



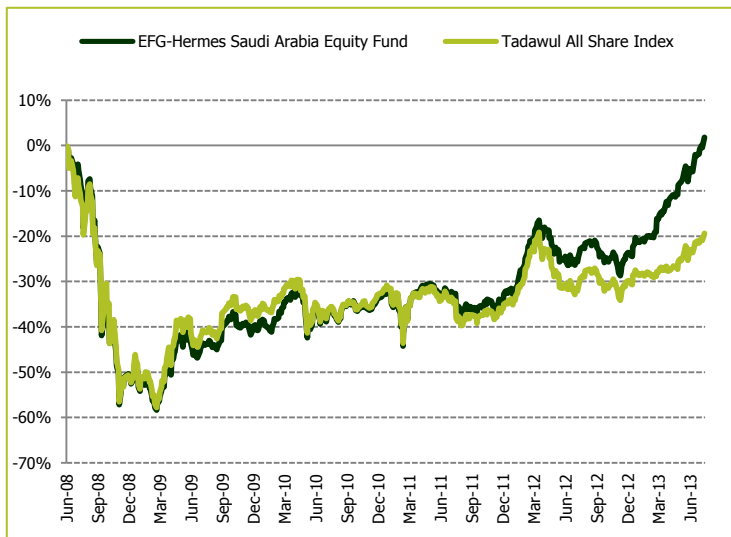
### Fund Manager's Strategy & Outlook

The Saudi market continued its rally in July with the Tadawul All Share Index gaining 5.6% for a YTD performance of 16.4%. The Fund gained 8.0% during the month and is now up 34.8% YTD. Turnover dropped considerably with daily traded value averaging USD 1.2 billion in July which overlapped with the Holy month of Ramadan.

Second quarter results showed a 4.7% YoY increase in aggregate earnings. However, when adjusting for telecom earnings – which were negatively affected by STC's foreign operations related impairment and foreign exchange losses – the second quarter's YoY growth in aggregate earnings was 9.0%. Consumer related companies reported strong results with agricultural and retail names earnings increasing 26.4% and 12.6% YoY respectively driven by strong consumer spending. Banks YoY earnings growth came in at a healthy 6.1% on the back of lending growth and NIM recovery. As for petrochemicals, and while earnings were up 10.1% YoY, SABIC was the main contributor to the sector's double digit YoY earnings growth on the back of the company's weak 2Q2012 results, and excluding SABIC the sector's earnings were flat YoY.

All sectors were up in July except media and insurance, which lost 10.0% and 1.3% respectively. Hotel & Tourism was the best performing sector gaining 20.0%. Retail, real estate, and agriculture also performed very strongly rallying 13.1%, 11.5% and 10.8% respectively. Banks outperformed gaining 7.1% while petrochemicals underperformed edging 2.3% up during the month. The Investment Manager reduced exposure to retail, real estate, and banks while increasing exposure to insurance, industrial investment and petrochemical companies. Cash increased to 11.0% on the back of a couple of end of month subscriptions but was swiftly reduced below 5%.

First half results are now in the books. Given the Saudi market's strong momentum supported by solid fundamentals, The Investment Manager believes the market will continue its uptrend during the second half of the year.



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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 **	8.0%	5.6%	2.4%
Year to Date	34.8%	16.4%	18.4%
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 *	1.8%	-19.4%	21.2%

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

\*\* MTD figures reflect performance between June 30<sup>th</sup>, 2013 and July 31<sup>st</sup>, 2013

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

### Fund Characteristics

No. of Holdings	29
Weighted Market Cap	SAR 56.7 billion
Dividend Yield *	2.5%
P/E Ratio 13	13.0x

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

### Fund Metrics

	Saudi Fund	TASI
Volatility	23.4%	23.2%
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	9.9%
SABIC	Petrochemical Industries	8.4%
Samba Financial Group	Banks & Financial Services	5.2%
Etihad Etisalat	Telecom. & Information Tech.	5.1%
Banque Saudi Fransi	Banks & Financial Services	4.1%

### Fund Data

NAV per Share	SAR 10.1786
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

