



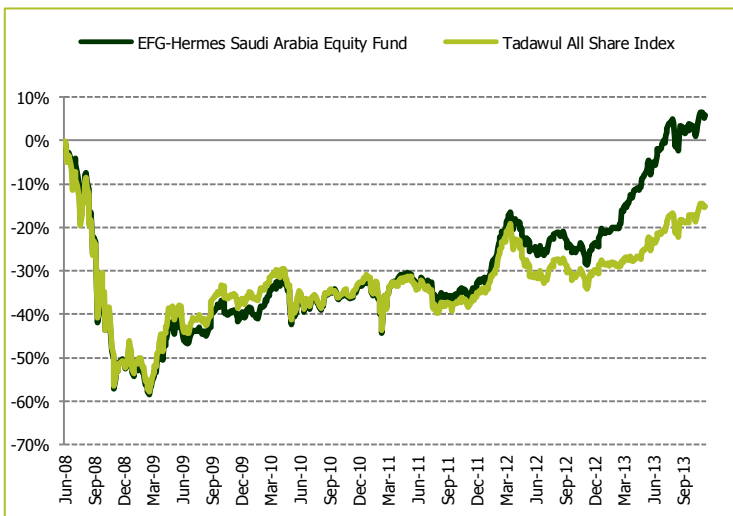
**Fund Manager's Strategy & Outlook**

The Saudi market rallied further in November with the Tadawul All Share Index gaining 3.5% to end the month with a YTD return of 22.4%. The Fund gained 4.1% during the month and is now up 40.3% YTD. Turnover slightly increased with the daily traded value averaging USD 1.3 billion.

November 3rd, 2013 was the deadline for illegal labor to rectify their residency status, with more than one million workers said to have left the country before then. Inspection campaigns conducted after the deadline have also resulted in more than a hundred thousand illegal laborers being deported over the following few weeks. The crackdown on illegal labor is expected to result in a shortage in labor and a reduction in population, which should have a negative effect on the earnings of companies that are directly or indirectly exposed to the affected segment. However, with deported workers expected to be replaced by legal labor within a period of 6 to 12 months, and given that the replacement process has already started before the deadline, the negative effect should prove to be short lived with the net effect being largely positive in the medium to long term.

All sectors were up in November except real estate and building & construction, dropping by 2.4% and 1.4% respectively. Transportation was the top performing sector, rallying 14.3%, followed by energy & utilities and petrochemicals, which gained 8.1% and 6.3% respectively. On the other hand, banks slightly underperformed with a 3.0% performance. The Investment Manager reduced exposure to cements and agriculture & food companies and increased exposure to real estate and banks during the month.

The Saudi budget for the year 2014, which should be announced towards the end of December, is expected to be a continuation of the government's expansionary fiscal policy. While this might support the market during the period leading to the budget announcement, the Investment Manager maintains his cautious view in the short term on the back of the illegal labor issue.



EFG-Hermes Asset Management

Tel: 9714-363 4047 / Fax: 9714-362 1171  
e-mail : AMsales@efg-hermes.com

**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 <sup>1</sup>	Difference
Month to Date **	4.1%	3.5%	0.6%
Year to Date	40.3%	22.4%	17.9%
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 *	5.9%	-15.2%	21.1%

\*Fund's inception date was June 17<sup>th</sup>, 2008

\*\* MTD figures reflect performance between October 31<sup>st</sup>, 2013 and November 30<sup>th</sup>, 2013

<sup>1</sup> TASI is a price return index

**Fund Characteristics**

No. of Holdings	30
Weighted Market Cap	SAR 57.2 billion
Dividend Yield *	2.6%
P/E Ratio 13	12.0x

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

**Fund Metrics**

	Saudi Fund	TASI
Volatility	22.7%	22.6%
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	9.9%
Al Rajhi Bank	Banks & Financial Services	9.1%
Ethiad Etisalat	Telecom. & Information Tech.	5.9%
Samba Financial Group	Banks & Financial Services	5.1%
Al Inma Bank	Banks & Financial Services	3.8%

**Fund Data**

NAV per Share	SAR 10.5915
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**

