

## MORGAN STANLEY SAUDI EQUITY FUND

# Article 71(h), IFR: Quarterly Disclosure

SAUDI EQUITY | Q2/2020

### Article 71 (H1)

1. List of issuers whose shares constitute the ten largest investments in the fund portfolio (percentages as at 1<sup>st</sup> April 2020).

### TOP TEN HOLDINGS

1<sup>st</sup> April 2020 Holding

SERIAL NO.	SECURITY	(%) HOLDING
1	AL RAJHI BANK	11.44%
2	DR SULAIMAN AL HABIB MEDICAL	4.89%
3	RIYAD BANK	4.87%
4	JARIR MARKETING CO	4.48%
5	SAVOLA	4.17%
6	SAUDI BRITISH BANK	3.57%
7	SAUDI DAIRY & FOODSTUFF CO	3.31%
8	UNITED ELECTRONICS CO	3.23%
9	BANK ALJAZIRA	3.18%
10	THE NATIONAL SHIPPING CO OF	2.95%

Note: Top holdings as a percentage of fund assets (including cash)

### Article 71 (H2)

2. Total fees and charges of the quarter as a percentage of the average of the net assets value of the fund.

<b>Total Expense</b>	from 1 <sup>st</sup> April until 30 <sup>th</sup> June	SAR 288,019.09
<b>Average NAV</b>	from 1 <sup>st</sup> April until 30 <sup>th</sup> June	SAR 54,515,748.14
<b>Average Fee percentage of Net Asset Value</b>	from 1 <sup>st</sup> April until 30 <sup>th</sup> June	0.5283%

Note: Total expense include Management fee, Custody fee, Fund Admin fee, Registrar fee, Audit fee, Transaction charges, Brokerage fee and Board remuneration. All fees, commission and charges are paid by the Fund.

**Article 71 (H3)**

3. The amount and percentage of profits distributed in the quarter in question, if any.  
**NIL**

**Article 71 (H4)**

4. The fund manager's investment amount and percentage to net asset value as 30<sup>th</sup> June 2020.

**MORGAN STANLEY (SEED MONEY)**

Percentage of Net Asset	6.6777%
Investment Amount	SAR 3,803,193.84

**Article 71 (H5)**

5. Dealing expenses<sup>1</sup> of the fund (as an amount and as a percentage of the net asset value) for the quarter.

Percentage of Net Asset	0.0822%
Amount	SAR 46,119.94

Note: Dealing expense is brokerage commissions

**Article 71 (H6)**

6. Standards and index to measure the risks.

Standard Deviation during 2Q2020	11.71%
Standard Deviation during 2Q2020 (annualized)	23.41%

<sup>1</sup> User note: Dealing costs are the sum of the transaction fees and the brokerage commissions.

**Article 71 (H7)****7. Fund's performance standards and index.****a. Sharpe Ratio****Sharpe Ratio (2Q2020)**

Return of the fund	13.99%
Risk Free Rate	0.29%
Standard Deviation	11.71%
Sharpe Ratio	1.17%

Note: Sharpe ratio is based on quarterly risk free rate and portfolio return

**Sharpe Ratio (2Q2020- annualized)**

Return of the fund	68.84%
Risk Free Rate	1.17%
Standard Deviation	23.41%
Sharpe Ratio	2.89%

Note: Sharpe ratio is based on annualized standard deviation, risk free rate and portfolio return

**b. Fund Performance (Cumulative returns)**

	<b>FUND</b>	<b>BENCHMARK (PRICE RETURN)</b>
1 Year	-13.20%	-18.11%
3 Years	16.67%	-2.72%
5 Years	5.47%	-20.50%
Since Inception (inception 6 <sup>th</sup> Jan 2009)	264.06%	36.57%

Note: Reported on a rolling period basis (for example 1 year performance is for the last 12 months up to the reported quarter end)

**Article 71 (H8)****8. Borrowings as a percentage of the fund's net asset value as at 30<sup>th</sup> June 2020.**

**NIL**

## IMPORTANT INFORMATION

### General

The information in this document was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, King Saud Road, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority. This document is only intended for and should only be viewed by persons resident in jurisdictions where such publication or availability would not be contrary to local laws or regulations. Applications for units in The Morgan Stanley Saudi Equity Fund should not be made without first consulting the current Prospectus and offering documents which are available free of charge at the address above. There will be no offering of any interests (or solicitation of an offer to buy) in any jurisdiction in which such offer or solicitation would be unlawful.

This communication is a not marketing communication; it has been prepared solely for regulatory and information purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The material contained herein has not been based on a consideration of any individual client circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

The facts indicated herein are based on matters as they exist as of the date of publication and not as of any future date.

The Capital Market Authority approved the establishment of The Morgan Stanley Saudi Equity Fund on 16 August 2008. The Capital Market Authority has not endorsed the accuracy or adequacy of this communication. The communication is being viewed in electronic form. Documents in this medium may be altered or changed during the process of electronic transmission and publication and consequently none of Morgan Stanley Saudi Arabia or any of its respective directors, officers, partners, employees or advisers accept any liability or responsibility whatsoever in respect of any difference which occurs during electronic transmission and publication.

### Note about the Fund

Past performance is not a guarantee of future performance. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested. There are special risk considerations associated with investing in emerging country securities including (1) restrictions on foreign investment, (2) currency fluctuations, (3) potential price volatility and lesser liquidity of shares, (4) political and economic risks, (5) settlement systems may be less well organized and less developed. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, accounting, auditing, financial and other reporting standards are not equivalent to those of more developed countries, and therefore less information may be available than in more developed countries.

Funds that specialize in a particular region or market sector are more risky than those which hold a very broad spread of investments. Where portfolio concentration is in one sector it is subject to greater risk and volatility than other portfolios that are more diversified and the value of its shares may be more substantially affected by economic events.

These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of his or her investment.