

HSBC Financial Institutional Fund – FIF

Monthly Factsheet

as of 31 December 2016

Profile

The fund aims to achieve capital growth by investing in Financial Institutions listed on the Saudi Equity Market over the medium to long term.

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

Stock	Weight %	Sector
National Commercial Bank	20	Banking & Financial Services
Al Rajhi Bank	18	Banking & Financial Services
Saudi Hollandi Bank	9	Banking & Financial Services
Samba Financial Group	9	Banking & Financial Services
Arab National Bank	9	Banking & Financial Services
Saudi Fransi Bank	9	Banking & Financial Services
Alinma Bank	9	Banking & Financial Services
Al Bilad Bank	9	Banking & Financial Services
Riyadh Bank	4	Banking & Financial Services
Al Jazira Bank	3	Banking & Financial Services

Fund Composition (as end of December 2016)

Sector	Funds Weight in Sector (%)
Banks & Financial Services	97.71
Cash	2.29

Contact Details

HSBC Saudi Arabia Limited

Local and International Investors

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Fund Details

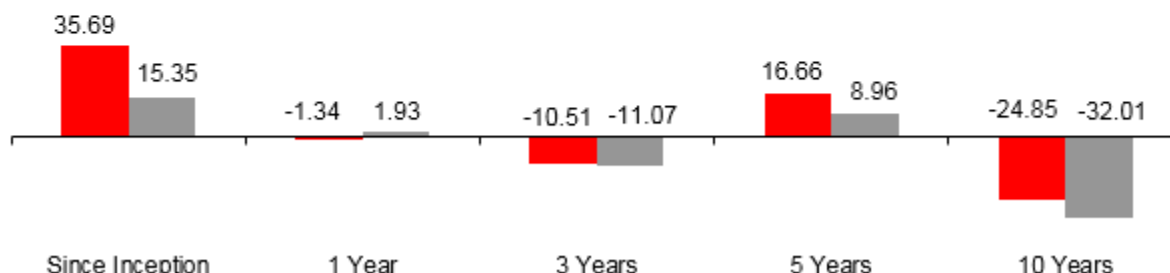
Fund Manager	HSBC Saudi Arabia Ltd.
Inception Date	01 August 2004
Inception Price	SAR 10
Fund Type	Open ended
Investment Policy	Active Management
Base Currency of the Fund	Saudi Riyal
Risk/Return Profile	High
Benchmark	TADAWUL Banking Index
Bloomberg Code	SABFFIF AB
Zawya Code	HSBFLIS.MF
Fund Size (SAR)	38 Million
Minimum Initial Investment	SAR 5,000
Minimum Additional Investment	SAR 2,500
Valuation Day	Monday & Wednesday
Cut off Time	Before close of business; On Sunday for Monday valuation, and on Tuesday for Wednesday valuation.
Redeemed Funds Payment	2 business days after 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	6,254 (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	3 Years	5 Years	10 Years
	% Chg	% Chg	% Chg	% Chg	% Chg
■ HSBC Financial Institutional Fund	35.69	-1.34	-10.51	16.66	-24.85
■ TADAWUL Banking Index	15.35	1.93	-11.07	8.96	-32.01



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

For the month of December 2016, TADAWUL Banking Index appreciated by 1.7%. During the valuation period, the fund grew by around 2.2% in December, outperforming the benchmark by around 0.6%. During the year, the Banking sector has faced liquidity pressure reflecting the overall slowdown in government spending impacting the system's liquidity. However, during the month, liquidity pressures have eased following the issuance of USD 17.5 bn sovereign foreign bond, clearing around SAR 100bn in private sector dues lowering the pressure on SAIBOR and cost of funding.

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