



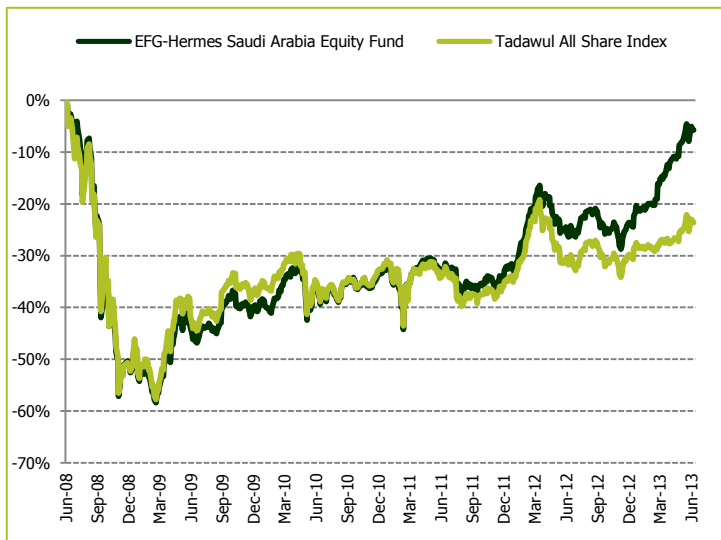
### Fund Manager's Strategy & Outlook

The Saudi market maintained its upward trend in June with the Tadawul All Share Index gaining 1.3% for a YTD performance of 10.2%. The Fund gained 1.4% during the month and is now up 24.8% YTD. Turnover was strong with daily traded value averaging USD 1.7 billion in June.

The Saudi weekend has shifted from Thursday-Friday to Friday-Saturday effective 29 June 2013 following a royal decree issued a week ahead. The decree mentioned that the decision was taken based on the economic position of the kingdom and its international and regional obligations. The weekend change, which aligns Saudi Arabia with other GCC countries and brings it closer to the international working week, is seen as a step forward for the biggest Arab economy towards opening its stock market to direct foreign investment. The important move came a month after the CMA's announcement of new regulations to improve the market's institutionalization and was quickly followed by an announcement from MSCI that they're watching the Saudi market as opening the bourse is needed for an upgrade to emerging market status.

Sector performance was mixed in June, with small speculative sectors continuing to fare badly following the CMA's new regulations. Insurance was again the worst performing sector dropping 4.1%, while real estate came at the top for the second month in a row gaining 7.3%. Banks outperformed strongly rallying by 4.1% on the back of expectations of an improved interest rate environment following the Fed's recent comments regarding the QE3 taper, in addition to potential recoveries from Al Ghosaibi family's famed default post the 2008 financial crisis. On the other hand, petrochemicals underperformed losing 1.2% largely on weak Q2 earnings expectations. The Investment Manager reduced exposure to retail, building & construction, and petrochemical companies and increased exposure to banks in June. Cash was slightly increased at end of month.

First half results will be announced during the first 3 weeks of July. While we maintain our cautious view on petrochemicals, we believe the overall results should be strong and we reiterate our bullish view on the market.



EFG-Hermes Asset Management

Tel: 9714-363 4047 / Fax: 9714-362 1171  
e-mail : AMsales@efg-hermes.com

### 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 **	1.4%	1.3%	0.1%
Year to Date	24.8%	10.2%	14.6%
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 *	-5.7%	-23.6%	17.9%

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

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

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

### Fund Characteristics

No. of Holdings	31
Weighted Market Cap	SAR 54.2 billion
Dividend Yield *	3.0%
P/E Ratio 13	12.0x

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

### Fund Metrics

	Saudi Fund	TASI
Volatility	23.3%	23.3%
Beta *	0.98	-

\*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	10.7%
SABIC	Petrochemical Industries	8.7%
Samba Financial Group	Banks & Financial Services	5.6%
Etihad Etisalat	Telecom. & Information Tech.	5.6%
Banque Saudi Fransi	Banks & Financial Services	4.5%

### Fund Data

NAV per Share	SAR 9.4256
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

