

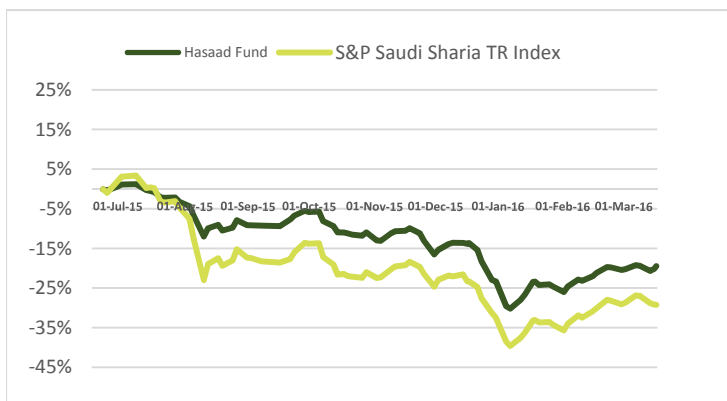
Fund Manager's Strategy & Outlook

The Saudi market continued its recovery in March with the S&P Saudi Sharia TR Index gaining 2.4% for a YTD loss of 7.7%. The Fund gained 3.3% during the month and is now down 6.7% YTD. Turnover decreased slightly MoM with daily traded value averaging SAR 5.7 billion.

Saudi Arabia's economic growth will likely slow to below 2% this year as the government of the world's biggest oil exporter cuts spending after the plunge in crude prices, a senior central bank official said. Elsewhere, the Council of Economic and Development Affairs (CEDA) approved 133 recommendations on improving the competitiveness of the kingdom's economy which will be announced within the next six months. These recommendations are part of the National Transformation Program (NTP) which is being overseen by CEDA and headed by Deputy Crown Prince Mohammed bin Salman, and is expected to implement changes including privatizations of state assets and reductions of state subsidies when formally announced in the coming weeks.

TASI sectors performance was mixed in March. Real estate, insurance, and telecom were the best performing sectors gaining 10.6%, 9.6%, and 7.9%, respectively. On the other hand, hotel & tourism, retail, and industrial investment were the worst performing sectors losing 6.0%, 4.6%, and 4.5%, respectively. Banks underperformed losing 0.8% while petrochemicals outperformed gaining 4.1%. The Investment Manager reduced exposure to retail and building & construction companies in March while maintaining a high cash level of 23.1%.

Brent continued to recover and closed the month at USD 39.6/barrel. A highly anticipated meeting will be held on the 17th of April between OPEC and non-OPEC producers to discuss a potential production freeze, and the first quarterly results post the subsidy cuts announced in December 2015 will be reported during the first 3 weeks of April. The Investment Manager doesn't expect positive outcomes and hence 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*	3.3%	2.4%	0.9%
YTD	-6.7%	-7.7%	1.0%
2015	-13.7%	-23.3%	9.6%
Inception to Date**	-19.5%	-29.4%	9.9%

* MTD figures reflect performance between February 29, 2016 and March 31 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	20
Weighted Market Cap	SAR 54.5 billion
Dividend Yield*	5.3%
P/E Ratio 16	12.7

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

Fund Metrics

	Hasaad	S&P TR
Volatility	19.3%	27.5%
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	8.2%
Saudi Basic Industries	Petrochemical Industries	6.6%
Saudi Telecom Co	Telecom & IT	5.2%

Fund Data

NAV per Share	8.053
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

