

# Innovative New Investment Solution

Al Rajhi MSCI Saudi Multi Factor Index Fund



First multi-factor index fund based  
on MSCI index in Saudi Arabia

الراجحي المالية  
AlRajhiCapital



## What is a Passive Fund?

Passive management is an approach wherein the underlying investment securities are not chosen by a portfolio manager, but instead are selected to match an index or part of the market.

A passive fund aims to be closely aligned with the performance of its underlying index.

Features of Passive Funds:



Diversified portfolio  
of stocks



Low costs



Disciplined & rule-based  
investment approach

## What is MSCI Saudi Multi Factor Index?

The MSCI Saudi Multi Factor Index has been constructed by using a combination of three customized underlying MSCI Factor indices: Quality, Momentum and Enhanced Value “Component indices”.

Each Component Index in the MSCI Saudi Multi Factor Index is attributed with equal weight at each rebalancing.



QUALITY



MOMENTUM



VALUE

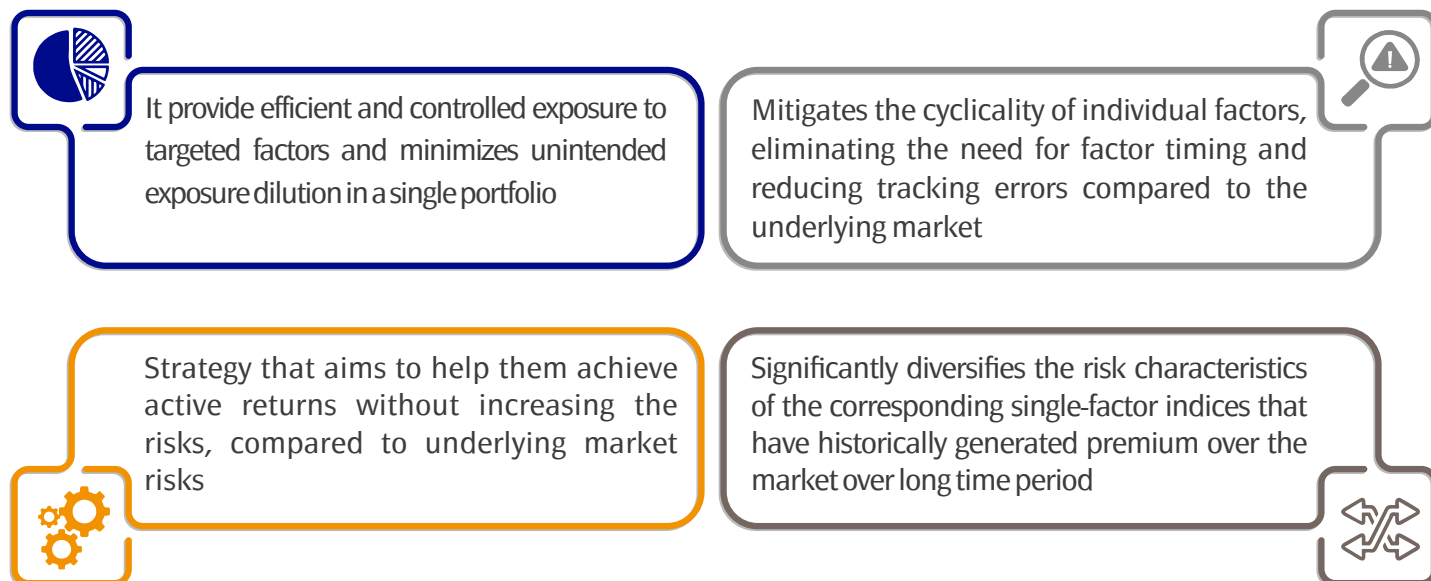
Factors in general are stock characteristics that explain portfolio performance over long horizons.

Individual factors have historically produced long-term outperformance compared to the market but have also experienced significant multi-year periods of underperformance.

Combining individual factors indices into a composite provides investors a transparent, flexible and cost effective way to gain exposure to several factors.

Diversifying across several factors also mitigates the cyclicity of individual factors, eliminating the need for factor timing, reducing tracking errors and increasing investability.

## Benefits of Diversified Multi Factor Indices



## Why Al Rajhi MSCI Saudi Multi Factor Index Fund?

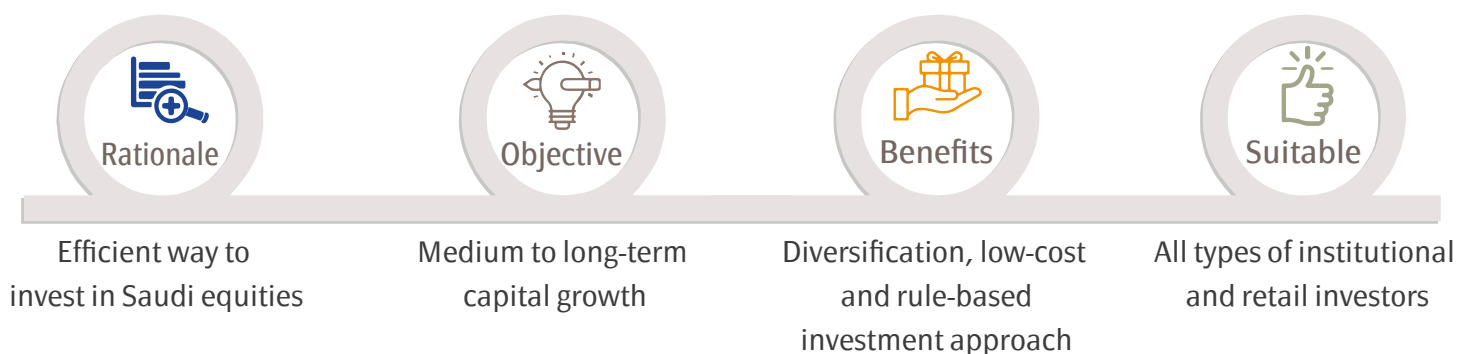
This fund was created to meet investor needs for a low-cost and efficient way to access the Saudi equity market from a long-term perspective.

*As a provider of innovative investment solutions, Al Rajhi Capital is pleased to offer this rules-based, transparent alternative to investors.*

This fund targets both institutional and retail investors who are looking for a broader allocation to the Saudi equity market from a strategic allocation or savings perspective.

## What is the fund's Investment Objective?

Al Rajhi MSCI Saudi Multi Factor Index Fund is an open-ended fund that aims to achieve medium to long-term capital growth by tracking the performance of the MSCI Saudi Multi Factor Index, which complies with Al Rajhi Shariah Board's rules.



## Fund Summary

Fund Name	Al Rajhi MSCI Saudi Multi Factor Index Fund
Fund Manager	Al Rajhi Capital
Fund Type	Public, open-ended
Offering Date	From 20/01/2019 till 31/01/2019
Fund Currency	Saudi Riyal (SAR)
Risk Level	High
Benchmark Index	MSCI Saudi IMI Domestic ex-client defined exclusion Diversified Factor Mix index. A diversified factor mix custom index calculated by MSCI based on the stock exclusions defined by ARC. It will be referred to as the (MSCI Saudi Multi-Factor Index)
Investment Objective	Medium to long-term capital growth by tracking the performance of MSCI's Saudi Multi Factor Index, which complies with the Al Rajhi Shariah Boards rules
Eligible Subscribers	Any qualified natural or legal person
Unit Price at Issuance	SAR 10
Minimum Subscription	SAR 2,000
Minimum Additional Subscription	SAR 1,000
Minimum Redemption	SAR 1,000
Minimum Balance	SAR 2,000
Subscription and Redemption Channels	<ul style="list-style-type: none"><li>• Electronic channels (seven days a week)</li><li>• Investment centers (from Sunday to Thursday)</li></ul>
Deadline for Receiving Subscription and Redemption Requests	At 5 pm on the day before dealing day
Dealing Days	Monday and Wednesday
Valuation Days	Each working day
Announcement Days	Next working day after the valuation day

## Fund Summary

Pay-out of Redeemed Units	The redemption of units will be paid to the unitholder no later than the close of business on the 5th day following the dealing day at which the price of redemption was determined
Subscription Fees	Nil
Management Fees	1 % per annum from net asset value
Custody Fees	Will be paid by the Fund Manager
Transaction Fees	The Fund will bear commissions and fees resulting from the transactions, the purchase and sale of securities according to the prevailing market prices, which are paid to the brokers, securities markets and regulators
Other Expenses	The Fund Manager will bear the necessary and actual fees for its management, including audit, custody, publishing, remuneration of Board members of the fund, regulatory fees and other expenses

## About MSCI company



For more than 45 years, MSCI's research-based indices and analytics have helped the world's leading investors build and manage better portfolios.

Clients rely on MSCI's offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

MSCI's line of products and services includes indices, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit the MSCI website at [www.msci.com](http://www.msci.com)

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