

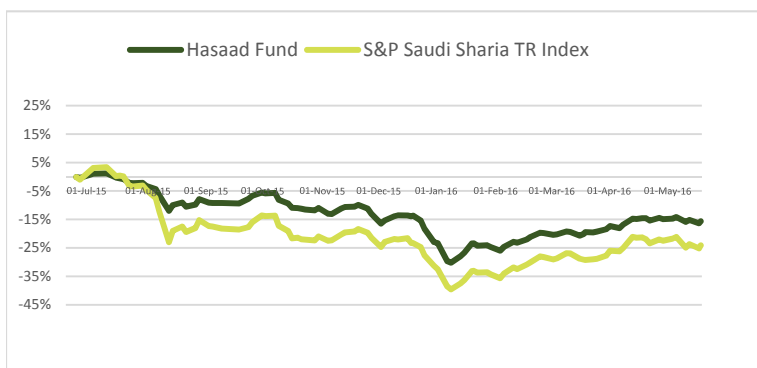
### Fund Manager's Strategy & Outlook

The Saudi market corrected in May with the S&P Saudi Sharia TR Index losing 3.6% for a YTD loss of 1.1%. The Fund lost 1.3% during the month and is now down 2.3% YTD. Turnover dropped MoM with daily traded value averaging SAR 5.1 billion.

Consumer confidence in Saudi Arabia declined two points QoQ in 1Q2016, with recessionary sentiment rising in the low double-digit range, according to a survey by global research firm Nielsen. Consumers are now more cautious with their spending and prioritizing their needs, cutting back on entertainment, upgrading of electronic gadgets and clothes. Sentiment was affected by heavy rationalization in government spending, job security concerns and the geopolitical situation in the Kingdom, which have had a negative impact on consumer sentiment, the survey showed.

All TASI sectors were down in May except media and energy & utilities, which gained 2.0% and 1.3% respectively. Hotel & tourism, real estate, and transportation were the worst performing sectors losing 11.7%, 10.0%, and 8.8% respectively. Banks underperformed losing 6.8% while petrochemicals outperformed losing 2.7%. The Investment Manager reduced exposure to mutual funds and increased exposure to hotel & tourism companies. Cash was increased to 44.4% at month end.

The Holy month of Ramadan will start during the first week of June, and market activity is expected to slow down. And with the "Brexit" referendum scheduled for 23 June, which might trigger a global equity sell-off if Britain decides to leave the European Union, the Investment Manager maintains his cautious view on the market in the short term.



EFG-Hermes Asset Management

Tel: 966 11 293 8048/9 Fax: 966 11 293 8032  
e-mail : AMSales@efg-hermes.com

### 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 <sup>1</sup>	Difference <sup>2</sup>
Month to Date*	-1.3%	-3.6%	2.3%
YTD	-2.3%	-1.1%	-1.2%
2015	-13.7%	-23.3%	9.6%
Inception to Date**	-15.6%	-24.1%	8.5%

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

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

<sup>1</sup> S&P Saudi Sharia TR Index

<sup>2</sup> For comparative purposes only; the fund is managed on an absolute return basis

### Fund Characteristics

No. of Holdings	18
Weighted Market Cap	SAR 56.7 billion
Dividend Yield*	4.7%
P/E Ratio 16	13.81

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

### Fund Metrics

	Hasaad	S&P TR
Volatility	18.0%	26.0%
Beta *	0.65	-

\*\* 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	6.5%
Saudi Basic Industries	Petrochemical Industries	5.9%
Saudi Telecom Co	Telecom & IT	5.4%

### Fund Data

NAV per Share	8.4366
Management Fee	1.25%
Minimum Subscription	SAR 10,000
Subscription / Redemption	Twice Weekly
Inception Date	July 1 <sup>st</sup> , 2015

### Fund Identifiers

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

### Allocation by Economic Sector

