



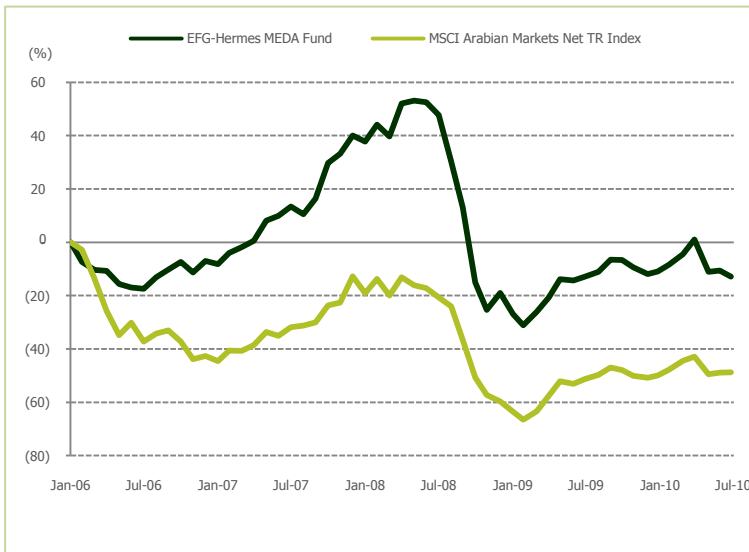
Fund Manager's Strategy & Outlook

During the month of July regional markets recovered from the lackluster conditions that took place in June. Persistent gains in oil prices, easing worries of a double dip recession, as well as a general improvement in risk appetite were some of the main catalysts that drove the rally. Egypt and Saudi Arabia were among the best performing markets during the month gaining 5% and 3%, respectively.

The majority of the MENA markets continued to trade on light volumes. Although the Dubai and Abu Dhabi markets ended the month in positive territory, disappointing results in the real estate sector, namely Emaar and Aldar, dampened investor sentiment. In Saudi Arabia, names in the consumer goods and financial services sectors were among the largest beneficiaries. In contrast, petrochemical stocks remained largely flat. The Kuwaiti market had a marginal gain on the back of rumors that the government would inject additional cash into the market coupled with a notable improvement in investor sentiment. As a result, the Investment Manager has increased the Fund's exposure to that market.

The Egyptian market displayed notable strength in July led by some of the domestic names. The Investment Manager remains confident that the macro story in this market remains robust.

While we believe that over the coming period volumes will remain anemic with the start of the Holy month of Ramadan, we are confident that the MENA markets will rerate given attractive valuations and supportive oil prices. Furthermore, as global markets continue to stabilize we believe this should create an additional catalyst for the MENA region.



Hashem Montasser – Head of Asset Management

Karim Nehma – Fund Manager

Mohamed Abdel Halim – Director

Tel: 9714-363 4047 / Fax: 9714-362 1171

e-mail : AMsales@efg-hermes.com

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**	-2.5%	0.1%	-2.6%
YTD	-1.1%	3.9%	-5.0%
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	0.1%	5.1%	-5.0%
3 year	-23.1%	-25.0%	1.9%
5 year	13.1%	NA	NA
Since Inception*	-12.8%	-48.8%	36.0%

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

**Performance figures are reflective of the period from June 28th, 2010 to July 26th, 2010

Fund Characteristics

No. of Holdings	33
Weighted Market Cap	USD 10.2 billion
Dividend Yield*	4.4%
P/E Ratio 10	9.7x

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

Fund Metrics*

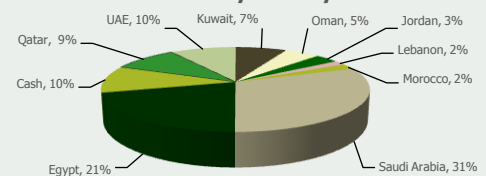
Alpha	5.3%
Beta	0.7
Standard Deviation	15.2%
Information Ratio	0.6

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

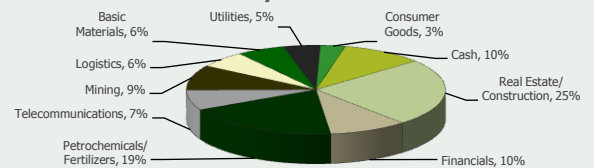
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	9.1%
SABIC	Saudi Arabia	6.9%
Palm Hills	Egypt	4.9%
Orascom Telecom	Egypt	4.7%
Qatar Electricity and Water Co.	Qatar	4.6%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 22.53
NAV per Share (Class C)*	USD 22.26
Fund Size (USD)	USD 268 million
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

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

Fund Identifiers

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