

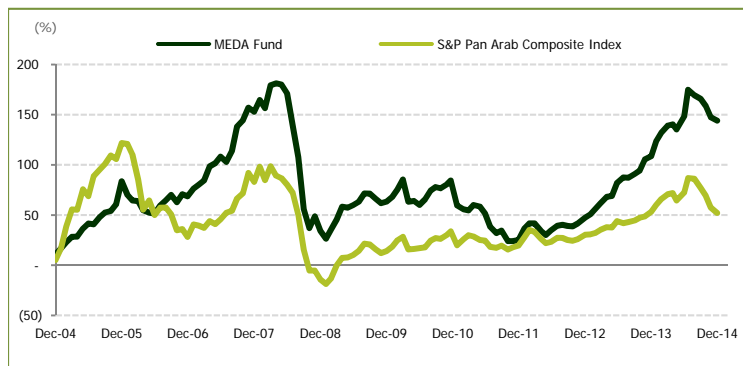
## Fund Manager's Strategy & Outlook

Over the first month of 2015 MENA markets continued to face increased volatility in the wake of an 18.0% decline in Brent crude pricing. The Qatari and Dubai bourses lost 5.9% and 5.5% respectively, followed by the Saudi market which dropped by 4.2%. The Abu Dhabi and Kuwaiti markets remained relatively unchanged while the Omani market outperformed in the GCC having gained 4.0%. The Turkish market gained 8.7% and Egypt lead the way having rallied 9.8% over the period.

Oil prices remain the major focal point for the markets and Brent has gained 20.0% from the end of the last month to reach USD 57.8. Depressed prices are expected to cause pressure on leveraged U.S. shale producers and to limit any new capital expenditures into drilling which will eventually result in a bounce back in prices. The US drill count which is at its lowest in more than five years came in at 1,223 in the last week of January, down 7% on a weekly basis and down 14% Y-o-Y. Recent news indicates that Libya has closed its last functioning oil export port due to strikes and this comes after the other ports have been shut due to instability in the country, which is another positive sign for the current trend in prices to continue.

The most significant event however during the last month was the passing away of the Saudi monarch King Abdullah on the 23<sup>rd</sup> of January. Prince Salman succeeded to the throne and the appointment of Mohamed Bin Naif as deputy crown prince is seen as a positive step clearing the path for the long awaited move towards the next generation of the royal family. The leaders have been able to swiftly make the transition without causing an impact to stability, removing speculation regarding the move to the next generation and the reduction in succession risk has been positive for sentiment. Along with significantly reshuffling the cabinet to consolidate power, the new King announced the payment of two month pay as a social benefit to all government, military employees, and pensioners amongst other groups in a move which is being followed by many large private sector companies. A decree was also announced for the allocation of USD 5.3bn towards water and electricity services. The one – off payments to be made should benefit consumer consumption and help non-oil economic growth this year. The additional spending is estimated to be over USD 20bn and the actual spending by the government in 2015 is estimated to exceed the budget by over 25%. The market sentiment so far is very positive, shrugging off weak Q4 2014 results placing the Saudi Index as the current top global performing market

In Dubai the market has been expecting a negative impact on tourism given conditions in Europe and Russia but the overall numbers continue to be strong and the economy is set to witness a boost in activity given the budget outlay to increase spending. Real estate prices ended 2014 on a muted note as growth levels subdued in Q4 2014 and prices have currently stabilized in several areas



As of January 26, 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**	-1.4%	-3.4%	2.0%
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 December 29, 2014 and January 26, 2015

### Fund Characteristics

No. of Holdings	25
Weighted Market Cap	USD 6.3 billion
Average Dividend Yield*	3.2%
P/E Ratio 2015	14.3x

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

### Fund Metrics\*

Alpha	14.2%
Beta	0.9
Volatility	12.44%
Information Ratio	2.8

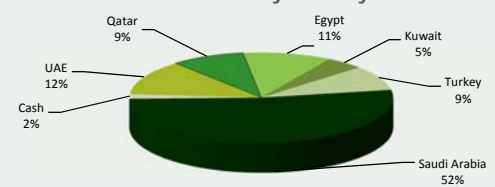
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29<sup>th</sup> December 2011

### Top Five Holdings

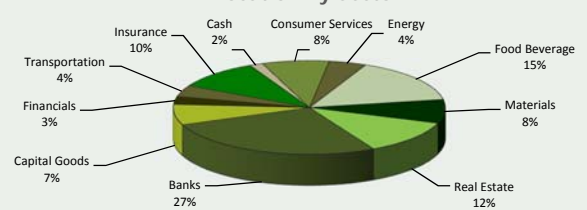
Holding	Country	% of NAV*
Eastern Tobacco	Egypt	8.2%
Al Khaleej Training and Education	Saudi Arabia	6.4%
SABB	Saudi Arabia	6.3%
Co Cooperative Insurance	Saudi Arabia	5.4%
Saudi Arabian Mining Company	Saudi Arabia	5.2%

\*Figures as of January 26, 2014

### Allocation By Country



### Allocation By Sector



### Fund Data

NAV per Share (Class A)	USD 34.37
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.7%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

### Fund Identifiers

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