

Fund Manager's Strategy & Outlook

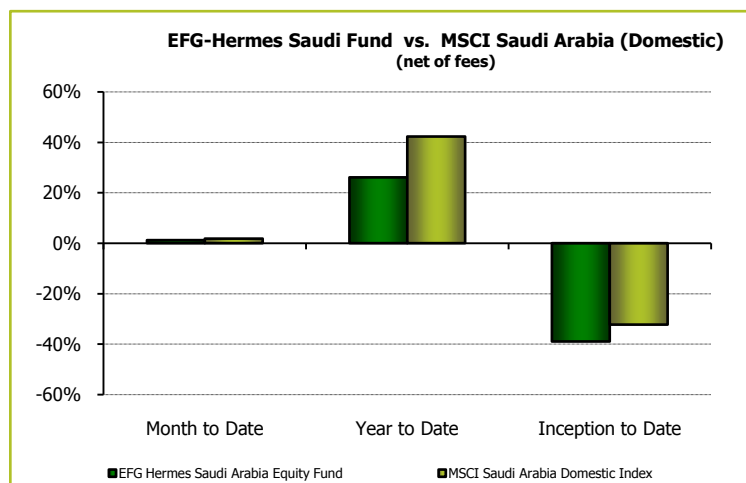
The Saudi Fund gained 1.2% over the past month versus the MSCI Saudi Arabia Domestic Index and TASI which posted gains of 1.8% and 1.4%, respectively.

During the month of November there were lighter daily volumes in the market as investors were primarily interested in safeguarding returns they had made in Q2 and Q3 2009. The market traded sideways in the absence of any catalysts, while the Eid Al Adha holiday suspended market activity for five days further exacerbating low volumes.

The Dubai World debt restructuring announcement on the last day before the Eid holiday had a profound negative impact on global and regional markets. Post-Eid trading, the Saudi Arabian Monetary Authority reported that banks in the Kingdom have an exposure of less than 0.2% to Dubai World entities. This helped boost sentiment while Saudi banking data from October showed continued growth in lending with loans up 0.1% and deposits up 0.5% M-o-M. Bank liquidity in the Kingdom continues to be strong with the sector forecasted to post stronger growth in the coming years.

The petrochemicals sector is poised to perform well in 2010 on the back of higher prices and strengthening demand, specifically from China. On the other hand, construction related sectors may continue to exhibit slow growth during the coming few months as the world economy comes out of recession. The Investment Manager expects increased project awards to provide strength to these sectors starting mid 2010.

The Investment Manager believes that the Saudi economy enjoys solid fundamentals that have not been affected by short-term uncertainty. Any short-term volatility on the back of sentiment will present attractive opportunities for long-term investors.



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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	1.2%	1.8%	-0.6%
Year to Date	26.1%	42.3%	-16.2%
2008 *	-51.6%	-52.4%	0.8%
Inception to Date	-39.0%	-32.3%	-6.7%

*Fund's inception date was June 17th, 2008

Fund Information

NAV per share	SAR 6.0987
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	37
P/E Ratio 10	11.7x

Top 5 Holdings

Holding	Sector	Holding %
Al Rajhi	Banks & Financial Services	11.2%
SABIC	Petrochemicals	9.9%
Saudi Telecom Company	Telecom & IT	5.4%
Samba Financial Group	Banks & Financial Services	3.9%
Etihad Etisalat	Telecom & IT	3.9%

Allocation by Economic Sector

