



Fund Manager's Strategy & Outlook

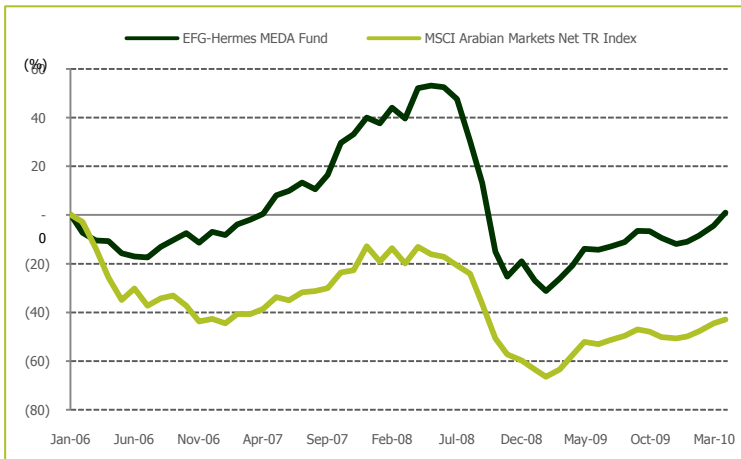
The MEDA Fund gained 5.7% during the month as selective regional markets followed the rally in global markets on the back of strong Q1 results in most sectors. The Egyptian market was the best performing market gaining 9% on news of the potential sale of Orascom Telecom assets to MTN. In the GCC, the Saudi Arabian and Qatari markets experienced mild gains as investor sentiment continued to improve, while Dubai and Abu Dhabi experienced declines of 6% and 5%, respectively; sentiment remains relatively fragile in those markets as the process of de-leveraging continues. While we maintain a cautious view on the UAE, we believe attractive opportunities will emerge as assets become potentially mispriced as investors remain focused on the uncertainty in the macro environment.

In the GCC, the Saudi market maintained its uptrend as better than expected Q1 results helped build investor confidence. We retain our positive view on this market, but we have reduced our allocation slightly as we believe the possibility of a short-term correction has increased. We would use any short-term correction as an opportunity to increase our exposure to the market. Medium term positive catalysts for the Saudi market include improvements in market access for foreign investors, as well as the potential implementation of a mortgage law.

In Qatar, the Investment Manager maintains the current allocation. Accelerating earnings growth coupled with an economy that has one of the highest growth rates globally should provide a favorable backdrop. In Kuwait, we have increased the Fund's exposure as we believe that sustained progress in policy formation is underway. Furthermore, we believe that valuations are attractive in selective stocks and sentiment has been overly negative in that market.

The Egyptian market continued to add to its strong performance year to date. Orascom Telecom, one of the Fund's largest holdings, experienced a 25%+ rally on the back of news of a potential sale of assets to MTN. The Investment Manager has reduced the Fund's allocation to the Egyptian market following this recent rally.

We maintain a positive outlook for the MENA markets as strong relative performance versus international markets continues. Strength in oil prices coupled with improvement in earnings visibility may help drive further rerating, while providing a favorable backdrop for the MENA markets.



Hashem Montasser – Head of Asset Management
Karim Nehma – Fund Manager
Mohamed Abdel Halim – Director

Tel: 9714-363 4047 / Fax: 9714-362 1171
e-mail : AMsales@efg-hermes.com

Objective

Long term capital appreciation through investing in Middle East and North African equities and equity-related securities.

Fund Performance

	MEDA Fund Class A	MSCI Arabia*	Difference
MTD**	5.7%	2.8%	2.9%
YTD	14.6%	15.9%	-1.3%
2009	8.7%	22.2%	-13.5%
2008	-42.1%	-53.8%	11.7%
2007	50.5%	52.1%	-1.6%
2006	6.2%	-42.7%	48.9%
2005	60.9%	NA	NA

	MEDA Fund Class A	MSCI Arabia*	Difference
1 year	27.4%	24.2%	3.2%
3 year	0.5%	-7.1%	7.6%
5 year	44.6%	NA	NA
Since Inception*	1.0%	-42.9%	43.9%

*MSCI Arabian Markets Net TR USD Index launched in January 2006

**Performance figures are reflective of the period from March 29th, 2010 to April 26th, 2010

Fund Characteristics

No. of Holdings	35
Weighted Market Cap	USD 9.9 billion
Dividend Yield	3.0%
P/E Ratio 10	10.5x

Fund Metrics*

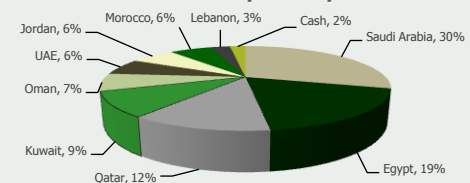
Alpha	7.3%
Beta	0.7
Standard Deviation	15.4%
Information Ratio	0.6

*Calculated vs. MSCI Arabian Markets Net TR USD index since inception in January 2006

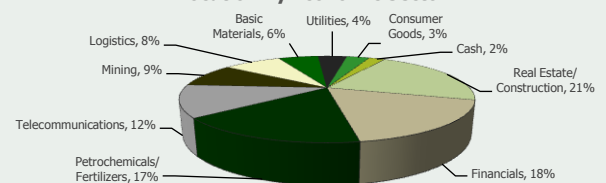
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	8.9%
Al Rajhi Bank	Saudi Arabia	5.2%
Sahara Petrochemicals Co.	Saudi Arabia	5.0%
Talaat Mustafa Group	Egypt	4.8%
SABIC	Saudi Arabia	4.4%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 26.11
NAV per Share (Class C)*	USD 26.14
No. of Share Certificates	12,080,552
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

* NAV per share and asset allocation figures are as of April 26th, 2010

Fund Identifiers

ISIN (Class A shares)	BMG294041030
ISIN (Class C shares)	BMG294042020
Bloomberg Ticker	EFGMEAF BH