



### Fund Manager's Strategy & Outlook

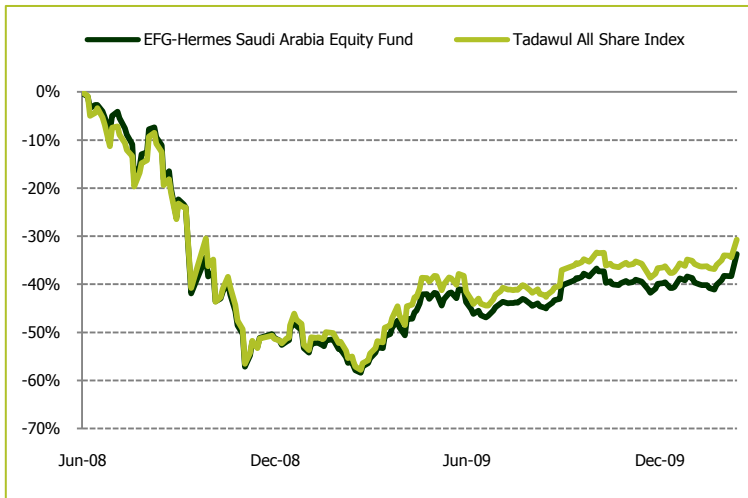
The EFG-Hermes Saudi Arabia Equity Fund gained 7.4% in March bringing its 2010 performance to 11.9%. The Tadawul All Share Index (TASI) gained 5.6% in March bringing its YTD performance to 11.1%.

Early in the month, the Capital Market Authority (CMA) approved the launch of an ETF for the first time as a step towards further liberalization and institutionalization of the Kingdom's bourse. Investor sentiment was positively influenced by the potential entry of foreign investors through ETFs, which was the main driver of the March rally. Positive expectations for a strong Q1 2010 earnings season also boosted investor confidence in the market.

Increasingly solid macroeconomic fundamentals have also supported the Saudi market. Global commodity prices continue to perform well with oil trading comfortably in the \$80+ range, which has helped reduce market volatility. Steel prices have also continued their strong performance on the back of a pick-up in construction activity, both globally and in the Kingdom.

The Fund's sector breakdown remained largely the same in March. The Fund's exposure to real estate was increased slightly on the back of a more favorable outlook for the sector. The petrochemicals sector was the top contributor to the Fund's performance in March as several companies rallied due to higher commodity prices. The banking sector was also a big contributor largely driven by Al Rajhi Bank's strong performance on the back of the ETF launch given its large weight in the index.

Upcoming earnings announcements in the coming weeks will be the primary driver of market performance in the short term. Results are largely expected to be positive. The Investment Manager maintains a long term bullish view on the Saudi market.



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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	Difference
Month to Date	7.4%	5.6%	1.8%
Year to Date	11.9%	11.1%	0.8%
2009	22.4%	27.5%	-5.1%
2008 *	-51.6%	-51.1%	-0.5%
Inception to Date	-33.7%	-30.7%	-3.0%

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

### Fund Characteristics

No. of Holdings	33
Weighted Market Cap	SAR 67.1 billion
Dividend Yield	3.5%
P/E Ratio 10	13.1x

### Fund Metrics

	Saudi Fund	TASI
Volatility	31.7%	32.8%
Beta *	0.9	-

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

### Top Five Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemicals	11.9%
Al Rajhi Bank	Banks & Financial Services	11.4%
Samba Financial Group	Banks & Financial Services	5.4%
Etihad Etisalat	Telecom & IT	4.6%
Sahara Petrochemicals	Petrochemicals	4.2%

### Fund Data

NAV per Share	SAR 6.6253
Management Fee	2%
Minimum Subscription	SAR 50,000
Subscription / Redemption	Twice Weekly
Inception Date	June 17, 2008

### Fund Identifiers

Bloomberg Ticker	EFGSAUD AB
Reuters Code	LP65122906

### Allocation by Economic Sector

