

May 2020

OMR 1.53 | USD 3.97



# Bank Muscat Oryx Fund

## 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.

## Portfolio Report

Global markets rallied during the month, with the MSCI World Index up +4.6% MoM, driven by early results from a COVID-19 treatment trial and as the spread of Covid-19 showed signs of slowing in different countries. GCC markets were up 1.3% MoM as oil recovered and as most of the countries relaxed restrictions. Saudi was top gainer in the month registering 1.4% gain followed by Qatar (+1.2% MoM) and Kuwait (0.4% MoM) while all other markets ended in red. Oman was down -0.5% MoM, Abu Dhabi -2.6% MoM, Bahrain -2.7% MoM, Dubai -4.0% MoM and Egypt -4.9% MoM.

Due to the mixed market performance, the Oryx Fund Portfolio declined by 0.5% MoM. In comparison, the S&P GCC Index increased by 1.3% MoM. Our underweight position in Saudi petrochemicals stocks and exposure to Saudi retailers contributed negatively to relative returns.

In a key developments during the month, regional economies announced plans to gradually open their economies. The spread of the virus has slowed the curve has flattened in Saudi, UAE and Bahrain while other economies are still in the midst of slowing the virus. Overall, all GCC governments and central banks have responded proactively with financial and fiscal stimulus packages to mitigate business impact from Covid-19. The total value of the fiscal stimulus is approximately USD 66bn (2% of GDP) in the form of financial relief to individuals, job protection, supporting SME's and private sector and relatively more relaxed lending facilities. At the same time, GCC governments have activated austerity measures by cutting budgeted spending while Saudi has also announced an increase in VAT from 5 to 15%.

Our outlook for the region is cautiously optimistic as we are encouraged by the recovery in oil, flattening of the curve in many GCC countries and gradual opening up of economies. Oil prices have rebounded nearly 90% from lows for the best month on record driven by improved demand and drastic supply cuts. However, the recovery is likely to be slow as markets will need to navigate some key challenges including the cuts in budgets/subsidies, higher taxes and a looming expat exodus. Valuations are not cheap at a market level but the current environment provides many stock-picking opportunities for long-term investors and accordingly we have deployed selectively across sectors to benefit from a cyclical recovery.

## Portfolio Performance

Portfolio Name	MTD	YTD	1 year	3 years*	10 Years*
Bank Muscat Oryx Fund	-0.5%	-20.5%	-17.5%	0.0%	7.9%
S&P GCC Composite Index	1.3%	-17.4%	-16.5%	-0.3%	0.2%

\* 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 composite 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	% NAV
NATIONAL BANK OF KUWAIT	5.5
AL RAJHI BANK	5.2
JARIR MARKETING CO	4.1

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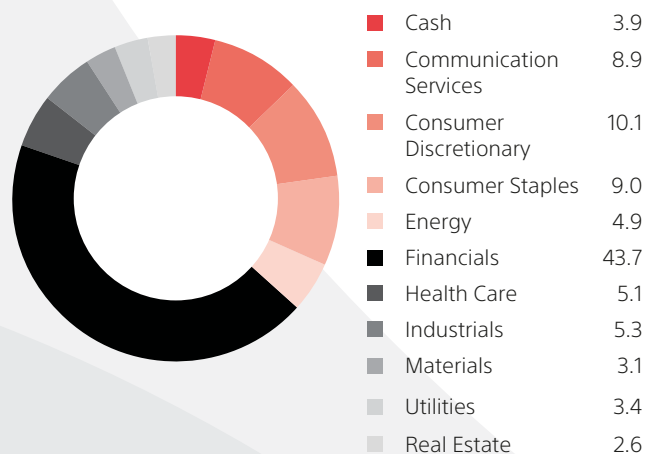
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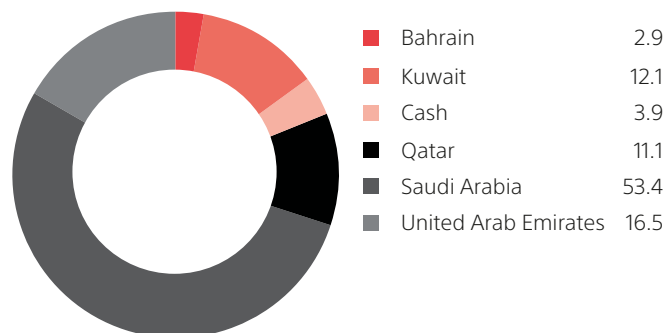
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## Sectoral Allocation



## Geographic Allocation



## Risk History

Time Frame	3 years
Volatility	17.7
Sharpe Ratio	-1.0

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