

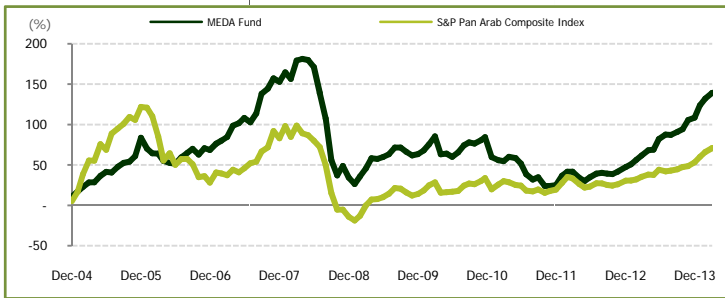
Fund Manager's Strategy & Outlook

August was another strong month across regional markets; the positive performance was led by Saudi as the local bourse rallied 11.2%. The CMA published a set of draft rules for Qualified Foreign Financial Institutions (QFI) with respect to Saudi equity market access. QFIs will require minimum AUMs of USD 5bn at a group level however this requirement may be reduced down to USD 3bn which positively reflects flexibility on part of the government. The draft also outlines FOL restrictions, and a final version of the rule set is expected after a ninety day consultation period. The market has reacted well to the news as it shows positive progress in the eventual opening of the market. The Egyptian market gained 11.0% during the month led by the financial sector. The Qatari, Dubai and Kuwaiti markets gained 5.9%, 5.2% and 4.5% respectively. The Omani Index gained 2.2% and the Abu Dhabi bourse was the worst performing having risen by 1.8%.

The tactical play for the last month was the Saudi banking sector. With the announcement of foreign direct access to Saudi equities, the banking space was expected to be the largest beneficiary given that the sector comprises close to 30.0% of the Saudi Index. This would imply the largest representation in terms of inclusion to EM Index, although this is not a near-term event the sector rallied as expected and the Fund benefitted from the increase in exposure that was made in anticipation and based on the view that this catalyst would push the names higher given that they have also lagged the overall market in terms of performance. Banking space valuations have reached levels of 16.0x PE14 and 2.2 PB and the Fund is positioned in names within the sector that continue to show prospects of balance sheet growth and performance upside.

During the last month the Fund also took the opportunity to lock in gains in the insurance sector as selective names within the space rallied significantly. A breakout of the top players in the sector appears to be happening with the smaller names continuing to struggle and not being able to effectively capture the growth in the market or control their losses. New market regulations such as the law enforcing mandatory insurance for dependants of employees in the private sector will continue to drive growth and be supportive of profitability and valuations. In The UAE the Fund increased its allocation to the real estate sector while reducing the exposure to the contracting and healthcare. Market focus is pinned on the officially announced Emaar Malls Group (EMG) IPO, which is expected to list in October. The equity story is driven by a growing retail market fueled by increasing tourism, rising lease rates on the back of a variable component linked to sales, GLA expansion in the high rent segment and dividend payout. Emaar Properties stands to benefit and shareholders are looking forward to a dividend yield of approximately 10%-12% as a result of the sale.

The month of August saw USD 9bn in inflows into Emerging markets. Investments into equity and fixed income hit a two-year high in July at USD 44bn and USD 36bn during June according to IIF data. On the back of the prospect of increased Euro zone monetary easing and stronger US economic output, equity valuations in Emerging markets continue to climb.



As of August 25, 2014

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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**	10.6%	8.3%	2.3%
YTD	33.7%	25.7%	8.0%
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 July 21, 2014 and August 25, 2014

Fund Characteristics

No. of Holdings	29
Weighted Market Cap	USD 10.3 billion
Average Dividend Yield*	2.3%
P/E Ratio 2014	16.4x

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

Fund Metrics*

Alpha	12.4%
Beta	1.03
Volatility	11.7%
Information Ratio	2.84

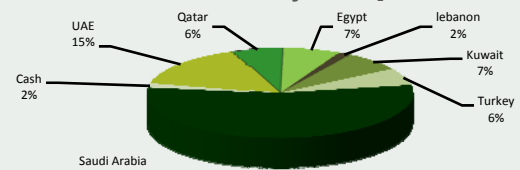
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

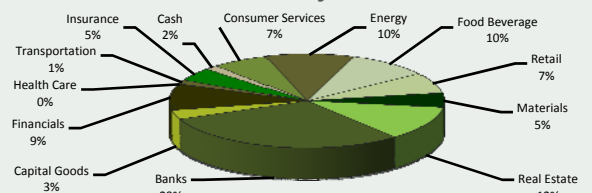
Holding	Country	% of NAV*
SABB	Saudi Arabia	7.1%
Fawaz Al -Hokair	Saudi Arabia	7.0%
Samba Fin. Group	Saudi Arabia	6.8%
Rabigh Refining and Transport Services	Saudi Arabia	6.8%
DAMAC REAL ESTATE	United Arab Emirates	5.8%

*Figures as of August 25, 2014

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 38.69
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.5%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

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