



Fund Manager's Strategy & Outlook

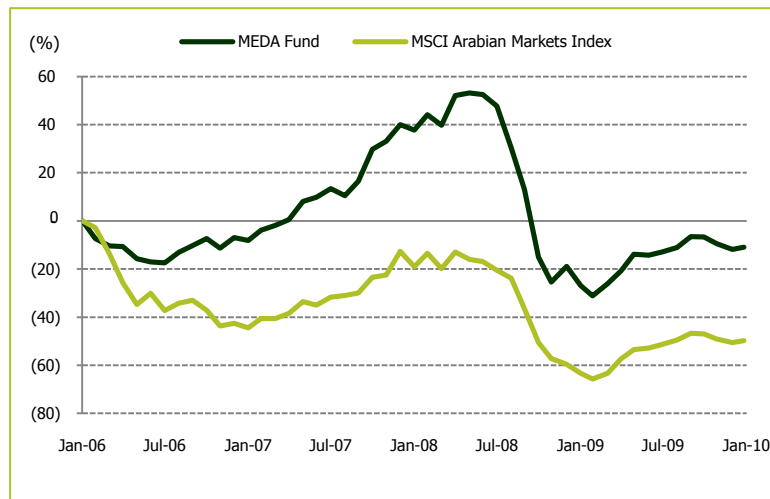
The MEDA Fund posted a gain of 1.0% as regional markets were largely mixed in the first month of 2010. The 10-month rally in global equity markets suffered a setback in January as risk aversion increased on anticipation of Chinese monetary tightening, the sovereign debt crisis in Greece, and uncertainty surrounding regulatory reforms to the US financial sector.

In the UAE, low volumes and a general lack of conviction from local and foreign investors drove the Dubai and Abu Dhabi markets down 12% and 4%, respectively. Investors remain wary of Dubai's debt situation as significant liabilities are due in 2010 and a general lack of clarity remains with regard to Dubai World's debt restructuring; S&P's downgrade of Dubai Holding coupled with ratings withdrawals underscore lingering concerns. We retain our cautious view on the UAE market and will continue to focus opportunistically on individual names as dislocations arise.

The Egyptian market decoupled from the global selloff posting a 9% gain. The real estate, telecommunications, and financial stocks drove the rally. The rally was in part driven by positive sentiment on EFG-Hermes' USD 913 million sale of its Bank Audi stake, and speculation surrounding the potential for a subsequent acquisition with the sale proceeds.

The Saudi market ended the month posting a 2% gain. The Kingdom's strong macro outlook continues to improve on the back of infrastructure spending and demand consumption. Selective sectors, namely in the petrochemical and energy-related space, should perform well in 2010 as global growth improves. Declining inflation should also help accelerate public spending and hence the Investment Manager will focus on domestic themes.

We continue to believe that the major driver of performance in 2010 will be stock selection as investors differentiate between value opportunities which lagged the 2009 rally.



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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** | 1.0% | 1.6% | -0.6% |
| 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 | 21.7% | 37.1% | -15.4% |
| 3 year | -3.1% | -9.7% | 6.6% |
| 5 year | 47.3% | NA | NA |
| Since Inception* | -11.0% | -50.0% | 39.0% |

*MSCI Arabian Markets TR Net USD Index launched in January 2006
**Performance figures are reflective of the period from December 31st, 2009 to January 25th, 2010

Fund Characteristics

| | |
|---------------------|-----------------|
| No. of Holdings | 34 |
| Weighted Market Cap | USD 9.0 billion |
| Dividend Yield | 3.0% |
| P/E Ratio 10 | 9.7x |

Fund Metrics*

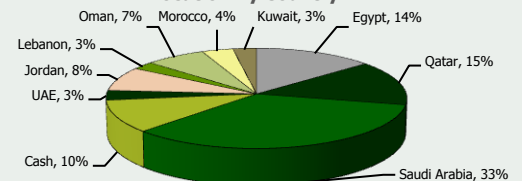
| | |
|--------------------|-------|
| Alpha | 6.5% |
| Beta | 0.7 |
| Standard Deviation | 18.0% |
| Information Ratio | 0.7 |

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

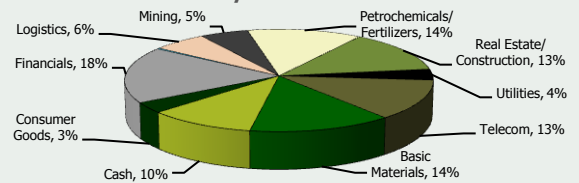
Top Five Equity Holdings

| Holding | Country | % of NAV |
|-----------------------------------|--------------|----------|
| El Sewedy Cables | Egypt | 5.8% |
| Saudi Arabian Mining Co. (Maaden) | Saudi Arabia | 5.5% |
| Sahara Petrochemicals Co. | Saudi Arabia | 4.8% |
| SABIC | Saudi Arabia | 4.3% |
| Al Rajhi Bank | Saudi Arabia | 4.3% |

Allocation By Country*



Allocation By Economic Sector*



Fund Data

| | |
|---------------------------|--------------|
| NAV per Share (Class A)* | USD 23.01 |
| NAV per Share (Class C)* | USD 22.85 |
| No. of Share Certificates | 13,197,266 |
| Management Fee | 1.4% |
| Incentive Fee | 15% over 10% |
| Expense Ratio | 2.0% |
| Minimum Subscription | USD 10,000 |
| Subscription / Redemption | Weekly |

* NAV per share and asset allocation figures are as of January 25th, 2010

Fund Identifiers

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