

Global Saudi Equity Fund

Fund Objective & Strategy

Achieving long-term capital growth with predefined and controlled levels of risk, by investing in stocks listed on the Saudi stock exchange. In addition, the fund will aim to achieve returns that exceed the average by benefiting from the expected economic growth in Saudi Arabia while maintaining a suitable level of diversification for fund assets and reduction of total risk by investing in different market sectors. The fund manager selects companies selling at a discount to intrinsic value. We identify intrinsic value through rigorous fundamental analysis and research conducted by an experienced investment team. Research is done on a company-by-company basis to determine the economic worth of companies based on projected future earnings and cash flows taking into consideration economy and market activity.

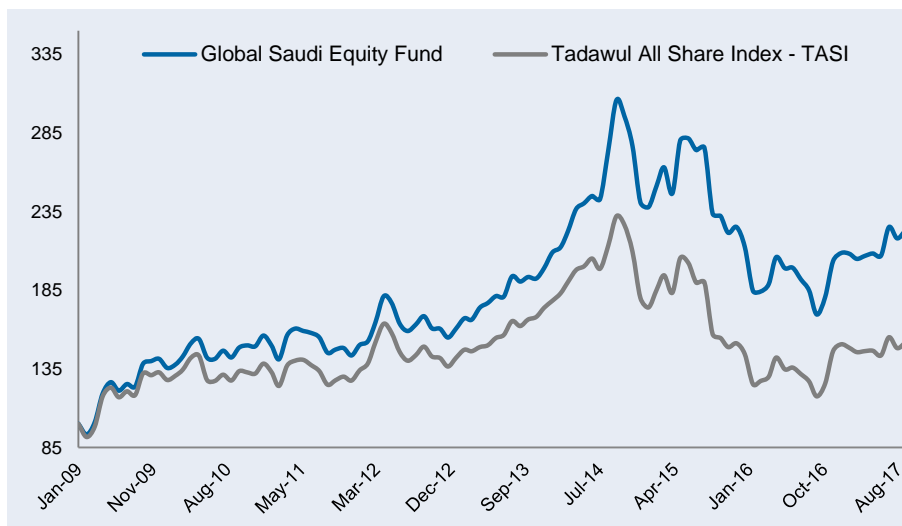
Fund Information

Asset Type	Equity
Geographic Focus	Saudi Arabia
Fund Manager	Global Investment House
Benchmark	Tadawul all share Index – TASI
Fund Listing	Saudi Arabia
Launch Date	January 2009
Structure	Open-Ended
NAV	SAR 222.80
Current Fund Size	SAR 506.6 mn
Base Currency	Saudi Riyal
Initial Investment	10,000
Subsequent Investment	Minimum of 5,000
Subscription & Redemption	Sunday & Tuesday of every week
Initial Charge	2%
Management Fee	1.75% per annum
Custodian Fee	0.15 %
Custodian	SABB Securities - KSA
Redemption Fee	1% if exit before one month
Auditors	Ernst & Young - KSA
Sharia Board	-
Bloomberg Code	GLOBEQC AB
RIC Code	LP65135767

Risk Metrics

Tracking Error	4.55%
Beta	0.94
Information Ratio	1.06
Sharpe Ratio	0.39
Standard Deviation	19.7%

Performance (Re-based to 100)



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	SI *
Fund	2.2	7.7	20.5	6.8	122.8
Benchmark	2.3	5.6	19.4	0.7	51.6
Difference	-0.1	2.1	1.1	6.1	71.2

* Since Inception (January 2009)

Yearly Performance Ending 31st December (%)

	2011	2012	2013	2014	2015	2016
Fund	-3.8	7.0	30.1	13.8	-10.6	-1.8
Benchmark	-3.1	6.0	25.5	-2.4	-17.1	4.3

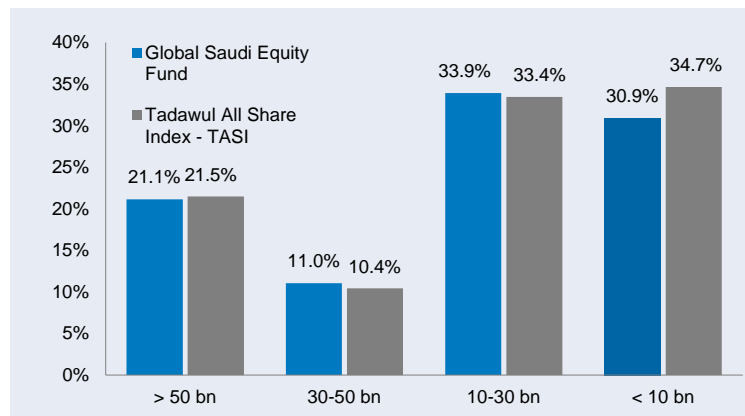
Performance Review

Global Saudi Equity Fund was up 2.2% M/M in August 2017, underperforming the benchmark which was up 2.3% M/M during the same period.

Positive Contributors: Our OW positions in Buruj Insurance and Al Tayyar coupled with UW positions in Saudi Cement and Etihad Etisalat contributed positively towards the fund's relative performance during the month.

Negative Contributors: Our OW positions in Walaa Insurance and Al Andalus coupled with UW positions in Saudi Investment Bank and Al Rajhi Bank contributed negatively towards the fund's relative performance during the month.

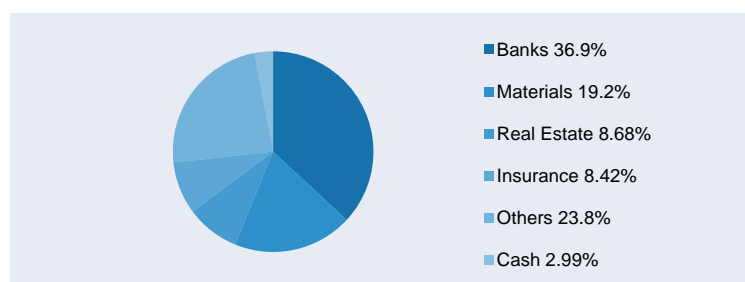
Market Cap Weightings (Free Float)



Top Five Holdings

Stock	Sector	Fund (%)
Al Rajhi Bank	Banks	12.4
SABIC	Materials	8.79
NCB	Banks	6.21
Jabal Omar	Real Estate	4.83
Alinma	Banks	3.67
Total of Top Five		35.9

Sector Breakdown



Market Commentary

US markets remained flat in August as the news flow related to a sharp escalation of the Korean conflict continued to hurt sentiments. Brent oil ended flat during the month - following the July rally - as the news of liaising for production cuts between Saudi and Russia continued to provide support to the commodity. However, the Brent-WTI spread widened close to USD6/bbl levels by the end of the month; the highest in two-year period as Hurricane Harvey adversely impacted US oil transportation.

Saudi was the best performing market in GCC with the Index gaining 2.3% during the month. Also, more tailwinds are expected if Tadawul is upgraded to the secondary emerging market status by FTSE. The index provider is expected to announce the decision in September. Market turnover was below recent average due to the summer period and upcoming Eid break.

Moving beyond the uninspiring 2Q17 earnings, we continue to expect geo-political events to play an outsized role on the markets. We expect the GCC markets to move higher even if the status quo is maintained in current geopolitical impasse.

For further information:

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