

REFINITIV

ARABIAN FUND MARKETS SUMMARY - H1 2019

This study covers the fund markets in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Please attribute the content to Detlef Glow, Head of EMEA Research at Lipper, and the author of this report.

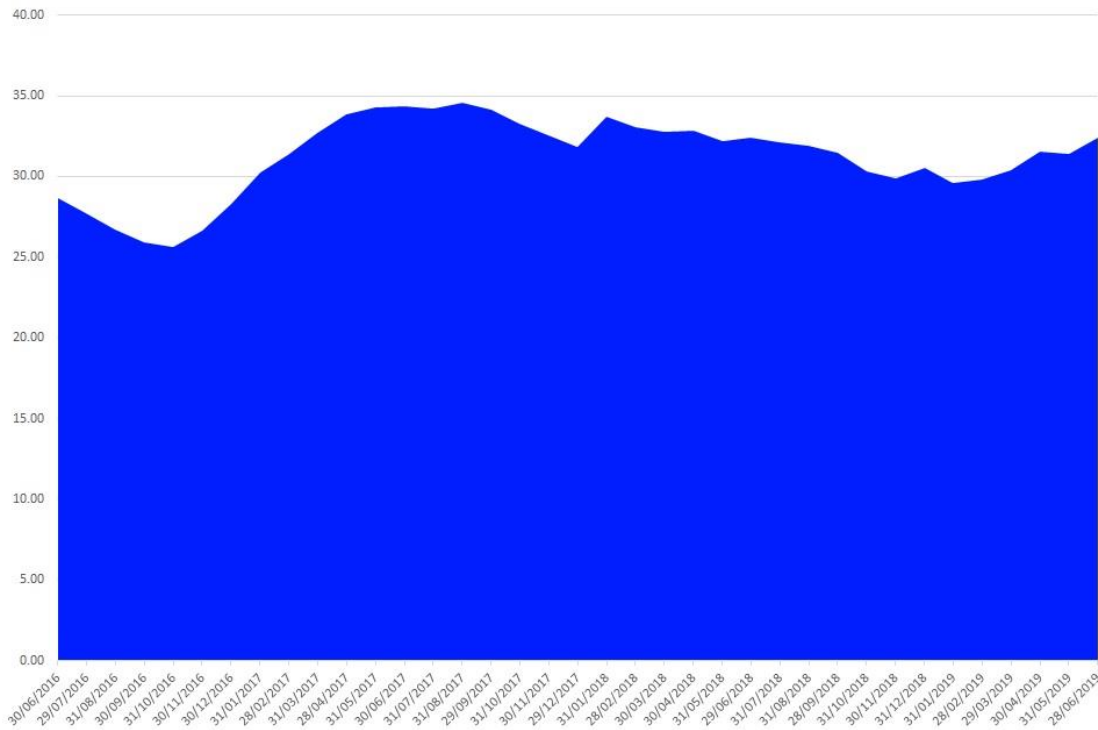
ARABIAN FUND MARKET SUMMARY H1 2019

The fund industry in the Arabian markets (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) enjoyed overall estimated net inflows of \$2.5 bn in H1 2019. These inflows occurred in a volatile but positive market environment driven by discussions about a possible trade war between the U.S. and China, a possible return of the euro crisis caused by developments in Italy and France, and a general economic slowdown with decreasing earnings at the company level. Nevertheless, since the equity markets showed a rebound over the course of H1 2019, one would expect to see net inflows into mutual funds.

Assets Under Management in the Fund Industry of the Arabian Markets

The overall assets under management in the Arabian fund markets increased from \$30.5 bn to \$32.4 bn in 2019 year to date. This increase was driven by overall net sales (+\$2.5 bn), while the performance of the underlying markets had a negative contribution (-\$0.6 bn) to overall assets under management.

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

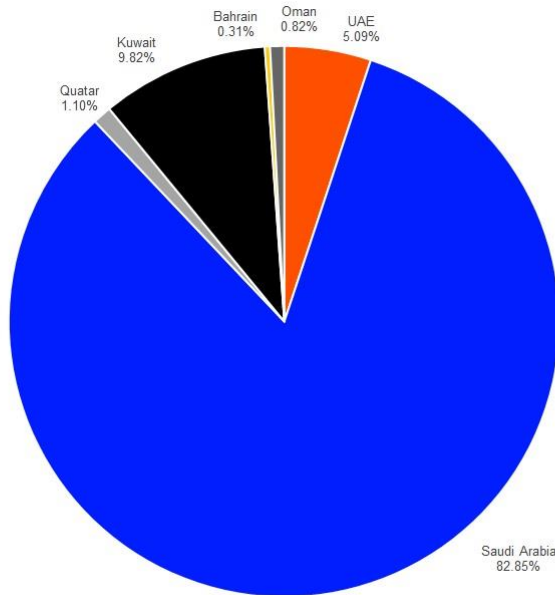


Source: Lipper from Refinitiv

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 \$26.9 bn, or 82.85%, of the overall assets under management. Meanwhile, Kuwait accounts for \$3.2 bn, or 9.82%, of the overall assets under management, and the United Arab Emirates accounts for \$1.7 bn, or 5.09%, of the overall assets under management. The other three countries—Qatar (\$0.4 bn), Oman (\$0.3 bn), and Bahrain (\$0.1 bn)—account together for 2.23% of the overall assets under management in the Arabian fund markets.

Graph 2: Market Share by Fund Market (June 30, 2019)

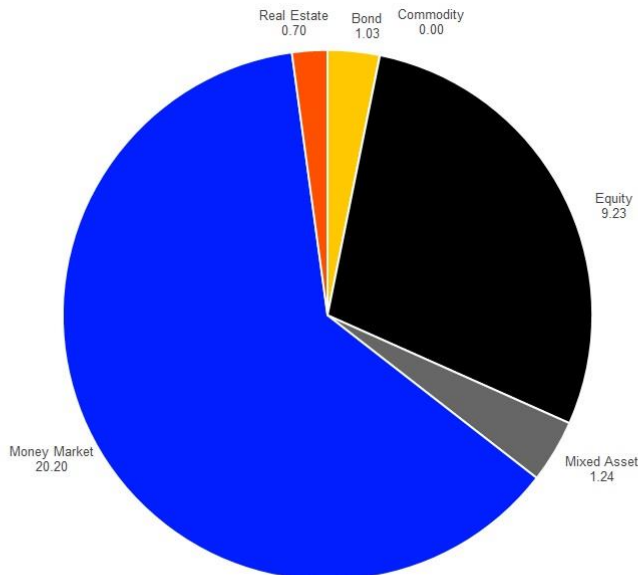


Source: Lipper from Refinitiv

Assets Under Management by Asset Type

Money market funds (\$20.2 bn) were the asset type with the highest assets under management at the end of June 2019, followed by equity funds (\$9.2 bn), mixed-asset funds (\$1.2 bn), bond funds (\$1.0 bn), real estate funds (\$0.7 bn), and commodity funds (\$0.002 bn).

Graph 3: Market Share by Asset Type (June 30, 2019)

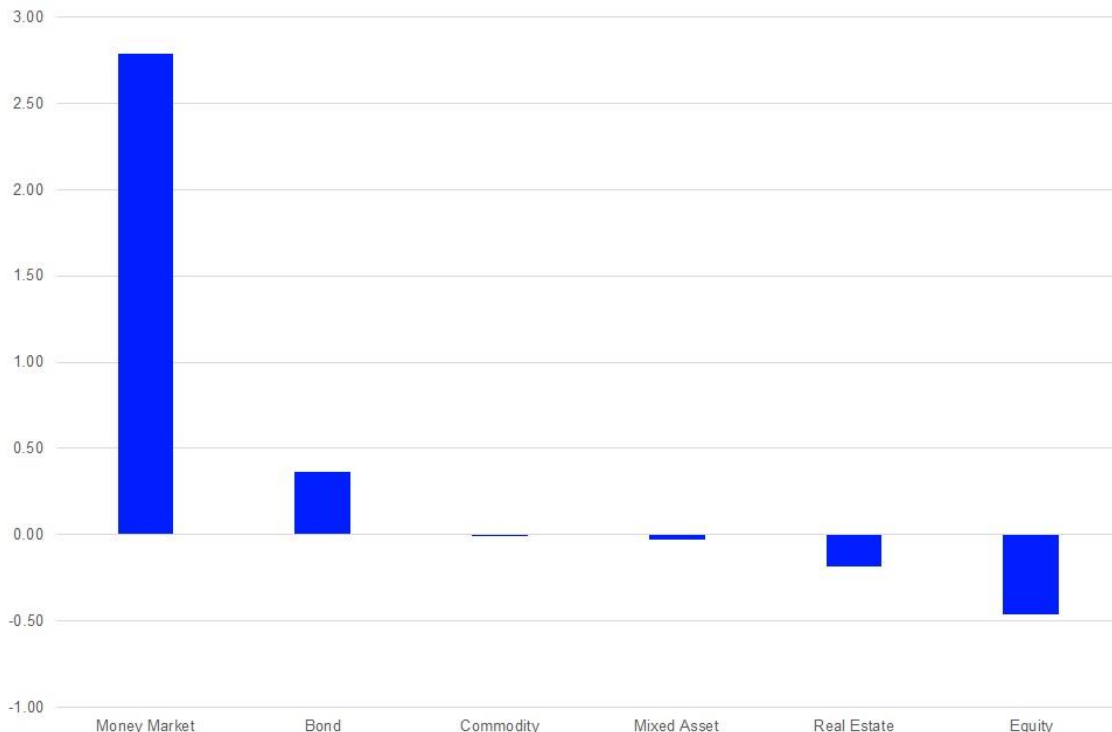


Source: Lipper from Refinitiv

Arabian Fund Flow Trends H1 2019

Generally speaking, 2019 has so far been a tough year, with split results for the fund markets and asset managers in the Arabian fund management industry. Nevertheless, the year can be considered as positive as mutual funds (+\$2.5 bn) have enjoyed net inflows.

Graph 4: Estimated Net Sales by Asset Type, H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

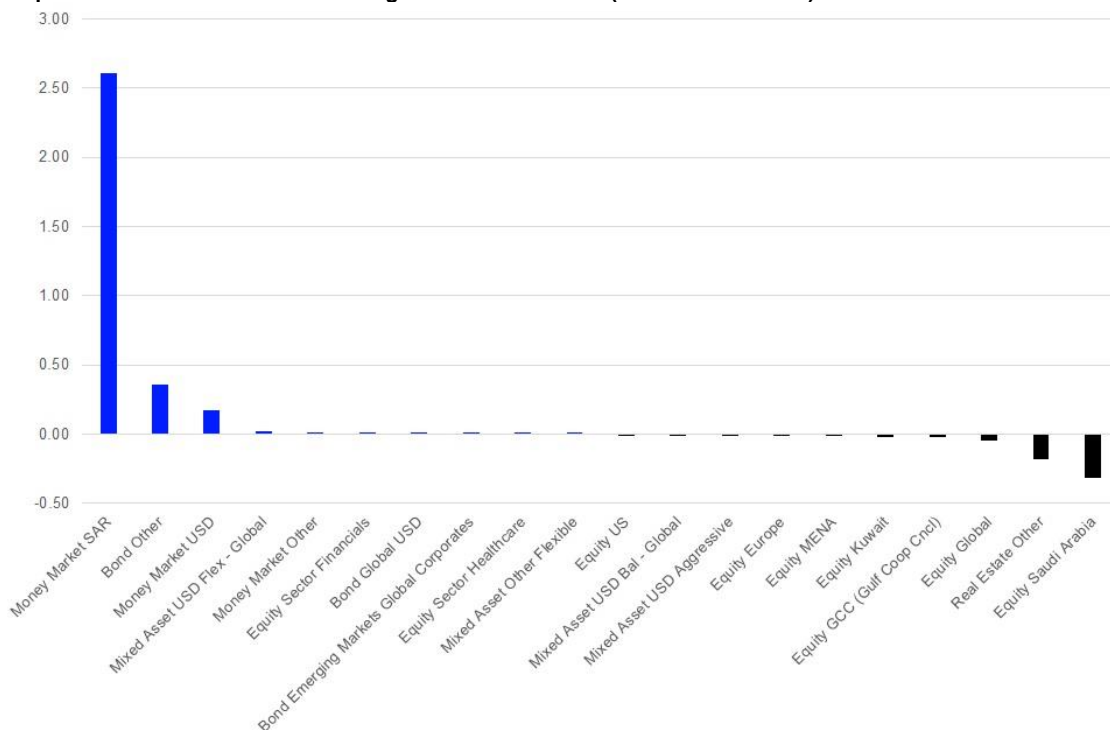
Fund Flows by Asset Type*

A more detailed view by asset type reveals that not all asset types enjoyed inflows in H1 2019. Money market funds (+\$2.8 bn) was the best-selling asset type, followed by bond funds (+\$0.4 bn). All other asset types faced net outflows—commodity funds (-\$0.0001 bn), mixed-asset funds (-\$0.03 bn), real estate funds (-\$0.2 bn), and equity funds (-\$0.5 bn).

Fund Flows by Sectors*

Money Market SAR (+\$2.6 bn) was the best-selling sector overall, followed by Bond Other (+\$0.4 bn), Money Market USD (+\$0.2 bn), Mixed Asset USD Flexible - Global (+\$0.02 bn), and Money Market Other (+\$0.01 bn).

Graph 5: The 10 Best and Worst Selling Sectors for H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

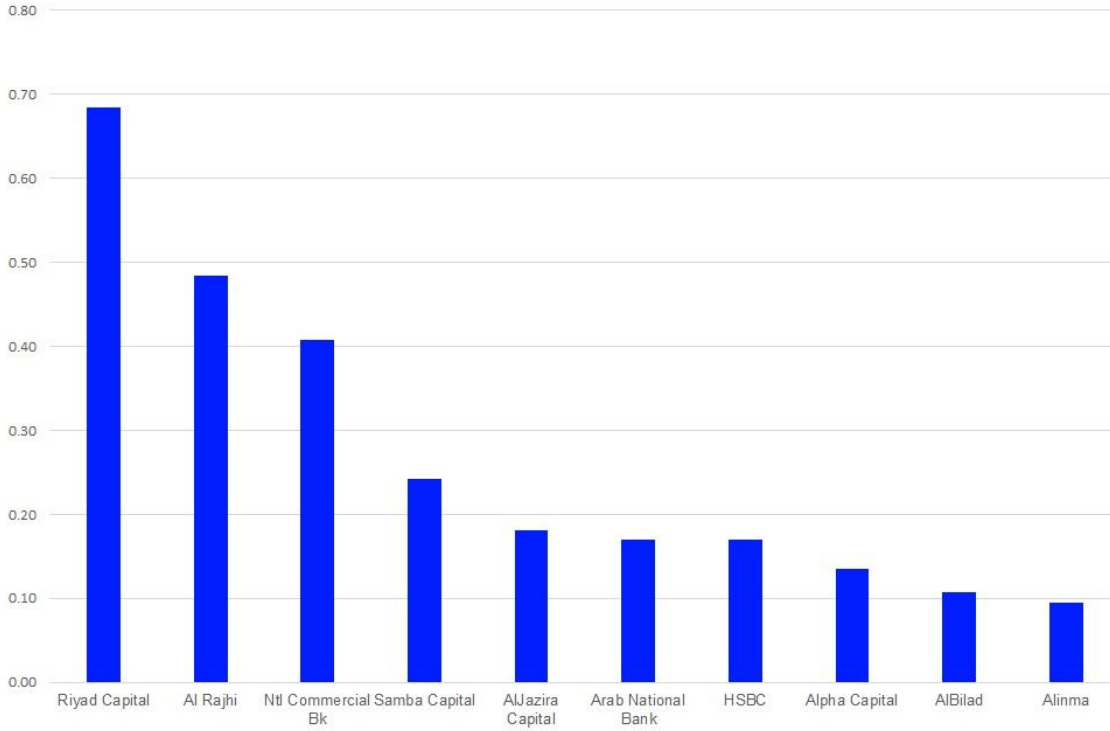
At the other end of the spectrum, Equity Saudi Arabia (-\$0.3 bn) suffered the highest estimated net outflows overall, bettered by Real Estate Other (-\$0.2 bn), Equity Global (-\$0.04 bn), Equity GCC (-\$0.02 bn), and Equity Kuwait (-\$0.02 bn).

*Please note that Lipper launched an updated Lipper Global Classification Scheme in May 2019 which caused some shifts with regard to the assets under management and the estimated net flows within the single asset types and/or sectors. Please visit our [website to learn more about the new Lipper Global Classifications](#).

Fund Flows by Promoter

Riyad Capital, with net sales of \$0.7 bn, was the best-selling fund promoter for H1 2019 overall, ahead of **Al Rajhi** (+\$0.5 bn), **National Commercial Bank** (+\$0.4 bn), **Samba Capital** (+\$0.2 bn), and **AlJazira Capital** (+\$0.2 bn).

Graph 6: Ten Best Selling Promoters, H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

For more information, please contact our Lipper Research Team:

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