

**December 2018**

## bank muscat Oryx Fund

 NAV: OMR 1.771  
 USD 4.6

### Objective

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

### Commentary

Wishing you a very Happy New Year 2019. We thank you for your support during 2018 and hope to enjoy the same in 2019.

GCC markets ended the year 2018 as one of the best performing market among the global markets. Fears of a slowdown in global growth coupled with the trade conflict, Brexit and an aggressive Fed actions contributed to the decline in the global markets during the year and fall aggravated towards the end of year with decline of 7.7% in the MSCI World Index during December. Oil prices also continued to fall (-8.4%) on the back of selloff in the global markets and concern on higher supply even after the oil supply cut agreed between OPEC and Russia to cut oil production by 1.2 mn from January 2019. In comparison, regional markets were more resilient led by Abu Dhabi (+3.0%), Saudi (+1.6%) and Bahrain (+0.6%). Kuwait and Qatar both closed 0.6% lower while Oman was down 2.0% and Dubai was down 5.2% Qatar closed the year as the top performing markets up by 20.8% during 2018.

The NAV of the fund moved up 0.3% during the month of December 2018. Overall, the fund is up by 2.8% during the year 2018.

In key developments, major banks in Saudi Arabia reached settlements worth a combined SAR 16.7bn (USD 4.5bn) with the kingdom's tax authority over Zakat. Overall, this is positive as banks are well-positioned to settle these dues and it removes an overhang for the sector. Saudi also announced its budget for FY 2019 of SAR 1.106trn, +7.3%. Revenues are also expected to increase by 9.0% to SAR 975bn. The 2019 budget deficit is estimated to amount SAR 131bn (4.2% of GDP). Over in Dubai, the Government approved a budget of USD 15.5bn, a marginal increase over last year with infrastructure investment for the upcoming Expo 2020 a key focus. Oman also announced their budget for the year ahead with Revenues of RO 10.1bn and Expenditure of USD 12.9 bn, 3.2% higher YoY. In other news, NCB announced that it has started initial talks with Riyad Bank for a merger, a deal that would create the Gulf's third-biggest lender with USD 182bn in assets.

Our outlook for the year remain positive, underpinned by resilient non-oil GDP growth, strong government driven infrastructure spending and expectations of a recovery in domestic consumption. Infrastructure spending is expected to pick up on the back of years of under-investment in the past few years and purpose driven spending for Expo 2020, World Cup and Saudi Vision 2030. This higher spending is reflected in the recently announced government budgets. The dividend announcements so far are better than expectations. The passive flows into the Saudi Arabian markets on account of MSCI and FTSE inclusion and possible inclusion of Kuwait into MSCI expected to attract more flows into the markets. The fund is well positioned to take benefit of these events during 2019.

### Portfolio Performance

Name	MTD	YTD	2 Year	3 Years*	5 Years*
bank muscat Oryx Fund	0.3	2.8	8.1	6.0	6.4
S&P GCC Composite Index	0.7	8.4	3.8	3.9	-2.0

\* Annualized

### 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	Weights (%)
AL RAJHI BANK	9.4
NATIONAL COMMERCIAL BANK	5.6
JARIR MARKETING CO	5.5

For further information, please contact:

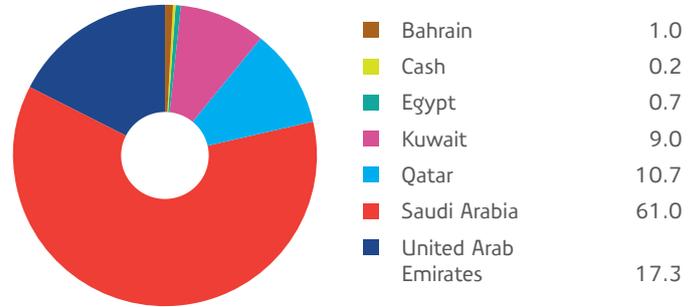
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## Sectoral Allocation



## Geographic Allocation



## Risk History (3 years)

Volatility	10.0%
Sharpe Ratio	0.1

For further information, please contact:

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