**Objective**

The Fund’s main objective is to achieve long-term capital appreciation by investing in a diversified basket of equities listed on the MENA region stock exchanges.

**Commentary**

The regional markets were mixed in August with the overall S&P GCC Index dropping 2.5% MoM due to the pressure on index-heavyweight Saudi Banks amidst lower trading activity on account of the longer holidays across the region. Oil prices rallied in the second half of the month, rising +4.3% MoM, as US sanctions on Iranian oil are expected to lead to tighter global crude supplies. Markets were led by Egypt and Abu Dhabi, up 2.9% and 2.6% MoM, respectively. Strong corporate results have driven investors to reevaluate the Egyptian market while the rally in Abu Dhabi was primarily driven by the rally in FAB. Oman also recovered 1.9% MoM from year lows while Qatar continues to surprise closing +0.6% MoM and 16.0% YTD. Saudi was the worst performing market, declining 4.2% MoM as foreign investors exited on low liquidity. Dubai continued to decline, falling 3.9% MoM while Kuwait closed the month -0.7% MoM. Overall market liquidity was lower due to the Eid ul Azha holidays with Saudi trading USD 849 mn on average per day (vs USD 978 mn on average YTD).

The Oryx Fund closed the month 2.5% lower MoM, in line with the S&P GCC Index. Our position in UAE contributed positively to the performance while our positioned in Saudi banks were a drag on performance.

Second quarter reporting season has now come to a close and earnings have been generally been strong. Earnings in Saudi increased 25% YoY, primarily on higher reported earnings from petrochemicals. Al Rajhi, Sabic, Kayan and Tasnee all reported strong growth but we saw muted results from the Saudi consumer sector. Aggregate earnings in UAE improved 20% driven by the banking sector while earnings in Qatar were up 8% YoY led by IQCD. Profitability in Kuwait improved +6% YoY while in Oman earnings were down 9% due to the ongoing pressure on the utilities and consumers sectors.

In a major development during the month under review, Saudi Arabia called off its plans for listing Saudi Aramco, shifting its focus instead to the acquisition of a ‘strategic stake’ in SABIC. In other news, Hajj pilgrim numbers came in at 2.37 mn, up 0.8% YoY. Over in Qatar, the Emir announced USD 15 bn investments in a diversified basket of equities listed on the MENA region stock exchanges.

We continue to have a positive outlook on the GCC markets. Our outlook is underpinned by improving oil fundamentals which will allow the regional economies to continue with structural reforms but relax austerity measures. We continue to like Kuwait which is set to enter the FTSE EM Index by the end of this month. In Saudi, we are overweight on the large cap Banks and Petrochemicals. We hold selective exposure in Qatar and UAE. We believe the portfolio is well positioned to benefit from ongoing regional themes of EM upgrade, Expo 2020 and World Cup.

**Fund Highlights**

- **Fund Manager**: Shirish Raut
- **Inception Date**: 05/09/94
- **Structure**: Open Ended Mutual Fund
- **Custodian**: bank muscat SAOG
- **Domicile**: Oman
- **Benchmark**: S&P GCC Large Cap Index
- **Currency**: OMR/USD
- **Risk Profile**: High
- **Minimum Initial Purchase**: OMR 50
- **Min. Additional Purchase**: OMR 50
- **Initial Subscription Fee**: Up to 3%
- **Annual Management Fee**: 1.85%
- **Valuation**: Daily
- **Subscription & Redemption**: Daily

**Top 3 Holdings**

- **Company Name**: AL RAJHI BANK
  - **Weights (%)**: 8.3
- **Company Name**: NMC HEALTH PLC
  - **Weights (%)**: 6.6
- **Company Name**: SAMBA FINANCIAL GROUP
  - **Weights (%)**: 4.6

**Portfolio Performance**

<table>
<thead>
<tr>
<th>Name</th>
<th>MTD</th>
<th>YTD</th>
<th>1 Year*</th>
<th>3 Years*</th>
<th>5 Years*</th>
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<tr>
<td>bank muscat Oryx Fund</td>
<td>-2.5</td>
<td>5.2</td>
<td>4.3</td>
<td>5.1</td>
<td>9.1</td>
</tr>
<tr>
<td>S&amp;P GCC Composite Index</td>
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<td>9.5</td>
<td>7.8</td>
<td>1.4</td>
<td>0.1</td>
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</tbody>
</table>

*Annualised
Sectoral Allocation

- Cash 0.5
- Consumer Discretionary 7.0
- Consumer Staples 3.1
- Financials 47.5
- Health Care 10.8
- Industrials 8.1
- Materials 18.3
- Telecommunication Services 4.7

Geographic Allocation

- Cash 0.5
- Egypt 1.6
- Kuwait 13.9
- Qatar 6.3
- Saudi Arabia 59.3
- United Arab Emirates 18.4

Risk History (3 years)

- Volatility 10.2%
- Sharpe Ratio 0.3