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

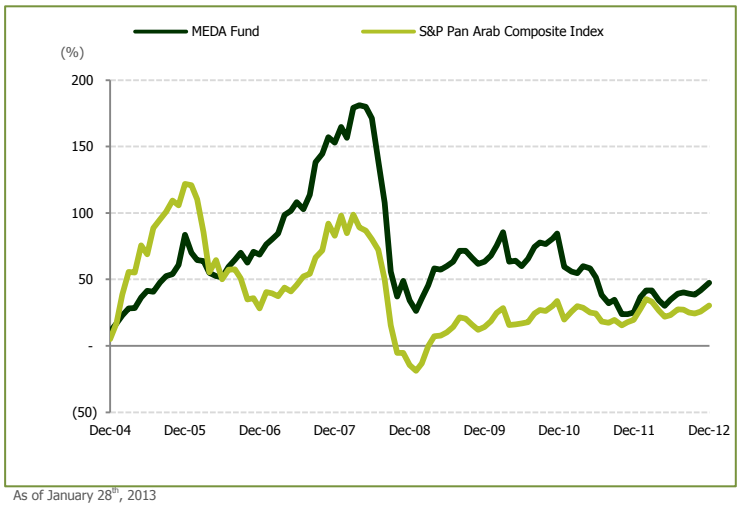
Fund Manager's Strategy & Outlook

MENA markets enjoyed one of the best starts to the year in recent memory, supported by a more positive global outlook, attractive valuations, and global central bank liquidity. For the first time since the financial crisis, volumes in the UAE breached the USD 200 million mark, largely supported by positive investor sentiment and a solid economic recovery in Dubai which registered a 16% gain during January. Abu Dhabi was the second best performing market, gaining 9% and Kuwait, a lagging market over the last two years, gained 5%.

While political uncertainty resulting from the Arab Spring deterred foreign investment in the region over the last two years, we believe 2013 will be a different story. We still hold the view that GCC countries maintain a solid backdrop, and with their large balance sheets and massive investment plans, they are best positioned to outperform. Outside the GCC, a polarized society and political impasse overshadow any potential economic recovery in Egypt in the short term, we believe the potential gain is not large enough to justify the volatility risks hence we remain underweight.

In the GCC, the core holdings of the Fund are in Saudi Arabia and the UAE which in our view offer the best secular stories in the region. Qatar continues to be a solid macro story supported by large government spending. The Investment Manager believes cyclical sectors should benefit from strong economic fundamentals and inevitably trickle through to corporate profits.

We expect that 2013 will be a solid year for the MENA region. The region has underperformed emerging markets significantly since the height of the financial crisis. MENA currently is one of the few investment destinations that still offers a high dividend yield, attractive valuations, and solid growth profile.



As of January 28th, 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**	4.1%	3.6%	0.5%
YTD	4.1%	3.6%	0.5%
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 December 31st, 2012 and January 28th, 2012

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	USD 14.4 billion
Average Dividend Yield*	3.7%
P/E Ratio 2013	10.1x

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

Fund Metrics*

Alpha	1.2%
Beta	0.7
Standard Deviation	5.7%
Information Ratio	0.06

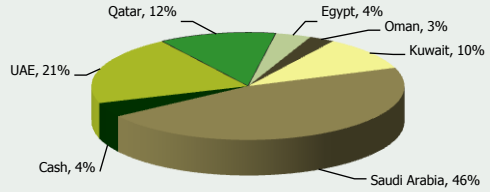
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

Top Five Equity Holdings

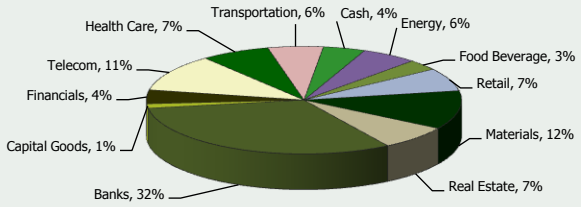
Holding	Country	% of NAV*
SABIC	Saudi Arabia	7.9%
Etihad Etisalat	Saudi Arabia	7.1%
Fawaz Abdulaziz AlHokair Company	Saudi Arabia	7.0%
Qatar National Bank	Qatar	6.5%
Arab National Bank	Saudi Arabia	5.0%

*Figures as of January 28th, 2013

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 20.76
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.2%
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.