

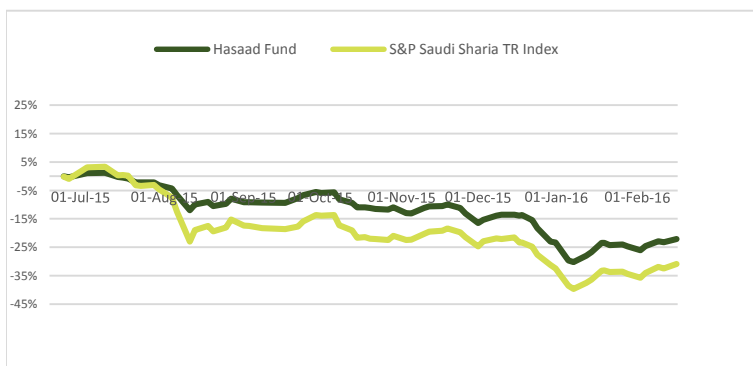
Fund Manager's Strategy & Outlook

The Saudi market rebounded slightly in February with the S&P Saudi Sharia TR Index gaining 3.4% for a YTD performance of -9.9%. The Fund gained 1.9% during the month and is now down 9.7% YTD. Turnover increased MoM with daily traded value averaging SAR 5.8 billion.

The Saudi Arabian Monetary Agency relaxed the loans-to-deposits ratio from 85% to 90%. The central bank's move reaffirms the view of heightened liquidity pressures at local banks and should help soften the pressure on banks deposit rates and create some headroom for loan growth. This comes at a time of increased concerns about potential asset quality issues especially at banks with higher exposure to the construction sector given the Saudi Binladin Group is said to be in talks with local and regional lenders to delay the repayment of some of the debt it owes.

TASI sectors performance was mixed in February. Cements, telecoms, and industrial investment were among the top performing sectors gaining 6.2%, 5.5%, and 4.2% respectively. On the other hand, hotel & tourism, retail, and transportation were among the worst performing sectors losing 15.5%, 2.9%, and 1.0% respectively. Petrochemicals outperformed gaining 2.8% while banks underperformed gaining 1.3%. The Investment Manager reduced exposure to banks, real estate, and cements and increased cash to 32.1% at the end of February.

Brent recovered from a low of USD 27.9/barrel during the month to USD 36.0/barrel at end of month. And while potential further oil strength is expected to support the market, the Investment Manager maintains his cautious view on the market's short term outlook.



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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*	1.9%	3.4%	-1.5%
YTD	-9.7%	-9.9%	0.2%
2015	-13.7%	-23.3%	9.6%
Inception to Date**	-22.1%	-30.9%	8.8%

* MTD figures reflect performance between January 31, 2016 and February 29 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	23
Weighted Market Cap	SAR 45.9 billion
Dividend Yield*	4.8%
P/E Ratio 16	12.2

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

Fund Metrics

	Hasaad	S&P TR
Volatility	20.1%	28.5%
Beta *	0.7	-

**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	8.8%
Saudi Basic Industries	Petrochemical Industries	6.6%
Saudi Telecom Co	Telecom & IT	4.6%

Fund Data

NAV per Share	7.79421
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

