



## Fund Manager's Strategy & Outlook

The MEDA Fund continues to exhibit high returns increasing by 14.1% this month to close at USD 25.85. We believe that the Fund's sustained gains are a direct result of the disciplined value approach adopted by the Fund manager which enabled the Fund to outperform all its regional peers in 2005 and show a monthly CAGR of 3.7% over the past 36 months.

The Fund was well positioned at the end of the year to reap the rewards of overweighting two of the best performing markets during the past two months, Egypt and Lebanon.

Furthermore, our minor positions in richly valued countries such as Qatar bode well for the Fund given the corrections these markets have been witnessing as of late.

We view the weakness, witnessed in select regional markets, as good entry points since various companies are presenting themselves as good value plays post correction.

We continue to be opportunistic in our search for value employing a rigorous approach of fundamental analysis across our investment universe. We have added to our holdings in the North African & Levant markets while waiting on the sidelines in expectation of a further correction in some of the GCC markets.

Looking ahead, while we continue to believe that some markets are trading at excessive valuations, a closer look at some key sectors such as the construction and building materials sectors reveal fundamental value with sustainable real earnings. Moreover, some of the smaller GCC countries that have not seen the same surge of inflows as their peers continue to trade at attractive multiples. We suspect small caps in several key markets to take front stage in the early parts of the year as they combine an attractive combination of hidden growth and underlying value. From a macro perspective, we believe that the Fund is well positioned to benefit from positive economic conditions while maintaining a diversity of holdings that helps it mitigate single-country downturns.

## Objective

The principal objective of the fund is long term capital appreciation through investing in listed Middle East and North Africa equities and equity related securities.

## Fund Information

NAV per share	USD 25.85
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management fees	1.4%
Incentive fees	15% over benchmark
Benchmark	10%

## Investment Information

Minimum Subscription	USD 10,000
Minimum Subsequent Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

## Fund Performance

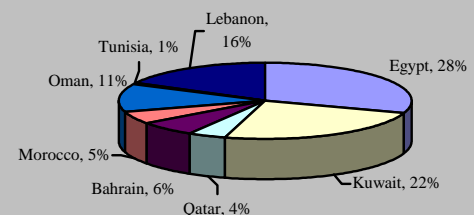
Trailing Returns	
YTD	14.1%
MTD	14.1%
3 Months	20.4%
1 Year	65.49%

Risk Overview	
No. Years ▲	5
No. Years ▼	2
Best Year ▲	60.9%
Worst Year ▼	-23%

## Top 3 Holdings

Holding	Country	% of NAV
Bank Audi	Lebanon	7.8
Orascom Construction	Egypt	6.9
Orascom Telecom	Egypt	6.6

## Equity Allocation By Country



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