



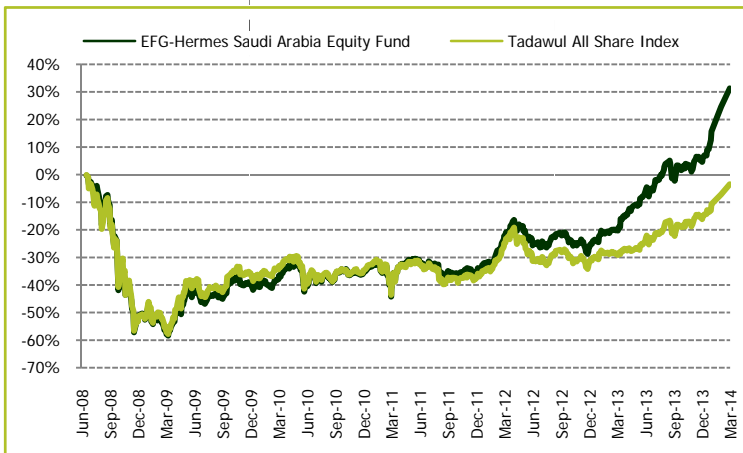
Fund Manager's Strategy & Outlook

The Saudi market continued its rally in March with the Tadawul All Share Index gaining 4.0%, ending the month with a YTD return of 11.0%. The Fund gained 5.3% during the month and is now up 16.8% YTD. Turnover continued to increase with the daily traded value averaging USD 2.3 billion in March.

Saudi Arabia's Purchasing Managers Index (PMI) for the month of March recorded a reading of 57 points, reflecting a continuation of strong economic growth. Although the March reading is 1.5 points below the February level with output, new orders and employment dropping from their recent highs, the Saudi PMI nonetheless remains among the highest regional readings and places the Kingdom firmly in growth territory

All sectors were up in March, except for cement which lost 2.0%. Transportation and retail were among the top performing sectors rallying 11.6% and 11.1% respectively. On the other hand, banks and petrochemicals underperformed for the second month in a row gaining 3.0% and 2.0% respectively. The Investment Manager reduced exposure to real estate, building & construction, and retail companies and increased exposure to cements and banks.

The Saudi market has seen seven consecutive months of positive performance since the end of August 2013 with a return of 22.0% over the period. Given the sharp uninterrupted rally, the Investment Manager remains cautious on the market in the short term and hence maintains the Fund's defensive positioning. However, the Investment Manager continues to have a positive medium to long term view on the market and will be looking to reshuffle the Fund positions with any meaningful pullback to be well positioned for the next leg up.



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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 ¹	Difference
Month to Date**	5.3%	4.0%	1.3%
Year to Date	16.8%	11.0%	5.8%
2013	48.8%	25.5%	23.3%
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*	31.2%	-3.5%	34.7%

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

** MTD figures reflect performance between March 31st, 2014 and March 31st, 2014

¹TASI is a price return index

Fund Characteristics

No. of Holdings	31
Weighted Market Cap	SAR 63.6 billion
Dividend Yield*	2.0%
P/E Ratio 14	13.8x

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

Fund Metrics

	Saudi Fund	TASI
Volatility	22.6%	22.1%
Beta *	0.99	-

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

Top Five Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	9.2%
Al Rajhi Bank	Banks & Financial Services	7.2%
Etihad Etisalat	Telecom & IT	5.5%
Arab National Bank	Banks & Financial Services	5.0%
SAMBA	Banks & Financial Services	4.8%

Fund Data

NAV per Share	SAR 13.1235
Management Fee	2%
Minimum Subscription	SAR 50,000
Subscription / Redemption	Twice Weekly
Inception Date	June 17, 2008

Fund Identifiers

ISIN Code	XC000A1W4DX3
Bloomberg Ticker	EFGSAUD AB
Reuters Code	LP65122906

Allocation by Economic Sector

