



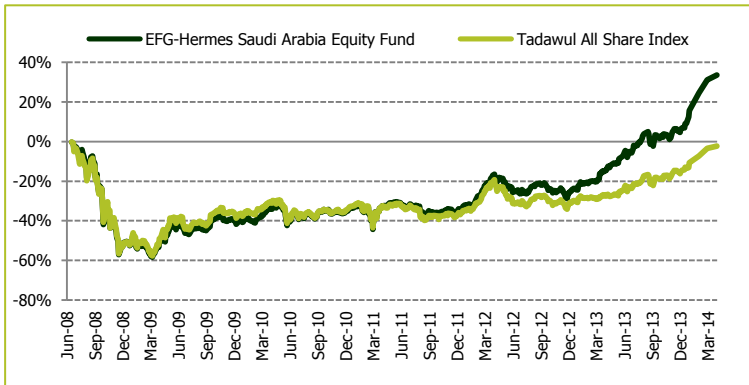
### Fund Manager's Strategy & Outlook

The Saudi market continued its positive performance for the eighth consecutive month with the Tadawul All Share Index gaining 1.2% in April for a YTD return of 12.3%. The Fund gained 1.8% during the month and is now up 19.0% YTD. Turnover increased sharply with the daily traded value averaging USD 2.8 billion in April.

The Saudi market's aggregate earnings for 1Q2014 totaled USD 6.8 billion, up 11.0% YoY. Petrochemicals earnings grew 15.8% YoY mainly driven by improved operational efficiency while banks earnings only grew 5.4% largely due to big provisions taken by Al Rajhi Bank during the quarter. Excluding Al Rajhi results, banks earnings were up 13.6% YoY. We maintain our positive view on banks and petrochemicals, which together constitute around 50% of the TASI, on the back of the sectors' positive medium term outlook and attractive valuation levels.

All sectors were up in April, except energy & utilities, banks and petrochemicals losing 6.0%, 3.8% and 2.1% respectively. The smaller highly volatile sectors were the top performers in April with media, multi-investment and insurance rallying 25.4%, 17.4%, and 16.7% respectively. Retail and transportation, the fund's top two overweight sectors, outperformed gaining 3.5% and 12.3% respectively. The Investment Manager reduced exposure to banks and cements and increased exposure to retail, petrochemicals and industrial investment during the month.

First quarter results are now in the books and the double digit earnings growth bodes well for further strengthening in investors' appetite. However, with the market rallying 23.4% uninterruptedly since the end of August 2013, the Investment Manager continues to be cautious in the short term while maintaining a positive medium to long term view on the market.



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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**	1.8%	1.2%	0.6%
Year to Date	19.0%	12.3%	6.7%
2013	48.8%	25.5%	23.3%
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*	33.6%	-2.3%	35.9%

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

\*\* MTD figures reflect performance between March 31<sup>st</sup>, 2014 and April 30, 2014

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

### Fund Characteristics

No. of Holdings	33
Weighted Market Cap	SAR 60.6 billion
Dividend Yield*	2.4%
P/E Ratio 14	14.2

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

### Fund Metrics

	Saudi Fund	TASI
Volatility	22.4%	21.9%
Beta *	0.99	-

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

### Top Five Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	9.1%
Al Rajhi Bank	Banks & Financial Services	6.5%
Etihad Etisalat	Telecom & IT	5.9%
SAMBA	Banks & Financial Services	4.5%
ARAB NATIONAL BANK	Banks & Financial Services	4.0%

### Fund Data

NAV per Share	SAR 13.3637
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

