

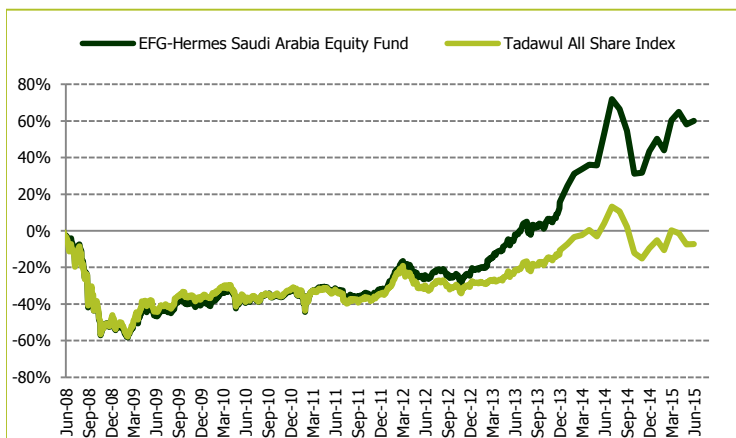
Fund Manager's Strategy & Outlook

The Saudi market was largely flat in July with the Tadawul All Share Index gaining 0.1% to end the month with a YTD return of 9.2%. The Fund gained 1.2% during the month and is now up 21.5% YTD. Turnover continued to decrease with daily traded value averaging SAR 4.7 billion as the second half of the holy month of Ramadan coincided with the first half of July.

Aggregate earnings declined 8.2% Y-o-Y in 2Q2015 due to lower earnings in the petrochemical, telecom, and utilities sectors, which dropped by 8.6%, 46.1%, and 45.9% respectively. Petrochemical earnings were negatively affected by the Y-o-Y drop in product prices; telecom earnings were hit by Etihad Etisalat's (Mobily) continued woes, while utilities earnings were down Y-o-Y due to a one off at Saudi Electricity Company in 2Q2014. On the other hand, banks reported a solid 7.9% increase in earnings, while growth in agriculture & food earnings came in at 5.4%.

Sector performance was mixed in July. Insurance, utilities, and banks were the top performing sectors gaining 7.1%, 4.9%, and 1.9% respectively. On the other hand, transportation and retail were the worst performing sectors losing 6.1% and 3.8% respectively, while petrochemicals underperformed losing 1.1%. The Investment Manager reduced exposure to transportation, banks, and multi-investment companies and increased exposure to retail and food companies during the month. Cash was increased to 9.3% at month-end.

Second quarter results are now in the books. With the Brent oil price benchmark down 17.9% in July coupled with increased uncertainty surrounding global markets, the Investment Manager maintains his cautious view on the Saudi market in the short term.



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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** | 1.2% | 0.1% | 1.1% |
| YTD | 21.5% | 9.2% | 12.3% |
| 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* | 60.0% | -7.3% | 67.3% |

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

** MTD figures reflect performance between 30 June, 2015 and 31 July, 2015

¹TASI is a price return index

Fund Characteristics

| | |
|---------------------|------------------|
| No. of Holdings | 33 |
| Weighted Market Cap | SAR 51.2 billion |
| Dividend Yield* | 3.2% |
| P/E Ratio 15 | 16.9 |

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

Fund Metrics

| | Saudi Fund | TASI |
|------------|------------|-------|
| Volatility | 23.1% | 22.3% |
| 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 | 6.0% |
| Al Rajhi Bank | Banks & Financial Services | 5.2% |
| Saudi Basic Industries | Petrochemical Industries | 4.8% |

Fund Data

| | |
|---------------------------|---------------|
| NAV per Share | SAR 15.9983 |
| 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

