

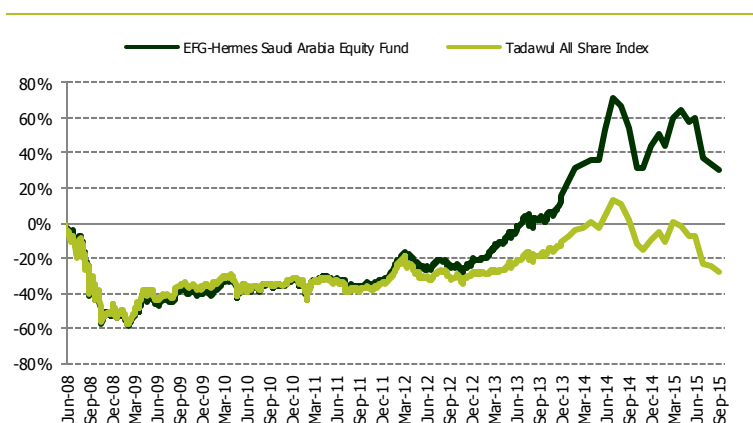
Fund Manager's Strategy & Outlook

The Saudi market continued its negative performance for the third month in a row with the Tadawul All Share Index losing 3.8% in October to end the month with a YTD loss of 14.5%. The Fund lost 2.4% during the month and is now down 1.0% YTD. Turnover increased slightly with daily traded value averaging SAR 4.9 billion in October.

The Saudi market's aggregate earnings dropped 13.7% YoY in 3Q2015. However, excluding petrochemicals and telecoms – which had a 29.7% and a 38.3% drop respectively in earnings on the back of lower oil prices, and Mobily's continued woes – aggregate earnings were only 2.2% lower YoY. Insurance earnings grew 19.1% and banks earnings grew 4.3%, while retail earnings dropped 1.9% YoY.

TASI sectors performance was mixed in October. Transportation, telecoms, and petrochemicals were among the best performing sectors gaining 6.7%, 2.4%, and 0.2% respectively. On the other hand, hotels, cements, and real estate were the worst performing sectors losing 10.1%, 7.9%, and 7.3% respectively. Banks and retail companies underperformed losing 5.1% and 4.8% respectively. The Investment Manager reduced exposure to cements and industrial investment and increased exposure to insurance, real estate, multi-investment, and retail companies. Cash was reduced from 8.9% to 0.2% as of end of October.

The Saudi market has now dropped 21.7% over the past 3 months. While the level of uncertainty remains elevated, the Investment Manager believes that the market should consolidate around current levels during the period leading to the 2016 budget announcement, which can potentially serve as a catalyst for a market recovery.



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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**	-2.4%	-3.8%	1.4%
YTD	-1.0%	-14.5%	13.5%
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*	30.3%	-27.4%	57.7%

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

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

¹TASI is a price return index

Fund Characteristics

No. of Holdings	34
Weighted Market Cap	SAR 41.1 billion
Dividend Yield*	3.4%
P/E Ratio 16	12.45

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.4%	22.9%
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	6.2%
Al Rajhi Bank	Banks & Financial Services	6.1%
Saudi Basic Industries	Petrochemical Industries	5.6%

Fund Data

NAV per Share	SAR 13.0334
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

