

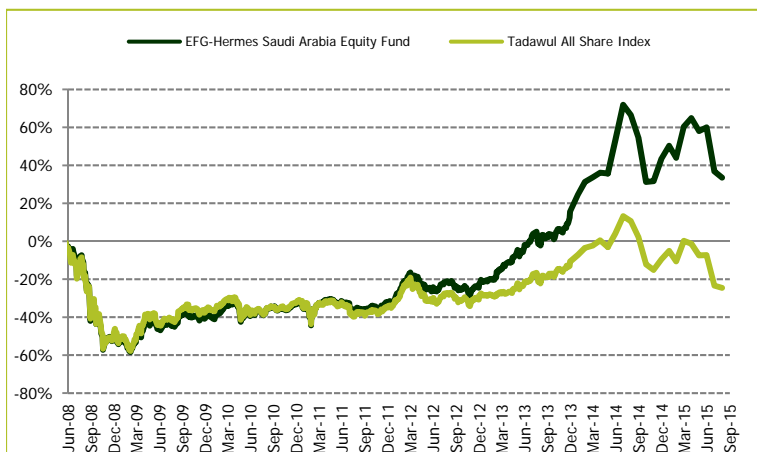
Fund Manager's Strategy & Outlook

The Saudi market continued its negative performance with the Tadawul All Share Index losing 1.6% in September to end the month with a YTD loss of 11.2%. The Fund lost 2.4% during the month and is now up 1.4% YTD. Turnover slowed down further with daily traded value averaging SAR 4.7 billion in September.

The Saudi Arabian General Investment Authority (SAGIA) announced that it will ease restrictions on foreign investors to allow 100% ownership of retail and wholesale businesses, up from 75% currently, subject to conditions. Elsewhere, the Royal Court announced the suspension and review of all projects awarded to the Bin Laden Group, Saudi's largest contracting company, pending the conclusion of an investigation into the crane accident that resulted in a number of casualties and injuries in the Holy Mosque. We believe the market's negative reaction, especially the retail and banking sectors, to the above news was overdone given that local retail and wholesale companies have numerous competitive advantages and that the Bin Laden Group suspension is mainly to review security procedures as later confirmed by government officials.

TASI sectors performance was mixed in September. Media, cement, and retail were the worst performing sectors losing 8.9%, 4.0%, and 4.0% respectively. On the other hand, telecom, transportation, and real estate were the best performing sectors gaining 4.9%, 4.0%, and 3.5% respectively. Both petrochemicals and banks underperformed losing 3.7% and 3.4% respectively. The Investment Manager increased exposure to building & construction, retail, and hotel & tourism companies. Cash was reduced from 10.3% to 8.9% as of end of September.

Third quarter earnings will be announced in October, and they're expected to be weak overall. The Investment Manager maintains his cautious view on the market in the short term with the medium to long term outlook remaining largely positive.



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**	-2.4%	-1.6%	-0.8%
YTD	1.4%	-11.2%	12.6%
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*	33.5%	-24.6%	58.1%

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

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

¹TASI is a price return index

Fund Characteristics

No. of Holdings	33
Weighted Market Cap	SAR 37.9 billion
Dividend Yield*	4.2%
P/E Ratio 16	11.54

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.5%	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	6.1%
Al Rajhi Bank	Banks & Financial Services	5.0%
Banque Saudi Fransi	Banks & Financial Services	4.4%

Fund Data

NAV per Share	SAR 13.3516
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

