المجموعة المالية هيرميس
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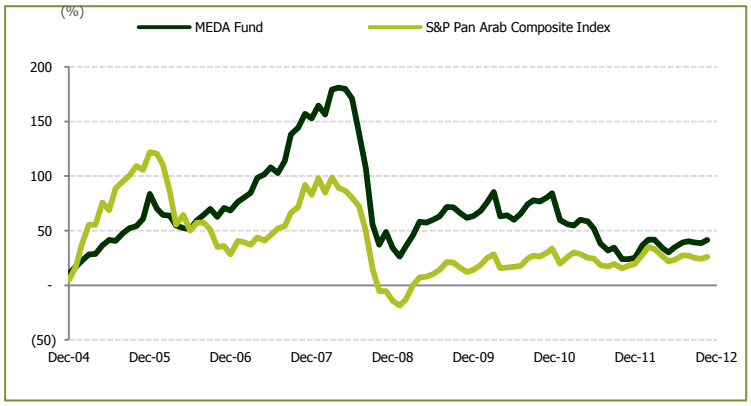
The EFG-Hermes Middle East & Developing Africa (MEDA) Fund
December 2012

Fund Manager's Strategy & Outlook

The MEDA Fund had a solid December on the back of strong investor risk appetite, ending the year with a gain of 14.3% versus the S&P Pan Arab index which gained 6.8% in 2012. In the first quarter of 2012, MENA markets experienced a broad rally on the back of firm oil prices, improving investor sentiment, and attractive valuations. In April, turmoil in global markets contributed to indiscriminate declines across most MENA markets. This correction was largely driven by the deterioration of Europe's ongoing debt crisis. As the lackluster summer months came to a close, investor sentiment began to recover, and in the process the markets reversed some of the dislocations that were apparent in Q2. The robust performance was apparent across the Egyptian market which had recovered from a dismal 2011, to register a 51% gain. The Dubai market recorded a 20% gain and the Saudi market had a strong December, ending the year at 6%.

In December, the Investment Manager maintained a high exposure level to take advantage of the positive momentum. Saudi Arabia had the best month following positive reports on the King's health. In Egypt, the market recovered all of its losses from November, following the approval of the constitution. Although the public in Egypt remains highly polarized on the political landscape, focus will now shift to social stability and economic reforms with the aim to restore much needed economic growth- we still see downside risks in Egypt in the foreseeable future and hence we remain neutral.

As 2012 comes to a close, the MENA markets have registered a solid performance overall although differentiation on a country level and a thematic thesis in selective countries have largely contributed to our performance this year. We remain constructive on the MENA markets in 2013 and believe the long term story in the MENA region remains attractive. A very healthy fiscal position in the GCC countries, solid growth in non oil assets which is supported by investment spending, and attractive valuations, attractive dividend yields are some of the key features that support the MENA investment case. MENA markets have traditionally been a late cycle play in the past, and hence we believe in 2013 the markets have very bright prospects.



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**	2.2%	1.3%	0.9%
YTD	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 November 19th, 2012 and December 31st, 2012

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	USD 13.0 billion
Average Dividend Yield*	3.4%
P/E Ratio 2013	9.8x

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

Fund Metrics*

Alpha	1.0%
Beta	0.7
Standard Deviation	5.7%
Information Ratio	0.06

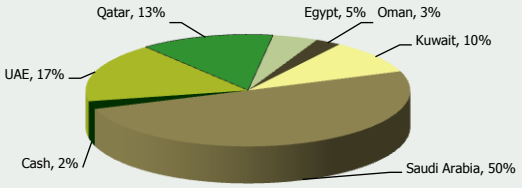
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

Top Five Equity Holdings

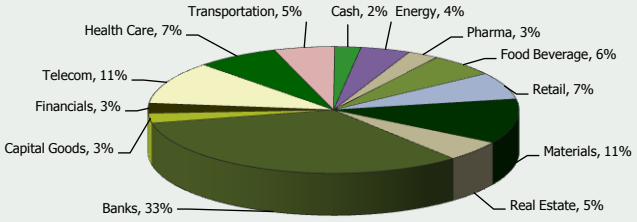
Holding	Country	% of NAV*
Etihad Etisalat	Saudi Arabia	6.9%
Fawaz Abdulaziz AlHokair Company	Saudi Arabia	6.9%
SABIC	Saudi Arabia	6.9%
Qatar National Bank	Qatar	6.6%
Emaar Properties	United Arab Emirates	5.2%

*Figures as of December 31st, 2012

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 19.94
Fund Size (USD)	USD 61 million
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.