

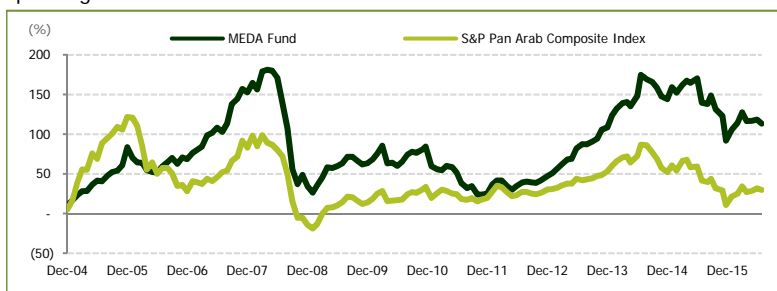
Fund Manager's Strategy & Outlook

The previous month was a volatile one for crude prices as several global events took place with Brent crude eventually rising up 8.6%, but since then prices have softened again. Saudi Arabia and Russia agreed to cooperate in oil markets and although no action plan was declared it was suggested that the countries could potentially limit output in the future, not currently. Crude prices rallied ahead of a joint press conference during which the Saudi Oil Minister stated that the strategic agreement would encourage other nations to participate. Without participation from Iran however a Saudi reduction in output does not look like a possibility. Informal oil talks are scheduled for the last week of September, but without real action the outlook remains weak given production hikes from Iran and Nigeria are in the backdrop.

Regional markets displayed mixed performance, with Egypt being the best performer with a 6.9% rally in USD terms. The Qatari market gained 6.7% as the Turkish index moved up by 5.5% in USD terms. The Kuwaiti index was relatively unchanged with a move of 0.2% while the Omani, Dubai and Abu Dhabi markets lost 0.6%, 1.7% and 2.6% respectively. The Saudi index was the worst performing in the region with a drop of 6.8%. The Qatari market rallied on news of FTSE's decision to use 50% of investable market cap in its liquidity calculation for Qatari equities for an EM upgrade. The actual upgrade will take place over two phases, in September and March 2017. The announcement removed the uncertainty on the inclusion of names such as Qatar National Bank and Qatar Insurance which previously did not meet the criteria. Inflows from foreign and GCC institutional net buying crossed USD 400mn in the month of August and potential inflows over the course of the two phases are expected to reach close to USD 1bn. Currently, the FTSE upgrade trade has become overbought and the market has started retracing as locals have become sellers.

In Egypt, the USD 12bn IMF deal was agreed on and VAT has been approved by parliament to be voted into law which is expected to come into effect in October. The rate has been set at 13% for the current fiscal year and it will rise to 14% the next year versus a standard 10% sales tax rate currently. This is a positive for the market as it unlocks the first tranches of IMF and World Bank funding as well as being able to generate 1% of GDP in extra revenue. The bulk of companies will see a marginal increase in their tax rates which will likely be passed through to consumers. Healthcare providers are exempt and in the case of consumer companies most products including snack and dairy are also exempt. One of the biggest challenges faced by Egypt will be the large size of the informal cash economy and the government's ability to effectively implement or enforce taxation on it.

In Saudi, the market regulator has approved guidelines on book building and allocation for IPOs which will become effective at the start of next year. The new regulation also stands to give foreign investor's access to the IPOs. The regulator also stated that the market is on course to join the MSCI EM index in 2018. Although the liberalization of the market is a positive we remain cautious on the market namely in sectors with exposure to the government or government spending.



As of August 29, 2016

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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**	-1.7%	-1.6%	-0.1%
YTD	-3.8%	0.5%	-4.3%
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%
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 25 2016 and August 29, 2016

Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 5.3 billion
Average Dividend Yield*	2.6%
P/E Ratio 2016	14.2

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

Fund Metrics*

Alpha	8.9%
Beta	0.9
Volatility	15.8%
Information Ratio	1.6

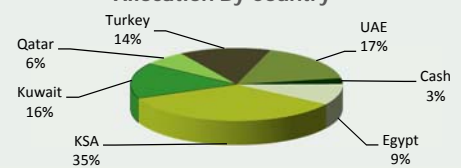
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

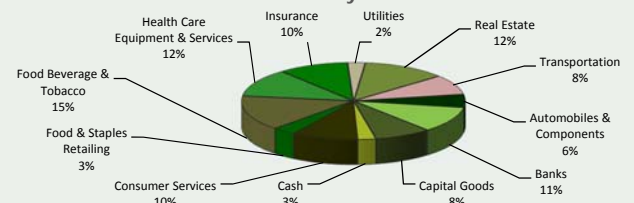
Holding	Country	% of NAV*
Mezzan Holding	Kuwait	7.1%
Kuwait Food Co Americana	Kuwait	5.6%
Bupa Arabia for Cooperative Insurance	KSA	5.4%
Aramex	UAE	5.3%
Ulker Biskuvi Sanay	Turkey	5.2%

*Figures as of August 29, 2016

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 30.20
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.84%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

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