

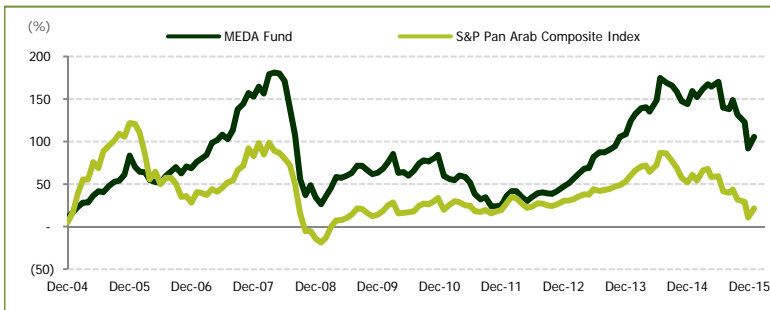
### Fund Manager's Strategy & Outlook

Mena markets witnessed a strong recovery during the previous month led by a 14% rally in Brent crude prices. Indicators reflect that low oil prices are taking an effect on the industry as the total number of U.S. oil and gas rigs stands at 489, the lowest level since 1999. The EIA reported that output has fallen for the sixth straight week and further expected cuts look to be underpinning prices currently. The regional stock indices recorded strong moves upwards coming off a weak month in January. The Dubai and Abu Dhabi markets were the best performing having gained 19.8% and 14.1%, respectively. The Qatari index rallied 11.8% while the Turkish bourse moved up 9.5% in USD terms. The Omani and Saudi markets both gained approximately 8.7% while the Kuwaiti bourse moved up by 5.5%. The Egyptian index was the worst performing with a 4.3% gain in USD terms.

In Saudi, the value of point of sale transactions rose 6% Y-o-Y and cash withdrawals grew 8% Y-o-Y in January. The market was looking to gauge any impact on domestic spending as a result of subsidy reforms enacted at the end of 2015, currently the impact looks to be fairly contained. A negative impact would be more pronounced on larger ticket items while consumer staples demand should remain positive. IPO activity has also returned to the market as the USD 471mn IPO of Middle East Healthcare Co. is currently in its retail subscription period and is expected to list towards the end of the month. The company owns and operates four hospitals in Saudi and is currently constructing two more which will take its bed capacity up by 30.0%. The stock is listing at 14.7x PE 2016e while the sector in Saudi trades at a forward multiple of 18.3x. With respect to geopolitics the country announced its intention to send troops to Syria and this indicates that a further increase in military spending is expected to take place over the coming years as Saudi Arabia looks to play a more active role in the MENA region. This has the potential to further strain the fiscal balance. As a result, the government will continue with subsidy reforms and these are vital as the ability to marginally reduce spending will moderate going forward.

In Egypt, the balance of payments is still suffering from weakening fundamentals in terms of a widening trade deficit, a slowdown in tourism, and FDIs while the EGP continues to face devaluation pressures. The government has however announced it will be receiving funding from Japan for national projects and plans a Eurobond sale in the second quarter of the year. The market is set to see IPO activity including the IPO of Arabian Food Industries Company, a major dairy and juice producer, set to launch this month.

As oil prices show signs of stability, equities have been reacting positively and recouping losses witnessed earlier in the year. The Investment Manager remains positive on sectors such as insurance and healthcare, as well as on the opportunity to find attractively valued names in the current environment.



As of February 29, 2015

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**	7.1%	9.7%	-2.6%
YTD	-7.8%	-5.9%	-1.9%
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 January 25, 2015 and February 29, 2016

### Fund Characteristics

No. of Holdings	24
Weighted Market Cap	USD 3.9 billion
Average Dividend Yield*	2.8%
P/E Ratio 2015	11.4x

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

### Fund Metrics\*

Alpha	10.5%
Beta	0.91
Volatility	16.1%
Information Ratio	1.86

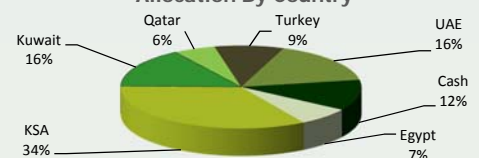
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29<sup>th</sup> December 2011

### Top Five Holdings

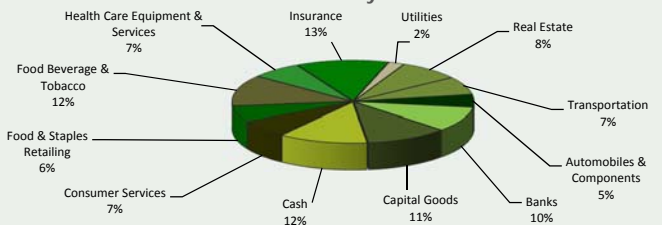
Holding	Country	% of NAV*
Mezzan Holding	Kuwait	7.9%
Saudi Marketing Co	KSA	6.4%
EISwedy Electric Co	Egypt	5.5%
Tofas Turk Otomobil Fabrikasi	Turkey	5.0%
Bupa Arabia for Cooperative Insurance	KSA	4.7%

\*Figures as of February 29, 2016

### Allocation By Country



### Allocation By Sector



### Fund Data

NAV per Share (Class A)	USD 28.94
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.70%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

### Fund Identifiers

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