

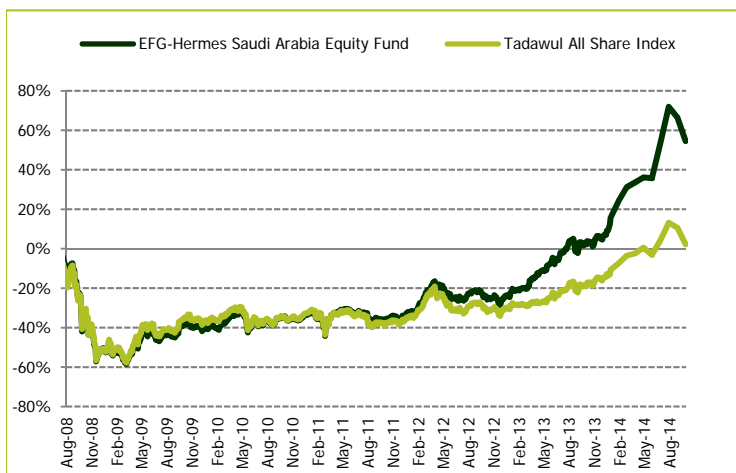
Fund Manager's Strategy & Outlook

The Saudi market corrected sharply in October with the Tadawul All Share Index losing 7.6% for a YTD return of 17.6%. The Fund lost 7.2% during the month and is now up 37.6% YTD. The correction was triggered by weakness in global markets and oil prices during the week-long Eid Al Adha holiday. Turnover decreased with daily traded value averaging USD 2.1 billion in October.

The Saudi market's third quarter aggregate earnings grew by 2.5% YoY to reach SAR 30.8 billion. The muted growth was largely due to the 23.3% drop in the telecom sector's earnings on the back of Etihad Etisalat's weak results. Excluding the telecom sector, aggregate earnings were up 7.1% YoY with the heavyweight banking and petrochemical sectors reporting earnings growth of 10.6% and 5.3% respectively. Agriculture & food earnings were up 30.4% and retail earnings were up 10.4% YoY.

All sectors were down in October. Petrochemicals and transportation had the worst performance losing 13.8% and 12.5% respectively, while agriculture & food and energy & utilities were the best performers losing 0.5% and 2.0% respectively. Banks slightly outperformed losing 6.2% during the month. The Investment Manager reduced exposure to banks, industrial investment, real estate, and petrochemicals, and increased exposure to insurance and food companies. Cash was increased to 8.3% at month end.

Oil price volatility is expected to continue to put pressure on the market in the short term. However, given the attractive market valuation and the upcoming market opening catalyst the Investment Manager believes that the market is poised for a recovery with the medium to long term outlook remaining highly 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**	-7.2%	-7.6%	0.4%
Year to Date	37.6%	17.6%	20.0%
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%
2009	22.4%	27.5%	-5.1%
Inception to Date*	54.6%	2.2%	52.4%

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

** MTD figures reflect performance between 30 September, 2014 and 31 October, 2014

¹TASI is a price return index

Fund Characteristics

No. of Holdings	27
Weighted Market Cap	SAR 65.4 billion
Dividend Yield*	3.1%
P/E Ratio 15	12.0

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

Fund Metrics

	Saudi Fund	TASI
Volatility	22.7%	21.8%
Beta *	1.0	-

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

Top Three Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	8.5%
SAMBA	Banks & Financial Services	8.0%
Al Rajhi Bank	Banks & Financial Services	6.9%

Fund Data

NAV per Share	SAR 15.46
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

