

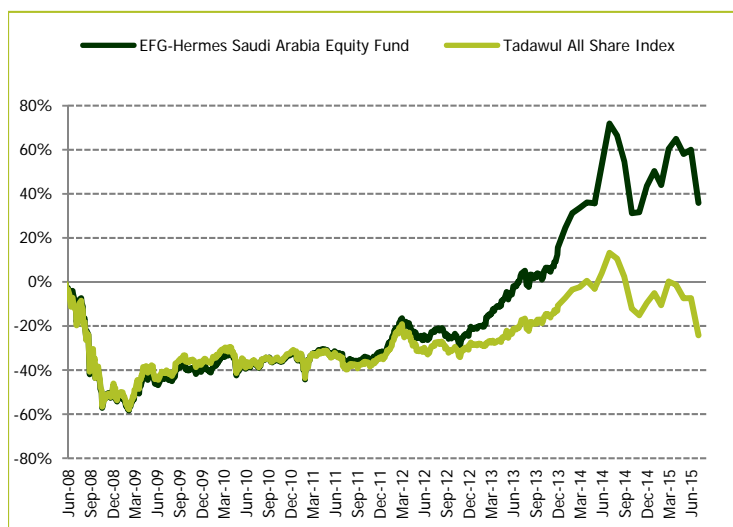
Fund Manager's Strategy & Outlook

The Saudi market witnessed a sharp pullback in August with the Tadawul All Share Index losing 17.3% to end the month with a YTD loss of 9.7%. The Fund lost 14.5% during the month and is now up 3.9% YTD. The correction was triggered by an intra-month free fall in oil prices coupled with increased concerns regarding the health of the Chinese economy which resulted in a global equity sell-off. Daily traded value averaged SAR 5.3 billion, with turnover recovering from the Ramadan lows but continuing to be relatively low.

Saudi Arabia's purchasing manager's index (PMI) increased 0.9 points to 58.7 in August, its highest reading in five months. Most of the main indicators including output, new orders, and employment edged up. While this reading reflects resilient economic activity, it might be due to a post Ramadan recovery and hence needs further confirmation in the upcoming months especially that some sub-indices pointed to a slower growth in exports and an increase in inventories.

All sectors were down in August. Building & construction, transportation, and hotel & tourism were among the worst performing sectors losing 26.3%, 25.5%, and 24.4% respectively. On the other hand, banks, food & agriculture, and cements were among the best performing sectors losing 14.1%, 14.4% and 15.9% respectively. The Investment Manager reduced exposure to hotel & tourism and building & construction and increased exposure to agriculture & food companies. Cash was maintained at a high level of 10.9%.

The Saudi market is now trading at an undemanding valuation and offers a number of very attractive opportunities post the recent selloff; however, continued oil price volatility and concerns regarding expected government spending cuts should be an overhang in the short term. The Investment Manager will look to gradually increase exposure on any further weakness with a focus on high conviction names.



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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**	-14.5%	-17.3%	2.8%
YTD	3.9%	-9.7%	13.6%
2014	17.2%	-2.4%	19.6%
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%
Inception to Date*	36.8%	-23.4%	60.2%

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

** MTD figures reflect performance between 31 July, 2015 and 31 August, 2015

¹TASI is a price return index

Fund Characteristics

No. of Holdings	31
Weighted Market Cap	SAR 40.9 billion
Dividend Yield*	4.1%
P/E Ratio 16	11.5

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.6%	23.1%
Beta *	1.0	-

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

Top Three Equity Holdings

Holding	Sector	% of NAV
Samba Financial Group	Banks & Financial Services	5.2%
Al Rajhi Bank	Banks & Financial Services	5.1%
Banque Saudi Fransi	Banks & Financial Services	4.8%

Fund Data

NAV per Share	SAR 13.6784
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

