



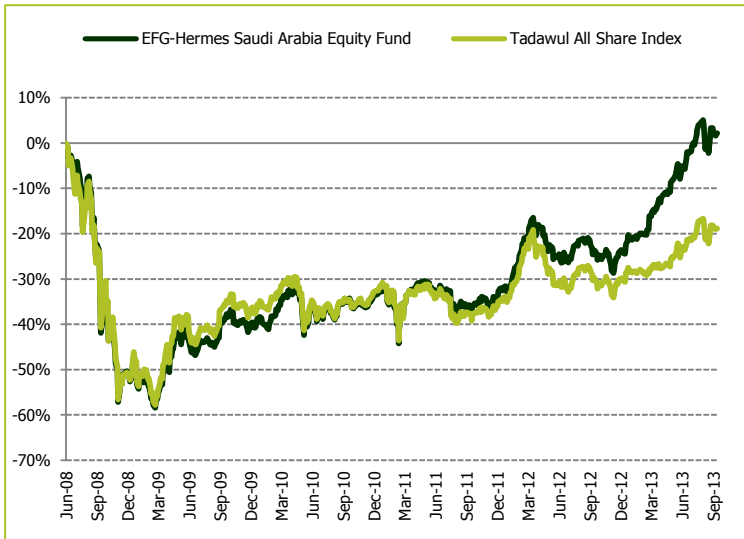
Fund Manager's Strategy & Outlook

The Saudi market recovered in September with the Tadawul All Share Index gaining 2.6% for a YTD return of 17.1%. The Fund gained 2.7% during the month and is now up 35.2% YTD. The rebound was driven by the political resolution to the chemical weapons crisis in Syria. Turnover dropped slightly in September with the daily traded value averaging USD 1.5 billion.

Saudi's non-oil GDP growth was broadly stable in 2Q2013 at 4.5% YoY compared to 4.4% in 1Q2013, with an acceleration in government sector growth offsetting a minor deceleration in private activity to 4.2% YoY in 2Q2013. The breakdown of non-oil GDP reflects a solid investment and consumption environment, with construction as well as retail and wholesale trade seeing real growth of over 6.0%.

All sectors were up in September, except cements edging down 0.3%. Multi investment was the top performing sector rallying 9.4% followed by insurance, retail and real estate, which gained 6.8%, 6.2%, and 5.7% respectively. Petrochemicals slightly outperformed with a 2.8% return while banks underperformed edging up 0.6%. The Investment Manager reduced exposure to agriculture & food and increased exposure to cements, energy & utilities, and banks. Cash was reduced to 2.0% at month-end.

Third quarter results will be reported in October which will include a 5 trading day long break for Eid Al Adha holiday. The market is expected to be driven by companies' earnings announcements during the month; however, the U.S. debt ceiling standoff could potentially steal the show. While the Investment Manager will be taking a cautious stance and defensively positioning the Fund going into the second week of the month, a timely resolution for the deadlock is expected to be reached as a default by the U.S. government could potentially derail the global economic recovery.



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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 **	2.7%	2.6%	0.1%
Year to Date	35.2%	17.1%	18.1%
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 *	2.1%	-18.9%	21.0%

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

** MTD figures reflect performance between August 31st, 2013 and September 30th, 2013

¹ TASI is a price return index

Fund Characteristics

No. of Holdings	32
Weighted Market Cap	SAR 53.5 billion
Dividend Yield *	2.8%
P/E Ratio 13	13.1x

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.0%	22.9%
Beta *	0.99	-

*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	9.4%
SABIC	Petrochemical Industries	9.1%
Etihad Etisalat	Telecom. & Information Tech.	5.8%
Samba Financial Group	Banks & Financial Services	5.3%
Savola	Agriculture & Food Industries	3.7%

Fund Data

NAV per Share	SAR 10.2124
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

