

كام السعودي الفرنسي  

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Caam Saudi Fransi



# Asset Management Glossary

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## Contents

Administrative Features .....	3
Asset class .....	3
Benchmark .....	3
Cut off Time .....	3
Dividends.....	3
Emerging market.....	3
Excess return .....	3
Fund Currency .....	3
Fund Identification Codes .....	3
Fund Investment Objective .....	3
Fund Performance .....	3
Fund size .....	3
Investment Features .....	4
Investment Manager .....	4
Management Fees .....	4
Money Market Fund .....	4
Mutual Fund.....	4
Minimum Subscription .....	4
Net Asset Value (NAV).....	4
Recommended Investment Period .....	4
Region.....	4
Risk Level .....	5
Sharia Compliant .....	5
Sharia Committee .....	5
Stock selection.....	5
Subscription Fees.....	5
Valuation Days .....	6
Volatility.....	6

### **Administrative Features**

Brief description of some key information related to transactions of a specific fund (i.e Management Fees, Subscription fees, Valuation Days.....etc).

### **Asset class**

Category of assets, for example: equities, bonds, property and cash.

### **Benchmark**

A Market reference against which the performances of a mutual fund can be measured as it is the most representative of the fund investment universe. For example, Caam SF 50 index represents a benchmark created by Caam Saudi Fransi including 50 Saudi Equities.

### **Cut off Time**

It is the last date and time to request a Subscription or Redemption for a fund. For example, the cut Off time for placing orders (Subscriptions or Redemptions) on Al Badr is every Wednesday before 12:00 Noon.

### **Dividends**

Regular payments from earnings by funds to their clients. For example, Al Qindeel Fund distributes all its returns in dividends on a quarterly basis.

### **Emerging market**

Stock market in a developing or newly industrializing country. Such markets can deliver high returns due to the rapid pace of industrialization, but may be risky due to low liquidity and political instability.

### **Excess return**

The fund return in excess of a **Benchmark** return.

### **Fund Currency**

Refers to the country based currency in which the fund currency is denominated. For instance, Al Fursan Fund is a United States Dollar denominated Fund and AlQasr Fund is a Saudi Arabian Riyal Fund.

### **Fund Identification Code**

A unique reference code that gives access to fund information like **Fund Performance** or fund profile from Information providers such as Bloomberg and Reuters.

### **Fund Investment Objective**

The result a mutual fund seeks to achieve, such as capital appreciation or outperform a benchmark.

### **Fund Performance**

Measures the evolution of the Net Asset Value of a fund in the course of a given time interval.

### **Fund size**

The fund's total asset fund size, net of fees and expenses.

### Investment Features

Basic information about a specific fund highlighting its key features related to its investment approach and style (i.e Recommended Investment Horizon, Level of Risk, Benchmark, Currency etc...).

### Investment Manager

It is a company which manages mutual funds and selects the best securities (equities, bonds etc) and balances assets to meet specified investment goals for the benefit of the investors. Investors may be institutions (insurance companies, pension funds, corporations etc.) or private investors.

### Management Fees

Fees levied by an asset manager for managing an investment fund. It also includes other items such as client services (reporting) and the administration costs of the fund. It is usually perceived in the form of a percentage of assets under management.

### Money Market Fund

Funds investing in short-term (less than one year) securities representing high-quality liquid debt and monetary instruments. Caam Saudi Fransi manages two Money Market funds (Low Level of Risk).

### Mutual Fund

An investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments. Mutual funds are operated by asset managers, who invest the fund's capital and attempt to match the investment objectives stated in its Terms and Conditions.

### Minimum Subscription

The minimum allowed amount of units or money to subscribe into a specific fund. For example, the minimum subscription amount for AIQasr is SAR 2000.

### Net Asset Value (NAV)

This is the price (or market value) of a mutual fund share, which is calculated by dividing the total net assets of the fund by the total number of outstanding shares. To calculate the net assets, the fund's portfolio is valued at market price.

### Recommended Investment Period

The period that is advised by an Asset Manager to remain invested in a mutual fund to fully expect its performance potential.

Fund Asset Class	Recommended Investment Period
Money Market	3-6 Months
Equity	3-5 Years

### Region (investment universe)

It is a part or section of a country or the world in which the Mutual Fund is invested in. For example: Alfursan BRIC is invested in Brazil, Russia, Indian and China.

### Risk Level

The amount of risk related to a Mutual Fund. Caam Saudi Fransi has set three levels of risk for each type of client depending on the client's tolerance to accept possible losses in exchange for higher returns.

Client Type	Risk Level	Asset Class
Aggressive Investor	High Risk Funds	Equities
Defensive Investor	Medium Risk Funds	Bonds
Conservative Investor	Low Risk Funds	Money Markets

### Sharia Compliant

Funds that follow the Islamic law by only investing in companies that are Sharia oriented. For example, companies that are involved in alcohol, weapons or pork are not Sharia compliant. Caam Saudi Fransi Manages a total of 9 Sharia Funds:

Fund Name	Fund Type
Al Badr Fund (Saudi Riyal or USD)	Murabaha
Al Qindeel Fund	Murabaha
Al Saffa Equity Fund	Saudi Equities
Al Danah Equity Fund	GCC Equities
Al Qasr Real Estate Equity Fund	GCC Equities
Al Fursan Fund	Emerging Equities (BRIC)
Al Naqaa Equity Fund	Asian Equities

### Sharia Committee

A group of responsible individuals that study and approve Sharia products for Banque Saudi Fransi. Members of the Committee are:

Member Name
Sheikh Abdullah AlManae
Dr. Abdulsattar AbuGhuda
Dr. Mohammad Al Qari

### Stock selection

Selection by investment managers of a portfolio of stocks in a particular market or sector, usually based on technical (chart analysis) or fundamental (financial assessment) analysis. It is designed to achieve a return superior to the overall market or sector.

### Subscription Fees

Upfront fees applied when buying units into a fund. They are added to the Net Asset Value to constitute the subscription price. For example, Al Qasr Real Estate and Construction GCC Equity Fund subscription fees are 3% of the investment asset.

### **Valuation Days**

Days when the assets of a fund are valued based on the closing market prices of the underlying securities. For example, Al Badr Murabaha funds are valued every business day.

### **Volatility**

Variability of the price of a security, market or a Fund NAV (Price per Share). The greater the extent of price movements the greater the volatility. It is used as a measure of investment risk as it aims to quantify the likelihood of an asset or portfolio falling in price just prior to liquidation.