

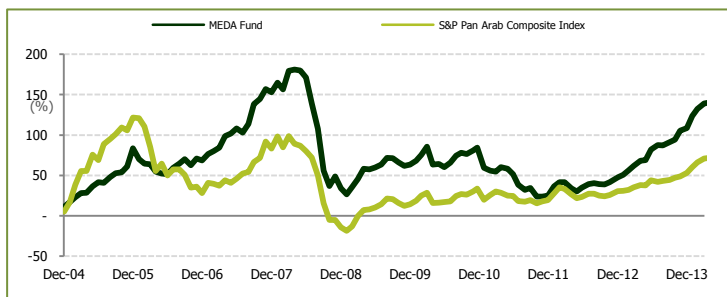
Fund Manager's Strategy & Outlook

During July regional market trading days were shortened for some of the bourses due to the Eid holidays. However, the month of July saw MENA markets recoup most of the losses incurred during the last month, with Dubai leading the way having posted a 19.8% rally. The Qatari bourse gained 13.9% on the back of positive earnings releases, corporate announcements and with the subsiding of negative news flow related to the World Cup corruption scandal. The Abu Dhabi market gained 9.6% in the month of July; the Egyptian and Saudi indices were up 3.8% and 2.5% respectively. The Omani market also gained 2.5% and the Kuwaiti market posted a modest 1.4% increase. The market is also in the middle of earnings season and overall Q2 earnings have been strong across the large and mid-caps. Domestic demand plays such as food & staples retailing, consumer services, telecoms and banks delivered the most consistent performance

The major piece of positive news to come out of Saudi Arabia was that the cabinet which is chaired by the crown prince approved a report by the Supreme Economic Council which will allow direct access to foreign investors on the USD 530bn Saudi stock market. The CMA was in discussions with international banks in 2011 regarding opening the stock exchange to foreign investors. The guidelines issued at the time stated that access would be limited to investors with an AUM base of USD 5bn or more and with FOLs limited to 49%. If a less restrictive set of rules and possible solutions around the current settlement cycle emerges it will be received very positively by the market. The current decision will give access to both economic and ownership interests in the locally listed companies and therefore will attract investors previously thwarted by derivative structures. A timeline of 1H 2015 has been set by the government. The opening of the market will also pave the way for inclusion of Saudi into MSCI EM index where it could account for a weight over 3% but this is at least a few years down the line. The results of this outcome would lead to improved inflows and liquidity, a catalyst for better price discovery, better corporate governance and disclosures. However with the integration of foreign capital we can expect to see higher levels of correlation with global markets

Egypt's central bank raised key interest rates by 100 basis points. The move comes in an effort to counter inflation post a move by the government to raise taxes and increase prices on several previously regulated items to help reduce the subsidy bill. The government revised upwards the prices of items including fuel, electricity and tobacco as part of its fiscal consolidation plan. The country is also looking for USD 1.5bn in funding to pay foreign oil companies as part of a program to revive investor confidence. However the increase in rates will tighten monetary conditions without dampening inflation as a spike is inevitable given subsidy removals

Geopolitical events will also play their part on impacting market direction; the U.S. urged Asian countries to back new economic sanctions on Russia and a political stand-off could ensue as the EU places its own sanctions on its largest foreign supplier of natural gas. The conflict in Gaza continues with Israel calling up 16,000 reserves and a truce does not look to be on the near horizon. Regional markets should however continue to perform on the back of their fundamentals, positive corporate news flow and as Q2 results continue to be announced



As of July 21, 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**	5.6%	4.9%	0.7%
YTD	20.9%	16.1%	4.8%
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 June 30, 2014 and July 21, 2014

Fund Characteristics

No. of Holdings	30
Weighted Market Cap	USD 7.9 billion
Average Dividend Yield*	2.6%
P/E Ratio 2014	15.2x

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

Fund Metrics*

Alpha	9.4%
Beta	0.99
Volatility	10.72%
Information Ratio	2.04

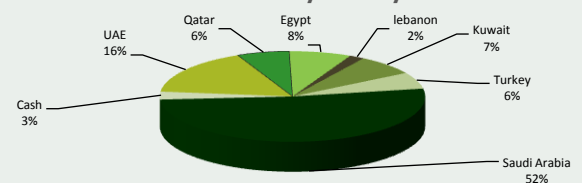
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

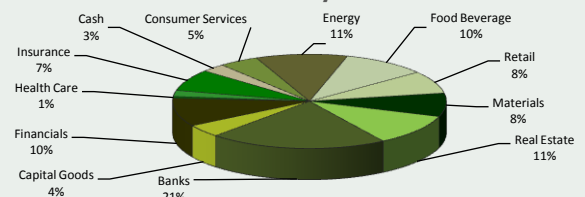
Holding	Country	% of NAV*
Fawaz Al -Hokair	Saudi Arabia	7.7%
Bupa Arabia	Saudi Arabia	7.4%
Rabigh Refining and Transport Services	Saudi Arabia	7.0%
SABB	Saudi Arabia	6.3%
Dubai Investments	United Arab Emirates	5.1%

*Figures as of July 21, 2014

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 34.98
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