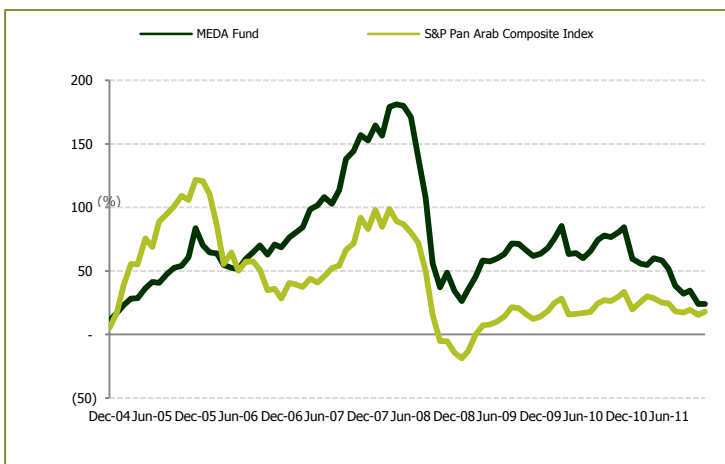


Fund Manager's Strategy & Outlook

The MENA markets experienced a turbulent 2011, largely as a result of the Arab Spring and general risk aversion which was evident by the lackluster trading volumes throughout the year. Ongoing political turmoil and a lack of a timeframe on transfer of power by the SCAF, has negatively impacted the Egyptian economy, and in the process placed the Egyptian market as the worst performing market in the MENA region with a 49% decline. Dubai and Kuwait declined by 17% and 16% respectively. On a slightly brighter note, Saudi Arabia and Qatar displayed resilience- declining by 3% and 1% respectively. The MEDA Fund ended 2011 with a 31.4% decline.

While our large bet on Egypt hurt the Fund in 2011, and contributed to a large portion of the declines, we believe that once the parliamentary elections are concluded, a constitution is drafted, and a handover of power is finalized, the Egyptian economy will rebound and will transition to a new phase of sustainable economic growth. For the time being we maintain a neutral weighting on Egypt.

The Investment Manager believes that there are several potential catalysts in 2012 that can cause the region to rerate. 1) Oil prices continue to hold above the USD 85 level which is above the breakeven levels of all the GCC countries (barring Bahrain) - this should support the ongoing spending by the various governments, and in the process benefit the banks that display the appetite to support lending to such projects. 2) Opening of Saudi market to foreign investors- this may be the silver lining for foreign investors to return to the MENA region, and in the process elevating volumes from current depressed levels- we believe that beneficiaries will be large cap companies, high dividend plays, and consumer related names. 3) MENA region attractive economic backdrop- the region is largely insulated from the debt problems affecting the developed economies, and has the war chest to sustain their spending plans- supported by a rapidly expanding consumer base, moreover the ongoing recovery in the banking sector should provide an additional pool of local liquidity to further stimulate investment activity.



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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**	0.0%	2.0%	-2.0%
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%

*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 November 28th, 2011 and December 29th, 2011

Fund Characteristics

No. of Holdings	26
Weighted Market Cap	USD 11.0 billion
Average Dividend Yield*	3.7%
P/E Ratio 2012	10.0x

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

Fund Metrics*

Alpha	-0.3%
Beta	0.7
Standard Deviation	5.9%
Information Ratio	0.0

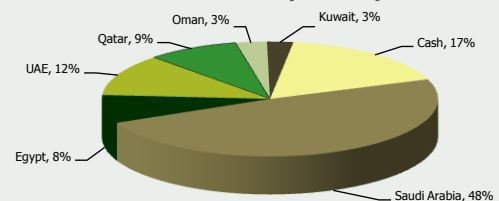
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

Top Five Equity Holdings

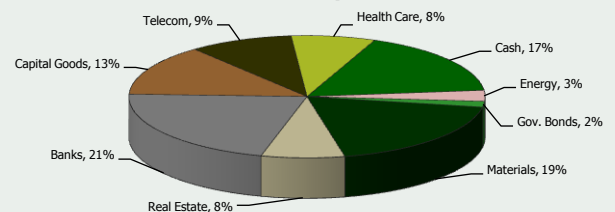
Holding	Country	% of NAV*
Mouwasat	Saudi Arabia	7.7%
First Gulf Bank	United Arab Emirates	7.1%
SABIC	Saudi Arabia	5.6%
Saudi Kayan	Saudi Arabia	5.5%
Samba Financial Group	Saudi Arabia	5.2%

*Figures as of December 29th, 2011

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 17.45
Fund Size (USD)	USD 119 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