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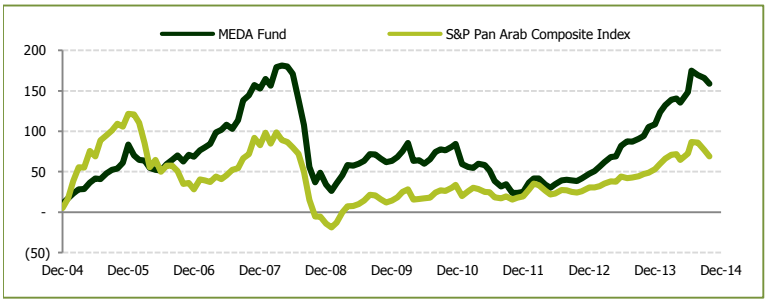
The EFG-Hermes Middle East & Developing Africa (MEDA) Fund
November 2014

Fund Manager's Strategy & Outlook

The sharp decline in oil prices has triggered the correction MENA markets were in need of as valuations continued to expand since 2013. Crude oil prices lost 7.6% last month to reach USD 80 / bbl and currently oil has broken below USD 70 / bbl. OPEC has refused to cut production post an initial correction in an attempt to price out higher cost shale supply, negative revisions are occurring on global growth and demand, making the outlook on oil prices quite bleak in the short term. The marginal North American producers are not expected to halt production as capital expenditures have been made pushing prices lower from the current level. However there will be a significant decline in exploratory drilling and new project cancellations which have already started to be announced. Major oil producers are also expected to move sooner rather than later to cut their oil production and providing a floor for oil prices. Given the current supply / demand dynamics in the oil market, the sustainable price of oil has dropped from US$100 per barrel to US$80. Please find attached an in-house analysis on oil price and its impact on the MENA economies.

Saudi has been hardest with the market declining 7.7% during the past month in line with the move in crude oil prices. The Saudi Index has a significant concentration to the petrochemical sector which is directly impacted by falling crude. The Kuwaiti bourse also suffered losses having dropped 3.7% while the Dubai Index remained unchanged. Other MENA markets had muted performance with Turkey and Egypt being the stand-out performers having gained 5.1% and 5.9%, respectively. As oil continues to drop we expect the other GCC markets to take short term cues from the Saudi market and follow in the downward trend however at a slower rate, which in turn will provide the opportunity to add capital in over-sold and undervalued sectors across the board. The fund has a significant underweight allocation to the petrochemical sector and no exposure to the capital goods sector in the GCC.

Upcoming catalysts which will help determine the direction of markets will be the FY 2014 results along with the announcement of the Saudi budget for 2015. Although oil producers seem reluctant to drop production, this sharp move in price will trigger them to announce cuts. The IPO pipeline remains healthy, two companies in the healthcare sector are expected to list in 1Q 2015 as well as a name in the food sector. Recently the UAE market saw the listing of Dubai Parks, Amanat and Marka. The investment manager is continuously reshuffling the fund to benefit from price anomalies and new opportunities as they present themselves.



As of November 24, 2014

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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%	-4.4%	1.7%
YTD	25.8%	13.8%	12.0%
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 October 27, 2014 and November 24, 2014

Fund Characteristics

No. of Holdings	27
Weighted Market Cap	USD 8.1 billion
Average Dividend Yield*	3.1%
P/E Ratio 2014	16.6x

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

Fund Metrics*

Alpha	13.3%
Beta	1.0
Volatility	12.1%
Information Ratio	2.6

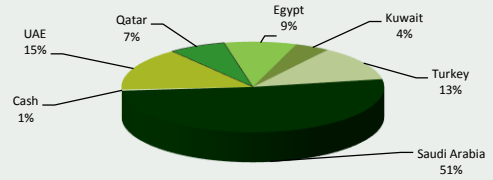
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since 29th December 2011

Top Five Holdings

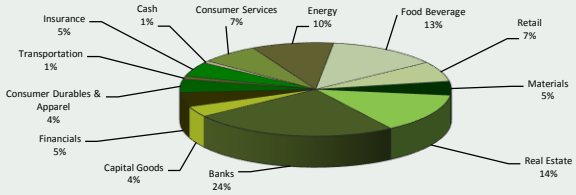
Holding	Country	% of NAV*
SABB	Saudi Arabia	6.5%
DAMAC REAL ESTATE	United Arab Emirates	6.2%
Fawaz Al –Hokair	Saudi Arabia	6.2%
Eastern Tobacco	Egypt	6.0%
Bupa Arabia	Saudi Arabia	5.3%

*Figures as of November 24, 2014

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 36.42
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.6%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

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

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.