

Fund Manager's Strategy & Outlook

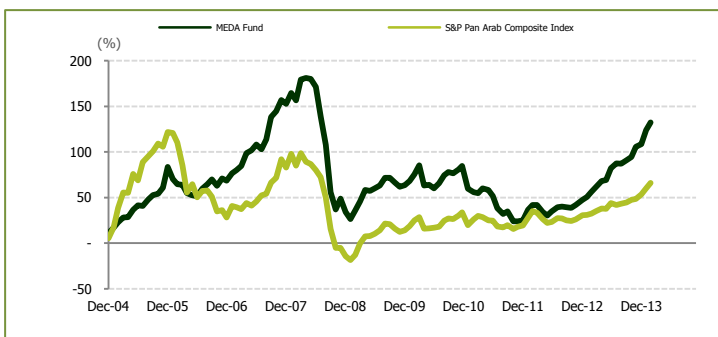
Regional markets followed up large gains in February with relatively subdued performance in March. Dubai continues to lead the region having recorded a gain of 5.5% last month taking YTD performance to 32.1% and the bourse remains the best performing market in the world. The Saudi bourse rose by 4.0% and has gained 11.0% since the start of the year. The Qatari, Abu Dhabi and Kuwaiti markets lost 1.1%, 1.3% and 1.5% respectively.

Expectations of an improvement in U.S. economic data and that China will provide a stimulus to its own economy have underpinned global investors' appetite for risk. China announced a package consisting of tax breaks for smaller business, railways and low income housing which should in turn fuel credit expansion but through more sustainable means. The market is also looking forward to the upcoming announcement on GDP which could provide the backdrop for increased market volatility if figures show the economy to be cooling faster than expected.

The UAE's headline PMI came in just under 58 at its second highest level on record and this continues a nine month positive trend on the back of a significant pick up in real estate activity and Dubai's service sector. Growth in the non-oil sector will continue its trend with revisions for economic growth being revised upwards closer to 5.0%. Full year data shows that the Qatari economy grew at 6.5% in 2013 with a softening during Q4 on the back of easing hydrocarbon output. The recently announced Qatari budget, which is the highest yet, reaffirms the expansionary stance of the government. Education, health, infrastructure and transport account for 54% of total QAR 218.4bn expenditure planned, and estimates are for a surplus of QAR 7.3bn based on a yet again conservative oil price of USD 65 / bbl.

Egypt's current account has fallen back in the red after posting a surplus in Q3 2013 which was the first in five years. Weak tourism, reducing capital inflows as well as a worsening hydrocarbon balance position and debt service are some of the challenges the new government will face. However GCC states are likely to continue to come to Egypt's aid in preventing severe reserve depletion. A timeline for presidential elections has also been announced with final results expected June 26th with former general Mohammed Sisi as the frontrunner.

A March 16th referendum resulted in Crimean voters favoring becoming part of Russia and world leaders are calling for tougher sanctions as a result. The risk of geopolitical tensions undermining investor confidence remains a risk. However in the short term regional markets are poised for Q1 results season which should outweigh global events for investors and provide an additional catalyst for market momentum.



As of March 31st, 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**	3.8%	3.7%	0.1%
YTD	13.0%	11.7%	1.2%
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 February 24th, 2014 and March 31, 2014

Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 13.2 billion
Average Dividend Yield*	2.3%
P/E Ratio 2014	14.8x

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

Fund Metrics*

Alpha	11.6%
Beta	1.0
Volatility	10.8%
Information Ratio	2.6

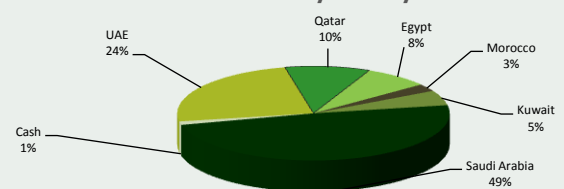
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

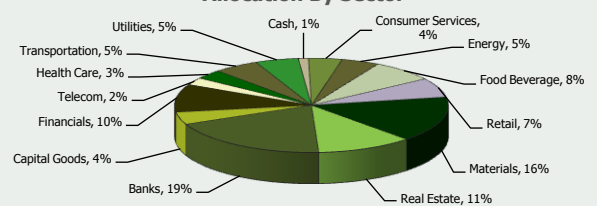
Holding	Country	% of NAV*
Fawaz Abdulaziz Al Hokair & Co.	Saudi Arabia	6.7%
SABIC	Saudi Arabia	6.5%
SABB	Saudi Arabia	6.4%
Dubai Investments	United Arab Emirates	5.6%
Saudi Industrial Services	Saudi Arabia	5.1%

*Figures as of March 31st, 2014

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 32.69
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.0%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH