

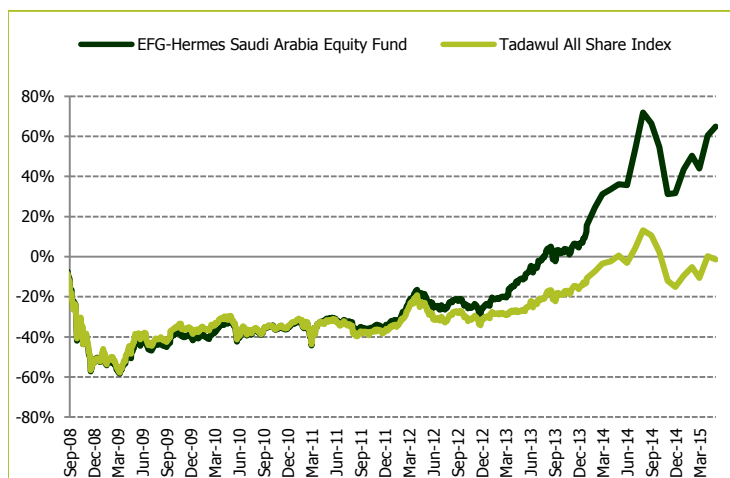
Fund Manager's Strategy & Outlook

The Saudi market pulled back slightly in May with the Tadawul All Share Index losing 1.5% to end the month with a YTD return of 16.3%. The Fund gained 2.8% during the month and is now up 25.3% YTD. The pullback was largely expected following the market's strong performance in April on the back of market opening news flow despite increased geopolitical and local security concerns as well as continued oil price volatility. Turnover dropped M-o-M with daily traded value averaging SAR 7.7 billion for the month.

Saudi Arabia's headline PMI slowed down for the second consecutive month, falling 1.3 points to record a reading of 57.0. The index firmly remains in expansionary territory and is coming off a high base as economic activity spiked in 1Q2015 when the two-month salary bonus boosted consumption. The drop is also a reflection of weaker external demand with the Kingdom's non-oil exports falling 14% Y-o-Y in 1Q2015. Inflationary pressures remain very subdued.

Most sectors were down in May with petrochemicals, real estate, and telecoms ending the month among the worst performing sectors losing 4.4%, 3.4%, and 3.3% respectively. Transportation was the best performing sector rallying 7.0% followed by multi-investment and industrial investment, which gained 5.0% and 1.0% respectively. The Investment Manager reduced exposure to insurance and industrial investment and increased exposure to retail companies during the month.

With the market opening up to foreigners on the 15th of June, the Investment Manager continues to believe that the opening is already priced in and expects the market to slow down and consolidate in the short term, while the medium to long term outlook remains very positive.



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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**	2.8%	-1.5%	4.3%
YTD	25.3%	16.3%	9.0%
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*	64.9%	-1.4%	66.3%

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

** MTD figures reflect performance between 30 April, 2015 and 31 May, 2015

¹TASI is a price return index

Fund Characteristics

No. of Holdings	30
Weighted Market Cap	SAR 53.6 billion
Dividend Yield*	3.3%
P/E Ratio 15	15.9

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.3%	22.4%
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	5.9%
Saudi Basic Industries	Petrochemical Industries	5.6%

Fund Data

NAV per Share	SAR 16.4904
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

