



Fund Manager's Strategy & Outlook

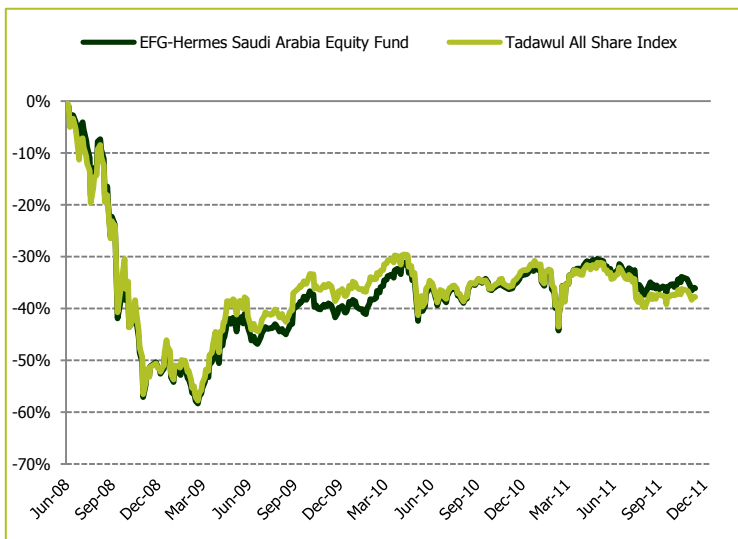
The Saudi market experienced a mild pullback in November with the Tadawul All Share Index declining by 1.9%. The Fund declined by 2.7% during the month for a YTD performance of -4.3% compared to -7.8% for the TASI index. The weak market performance was largely a result of renewed concerns about the European sovereign debt woes.

Saudi non-oil business activity strengthened in November, with the Purchasing Managers' Index (PMI) rising to a three-month high of 58.1. Key aspects of the economy saw a stronger reading with new order growth rising to 67.7 points in November, the highest since July; employment in the non-oil private sector also rose to a three-month high of 51.7. The data indicates that the pick-up in business activity was domestically led and largely driven by the strong performance of the Kingdom's construction industry. On the other hand, export orders weakened marginally to 54.1 in November down from 54.7 in October, reflecting weaker global growth.

SAMA's latest banking sector data showed a strong bounce back in private sector loan growth in October 2011, growing by 1.6% MoM after being relatively sluggish during August-September 2011. Profitability recovered to trend levels with aggregate profits of the sector rising by almost 50% MoM in October after reporting a sharp drop in September on the back of higher provisioning at selected banks to increase NPL coverage levels.

The top performing sector in November was media and publishing, rising 12.4%. The petrochemicals sector was among the worst performing sectors during the month declining by 4.0% and banks slightly underperformed the market declining by 2.4%. The Investment Manager reduced exposure to telecoms, retail, and food companies and increased exposure to petrochemicals and building and construction names.

The Saudi budget for the year 2012 should be announced in the second half of December and is expected to be a continuation of the expansionary fiscal policy that the Kingdom has adopted over the past few years supported by high oil prices and record foreign reserves of more than SAR 2 Trillion.



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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**	-2.7%	-1.9%	-0.8%
Year to Date	-4.3%	-7.8%	3.5%
2010	12.7%	8.2%	4.5%
2009	22.4%	27.5%	-5.1%
2008*	-51.6%	-51.1%	-0.5%
Inception to Date	-36.1%	-37.8%	1.7%

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

** MTD figures reflect performance between October 31st, 2011 and November 30th, 2011

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	SAR 57.8billion
Dividend Yield*	2.6%
P/E Ratio 11	10.8x

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

Fund Metrics

	Saudi Fund	TASI
Volatility	25.5%	26.0%
Beta *	0.97	-

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

Top Five Equity Holdings

Holding	Sector	% of NAV
Al Rajhi Bank	Banks & Financial Services	10.9%
SABIC	Petrochemical Industries	10.7%
Etihad Etisalat	Telecom & IT	8.0%
Samba Financial Group	Banks & Financial Services	6.9%
Banque Saudi Faransi	Banks & Financial Services	6.2%

Fund Data

NAV per Share	SAR 6.3868
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

