

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.

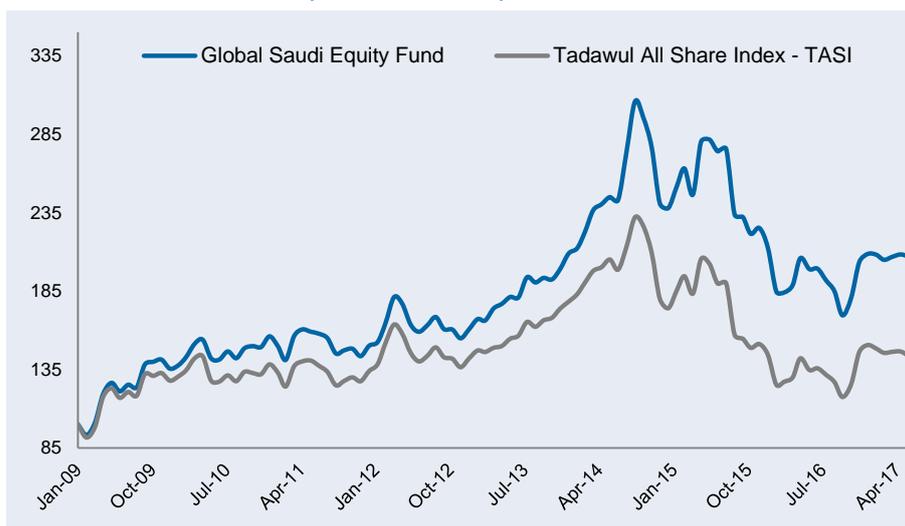
Fund Information

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 206.93
Current Fund Size	SAR 470.5 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	4.60%
Beta	0.94
Information Ratio	1.02
Sharpe Ratio	0.35
Standard Deviation	19.7%

Performance (Re-based to 100)



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	SI *
Fund	-0.7	1.0	4.0	-0.8	106.9
Benchmark	-2.0	-1.5	6.6	-4.7	43.5
Difference	1.3	2.5	-2.6	3.9	63.6

* 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

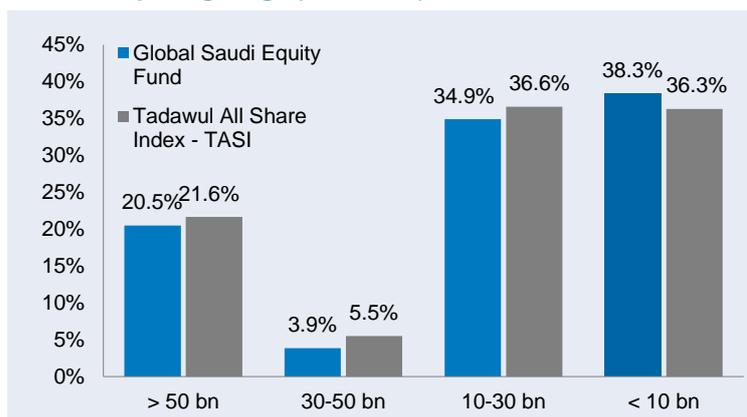
Performance Review

Global Saudi Equity Fund was down 0.7% M/M in May 2017, outperforming the benchmark which was down 2.0% M/M during the same period.

Positive Contributors: Our OW positions in NCB and Dallah coupled with UW positions in Tasnee and Makkah Construction contributed positively towards the fund's relative performance during the month.

Negative Contributors: Our OW positions in Walaa Insurance and Saudi German Hospital coupled with UW positions in Saudi Cement and Saudi Chemical contributed negatively towards the fund's relative performance during the month.

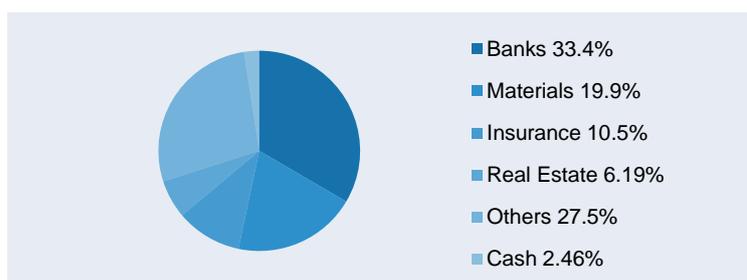
Market Cap Weightings (Free Float)



Top Five Holdings

Stock	Sector	Fund (%)
Al Rajhi Bank	Banks	11.6
SABIC	Materials	8.82
NCB	Banks	6.01
Jabal Omar	Real Estate	3.86
Walaa	Insurance	3.58
Total of Top Five		33.9

Sector Breakdown



Market Commentary

Global markets continued the positive momentum with both US and European markets inching up in May. During the month, the released Fed minutes indicated that a rate hike could be imminent in June - second such increase during the year. For oil markets, the highlight of the month was the OPEC deal, where the oil-bloc agreed to extend the cuts in the oil output for additional nine months. This means that the existing agreement of the 1.8mn barrel per day production cut will roll over until the first-quarter of 2018. The move is expected to support oil prices as the lower production is forecasted to reduce global oil inventory levels to a 5-year average.

Last month remained eventful from a geopolitical perspective as the US president visited Saudi Arabia. Both countries signed deals worth more than \$350 billion, including a \$110 billion defense and military deal. On the earnings front, total market Q1 earnings grew by 8.9% supported by better than expected 3.1% increase in revenues. However, the index remained subdued and ended lower by 2% MoM.

As we head into Ramadan and the summer months, expect the trading activity to shrink. We continue to expect news flow related to passive flows to continue to drive the Saudi market in June. We can expect a near-term excitement if there is any positive progress on Saudi inclusion in MSCI EM Index watch list in June. Accordingly, we continue to expect the market to trade range bound with risks being on the upside.

For further information:

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