

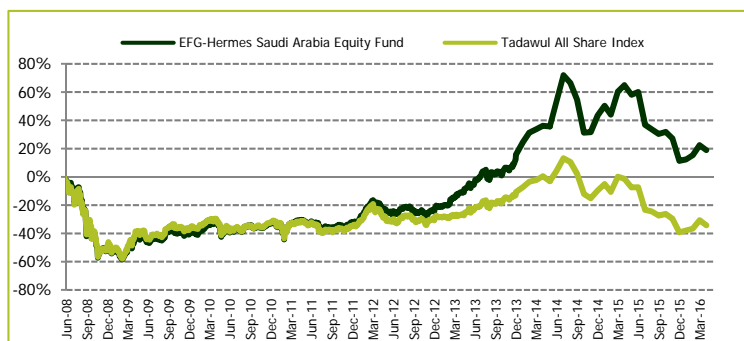
Fund Manager's Strategy & Outlook

The Saudi market corrected in May with the Tadawul All Share Index losing 5.3% for a YTD loss of 6.7%. The Fund lost 2.9% during the month and is now down 6.5% YTD. Turnover dropped MoM with daily traded value averaging SAR 5.1 billion.

Consumer confidence in Saudi Arabia declined two points QoQ in 1Q2016, with recessionary sentiment rising in the low double-digit range, according to a survey by global research firm Nielsen. Consumers are now more cautious with their spending and prioritizing their needs, cutting back on entertainment, upgrading of electronic gadgets and clothes. Sentiment was affected by heavy rationalization in government spending, job security concerns and the geopolitical situation in the Kingdom, which have had a negative impact on consumer sentiment, the survey showed.

All TASI sectors were down in May except media and energy & utilities, which gained 2.0% and 1.3% respectively. Hotel & tourism, real estate, and transportation were the worst performing sectors losing 11.7%, 10.0%, and 8.8% respectively. Banks underperformed losing 6.8% while petrochemicals outperformed losing 2.7%. The Investment Manager reduced exposure to mutual funds, building & construction, and banks and increased exposure to hotel & tourism companies. Cash was increased to 26.0% at month end.

The Holy month of Ramadan will start during the first week of June, and market activity is expected to slow down. And with the "Brexit" referendum scheduled for 23 June, which might trigger a global equity sell-off if Britain decides to leave the European Union, the Investment Manager maintains his 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 ¹	Difference
Month to Date**	-2.9%	-5.3%	2.4%
YTD	-6.5%	-6.7%	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*	19.0%	-34.3%	53.3%

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

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

¹TASI is a price return index

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	SAR 46.8 billion
Dividend Yield*	4.1%
P/E Ratio 16	12.5

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.2%	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	5.4%
Samba Financial Group	Banks & Financial Services	5.4%
Al Rajhi Bank	Banks & Financial Services	5.1%

Fund Data

NAV per Share	SAR 11.89667
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

