Changed the paragraph B of Article 17 of the fund's T&C from "**B- NOTIFICATION TO THE AUTHORITY AND CONSENT OF UNITHOLDERS TO SIGNIFICANT CHANGES**" to "**B- NOTIFICATION TO THE AUTHORITY UNITHOLDERS TO SIGNIFICANT CHANGES**"
- Changed the paragraph c of Article 17 of the fund's T&C from "**C- NOTIFICATION TO THE AUTHORITY AND CONSENT OF UNITHOLDERS TO NOTIFIABLE CHANGES**" to "**C- NOTIFICATION TO THE AUTHORITY UNITHOLDERS TO NOTIFIABLE CHANGES**"

### Custodian

AlBilad Capital , King Fahad Road Riyadh

### Custodian duties and responsibilities

#### Custodian Duties:

The Custodian will exercise all reasonable care in performance of services and other duties of protecting the fund's assets on behalf of unitholders and taking all necessary administrative measures in relation to the custody of the fund's assets. The Custodian is under no obligation to issue an opinion on Fund Manager.

### Any Special Commission received by Fund Manager

There were no special commission received during the reporting period.

### Auditor

Alluhaid & Ayahya Chartered Accountants POSTAL CODE: 11691 PO BOX: 85453 Riyadh, Abu Baker St, At Taawun.

### Financial Statements

The 1<sup>st</sup> Financial Statements of the Fund will be published as of 31<sup>st</sup> Dec 2019.

**Note : Fund's Reports are available upon request free of charge.**

Should you have any enquiries regarding this notification or require any clarifications please feel free to contact us.