



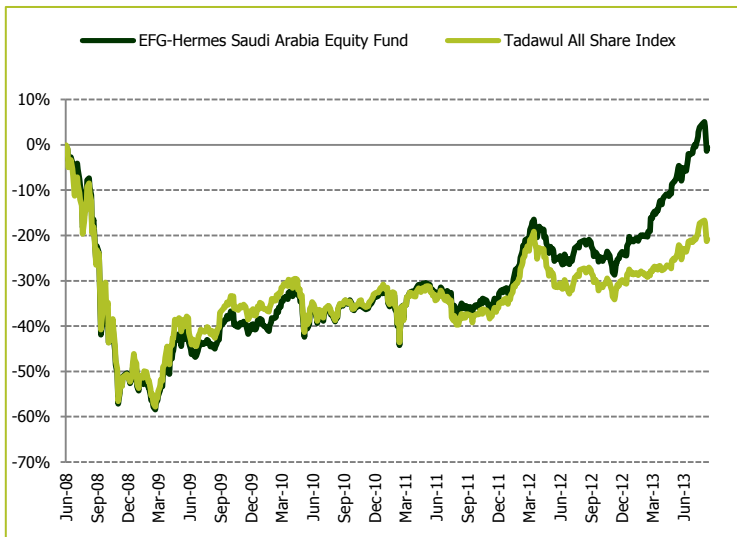
Fund Manager's Strategy & Outlook

The Saudi market's 5-month rally was interrupted in August with the Tadawul All Share Index dropping 1.9% for a YTD gain of 14.2%. The Fund lost 2.3% during the month and is now up 31.7% YTD. The pullback was driven by concerns regarding a potential foreign military intervention in Syria. Turnover recovered towards the end and post the Holy month of Ramadan for an average daily traded value of USD 1.6 billion in August.

Saudi Arabia's Purchasing Managers' Index (PMI) showed that non-oil activity rose to 57.5 in August, the highest level since April 2013. The Kingdom's PMI continues to show robust private sector activity and remains one of the strongest PMI readings globally. Most of the key indicators increased in August including output, which rebounded to a three-month high of 59.6, and growth in new orders, which increased to a four-month high of 66.3. The growth in new orders is particularly important as it signals continued broad-based growth in domestic demand. Export orders also increased recording a 56.0 reading.

All sectors were down in August except cements, hotels and petrochemicals, which gained 1.5%, 1.4%, and 0.1% respectively. Real estate was the worst performing sector losing 11.4%. Agriculture & Food underperformed losing 3.5% while banks and retail outperformed dropping 0.9% and 1.3% respectively. The Investment Manager reduced exposure to agriculture & food and building & construction companies and increased exposure to petrochemical and real estate companies. Cash was increased to 7.0% at month-end.

Developments in Syria will take center stage over the coming month. The Investment Manager believes that unless the unlikely scenario of a major spillover to neighboring countries occurs, the Saudi market is poised for a strong recovery.



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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 **	-2.3%	-1.9%	-0.4%
Year to Date	31.7%	14.2%	17.5%
2012	11.2%	6.0%	5.2%
2011	1.8%	-3.1%	4.9%
2010	12.7%	8.2%	4.5%
2009	22.4%	27.5%	-5.1%
Inception to Date *	-0.5%	-20.9%	20.4%

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

** MTD figures reflect performance between July 31st, 2013 and August 31st, 2013

¹ TASI is a price return index

Fund Characteristics

No. of Holdings	31
Weighted Market Cap	SAR 52.0 billion
Dividend Yield *	2.8%
P/E Ratio 13	12.9x

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

Fund Metrics

	Saudi Fund	TASI
Volatility	23.2%	23.0%
Beta *	0.99	-

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

Top Five Equity Holdings

Holding	Sector	% of NAV
Al Rajhi Bank	Banks & Financial Services	9.3%
SABIC	Petrochemical Industries	8.2%
Etihad Etisalat	Telecom. & Information Tech.	5.7%
Samba Financial Group	Banks & Financial Services	5.2%
Banque Saudi Fransi	Banks & Financial Services	3.9%

Fund Data

NAV per Share	SAR 9.9462
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

