

HSBC Saudi Construction and Cement Equity Fund – HCC

Monthly Factsheet

as of 31 December 2016

Profile

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

Top 10 Holdings (as of 1st valuation day of 4th Quarter 2016)

Stock	Weight %	Sector
Saudi Cement Co.	14	Cement
Southern Province Cement Co	10	Cement
Yanbu Cement Co.	9	Cement
Arabian Cement Co.	9	Cement
City Cement Co.	8	Cement
Umm Al-Qura Cement Co.	8	Cement
Al-Babtain Power & Telecom Co	7	Building & Construction
Najran Cement Co.	5	Cement
The Qassim Cement Co.	5	Cement
Saudi Vitriified Clay Pipes Co.	5	Building & Construction

Fund Composition (as end of December 2016)

Sector	Funds Weight in Sector (%)
Cement	70.39
Building & Construction	26.12
Cash	3.49

Contact Details

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Local and International Investors

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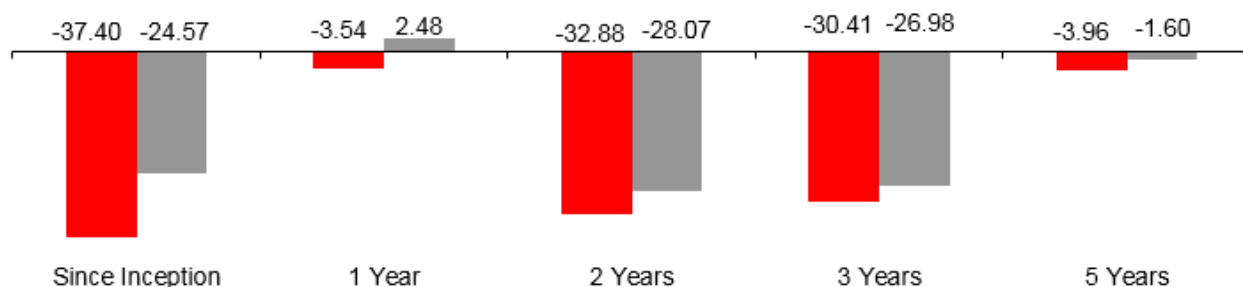


Fund Details

Fund Manager	HSBC Saudi Arabia Ltd.
Inception Date	24 May 2008
Inception Price	SAR 10
Fund Type	Open ended
Investment Policy	Active Management
Base Currency of the Fund	Saudi Riyal
Risk/Return Profile	High
Benchmark	HSBC Cement & Construction Index (Total Return)
Bloomberg Code	SABCONS
Zawya Code	HSBSCCE.MF
Fund Size (SAR)	20 Million
Minimum Initial Investment	SAR 5,000
Minimum Additional Investment	SAR 2,500
Valuation Day	Every Business Day in KSA
Cut off Time	At 1:30 PM KSA time on any business day
Redeemed Funds Payment	2 business days following the applicable valuation day
Annual Management Fee	1.7%
Subscription Fee	Up to 2%
4th Quarter 2016 Financial Indicators	
Percentage of Management fees and charges of 4Q16 to the average of the Fund's Net Asset Value	0.4%
Amount & percentage of profits distributed in the 4 th quarter	NA
Fund manager's investment and percentage to the AUM of the Fund as end of December 2016	NA
Amount & percentage of 4Qtr16 dealing expenses to the Fund's average NAV	3,518 (0.02%)
Percentage of borrowings to Fund's NAV as end of December 2016	NA

Performance as of 31 December 2016

	Since Inception	1 Year	2 Years	3 Years	5 Years
	% Chg	% Chg	% Chg	% Chg	% Chg
■ HSBC Saudi Construction and Cement Equity Fund	-37.40	-3.54	-32.88	-30.41	-3.96
■ HSBC Cement & Construction Index (Total Return)	-24.57	2.48	-28.07	-26.98	-1.60



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). 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

For the month of December 2016, HSBC Cement & Construction Index appreciated by 7.7%, driven by the positive performance of Building & Construction and cement sectors which increased by 8.9% and 6.6% respectively. During the valuation period, the fund grew by around 6.4% in December, underperforming the benchmark by around 1.3% as a result of underperforming the cement sector and a slight overweight to the building and construction sector. During the year of 2016, the building & construction and cement sectors faced some difficulties as a result of shrinking government budgets, higher costs and late payments. However, during Q4 2016, large payments on government arrears to contractors have given the economy some momentum, easing liquidity pressures and boosting sentiment.

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