

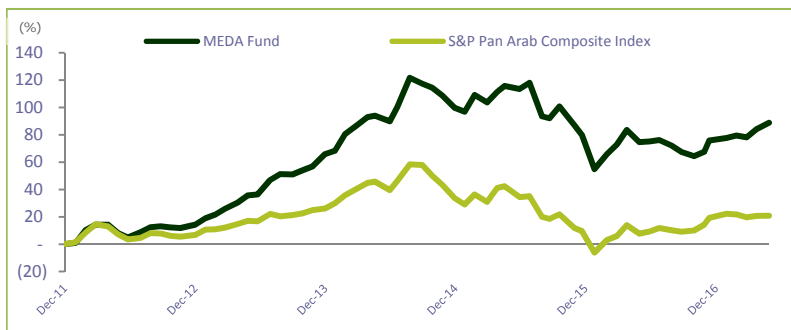
Fund Manager's Strategy & Outlook

Markets in the GCC were relatively weak as oil prices were stagnant and up 0.3% over the course of the month. The Egyptian and Turkish indices were the best performers having gained 5.2% and 4.2% in USD terms. The Qatari market was the top performing GCC market as the index lost 0.4%. The Abu Dhabi, Omani and Saudi markets were down 0.8%, 1.5% and 2.2%, respectively. The Kuwaiti market lost 2.5% while the Dubai index was the worst performing having lost 3.3%. An announcement was made as expected that OPEC and non-OPEC producers led by Russia, would extend oil production cuts by nine months into March 2018, after the previous deal failed to curb global oversupply. The latest announcement was not enough to bolster the oil market and prices have continued to slump with Brent crude currently trading below USD 50 / bbl.

The previous month saw President Trump arrive in Saudi Arabia for his first foreign trip, making him the first ever to choose a Middle Eastern nation for the occasion. The trip gathered a lot of support in Saudi Arabia and several deals with large Saudi and U.S. companies were signed. The most significant deal however is the USD 110bn arms deal which could potentially grow to USD 350bn in ten years, subject to US Senate approval. The move solidifies the decades old relationship and represents significant enhancements of Saudi military capabilities. This comes as tensions have flared in the region relating to Iran and now Saudi, UAE and Bahrain are amongst nations that have cut diplomatic ties with Qatar. This has resulted in the worst diplomatic crisis in years as those nations have cut air, sea and land routes over Qatar, sparked initially by alleged pro – Iranian comments made by the Qatari ruler. A swift resolution is hoped for, otherwise there will be pressure on the regional economies and especially that of Qatar, as it relies much more significantly on GCC partners for economic trade. Citizens of Qatar have been asked to leave from the mentioned GCC nations spearheading the campaign while their own citizens are relocating out of Qatar as well. This political overhang will continue to weigh on Qatari equity markets in the short term.

A short term catalyst for Saudi market is expected to be an MSCI announcement placing Saudi on the watch list for potential EM index inclusion. The effective date of the inclusion would likely be 2019 but market performance does not reflect significant positioning ahead of the potential announcement. Index inclusion eventually should result in significantly improved valuations and liquidity driven by foreign inflows and post an Aramco listing Saudi could command a significant weight in the index. In the UAE, Emaar announced it is looking to IPO up to 30% of its UAE development business. The company is looking to realize a significantly higher valuation through the IPO as the carved out part should unlock value for the parent entity while part of the proceeds would be paid out as a special dividend.

Egypt has received the first tranche of the World Bank's USD 500mn loan for the development of Upper Egypt. This loan aims at improving the investment climate and industrial developments of the region by focusing on food, livestock and agriculture. The Egyptian Central Bank surprised the market with a larger than expected rate hike of 200bps. The only real beneficiaries of the hike are likely to be the banks as the higher rates are positive for NIMS although this could be dampened by weaker credit growth. Higher borrowing costs are set to hurt other sectors of the economy but this was shrugged off by equity markets.



As of May 29, 2017

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Objective

Long-term capital appreciation through investing in Middle East and North African equities and equity related securities.

Fund Performance

| | MEDA Fund Class A | S&P Pan Arab* | Difference |
|--------|-------------------|---------------|------------|
| MTD** | 2.6% | 0.1% | 2.5% |
| YTD*** | 7.4% | 1.3% | 6.1% |
| 2016 | -2.2% | 8.8% | -11.0% |
| 2015 | -10.0% | -18.0% | 8.0% |
| 2014 | 20.4% | 6.0% | 14.4% |
| 2013 | 45.1% | 26.3% | 18.8% |
| 2012 | 14.3% | 6.8% | 7.5% |

*Figures reflect performance since inception of S&P Pan Arab Composite Large/Mid Cap Net TR Index in Dec 2004 as of the relevant Valuation Days of the MEDA Fund

**MTD figures reflect performance between April 24, 2017 and May 29, 2017

***YTD figures reflect performance between December 12, 2016 and May 29, 2017

Fund Characteristics

| | |
|-------------------------|-----------------|
| No. of Holdings | 22 |
| Weighted Market Cap | USD 7.5 billion |
| Average Dividend Yield* | 3.0% |
| P/E Ratio 2017 | 13.8x |

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

Fund Metrics*

| | |
|-------------------|-------|
| Alpha | 7.8% |
| Beta | 0.90 |
| Volatility | 15.0% |
| Information Ratio | 1.28 |

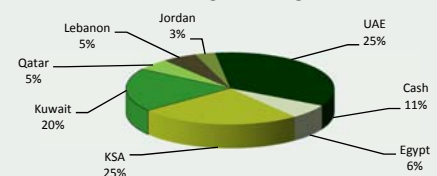
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

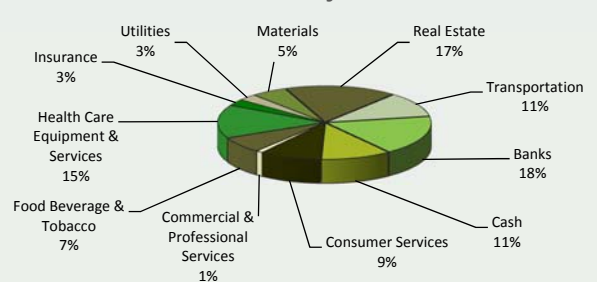
| Holding | Country | % of NAV* |
|-----------------------|---------|-----------|
| NMC Health | UAE | 9.5% |
| Human Soft Holding Co | Kuwait | 8.9% |
| Aramex | UAE | 8.7% |
| Mabane Co | Kuwait | 6.2% |
| Al Rajhi Bank | KSA | 5.5% |

*Figures as of May 29, 2017

Allocation By Country



Allocation By Sector



Fund Data

| | |
|---------------------------|--------------|
| NAV per Share (Class A) | USD 32.95 |
| Launch Date | July 1999 |
| Management Fee | 1.4% |
| Incentive Fee | 15% over 10% |
| Expense Ratio | 1.5% |
| Minimum Subscription | USD 10,000 |
| Subscription / Redemption | Weekly |

Fund Identifiers

| | |
|-----------------------|--------------|
| ISIN (Class A shares) | BMG294041030 |
| Bloomberg Ticker | EFGMEAF BH |
| Merrill Lynch Code | EFGAT |