



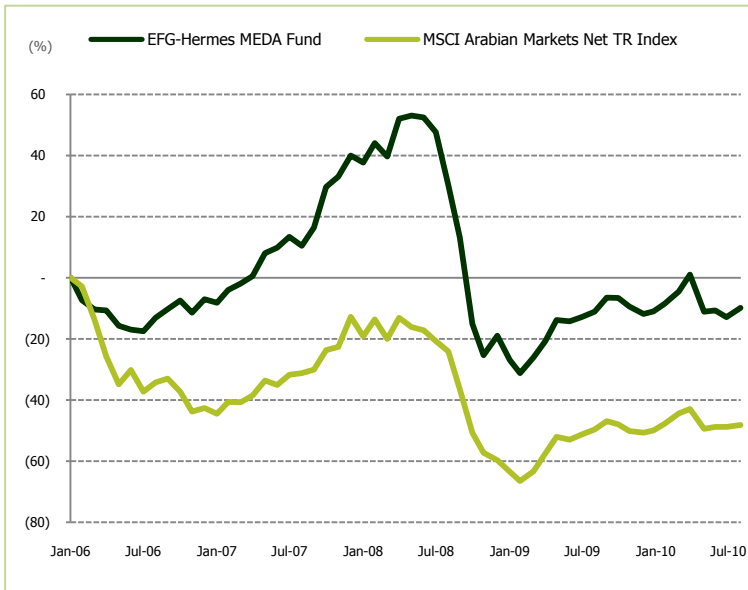
Fund Manager's Strategy & Outlook

Markets were overwhelmingly mixed in August with regional bourses posting modest gains or losses. Despite continued volatility and lackluster activity amid the Holy Month of Ramadan, the MEDA Fund gained 3.5% to bring its YTD performance to +2.3%. The Qatari and Egyptian markets were the best-performing rising 2.8% and 1.5%, respectively. The Kuwait Stock Exchange gained 0.5% while the Saudi and UAE markets posted modest declines.

In the GCC, we continue to believe that supportive commodity prices will provide a positive backdrop for resilient growth. The relatively solid fiscal positions of these economies will help mitigate systemic risks including the Euro debt crisis and proposed austerity measures. Regional governments are poised to continue their ambitious investment programs, while supporting their economic recoveries through interventionist policies should they face headwinds in the short to medium term.

In Saudi Arabia, the Investment Manager remains broadly positive on the market and believes the ratification of the Kingdom's mortgage law could potentially be a strong catalyst for outperformance. The Investment Manager has also become more constructive on Kuwaiti names as the government progresses with its long-awaited investment program and private sector credit growth resumes in the country. We also maintain a positive view on the Egyptian market; investor interest has somewhat recovered following the Orascom Telecom/ Vimpelcom merger talks and the potential sale of Djezzy to the Algerian government. Furthermore we believe favorable demographics and domestic consumption in the country as well as a potential pickup in inflation will be supportive of real estate and consumer names going forward.

As we approach the Eid holiday and the end of the summer lull, the Investment Manager is confident that market volumes and investor activity will recover. Resilient oil prices and historically low valuation levels will drive increased interest in the MENA markets despite uncertainty over the global economic environment. Improving visibility on fundamentals, future cash flows and a significant pick-up in credit growth are all possible catalysts for MENA market outperformance as we go into the last quarter of 2010.



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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	MSCI Arabia*	Difference
MTD**	3.5%	1.2%	2.3%
YTD	2.3%	5.2%	-2.9%
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	1.4%	3.0%	-1.6%
3 year	-18.4%	-24.7%	6.3%
5 year	17.7%	NA	NA
Since Inception*	-9.8%	-48.2%	38.4%

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

**Performance figures are reflective of the period from July 26th, 2010 to August 30th, 2010

Fund Characteristics

No. of Holdings	32
Weighted Market Cap	USD 11.2 billion
Dividend Yield*	5.0%
P/E Ratio 10	10.4x

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

Fund Metrics*

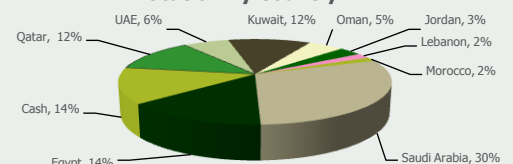
Alpha	5.7%
Beta	0.7
Standard Deviation	15.2%
Information Ratio	0.6

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

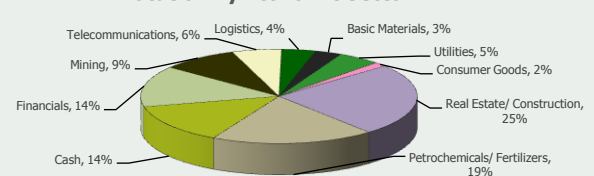
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	9.0%
SABIC	Saudi Arabia	7.3%
Palm Hills	Egypt	6.3%
Qatar Electricity and Water Co.	Qatar	5.0%
Sahara Petrochemicals	Saudi Arabia	4.5%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 23.31
NAV per Share (Class C)*	USD 23.02
Fund Size (USD)	USD 274 million
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.4%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

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

Fund Identifiers

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