

Saudi Equity Fund



July 2010

Objective

The Fund aims to provide unit holders with capital appreciation over the medium to long-term through investments in publicly traded Saudi Arabian equities. The Fund manager's focus is on adding value through stock selection (fundamental analysis), incorporating both qualitative and quantitative factors into the investment decision making process.

Outlook

The Saudi market index was up 3.1% in July, after two consecutive months of negative returns. On a YTD basis however, TASI was up 2.7%. The total number of shares traded in July was 2.3 billion vis-à-vis 3.6 billion in June. The Telecom and Retail sector indices were the best performing indices for the month, up 6.9% and 6.6% respectively. The heavyweight Petrochemical and Banking sector indices were up 1.5% and 3.8% respectively.

The second quarter earnings season, with net income growing 23.4% yoy, was driven primarily by the Petrochemical sector earnings which grew 223%. Index bellwether Sabic's earnings fell short of estimates, while built up of provisions continued to impact banking sector results.

The Fund was up 5.8% in July vis-à-vis the benchmark return of 2.9%. The outperformance is attributed to a relatively higher allocation to defensive sectors such as Agriculture, Retail and Telecom. The market's correlation with global markets, direction of oil and petrochemical prices and change in trading volumes are the key determinants of future investment opportunities and performance.

Fund Information

*Inception Date: May 31st 2009. **Applies if redemption is within 30 days of their purchase.

Fund Currency	SAR
Structure	Open-Ended
Domicile	Saudi Arabia
Reuters Code	LP68013828
Zawya Code	RSASAEF.MF
Custodian	SABB Securities
Administrator	SABB Securities
Auditors	KPMG Al Fozan & Al Sadhan
Lipper ID	68013828
Bloomberg Ticker	N/A
Subscription / Redemption	Daily
Lock Up	None
Management Fee	2.00%
Placement Fee	1.00%
NAV per unit (SAR)	11.44
Price per unit at inception (SAR)*	10.00
Previous NAV per unit (SAR)	10.82
Dealing / Valuation	Monday, Wednesday
Min. Subscription (SAR)	50,000
Additional Subscription	25,000
Dilution Charge**	0.50%

Fund Performance

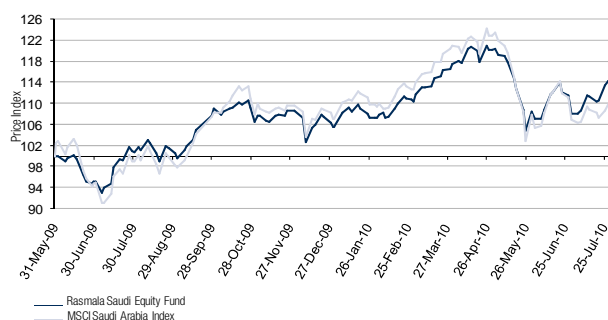
*Returns are net of management fees. **Inception Date: May 31st 2009

	July 2010*	Year-to-Date	Since Inception**
Rasmala Saudi Equity Fund	5.79%	8.27%	14.42%
MSCI Saudi Arabia Index	2.94%	2.66%	10.07%

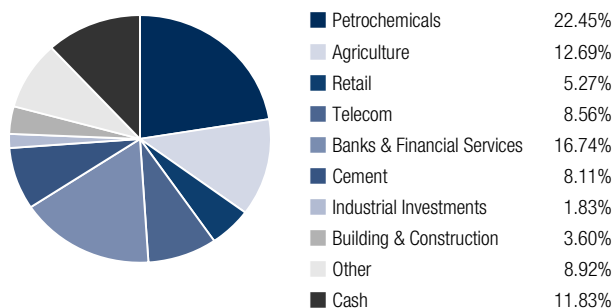
Top Holdings

Company Name	Sector	Weight
Ethiad Etisalat	Telecom	8.56%
SAFCO	Petrochemicals	6.89%
Savola	Agriculture	6.21%
Al Rajhi	Banks & Financial Services	6.06%
SABIC	Petrochemicals	5.90%

Performance Graph*



Sector Allocation



Fund Manager Contacts

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