

### Fund Manager's Strategy & Outlook

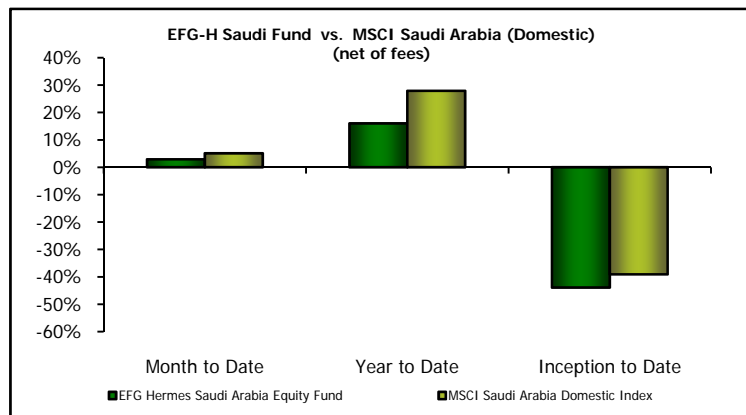
The Saudi Fund gained 2.9% over the past month versus the TASI which gained 4.1% and the MSCI Saudi Arabia Domestic index which gained 5.1%. The market rebound was partly due to the generally strong Q-o-Q earnings growth reported in the second quarter results.

The banking sector's total deposits rose to SR916 billion at the end of June 2009 on the back of increased customer deposits. However, in the same sector, news of the ongoing debt restructuring negotiations with certain family groups continued to weigh heavily on the banking stocks.

More recently, the Capital Market Authority (CMA) announced the listing of several new companies, signaling the CMA's increased confidence in the market's ability to continue to perform well.

Despite the anti dumping fall out with China and India, the petrochemical sector performed relatively well over the past month backed by increasing oil prices that have once again touched the USD 70/bbl mark. Elsewhere, companies in the cement sector saw stronger domestic demand in the second quarter due to lower prices and the more resilient construction sector in the Kingdom. This positive news, following the lifting of the ban on exports, is expected to bode well for the sector.

Heading into the month of August, we expect volumes to continue to decline, with the beginning of the Holy Month of Ramadan in the last week of the month further putting pressure on volumes. The Investment Manager will maintain the defensive positioning of the Fund during the next period by continuing to overweight the retail, agriculture and telecom sectors and underweight the banking and petrochemical sectors while building selective positions in high beta names.



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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

Returns	EFG-Hermes Saudi Fund	MSCI Saudi Arabia Domestic Index	Difference
Month to Date	2.9%	5.1%	-2.2%
Year to Date	16.0%	27.9%	-11.9%
2008 *	-51.6%	-52.4%	0.8%
Inception to Date	-43.9%	-39.1%	-4.8%

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

### Fund Information

NAV per share	SAR 5.6116
Launch Date	17 June, 2008
Structure	Open Ended
Management fee	2%
Minimum Subscription	SAR 50,000
Subscription/Redemption	Twice Weekly

### Fund Identifiers

Bloomberg Ticker	EFGSAUD AB
Reuters Code	LP65122906

### Fund Characteristics

No. of Holdings	28
P/E Ratio 09	11.0x

### Top 5 Holdings

Holding	Sector	Holding %
SABIC	Petrochemicals	12.2%
Al Rajhi	Banks & Financial Services	9.6%
Saudi Telecom Company	Telecom & IT	7.7%
Etihad Etisalat	Telecom & IT	7.1%
Yansab	Petrochemicals	5.6%

### Fund Sector Allocation

