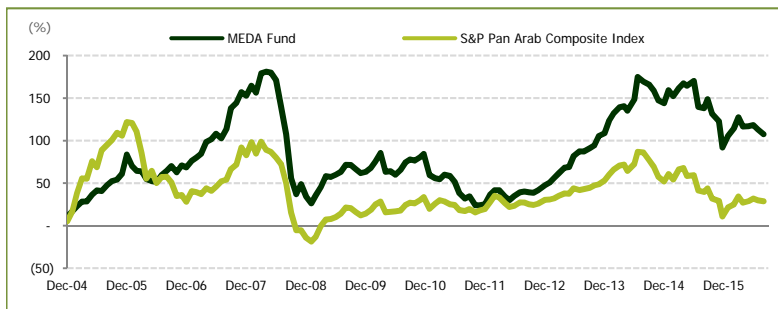


Fund Manager's Strategy & Outlook

Over the course of the previous month geopolitical events along with looming fiscal reforms increased volatility in regional equity markets, while Brent crude lost 3.8%. Oil prices posted a small recovery however at the end of September, breaking through and remaining over the USD 50 / bbl mark. The driver of this was that OPEC, for the first time in eight years, decided to cut production during the meeting in Algiers. The cut of approximately 1mn b/d is yet to be implemented and is not a game changer, however it implies that the largest players have reached a certain pain threshold. Saudi Arabia looks to have softened its stance on Iran as the latter, along with Nigeria and Libya, will be exempt from implementing the cut. Kuwait was the best performing market in the region and was relatively unchanged at 0.1%. The Turkish and Dubai indices were flat for the month along with the Abu Dhabi market which was down 0.1%. The Omani and Egyptian markets were slightly down at 0.2% and 0.7%, respectively. The Saudi and Qatari markets fared much worse in terms of performance losing 1.9% and 6.7%, respectively over the period.

The Saudi government passed a decree to curtail the public sector wage bill, and this involves salary cuts for top officials, a freeze on salary increases for public sector employees for one year, and adjustments to other bonuses and allowances. The government employs approximately a quarter of the local population and cuts in financial benefits will likely have a significant impact on consumer spending and sentiment. The measure is part of the Kingdom's National Transformation Plan which has a midterm target to reduce the public sector wage bill by 5%. Any austerity measures will dampen personal consumption, but there are names in the sector that are better positioned to weather the storm than others. Another important event related to Saudi was the passing of the Justice Against Sponsors of Terrorism Act by the US Congress which impacts the scope of foreign sovereign immunity. The implications of the law are negative for Saudi but difficult to quantify as of now. On the positive front, Saudi Arabia has however gone ahead with its international sovereign bond roadshow.

In Egypt, the gap between official exchange rate and the parallel market exchange rate has crossed 40% and signs are that a devaluation is imminent to close the gap between the two rates. The government may decide on a re-pegging at a lower rate or this may be the signal that a new currency regime is on the horizon. The inflationary impact is largely already accounted for since a significant part of the economy has migrated to the parallel exchange rate, therefore additional inflationary pressures are likely to be limited. As a result the Central Bank will likely raise rates significantly in order to stabilizing the FX rate post the devaluation. News flow indicates that Saudi Aramco will halt the supply of refined products to Egypt and this may have come as a result of Egypt opting not to side with Saudi on the UN resolution on Syria vote. Third quarter results are upcoming and will be the driver behind market movement in the short term.



As of September 26, 2016

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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**	-3.2%	-0.9%	-2.3%
YTD	-6.9%	-0.4%	-6.5%
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 August 29 2016 and September 26, 2016

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	USD 6.0 billion
Average Dividend Yield*	2.6%
P/E Ratio 2016	14.1

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

Fund Metrics*

Alpha	8.1%
Beta	0.9
Volatility	15.8%
Information Ratio	1.40

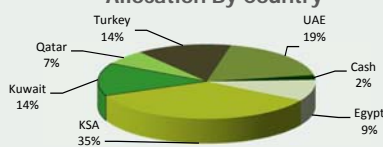
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

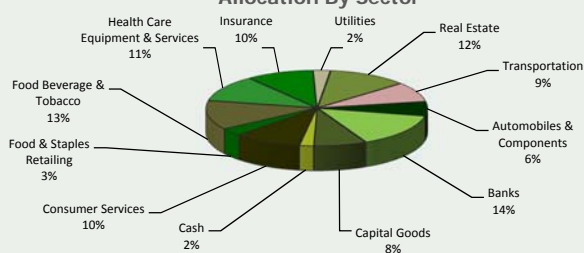
Holding	Country	% of NAV*
Al Rajhi Bank	KSA	7.7%
Kuwait Food Co Americana	Kuwait	6.0%
Ulker Biskuvi Sanay	Turkey	5.4%
Aramex	UAE	5.2%
Mouwasat Medical Services	KSA	5.1%

*Figures as of September 26, 2016

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 29.22
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.82%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

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