



Short Form Annual Report- 2017
EFG Hermes Saudi Arabia Equity Fund

a. Investment Fund Information

1	Name of investment fund.	EFG-Hermes Saudi Arabia Equity Fund
2	Investment objectives, policies and practice .	<p>EFG-Hermes Saudi Equity Fund is an open-ended fund established in accordance with the Investment Fund Regulations issued by the Board of the Capital Markets Authority.</p> <p>The Fund's objective is to offer medium-to long term capital appreciation through investment principally in Saudi companies. The Fund Manager employs an active investment strategy for investment directly in: (i) equity securities listed on the Tadawul; (ii) unlisted equity securities of companies operating in KSA, limited to 10 % of the Fund's portfolio by value at the time of acquisition of such unlisted equity securities, in anticipation of a listing of such securities within 18 months of the Fund's investment; (iii) debt securities, being government and corporate bonds issued by issuers in the Kingdom of Saudi Arabia; and (iv) cash or short term money market instruments. Debt securities and cash collectively will not exceed 35% of the Fund's net asset value.</p> <p>The Fund does not operate a strategy that excludes certain industries, but will retain the highest possible degree of flexibility, although it will limit its investments to the KSA.</p>
3	Distribution of income and gain policy.	The Fund does not distribute dividends to its Unitholders. All profits are reinvested in the Fund and thereby reflected in the Unit price.
4	The fund's Reports are available upon request free of charge.	

b. Fund Performance

A performance record that covers the following:

a) The fund net assets value at the end of each Financial year.

Date	Saudi Fund Net asset value	Saudi Fund IC Price
17-Jun-08	-	10.00
31-Dec-08	187,630,400.46	4.8358
31-Dec-09	95,716,804.70	5.9206
31 Dec 10	54,110,254.85	6.6716
31-Dec-11	44,192,434.32	6.7943
31-Dec-12	73,062,144.64	7.5517
31-Dec-13	105,555,172.20	11.2348
31-Dec-14	117,887,685.83	13.1662
31-Dec-15	68,885,434.41	12.7210
31-Dec-16	37,991,485.22	12.4831
31 Dec 17	32,587,187.47	13.8556

b) The net assets Value per Unit at the end of each financial year.

Year	Saudi Fund highest	Saudi Fund lowest
from inception (6/17/2008) till Dec 2008	10	4.2856
2009	6.3291	4.1621
2010	6.881	5.7578
2011	6.9531	5.5748
2012	8.3539	6.7132
2013	11.2348	7.6126
2014	17.1894	11.3532
2015	16.6505	12.0944
2016	12.8196	9.7014
2017	13.6925	11.7775

c) The highest and lowest net asset value per unit for each financial year.

Date	Saudi Fund # of ICs
31-Dec-08	38,800,281.00
31 Dec 09	16,166,740.65
31 Dec 10	8,110,536.43
31 Dec 11	6,504,334.56
31-Dec-12	9,674,930.34
31-Dec-13	9,395,356.47
31-Dec-14	8,953,800.56
31 Dec 15	5,415,099.09
31 Dec 16	3,043,437.12
31 Dec 17	2,439,955.83

d) The number of units in issue at end of each financial year.

e) Income Distribution per Unit

There has been no income distribution for the fund

f) Expense Ratio

Year	Expense Ratio
from inception (6/17/2008) till Dec 2008	1.35%
2009	2.53%
2010	2.62%
2011	2.90%
2012	2.59%
2013	2.47%
2014	2.45%
2015	2.50%
2016	3.04%
2017	3.45%

a) The total return for 1 year, 3 years and 5 years (or since inception).

Period	Returns
1 year	6.99%
3 Years	1.44%
5 years	76.86%
since inception	33.56%

b) The annual total return for each of the last 10 financial years (or since inception).

Period	Returns
from inception (6/17/2008) till Dec 2008	-51.64%
2009	22.43%
2010	12.68%
2011	1.84%
2012	11.15%
2013	48.77%
2014	17.19%
2015	-3.38%
2016	-1.87%
2017	6.99%

c) A table showing actual fees and fund expenses paid by the investment fund during the year. The Total Expense Ratio should also be clearly disclosed. If there are any circumstances in which a fund manager may elect to waive or rebate any fees, this must also be disclosed.

Fund Expenses	
Admin Fees	90,000.13
Audit Fees	65,000.00
Bank Charges	55,428.15
Custody Fees	90,000.11
Director Fees	20,000.00
Management Fees	657,469.23
Registrar Fees	5,325.00
Brokerage Commission	150,198.43
Total Fund Expense	1,133,421.05
Saudi Fund 2017 Average NAV	32,869,906.91
Total Expense Ratio 2017	3.45%

d) The bases for calculating the performance data and any assumption made must be consistently applied. If there were material changes that occurred during the period and that affected the performance of the fund, these changes must be clearly disclosed.

The fund Performance Calculations based on the change on NAV (IC's price Change).

There were no material changes during 2017 that affected the performance of the fund.

4 Disclosure of the exercise of annual voting rights and it must include the issuer's name and the date of the General Assembly and the subject of the vote and the decision to vote (agree / disagree / abstain from voting)

Below are the details of the exercised voting rights have been made during 2017.

5 The Fund's board annual report including, but not limited to, the topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives.

There were no resolutions signed during the period. Below are the minutes of the Boards of Directors for July and December 2017 that includes the discussed topics, fund performance and fund achievement of its objectives.

c. Fund Manager

3	A review of the investment activities during the period.	The Fund has invested in shares of Saudi companies listed on the Tadawul.
4	A write-up on the investment fund's performance during the period.	<p>The Saudi Fund's Assets Under Management declined 14.23% during 2017 to end the year at SAR 32.59 million. The fund gained 7% during the year, while the TASI was up by 0.2% during the same period.</p> <p>The fund's performance can be attributed to superior stock selection and exposure to large cap names.</p> <p>The fund manager has taken steps to position the fund in the right direction for 2018. The fund will continue to focus on fundamentally superior companies in the Insurance, Healthcare, Petrochemical and the Banking sectors to generate superior relative performance. Focus will also be on companies that are having higher weights in the index as the fund manager expects these companies to have a stronger performance due to the upcoming MSCI and FTSE events.</p>
5	Details of any material changes made during the period.	The update of the Financial Disclosure Summary is the only update that occurred in the Terms and Conditions of the fund within 2017.
6	Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period.	No other information is available.