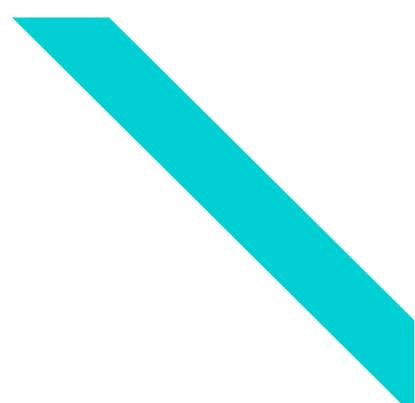


ARABIAN FUND MARKET SUMMARY: Q1 – Q3 2021

Author:

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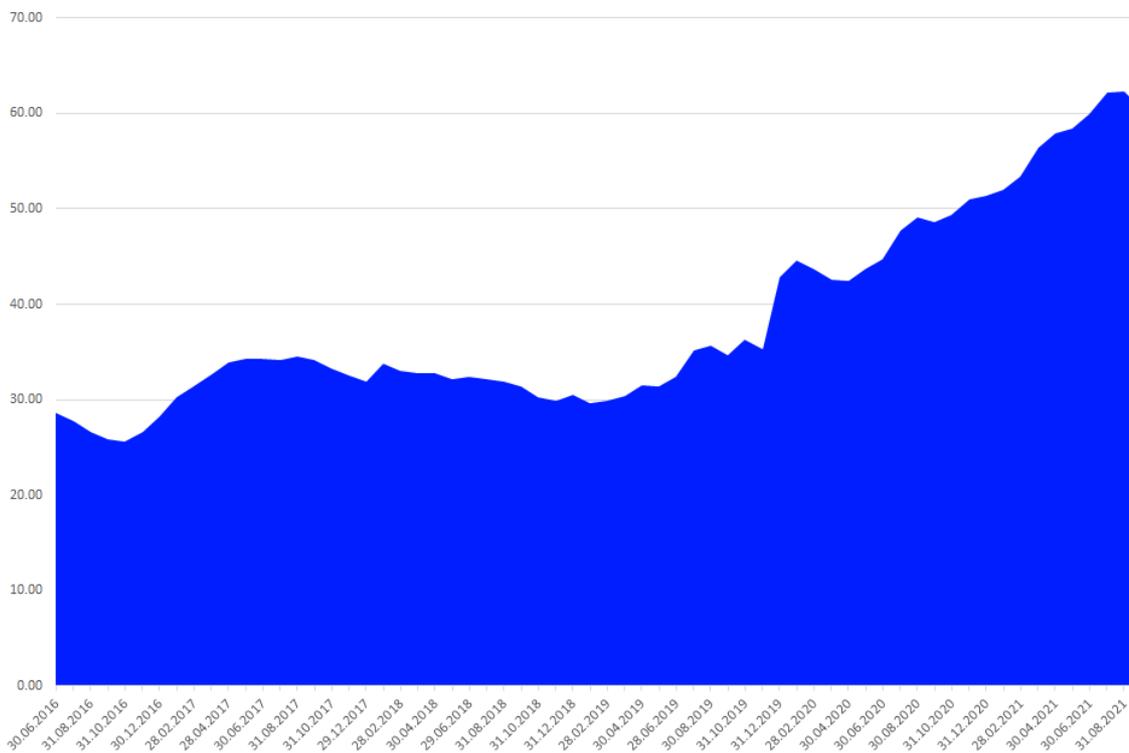
Arabian Fund Market Summary – Review Q1 – Q3 2021

The fund industry in the Arabian markets (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) enjoyed overall estimated net inflows of \$5.6 bn over the course of 2021 so far. These inflows occurred in a positive but volatile market environment driven by the aftermath of the COVID-19 pandemic and the resulting lockdowns around the globe. As a result, central banks and governments around the world started quantitative easing and economic stimulus programs to cushion the damage of the lockdowns and slowed economic growth. These programs resulted in a robust performance of the equity markets during the different stages of the COVID-19 pandemic so far, as well as further decreasing interest rates. Nevertheless, the market environment remained volatile and somewhat vulnerable as shortages in the delivery chains raise concerns on the growth expectations for a number of industries.

Assets Under Management in the Arabian Fund Markets

Within this environment, the overall assets under management in the Arabian fund markets increased from \$52.0 bn at the end of 2020 to \$60.5 bn as of September 30, 2021. This increase was driven by overall net sales (+\$5.6 bn), while the performance of the underlying markets added (+\$2.9 bn) to the overall increase in assets under management.

Graph 1: Assets Under Management in the Fund Industry of the Arabian Markets (US Dollar Billions)

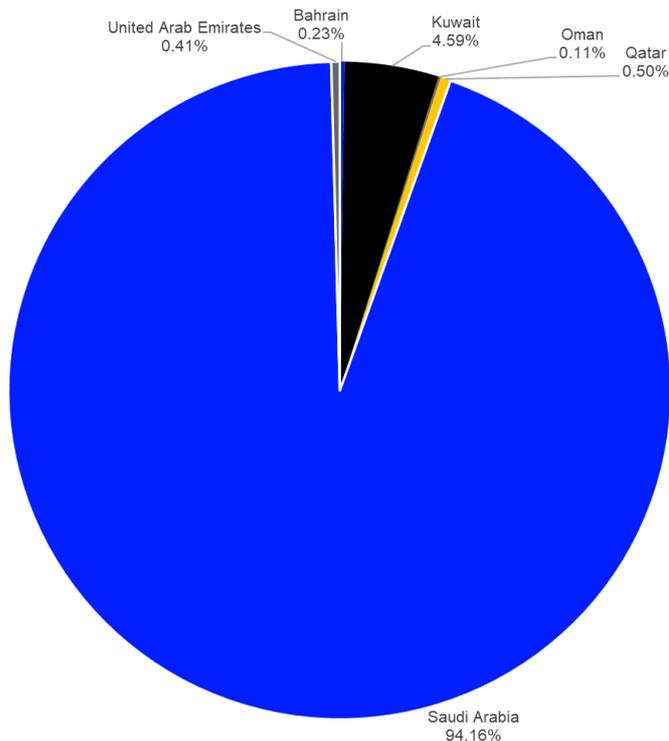


Source: Refinitiv Lipper

Assets Under Management by Fund Market

The assets under management in the Arabian fund markets are highly concentrated since the largest fund market, Saudi Arabia, accounts for \$57.0 bn, or 94.16%, of the overall assets under management. Meanwhile, Kuwait accounts for \$2.8 bn, or 4.59%, of the overall assets under management, and Qatar accounts for \$0.3 bn, or 0.50%, of the overall assets under management. The other three countries—the United Arab Emirates (\$0.3 bn), Bahrain (\$0.1 bn), and Oman (\$0.1 bn)—amount to 0.75% of the overall assets under management in the Arabian fund market.

Graph 2: Market Share by Fund Market (September 30, 2021)

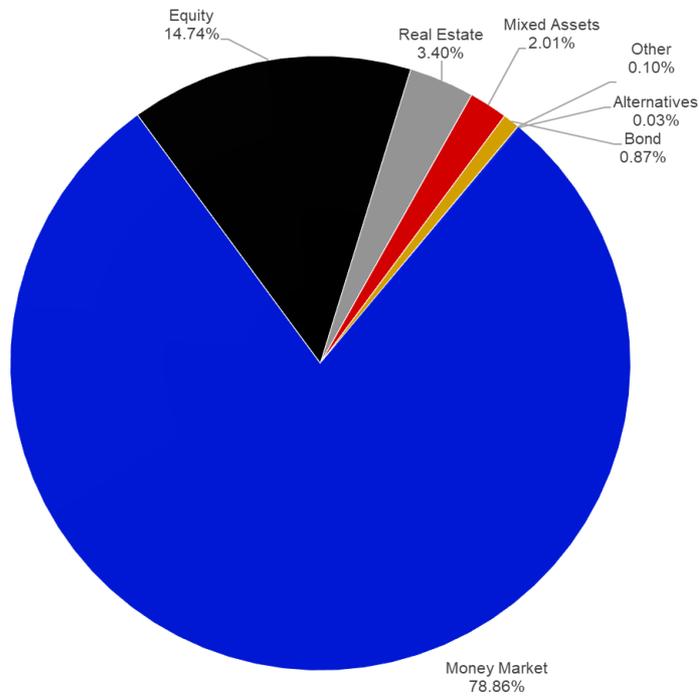


Source: Refinitiv Lipper

Assets Under Management by Asset Type

Money market funds (\$47.7 bn) were the asset type with the highest assets under management at the end of September 2021, followed by equity funds (\$8.9 bn), real estate funds (\$2.1 bn), mixed-assets funds (\$1.2 bn), bond funds (\$0.5 bn), "other" funds (\$0.1 bn), alternatives funds (\$0.02 bn), and commodities funds (\$0.001 bn).

Graph 3: Market Share by Asset Type (September 30, 2021)



Source: Refinitiv Lipper

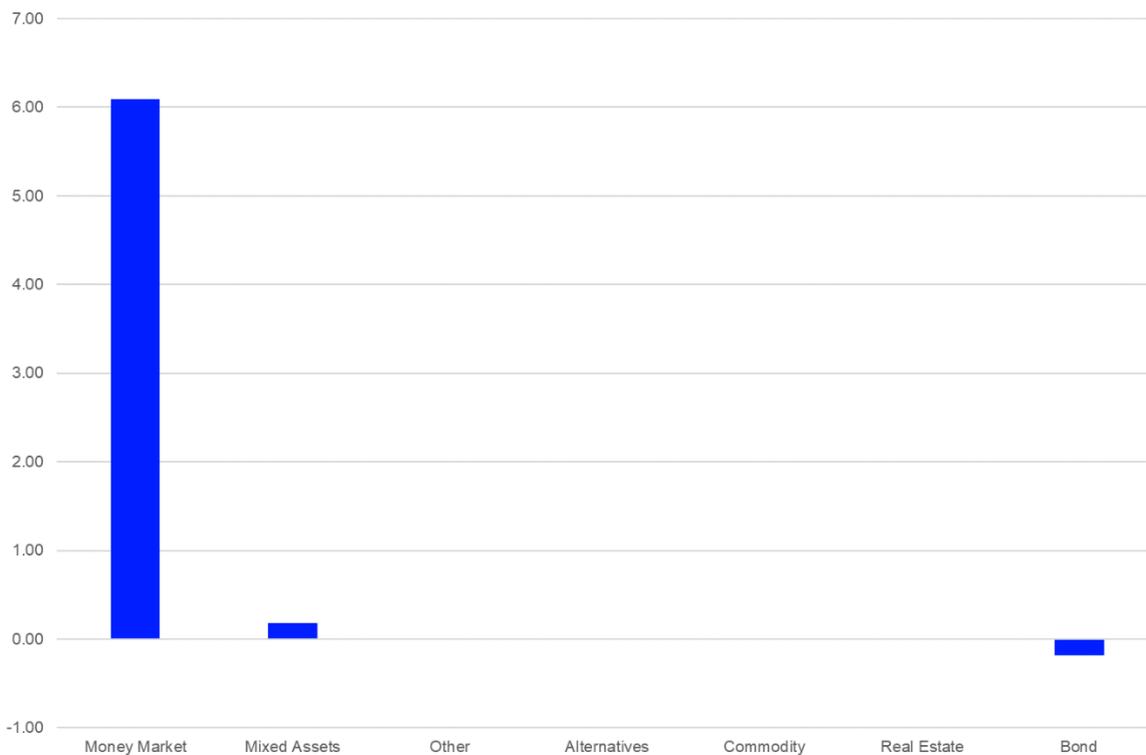
Arabian Fund Flow Trends Q1 – Q3 2021

Generally speaking, the first nine months of the year 2021 have been a tough period, with split results for the fund markets and asset managers in the Arabian fund management industry. Nevertheless, the year can be considered as positive since mutual funds (+\$5.6 bn) have enjoyed net inflows.

Fund Flows by Asset Type

One can get a better idea of the flow pattern by taking a more detailed look at the estimated net flows by asset type since this shows that not all asset types have enjoyed inflows over the course of 2021 so far. Money market funds (+\$6.1 bn) was the best-selling asset type, followed by mixed-assets funds (+\$0.2 bn), "other" funds (+\$0.004 bn), and alternatives funds (+\$0.002 bn). Meanwhile, commodities funds (-\$0.0002 bn), real estate funds (-\$0.0005 bn), bond funds (-\$0.2 bn), and equity funds (-\$0.5 bn) faced outflows over the course of the first nine months of 2021.

Graph 4: Estimated Net Sales by Asset Type, Q1 – Q3 2021 (US Dollar Billions)

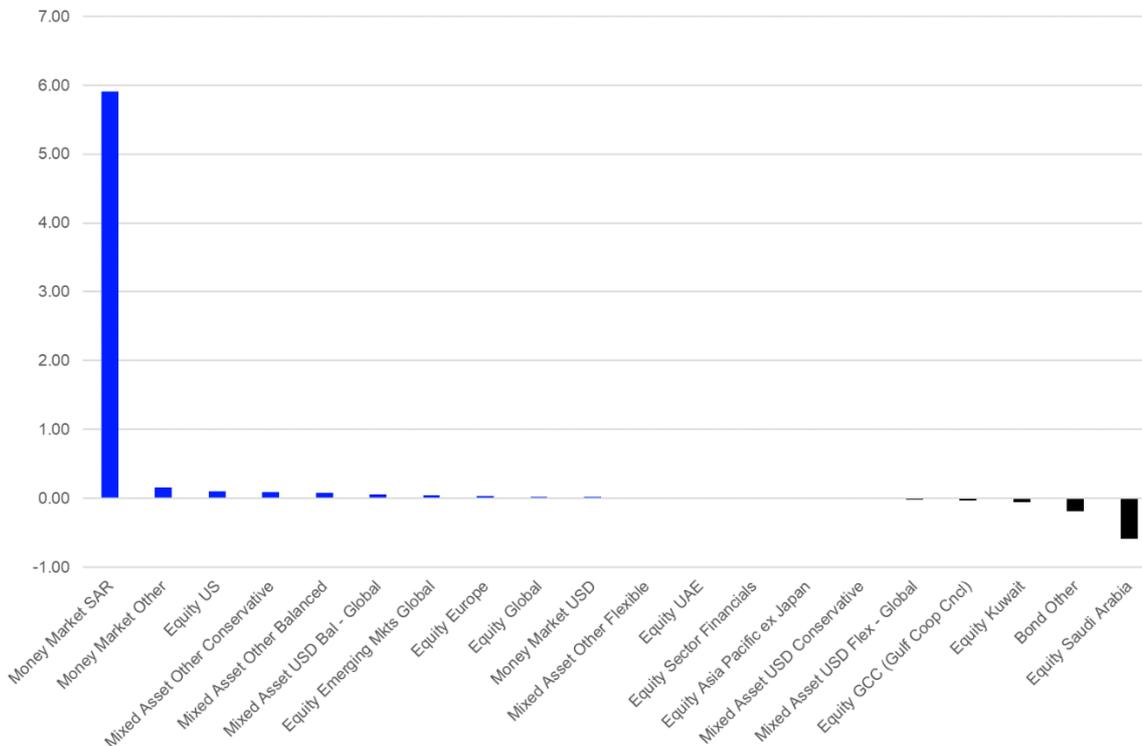


Source: Refinitiv Lipper

Fund Flows by Sectors

Money Market SAR (+\$5.9 bn) was the best-selling sector overall, followed by Money Market Other (+\$0.2 bn), Equity US (+\$0.1 bn), Mixed Asset Other Conservative (+\$0.1 bn), and Mixed Asset Other Balanced (+\$0.1 bn).

Graph 5: The 10 Best- and Worst-Selling Sectors Q1 – Q3 2021 (US Dollar Billions)



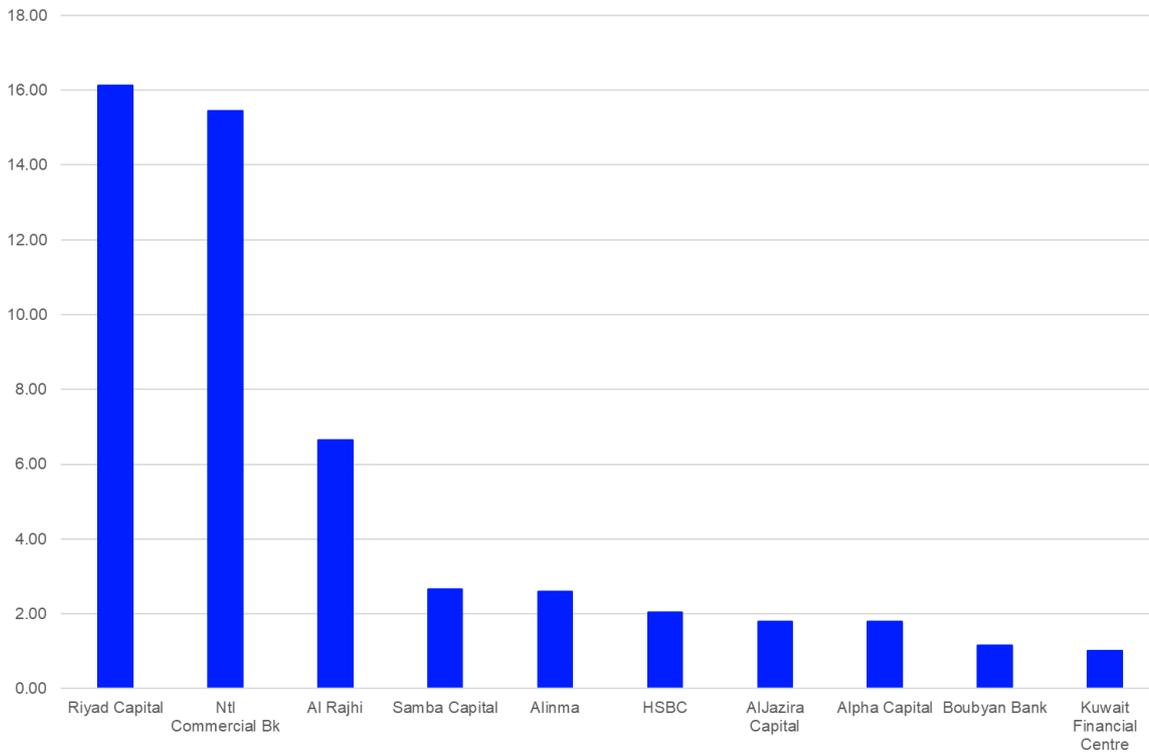
Source: Refinitiv Lipper

At the other end of the spectrum, Equity Saudi Arabia (-\$0.6 bn) suffered the highest estimated net outflows overall, bettered by Bond Other (-\$0.2 bn), Equity Kuwait (-\$0.1 bn), Equity GCC (-\$0.03 bn), and Mixed Asset USD Flexible - Global (-\$0.02 bn).

Assets Under Management by Promoter

Riyad Capital (\$16.1 bn) was the largest fund promoter in the Arabian fund markets as of September 30, 2021, ahead of **National Commercial Bank** (\$15.4 bn), **Al Rajhi** (\$6.7 bn), **Samba Capital** (\$2.7 bn), and **Alinma** (\$2.6 bn).

Graph 6: Ten Largest Promoters by Assets Under Management, September 30, 2021 (US Dollar Billions)

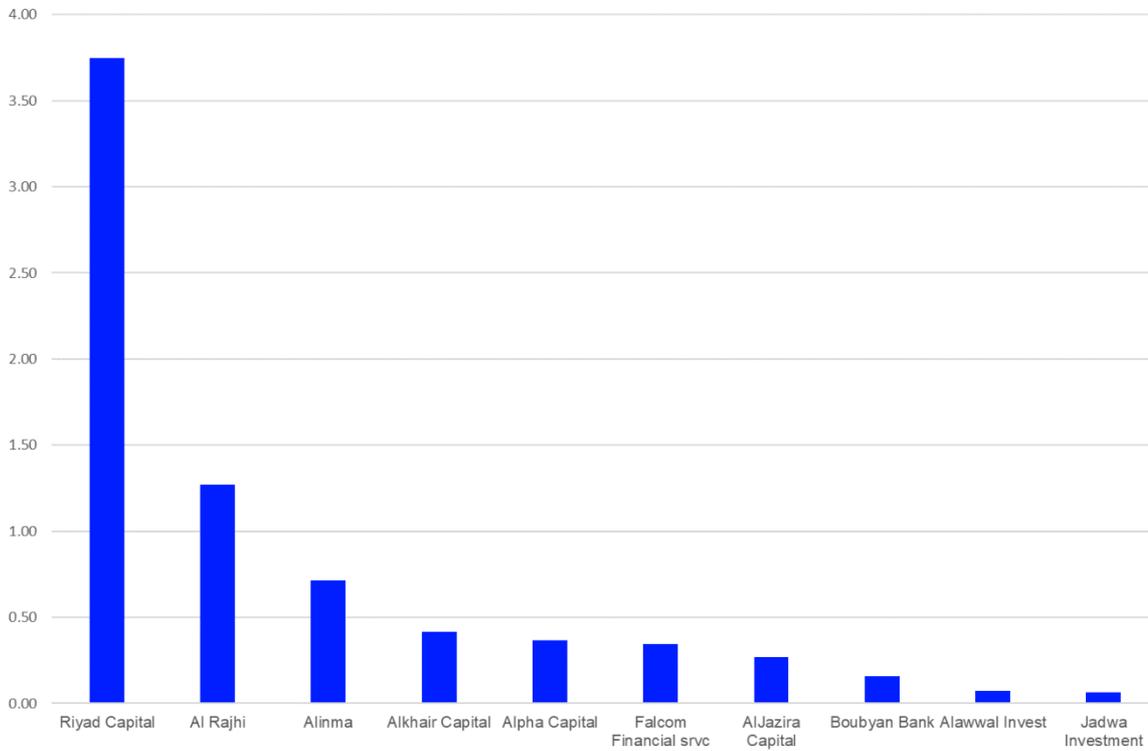


Source: Refinitiv Lipper

Fund Flows by Promoter

Riyad Capital, with net sales of \$3.8 bn, was the best-selling fund promoter for 2021 so far, ahead of **Al Rajhi** (+\$1.3 bn), **Alinma** (+\$0.7 bn), **Alkhair Capital** (+\$0.4 bn), and **Alpha Capital** (+\$0.4 bn).

Graph 7: Ten Best Selling Promoters Q1 – Q3 2021 (US Dollar Billions)



Source: Refinitiv Lipper

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