

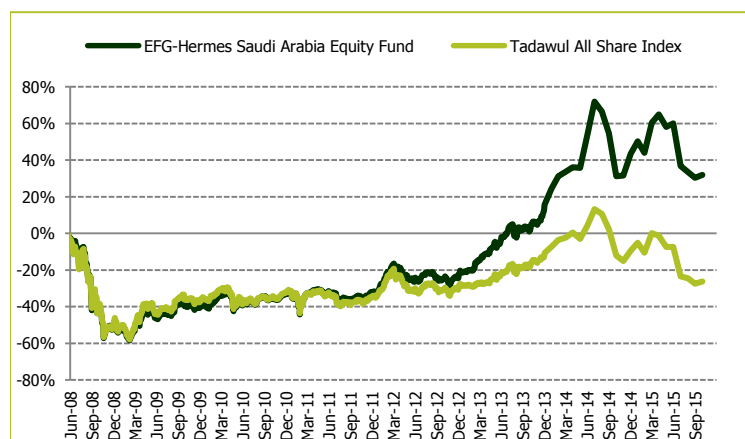
Fund Manager's Strategy & Outlook

The Saudi market rebounded with the Tadawul All Share Index gaining 1.6% in November to end the month with a YTD loss of 13.1%. The Fund gained 1.2% during the month and is now up 0.2% YTD. Turnover was flat MoM with daily traded value averaging SAR 4.9 billion in November.

The Saudi cabinet approved an annual tax of 2.5% on undeveloped urban land in an attempt to encourage the development of unutilized land to address the housing shortage in the Kingdom. In addition, the General Authority of Civil Aviation announced that Saudi Arabia will start privatizing its international airports, as well as local and regional airports and related services. Saudi Arabia also increased the tariff for water and sanitation for industrial and commercial use by 50%, and hiked taxes on cigarettes by 11%. We view the above decisions very favorably and expect further reforms to be announced over the coming period to improve efficiency and support government finances.

TASI sectors performance was mixed in November: Telecoms, real estate, and agriculture & food were among the best performing sectors gaining 7.0%, 5.1% and 4.2%, respectively. On the other hand, multi-investment, transportation, and hotel & tourism were among the worst performing sectors losing 5.3%, 4.1% and 2.6%, respectively. Banks underperformed losing 2.0% while petrochemicals outperformed gaining 3.2%. The Investment Manager reduced exposure to insurance companies and increased exposure to cement and agriculture & food companies during the month. Cash was maintained at a low level of 1.4% as of end of November.

Given the continued oil price weakness, the Investment Manager maintains his cautious view on the market in the short term but believes that the 2016 budget announcement might positively surprise, and hence serve as a catalyst for a relief rally.



EFG-Hermes Asset Management

Tel: 966 11 293 8048/9 / Fax: 966 11 293 8032
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 ¹	Difference
Month to Date**	1.2%	1.6%	-0.4%
YTD	0.2%	-13.1%	13.3%
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*	31.9%	-26.2%	58.1%

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

** MTD figures reflect performance between 31 October, 2015 and 30 November, 2015

¹TASI is a price return index

Fund Characteristics

No. of Holdings	33
Weighted Market Cap	SAR 42.4 billion
Dividend Yield*	3.5%
P/E Ratio 16	12.75

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.3%	22.7%
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	6.3%
Al Rajhi Bank	Banks & Financial Services	6.0%
Saudi Basic Industries	Petrochemical Industries	5.5%

Fund Data

NAV per Share	SAR 13.1891
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

