



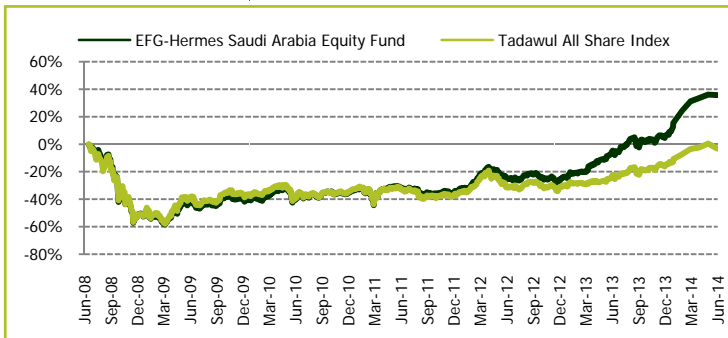
Fund Manager's Strategy & Outlook

After nine months of consecutive gains, the Saudi market had a relatively muted correction with the Tadawul All Share Index losing 3.2% in June for a YTD return of 11.5%. The Fund lost 0.3% during the month and is now up 20.8% YTD. The pullback was triggered by increased regional geopolitical tensions, namely in Iraq. Turnover dropped sharply with the daily traded value averaging USD 2.2 billion in June, a positive sign in a down month.

Saudi Arabia's Purchasing Manager's Index(PMI) score gained two points in June to reach 59 points. The reading is comfortably ahead of the twelve month average and suggests that economic activity has maintained its strong momentum going into the summer. The underlying data shows nothing but strength with output gaining for the third consecutive month, new orders including exports firming up, and employment strengthening.

All sectors were down in June, except transportation and cement gaining 1.3% and 1.0% respectively. Real estate and telecoms were among the worst performing sectors losing 10.8% and 6.9% respectively. Petrochemicals and banks outperformed dropping 1.1% and 2.1% respectively. The Investment Manager reduced exposure to cements, retail, and telecoms and increased exposure to hotel & tourism, industrial investment and agriculture & food companies during the month.

Second quarter results will be reported during the first 3 weeks of July, after which the market will be closed for the last week of the month for the Eid Al Fitr holiday. Given the market's relative resilience in June and the generally positive outlook on the results, the Investment Manager expects the market to regain its positive momentum and recover strongly over the short term.



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 ¹	Difference
Month to Date**	-0.3%	-3.2%	2.9%
Year to Date	20.8%	11.5%	9.3%
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*	35.7%	-3.1%	32.6%

*Fund's inception date was June 17th, 2008
** MTD figures reflect performance between May 31, 2014 and June 30, 2014
¹TASI is a price return index

Fund Characteristics

No. of Holdings	31
Weighted Market Cap	SAR 55.93 billion
Dividend Yield*	2.1%
P/E Ratio 14	14.09

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

Fund Metrics

	Saudi Fund	TASI
Volatility	22.06%	21.7%
Beta *	0.99	-

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

Top Three Equity Holdings

Holding	Sector	% of NAV
SABIC	Petrochemical Industries	8.5%
Al Rajhi Bank	Banks & Financial Services	8.1%
SAMBA	Banks & Financial Services	5.7%

Fund Data

NAV per Share	SAR 13.5737
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

