

Fund Manager's Strategy & Outlook

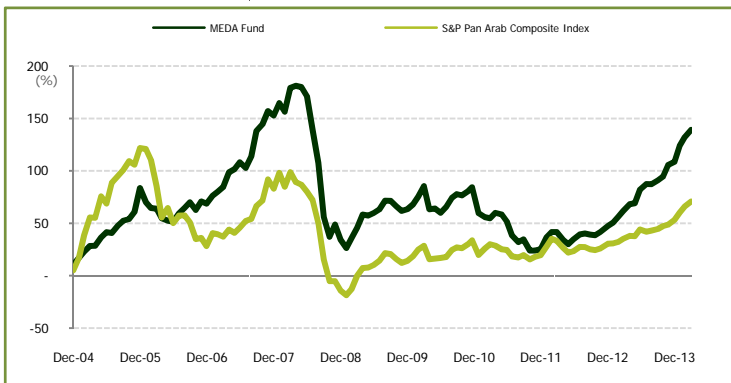
In April, the market witnessed a potential shift from investors back into emerging markets as the pace of inflows into EM reached their highest rate in over a year. However, outflows from these markets remain more than double the levels seen in 2013. We are closely approaching the inclusion of UAE and Qatar in to the EM index and, although potential weights in the index of these two markets have been reduced due to foreign ownership limits, net inflows are expected to exceed USD 1bn

The Dubai bourse continues its global dominance in terms of performance having gained 13.7% last month taking YTD performance to 50.1% on the back of surging liquidity. The Qatari bourse recorded an 8.9% gain while the Egyptian and Abu Dhabi markets gained 5.2% and 3.1%, respectively. The Saudi market rose by 1.2% as the Omani and Kuwaiti markets underperformed recording declines of 1.9% and 2.0%

Market news in the past month have been dominated with Q1 results releases which have been positive and exceeded expectations in several instances. Emaar reported robust results with an increase of over 15.0% in the retail and hospitality segment along with 55.2% earnings growth Y-o-Y as margins expanded significantly. The company continues to launch new developments across Dubai that are being absorbed by the market as demand remains strong even on the back of the current pricing environment. The company is also looking at a potential Dubai listing of its retail business later this year. Marka, the most recent IPO to come to market, was able to raise AED 10bn, 36x over the target size. Much of this excess liquidity should find its way back into the markets next month

In Saudi there is an ongoing recurrence of MERS, of which over 400 cases have been reported along with over 100 fatalities. This may have the potential to negatively impact the retail and consumer sectors in the coming quarters along with the upcoming religious tourism peak season. In Egypt, short term security challenges remain as the country continues its efforts to disband the Muslim Brotherhood. Upcoming elections and a defined political roadmap should provide the catalyst for public and private capital spending as well as economic growth

Discussions between P5+1 and Iran have been overshadowed by the rising tensions in Ukraine. The latest escalation comes in response to pro-Russian forces expanding occupation efforts to which the Ukrainian government is responding with military operations. Armed clashes and civilian deaths are likely to come as a result, and an increase in violence may lead to the threat of international intervention which will play negatively on the market



As of April 28, 2014

Sherif El Haddad, Fund Manager
 EFG-Hermes Asset Management

Tel: 9714-363 4047 / Fax: 9714-362 1171
 e-mail : AMsales@efg-hermes.com

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**	3.0%	2.9%	0.1%
YTD	16.3%	14.9%	1.4%
2013	45.1%	26.3%	18.8%
2012	14.3%	6.8%	7.5%
2011	-31.4%	-9.4%	-22.0%
2010	11.7%	16.1%	-4.4%
2009	8.7%	18.4%	-9.7%
2008	-42.1%	-50.6%	8.5%
2007	50.5%	41.1%	9.4%
2006	6.2%	-33.9%	40.1%

*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 March 31, 2014 and April 28, 2014

Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 13.1 billion
Average Dividend Yield*	2.7%
P/E Ratio 2014	14.8x

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

Fund Metrics*

Alpha	11.4%
Beta	1.0
Volatility	10.6%
Information Ratio	2.6

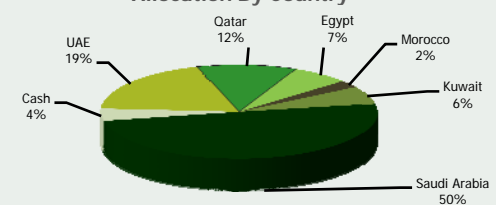
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

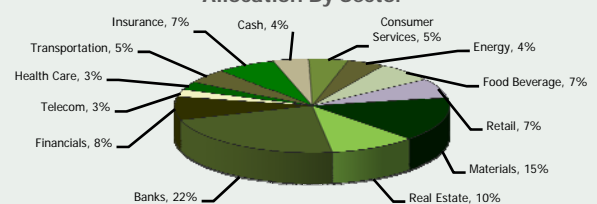
Holding	Country	% of NAV*
Bupa Arabia	Saudi Arabia	6.8%
Fawaz Al -Hokair	Saudi Arabia	6.7%
SABB	Saudi Arabia	6.7%
SA Basic IND	Saudi Arabia	6.2%
Saudi Hollandi Bank	Saudi Arabia	4.9%

*Figures as of April 30, 2014

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 33.67
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.0%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH