

Morgan Stanley Saudi Arabia Funds

Morgan Stanley Saudi Equity Fund

Fund Aim

To provide long-term capital appreciation and growth by investing in securities listed on the Saudi Stock Exchange, Tadawul and in securities offered in the course of an Initial Public Offering (IPO) in the Kingdom of Saudi Arabia.

Investment Process

The manager of the Morgan Stanley Saudi Equity Fund (Fund Manager) employs an active investment strategy by selecting securities which it believes will appreciate in value based on an analysis of sector and/or the expected return or growth of individual securities.

When selecting security investments for the Morgan Stanley Saudi Equity Fund, the Fund Manager adopts a long-term approach, focusing on the market price of a company's securities relative to the Fund Manager's evaluation of the company's potential long-term earnings, asset value and cash flow potential.

Investment Philosophy

The Riyadh-based team believes that fundamentals-driven, stock-specific investing when carried out within the context of broad Saudi macroeconomic themes can be successful in creating value for investors. Furthermore, the current mix between retail and institutional investors creates intrinsic price anomalies that can be a potential source of additional returns. The team believes it can best exploit these anomalies by applying a top-down sector allocation and bottom up stock selection approach.

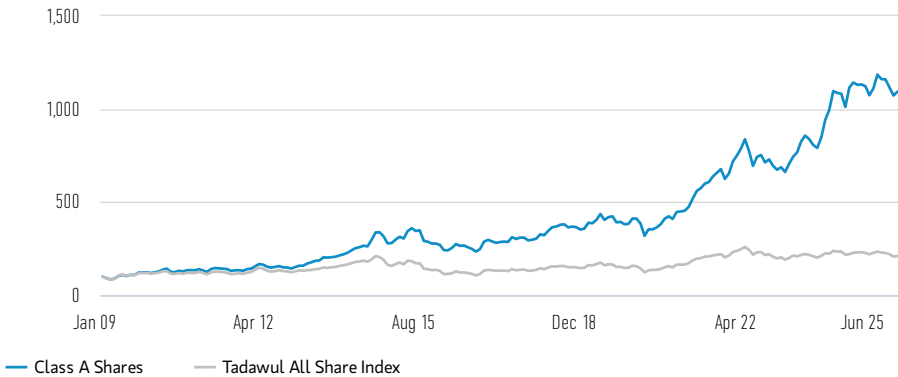
Investment Team

	JOINED FIRM	YEARS OF INDUSTRY EXPERIENCE
Najmul Hasnain, Managing Director	2003	31
Alowi AliMirah, Executive Director	2007	18
Khurram Javed, Executive Director	2008	17

Team members may be subject to change at any time without notice.

Returns in SAR versus Benchmark

Performance of 100 Saudi Riyals invested Since Inception (Cash Value)



Performance in Saudi Riyal, net of fees, vs benchmark (%)

PERIOD ^{1,2}	Cumulative (%)	Annualised (% p.a.)				
	1 YR	3 YR	5 YR	10 YR	INCEPTION	
Fund	-1.96	16.33	24.60	12.22	15.62	
Benchmark	-4.41	-1.05	9.10	2.08	4.64	

Calendar Year Returns (%)

	2024	2023	2022	2021	2020
Fund	18.04	39.65	3.16	45.21	9.09
Benchmark	0.58	14.21	-7.12	29.83	3.58

¹ Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. All performance data is calculated NAV to NAV, net of fees, and does not take account of commissions and costs incurred on the issue and redemption of units.

² The benchmark is a price return Index.

EMERGING MARKETS EQUITY TEAM

CONTACT DETAILS

For further information, please contact:

Najmul Hasnain

MSIM Saudi Arabia

Email: Najmul.Hasnain@morganstanley.com

Fund Facts

Launch date	06 January 2009
Location	Riyadh, Saudi Arabia
Base currency	Saudi Riyal (SAR) 1 USD = 3.75
Benchmark	Tadawul All Share Index
Investment universe	All stocks listed on Tadawul
Minimum subscription	50,000 SAR (USD 13,333)
Liquidity	Twice weekly, Sunday & Tuesday
Net asset value	SAR 1,093.5278
Total net assets	SAR 156.43 million
Country of domicile	Kingdom of Saudi Arabia
Investment manager	Morgan Stanley Saudi Arabia
Custodian	HSBC Securities Ltd, Saudi Arabia
Auditor	Ernst & Young, Saudi Arabia

Charges (% of NAV)

	FUND
Subscription fee	1.50
Management fee (p.a.)	1.25

Statistics (3 Year Annualised)³

	FUND	BENCHMARK
Excess Return (%)	17.38	--
Alpha (%)	17.54	--
Beta	1.02	1.00
Correlation	0.77	1.00
Tracking error (%)	8.09	--
Information ratio	2.15	--

³ The numbers are calculated on a rolling 3 years basis.

Sector Allocation (% of Total Net Assets)^{4,5}

	FUND
Financials	38.57
Industrials	17.09
Health Care	9.41
Consumer Discretionary	7.94
Energy	6.82
Materials	4.73
Real Estate	4.11
Consumer Staples	1.97
Utilities	1.80
Information Technology	0.85
Communication Services	0.59
Cash	6.00

⁴ May not sum to 100% due to the exclusion of other assets and liabilities.

⁵ For additional information regarding sector classification/definitions please visit www.msci.com/gics and the glossary at www.morganstanley.com/im.

IMPORTANT INFORMATION**FOR PROFESSIONAL CLIENTS ONLY**

This financial promotion was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, Kings Sand Street, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority license number 06044-37. This communication is only intended for and will be only distributed to persons resident in jurisdictions where such distribution 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.

The investment performance of the Morgan Stanley Saudi Equity Fund is calculated on a total return basis (i.e., with cash dividend reinvested), while the investment performance of the benchmark is provided on price return basis (i.e., it does not include dividends). The dividend yield as per Bloomberg for TASI was 349% as of 30 June 2025.

This communication is a marketing communication; it has been prepared solely for 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. Except as otherwise indicated herein, the views and opinions expressed herein are those of Morgan Stanley Investment Management, are based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date hereof.

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 may have been sent to you in an electronic form. Documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Morgan Stanley Saudi Arabia, its affiliates or any

of their respective directors, officers, partners, employees or advisers accept any liability or responsibility whatsoever in respect of any difference between the communication distributed in electronic format and the hard copy version available on request from Morgan Stanley Saudi Arabia.

RISK WARNING

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.

Please click this hyperlink to the [Information Memorandum](#) for further information regarding the principle risks, terms and conditions of investing in the Morgan Stanley Saudi Equity Fund.

CUSTODIAN

HSBC Saudi Arabia Limited, a company licensed by the Capital Market Authority pursuant to license number 05008-37. The principal place of business of HSBC Saudi Arabia Limited is at:
HSBC Saudi Arabia Limited
Head Office, North Olaya Road
P. O. Box 9084
Riyadh 11413
Saudi Arabia