

# ▶ HSBC Saudi Arabia Limited

## HSBC Saudi Equity Index Fund – HSI

### Monthly Factsheet

as of 31 July 2010

#### Profile

The fund aims to achieve, over the medium to long term, capital growth by investing in a portfolio of equities of selected companies listed on the Saudi Equity Market and corresponding to the constituents of the HSBC Saudi Equity Index.

#### Top Holdings

Stock	Weight %	Sector
Saudi Basic Industries Corp.	22.56	Petrochemical Industries
Al Rajhi Banking & Investment Corp.	8.67	Banking & Financial Services
Saudi Telecom	6.79	Telecommunication & Info Tech
Samba Financial Group	5.48	Banking & Financial Services
Riyadh Bank	5.42	Banking & Financial Services

#### Fund Composition

Sector	Funds Weight in Sector (%)
Petrochemical Industries	32.98
Banks & Financial Services	27.15
Telecommunication & Info Tech.	11.55
Energy & Utilities Sector	5.23
Agriculture & Food Industries	5.04
Real Estate Development	4.44
Cement	4.37
Industrial Investment	2.78
Building & Construction	1.39
Retail	1.34
Insurance	1.07
Transport	0.73
Multi--Investment	0.22
Media & Publishing	0.20
Cash	1.51

#### Contact Details

##### HSBC Saudi Arabia Limited

##### Local Investors

Toll Free Number 800 124 1212

##### International Investors

Tel +966 1 299 2313 / +966 1 299 2314

Website [www.hsbcSaudi.com](http://www.hsbcSaudi.com)

#### Fund Details

**Fund Manager** HSBC Saudi Arabia Ltd.

**Risk/return profile** High

**Inception date** Dec 11, 2007

**Inception unit price** SAR 10

**Total number of holdings** 38

**Bloomberg code** SABSIND

**Minimum initial investment** SAR 5,000

**Minimum additional investment** SAR 2,500

**Cut off Time** At 1:30 PM KSA time on any business day

**Valuation Day** Daily except Thursday & Friday

**Redeemed funds payment** 2 business days following the the applicable valuation day

**Annual Management fee** 1.25%

**Subscription fee (Upfront)** Up to 3%

*This document is not intended for marketing of the fund. Investors are urged prior to making an investment decision, to refer to the terms & conditions and the appendix of the fund, and consult with their legal/ investment advisor for independent opinion as to the implication of their acquiring, holding or disposing of the units of the fund.*

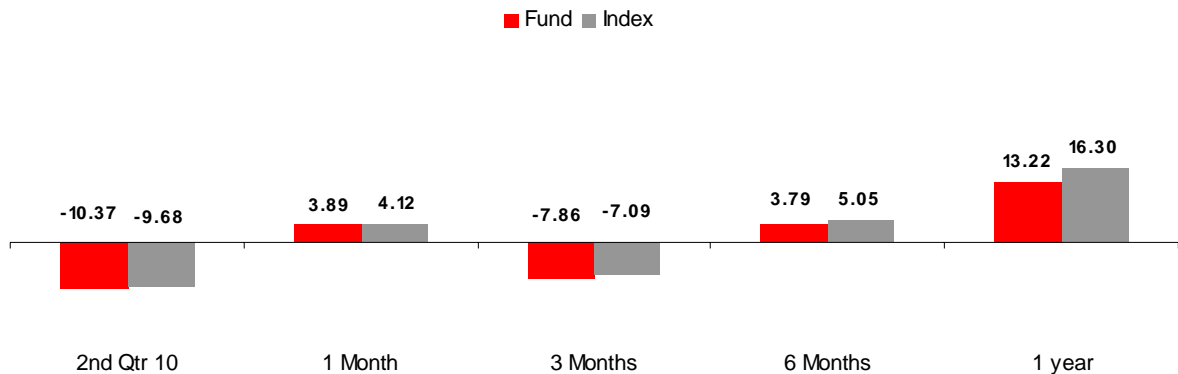
## Fund Benchmark

The purpose of the HSBC Saudi Arabia Index (the Index) is to provide portfolio managers of investment products with an index giving exposure to a broad range of economic sectors in Saudi Arabia from a sample of between 35 and 40 equities. Economic sector representation is intended to be close to that of the domestic equity market whilst the returns of the Index are expected to be close to those of broader-based indices for Saudi Arabia.

Constituents are weighted by full market capitalisation although the largest constituents have a reduced weighing in the Index to limit their dominance and the dominance of their economic sector and hence to enable a greater diversification across other economic sectors.

## Performance

	2009 % Chg	Year to Date % Chg	2 Years % Chg	3 Years % Chg	Since Inception % Chg
HSBC Saudi Equity Index Fund - HSI	30.34	6.44	-23.65	NA	-36.22
HSBC Saudi Equity Index	33.83	7.97	-20.00	NA	-32.98



Please note that the above figures refer to past performance and that past performance is not a reliable indicator of future results. The investment performance of the fund is calculated on a total return basis (i.e. with the cash dividend reinvested), while the investment performance of the benchmark is calculated on a price return basis (i.e. does not include the cash dividend paid). The data is based on the last calculated NAV of the Fund for each month and the value of the benchmark on the corresponding day.

## Fund manager comments

### Review

By the end of July 2010, The Saudi index (TASI) closed at **6283.73**, up by **3.12%** compared to the previous month. Thus, the performance indicator YTD has achieved a positive return by **2.65%**.

The total number of shares traded during the month reached **2.30** billion shares compared to **3.60** billion shares traded during the last month, decreasing by **36.01%**.

All Market sectors have witnessed positive performance during the month where Media & Publishing, Energy & Utilities, Telecom & Information Technology sectors where the best outperforming; up compared to the previous month by **10.25%**, **10.03%** and **6.91%** respectively.

**During the month of July, the market has witnessed the IPO of Al Jouf Cement Co. from 19/07/2010 to 25/07/2010.**

### Outlook

- During the month of July, regional markets recovered from the lackluster conditions that took place in June. Persistent gains in oil prices, easing worries of a double dip recession, as well as a general improvement in risk appetite were some of the main catalysts that drove the rally.

- While we believe that over the coming period volumes will remain anemic with the start of the Holy month of Ramadan, we believe that the Saudi market will stabilize given attractive valuations and supportive oil prices. Furthermore, as global markets continue to stabilize, we believe this should create an additional catalyst for the market.

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