المجموعة المالية هيرميس
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The EFG-Hermes Middle East & Developing Africa (MEDA) Fund
July 2013

Fund Manager's Strategy & Outlook

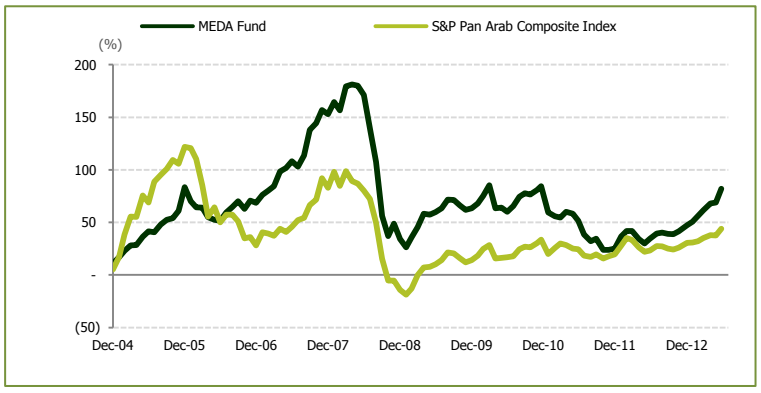
MENA markets rebounded strongly over the last month and during the Ramadan period. The UAE bourses were the star performers with Dubai and Abu Dhabi having gained 16% and 8% respectively. The Egyptian market rallied 12% on the back of positive political changes. The Saudi market rose by 6% as the Omani and Qatari markets gained 5%. The Kuwaiti market was the worst performing in the region having gained almost 4%.

In Egypt, a counter revolution led by the army and the liberals took place, which led to the ouster of Mohamed Morsi. The renewed political transition should result in a more stable Egypt in the longer run on the back of a more inclusive constitution and a more representative Parliament. In the meantime, the USD 12bn of financial support extended by Kuwait, UAE and Saudi Arabia should alleviate concerns about the fiscal position during the transition period, and USD 5bn in aid has already been disbursed in July. Resumption of the IMF talks with interim President Mansour is unlikely during this transition period and short term volatility remains as Morsi supporters continue to protest his removal. The Fund will continue to limit exposure until the political situation becomes more stable and additional visibility emerges on social reforms and economic policy going forward.

In Qatar tighter regulations are likely intended to encourage the shift of banking assets to either direct domestic customer lending or higher participation in Qatari sovereign debt securities (exposures to which are exempt from the set limits). The net impact of these regulations should benefit the financing of the Qatari infrastructure investments program in the coming years. These investment plans include projects such as Qatar Rail. The government has confirmed awarding of QAR 30bn worth of contracts for this project recently.

Trading volumes were better than expected in Dubai, and the markets are starting to reflect the improvements witnessed on the ground. According to the IMF the recovery in UAE headline growth has been helped by a rebound in the oil sector, strong outturns in services, a sharp increase in Dubai's non-hydrocarbon exports, improvement in the real estate sector and stronger capital inflows. In Dubai, the markets are awaiting the results of the 2020 World Expo bid and should Dubai emerge as the host city, many recently announced new real estate and tourism projects could see accelerated implementation. The real estate sector continues to gather momentum; Emaar announced that it recognized AED 1.95bn in Property sales in Q2 alone, which is up 71% Y-o-Y. Hospitality revenues were up 11.8% and Address hotels occupancy for H1 was 90%.

Recent Q2 results were positive across the board and contributed to the best Ramadan performance of MENA markets in recent times.



As of July 29th, 2013

EFG-Hermes Asset Management

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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**	7.7%	4.6%	3.1%
YTD	28.5%	14.4%	14.1%
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 24th, 2013 and July 29th, 2013

Fund Characteristics

No. of Holdings	25
Weighted Market Cap	USD 12.2 billion
Average Dividend Yield*	2.7%
P/E Ratio 2013	13.8x

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

Fund Metrics*

Alpha	13.5%
Beta	1.1
Standard Deviation	3.4%
Information Ratio	3.3

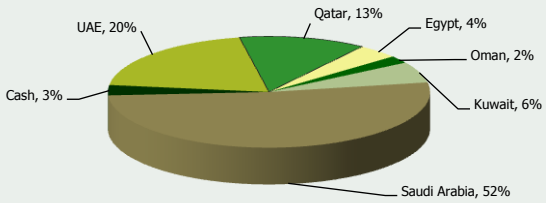
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

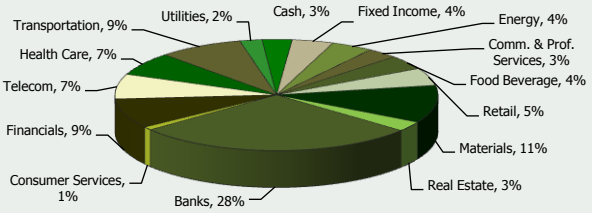
Holding	Country	% of NAV*
Dubai Investments PJSC	United Arab Emirates	8.7%
Etihad Etisalat	Saudi Arabia	7.2%
Qatar National Bank	Qatar	6.3%
Saudi British Bank	Saudi Arabia	6.1%
SABIC	Saudi Arabia	5.4%

*Figures as of July 29th, 2013

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 25.63
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.1%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH

This update does not constitute an offer of shares and should not be relied upon by any person acquiring or otherwise dealing in shares of the company. Subscription of shares in the company may only currently be made on the terms of the Placing Memorandum of the company. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in The EFG-Hermes Middle East & Developing Africa (MEDA) Fund and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of shares and the income from them to fluctuate and you may get back less than you invested when you decided to sell your share.