



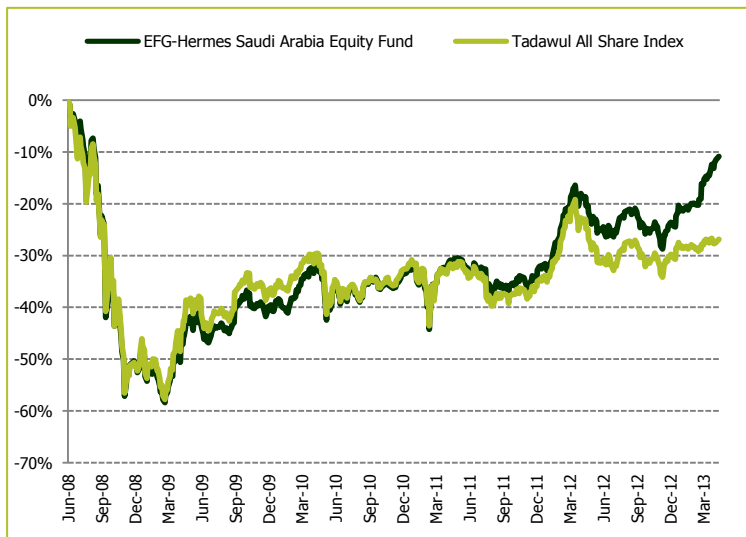
Fund Manager's Strategy & Outlook

The Saudi market continued its positive performance in April with the Tadawul All Share Index gaining 0.8% for a YTD performance of 5.6%. The Fund gained 5.1% during the month and is now up 18.0% YTD. Turnover increased MoM with daily traded value averaging USD 1.8 billion in April.

Aggregate earnings of listed companies were down 11.0% YoY in 1Q2013; however, the drop was due to the expected weak earnings from petrochemical companies in addition to a couple of one-offs. When excluding the petrochemical sector and adjusting for the one-offs, aggregate earnings were up 1.2% YoY. Locally exposed sectors continued to report strong results with food and retail companies' earnings increasing 18.4% and 14.1% YoY respectively. Banks earnings were flat YoY, but when adjusting for a one-off capital gain recorded in 1Q2012, sector earnings were up 3.9%. On the other hand, petrochemicals saw their earnings drop 18.0% YoY largely due to several maintenance related shutdowns during the quarter.

Sector performance was mixed in April. Hotel & tourism was the best performing sector rallying 19.1% while energy & utilities was the worst performing sector dropping 7.8%. Cements, retail and food companies performed strongly gaining 10.2%, 7.4%, and 6.1% respectively whereas petrochemicals and industrial investment companies lost 5.2% and 2.2% respectively during the month. The Investment Manager reduced exposure to retail, industrial investment, and food companies and increased exposure to petrochemicals and banks in April. Overall exposure continues to be maintained at a high level.

With first quarter results now in the books, the Investment Manager believes that the strong earnings from locally exposed companies coupled with a solid macro story and an attractive market valuation bode well for continued market strength in the second quarter of 2013.



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Objective

The principal objective of the Fund is medium and long term capital appreciation through investing in Saudi Arabian equity and equity related securities.

Fund Performance

	Saudi Fund	TASI	Difference
Month to Date**	5.1%	0.8%	4.3%
Year to Date	18.0%	5.6%	12.4%
2012	11.2%	6.0%	5.2%
2011	1.8%	-3.1%	4.9%
2010	12.7%	8.2%	4.5%
2009	22.4%	27.5%	-5.1%
Inception to Date*	-10.9%	-27.0%	16.1%

*Fund's inception date was June 17th, 2008

** MTD figures reflect performance between March 31st, 2013 and April 30th, 2013

Fund Characteristics

No. of Holdings	30
Weighted Market Cap	SAR 49.0 billion
Dividend Yield*	3.0%
P/E Ratio 13	11.8x

*Figure reflects the weighted average yield of a dividend-bearing security in the fund

Fund Metrics

	Saudi Fund	TASI
Volatility	23.6%	23.6%
Beta*	0.98	-

*Calculated vs. the Tadawul All Share Index (TASI) since the Fund's inception

Top Five Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	9.3%
Al Rajhi Bank	Banks & Financial Services	9.1%
Etihad Etisalat	Telecom. & Information Tech.	5.9%
Samba Financial Group	Banks & Financial Services	5.5%
Al Inma Bank	Banks & Financial Services	4.1%

Fund Data

NAV per Share	SAR 8.9089
Management Fee	2%
Minimum Subscription	SAR 50,000
Subscription / Redemption	Twice Weekly
Inception Date	June 17, 2008

Fund Identifiers

Bloomberg Ticker	EFGSAUD AB
Reuters Code	LP65122906

Allocation by Economic Sector

