

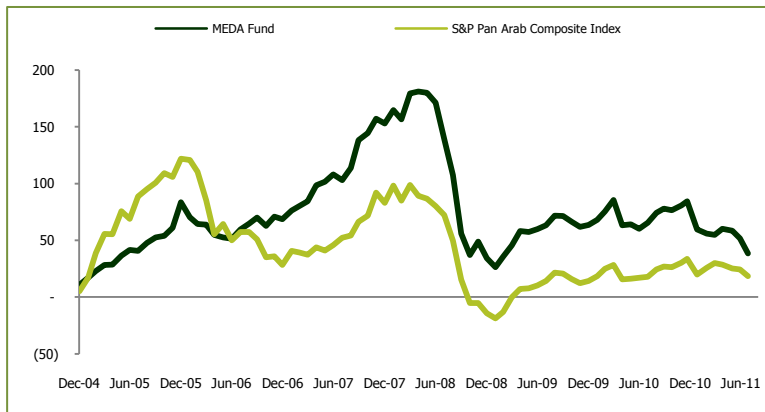
## Fund Manager's Strategy & Outlook

Markets in the MENA region put on a dismal performance during the month of August following the declines in global markets. The rapid deterioration in the European and US markets following the S&P downgrade of the US sovereign credit rating, resulted in loss of confidence by global investors. This triggered an unwinding of risk across the board and the MENA region was no exception. Volumes were anemic as investor appetite waned and trading hours were shortened as the Holy month of Ramadan got off to a start. The worst performing markets were Egypt, Saudi Arabia, and Kuwait- declining by 8%, 6%, and 3% respectively. The MEDA Fund declined by 8.8% during the month.

Slower global growth and a heightened probability for a recession will no doubt impact the MENA region through lower energy prices and slower trade flows. Although downside risks exist in the GCC countries, growth has strengthened recently as a result of higher oil production (the events surrounding the Arab Spring led to increased output), and the significant public spending announced by several GCC countries. In the unlikely event of a renewed period of a sharp global slowdown, non-GCC countries will likely face more acute challenges. Although the Investment Manager will remain cautious over the short term, we believe that attractive buying opportunities will emerge in Q4, most notably in countries with the strongest fiscal positions.

In Egypt, the Central Bank of Egypt kept the overnight deposit and lending rates unchanged at 8.25% and 9.75% respectively. Furthermore, on the political side, the trial of former president Mubarak and his affiliates commenced. Although we believe the Egyptian market will remain volatile until the parliamentary and presidential elections are concluded, the Investment Manager remains confident that attractive long term opportunities exist in the Fund's highest conviction names.

In Saudi Arabia, we still believe that the near term economic outlook remains favorable in light of the USD 130 billion spending plans on economic development. The Investment Manager will maintain the Fund's current positions.



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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**	-8.8%	-4.9%	-3.9%
YTD	-23.4%	-9.1%	-14.3%
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%

	MEDA Fund Class A	S&P Pan Arab*	Difference
1 year	-16.4%	0.4%	-16.8%
3 year	-42.1%	-31.3%	-10.8%
5 year	-13.3%	-24.8%	11.5%
Since Inception*	38.4%	18.3%	20.1%

\*Figures reflect performance since inception of S&P Pan Arab Composite Large/Mid Cap Net TR Index in Dec 2004  
\*\*MTD figures reflect performance between July 25<sup>th</sup>, 2011 and August 29<sup>th</sup>, 2011

### Fund Characteristics

No. of Holdings	25
Weighted Market Cap	USD 5.3 billion
Average Dividend Yield*	4.5%
P/E Ratio 2011	9.8x

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

### Fund Metrics\*

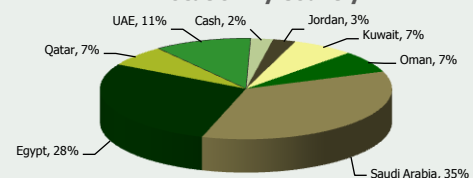
Alpha	1.4%
Beta	0.7
Standard Deviation	6.0%
Information Ratio	0.1

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

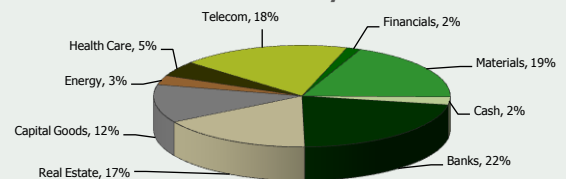
### Top Five Equity Holdings

Holding	Country	% of NAV
Talaat Mustafa Holding	Egypt	7.8%
Mobile Telecommunications Co.	Kuwait	6.9%
El Ezz Steel	Egypt	6.3%
Commercial International Bank	Egypt	5.4%
Qatar Telecom	Qatar	5.4%

### Allocation By Country



### Allocation By Sector



### Fund Data

NAV per Share (Class A)	USD 19.48
Fund Size (USD)	USD 157 million
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.9%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

### Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH