

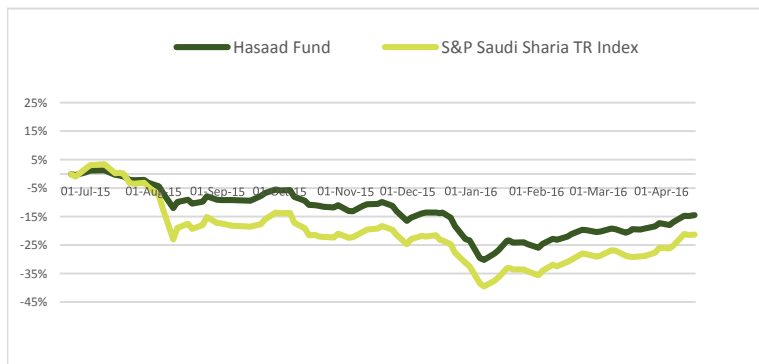
Fund Manager's Strategy & Outlook

The Saudi market rallied sharply in April with the S&P Saudi Sharia TR Index gaining 11.2%, for a YTD gain of 2.6%. The Fund gained 6.1% during the month and is now down 1.0% YTD. Turnover increased slightly MoM with daily traded value averaging SAR 5.9 billion.

The Saudi market's aggregate earnings in 1Q2016 came in at SAR 21.9 billion, down 3.1% YoY. Banking was the only major sector that witnessed a growth in earnings, up 5.0%, and the sector's earnings constituted 53.5% of the market's aggregate earnings. The other three major sectors of petrochemicals, telecoms and cements – whose combined earnings constituted 35.7% of aggregate earnings – saw their earnings drop by 5.0%, 4.1% and 6.6%, respectively. Elsewhere, the Saudi cabinet approved the 2030 vision, a high-level strategic plan to diversify the economy away from oil through privatization, further subsidy reforms, VAT and government fees introduction among other things; details are expected to be made available in early June.

All TASI sectors were up in April: Industrial investment, hotel & tourism and petrochemicals were the best performing sectors gaining 19.8%, 18.9% and 14.2%, respectively. On the other hand, telecoms, energy & utilities and agriculture & food were among the worst performing sectors gaining 0.5%, 1.5% and 3.6%, respectively. Banks slightly underperformed gaining 9.2%. The Investment Manager reduced exposure to multi-investment, insurance, and building & construction companies and increased exposure to energy & utility and retail companies during the month. Cash was increased to 28.1% at month end.

Brent rallied 21.5% in April, despite the failure of OPEC and non-OPEC members to reach a production freeze agreement during the 17th of April meeting, largely due to temporary supply shocks. The Investment Manager believes that the 2030 vision will be disruptive to company earnings in the short term and hence maintains a cautious view on the market in the short term.



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Objective

The principal objective of the Fund is medium to long term capital appreciation by investing in Sharia compliant equities listed on the Tadawul exchange.

Fund Performance

	Hasaad	S&P TR ¹	Difference ²
Month to Date*	6.1%	11.2%	-5.1%
YTD	-1.0%	2.6%	-3.6%
2015	-13.7%	-23.3%	9.6%
Inception to Date**	-14.6%	-21.3%	6.7%

* MTD figures reflect performance between March 31, 2016 and April 30 2016

**Fund's inception date was July 1, 2015

¹ S&P Saudi Sharia TR Index

² For comparative purposes only; the fund is managed on an absolute return basis

Fund Characteristics

No. of Holdings	18
Weighted Market Cap	SAR 59.9 billion
Dividend Yield*	5.1%
P/E Ratio 16	14.63

*Figure reflects the weighted average yield of a dividend-bearing security in the fund

Fund Metrics

	Hasaad	S&P TR
Volatility	18.7%	26.8%
Beta *	0.66	-

**Calculated vs. the S&P Saudi Sharia TR Index since the Fund's inception

Top Three Equity Holdings

Holding	Sector	% of NAV
Al Rajhi bank	Banks & Financial Services	6.6%
Saudi Basic Industries	Petrochemical Industries	6.1%
Saudi Telecom Co	Telecom & IT	5.4%

Fund Data

NAV per Share	8.5452
Management Fee	1.25%
Minimum Subscription	SAR 10,000
Subscription / Redemption	Twice Weekly
Inception Date	July 1 st , 2015

Fund Identifiers

ISIN Code	XC000A14XYV2
Bloomberg Ticker	EFGHFSE AB Equity
Reuters Code	LP 68330160

Allocation by Economic Sector

