

### Fund Manager's Strategy & Outlook

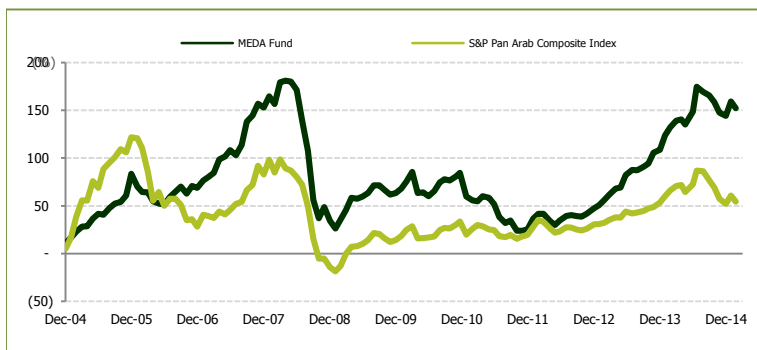
Regional markets performed poorly in the previous month over the backdrop of major geopolitical events and crude oil softening by 5.6%. The Saudi market however was the best performing, having lost 3.0%. The Abu Dhabi, Turkish and Kuwaiti indices dropped by 4.3%, 4.8% and 4.9%, respectively. The Egyptian bourse fell by 5.0% while the Omani and Qatari markets lost 6.1% and 7.7%. Dubai was the worst performing market with a drop of 10.1% over the period.

With diplomacy having failed, Saudi is leading a coalition comprising of most of the Arab world, the U.S. and Pakistan that has been carrying out strikes against Houthi rebels in Yemen. The Saudis are attempting to reinstate the ex-president to power while ending the rebel military expansion which comes under the sphere of influence of Iran. The conflict has not really been detrimental to the market thus far but if the offensive results in ground forces being deployed, or if retaliation occurs, this could hurt sentiment temporarily.

Saudi budgeted USD 80bn in defense spending in 2014 which was one of the highest appropriations globally. Given the current climate it does not seem likely that any significant cutback will occur in terms of defense expenditure. This is important since if overall government spending in Saudi is not properly managed the budget deficit could grow to over 20% of GDP, under the current oil price environment. Therefore, any savings are likely to occur from capital expenditure which can have an impact to slowdown economic growth down the line. Saudi Arabia's reserve assets declined by USD 20bn in February which represents the largest reported M-o-M decline to date. The cause of this exceptional decline would have been related to the need to fund one-off bonus payments to public sector workers. Data shows that these payments have had a positive impact on consumption within the country with point of sale transactions surging 42% Y-o-Y. The increased domestic consumption is expected to reflect strongly on consumer names in the upcoming Q1 results.

The U.S. – Iran deal is a work under progress likely to face several hurdles but the Iranians have appeared to make significant concessions, allowing restrictions on nuclear assets and even on those whose existence was previously denied. The deadline for an agreement has been set for the end of June and the relaxing of sanctions can prove beneficial to trading partners in the region such as the U.A.E. across the banking, real estate and logistics sectors.

Egypt has seen a series of positive announcements including USD 12.5bn in new GCC aid and investment along with USD 55bn of new investment agreements, a reduction in corporate tax along with other tax concessions. The government is pushing to provide greater investor protection and streamlining bureaucracy. Kuwait announced it would be lending Egypt a further USD 1.5bn over five years and it seems Egypt is close to inking an IMF deal as well. Overall these are very positive announcements for the market and reflect on Egypt's geopolitical significance in the region. The market also recently saw the successful listing of OCI and EDITA providing a positive boost to sentiment.



As of March 30, 2015

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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**	-2.7%	-4.1%	1.4%
YTD	2.0%	-2.1%	4.1%
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 February 23, 2014 and March 30, 2015

### Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 7.0 billion
Average Dividend Yield*	3.0%
P/E Ratio 2015	15.4x

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

### Fund Metrics\*

Alpha	14.1%
Beta	0.9
Volatility	12.6%
Information Ratio	2.8

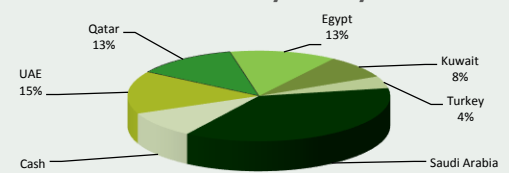
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29<sup>th</sup> December 2011

### Top Five Holdings

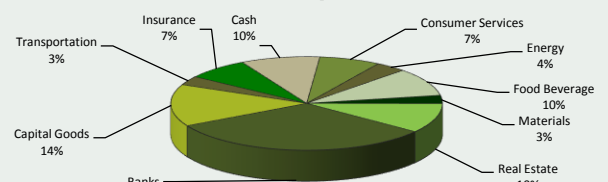
Holding	Country	% of NAV*
Eastern Tobacco	Egypt	7.1%
SABB	Saudi Arabia	5.9%
Saudi Hollandi Bank	Saudi Arabia	5.5%
Al Khaleej Training and Education	Saudi Arabia	4.9%
Bupa Arabia	Saudi Arabia	4.5%

\*Figures as of March 30, 2014

### Allocation By Country



### Allocation By Sector



### Fund Data

NAV per Share (Class A)	USD 35.5
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

### Fund Identifiers

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