

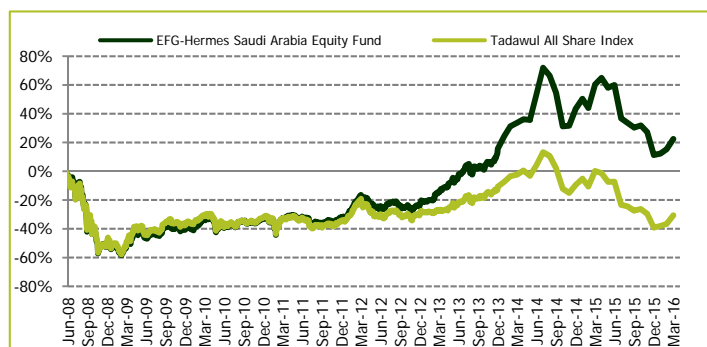
### Fund Manager's Strategy & Outlook

The Saudi market rallied sharply in April with the Tadawul All Share Index gaining 9.4% for a YTD loss of 1.5%. The Fund gained 6.2% during the month and is now down 3.7% YTD. Turnover increased slightly MoM with daily traded value averaging SAR 5.9 billion.

The Saudi market's aggregate earnings in 1Q2016 came in at SAR 21.9 billion, down 3.1% YoY. Banking was the only major sector that witnessed a growth in earnings, up 5.0%, and the sector's earnings constituted 53.5% of the market's aggregate earnings. The other three major sectors of petrochemicals, telecoms and cements – whose combined earnings constituted 35.7% of aggregate earnings – saw their earnings drop by 5.0%, 4.1% and 6.6% respectively. On another front, the Saudi cabinet approved the 2030 vision, a high level strategic plan to diversify the economy away from oil through privatization, further subsidy reforms, VAT and government fees introduction among other things; details are expected to be made available in early June.

All TASI sectors were up in April: Industrial investment, hotel & tourism, and petrochemicals were the best performing sectors gaining 19.8%, 18.9% and 14.2%, respectively. On the other hand, telecoms, energy & utilities and agriculture & food were among the worst performing sectors gaining 0.5%, 1.5% and 3.6%, respectively. Banks slightly underperformed gaining 9.2%. The Investment Manager reduced exposure to insurance, multi-investment, and real estate companies and increased exposure to retail and energy & utility companies during the month. Cash was maintained at a high level of 19.7% at month end.

Brent rallied 21.5% in April, despite the failure of OPEC and non-OPEC members to reach a production freeze agreement during the 17<sup>th</sup> of April meeting, largely due to temporary supply shocks. The Investment Manager believes that the 2030 vision will be disruptive to company earnings in the short term and hence maintains a cautious view on the market in the short term.



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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 <sup>1</sup>	Difference
Month to Date**	6.2%	9.4%	-3.2%
YTD	-3.7%	-1.5%	-2.2%
2015	-3.4%	-17.1%	13.7%
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%
Inception to Date*	22.5%	-30.7%	53.2%

\* Fund's inception date was June 17<sup>th</sup>, 2008

\*\* MTD figures reflect performance between March 31, 2016 and April 30, 2016

<sup>1</sup>TASI is a price return index

### Fund Characteristics

No. of Holdings	24
Weighted Market Cap	SAR 51.2 billion
Dividend Yield*	4.6%
P/E Ratio 16	13.01

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

### Fund Metrics

	Saudi Fund	TASI
Volatility	23.3%	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	5.6%
Saudi Basic Industries	Petrochemical Industries	5.5%
Al Rajhi Bank	Banks & Financial Services	5.1%

### Fund Data

NAV per Share	SAR 12.2491
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

