

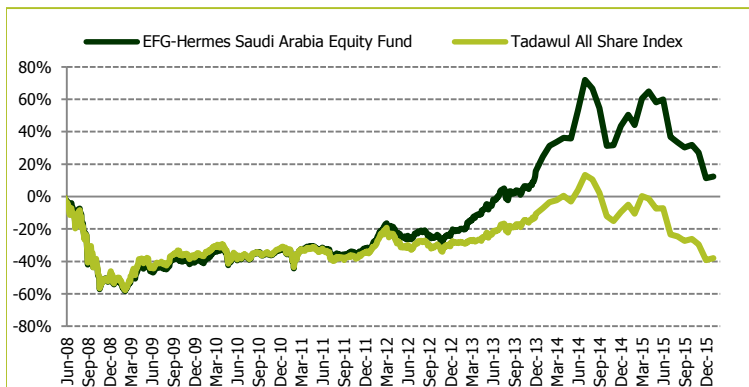
### Fund Manager's Strategy & Outlook

The Saudi market rebounded slightly in February with the Tadawul All Share Index gaining 2.1% for a YTD performance of -11.9%. The Fund gained 0.9% during the month and is now down 11.7% YTD. Turnover increased MoM with daily traded value averaging SAR 5.8 billion.

The Saudi Arabian Monetary Agency relaxed the loans-to-deposits ratio from 85% to 90%. The central bank's move reaffirms the view of heightened liquidity pressures at local banks and should help soften the pressure on banks deposit rates and create some headroom for loan growth. This comes at a time of increased concerns about potential asset quality issues especially at banks with higher exposure to the construction sector given the Saudi Binladin Group is said to be in talks with local and regional lenders to delay the repayment of some of the debt it owes.

TASI sectors performance was mixed in February. Cements, telecoms, and industrial investment were among the top performing sectors gaining 6.2%, 5.5%, and 4.2% respectively. On the other hand, hotel & tourism, retail, and transportation were among the worst performing sectors losing 15.5%, 2.9%, and 1.0% respectively. Petrochemicals outperformed gaining 2.8% while banks underperformed gaining 1.3%. The Investment Manager reduced exposure to real estate, banks, and retail companies and increased cash to 17.4% at the end of February.

Brent recovered from a low of USD 27.9/barrel during the month to USD 36.0/barrel at end of month. And while potential further oil strength is expected to support the market, the Investment Manager maintains his cautious view on the market's short term outlook.



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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**	0.9%	2.1%	-1.2%
YTD	-11.7%	-11.9%	0.2%
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*	12.3%	-37.9%	50.2%

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

\*\* MTD figures reflect performance between January 31, 2016 and February 29, 2016

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

### Fund Characteristics

No. of Holdings	28
Weighted Market Cap	SAR 43.1 billion
Dividend Yield*	4.6%
P/E Ratio 16	10.2

\*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
Saudi Basic Industries	Petrochemical Industries	6.2%
Al Rajhi Bank	Banks & Financial Services	6.0%
Samba Financial Group	Banks & Financial Services	5.9%

### Fund Data

NAV per Share	SAR 11.2324
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

