



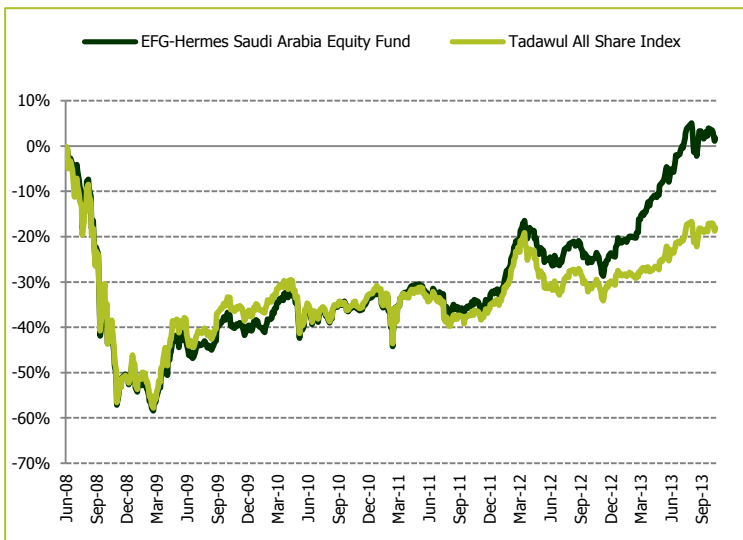
### Fund Manager's Strategy & Outlook

The Saudi market continued its recovery in October with the Tadawul All Share Index gaining 1.0% for a YTD return of 18.3%. The Fund lost 0.4% during the month and is now up 34.7% YTD. Turnover dropped in October with the daily traded value averaging USD 1.2 billion.

The Saudi market's aggregate earnings were up 11.7% YoY to SAR 30 billion in 3Q2013, a new quarterly earnings record. However, the aggregate figure was supported by high cost efficiencies and one-off gains at Saudi Telecom as well as one-off gains at Maaden. Excluding Saudi Telecom and Maaden results, the YoY growth in aggregate earnings was 2.4%. As for the main sectors profitability, telecom earnings surged 60.2% YoY, while retail and banking saw strong YoY earnings growth of 12.2% and 9.7% respectively. On the other hand, real estate, cement, and petrochemicals had negative earnings growth of 13.0%, 5.6% and 1.3% respectively.

Sector performance was mixed in October. Petrochemicals and real estate were among the best performing sectors despite muted Q3 results, rallying 5.4% and 3.0% respectively. In contrast, Banks and retail were amongst the worst performers in spite of solid earnings growth, losing 2.1% and 1.5% respectively. The Investment Manager reduced exposure to banks and petrochemicals and increased exposure to the real estate and multi-investment sectors during the month. Cash was increased to 9.5% at month-end.

Third quarter results reflected healthy earnings growth and the market continues to have positive momentum. However, the end of the amnesty period that was given to illegal labor to correct their status or face deportation is potentially disruptive to several sectors in the short term. The Investment Manager believes that the Saudi market might witness some downward pressure over the coming few weeks, but the medium to long term outlook on the market remains very positive.



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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 **	-0.4%	1.0%	-1.4%
Year to Date	34.7%	18.3%	16.4%
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 *	1.7%	-18.0%	19.7%

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

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

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

### Fund Characteristics

No. of Holdings	29
Weighted Market Cap	SAR 60.5 billion
Dividend Yield *	2.5%
P/E Ratio 13	13.1x

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

### Fund Metrics

	Saudi Fund	TASI
Volatility	22.9%	22.7%
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	10.5%
SABIC	Petrochemical Industries	9.6%
Etihad Etisalat	Telecom. & Information Tech.	5.7%
Samba Financial Group	Banks & Financial Services	5.0%
Savola	Agriculture & Food Industries	3.7%

### Fund Data

NAV per Share	SAR 10.1725
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

