

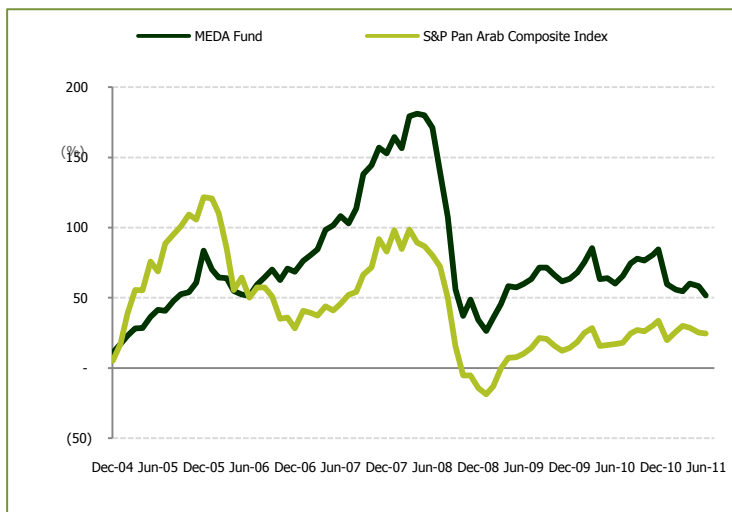
### Fund Manager's Strategy & Outlook

The MEDA Fund declined by 4.3% as the majority of the MENA markets ended on a negative note for a second consecutive month. Qatar and Dubai were the exceptions, both ending the month flat. Uncertainty gripped the markets in July as investors awaited the verdict on the US debt limit negotiations.

Across the MENA region, Q2 results generally received a mixed reaction from investors. Even though the majority of companies reported better than expected results, the debt problems in Europe and the US, coupled with the geopolitical risks in some of the MENA countries and the anemic summer months all dampened investor sentiment.

In the GCC, the Investment Manager remains positive on the back of strong oil prices which support fiscal expenditures in the form of subsidies and development plans. The GCC countries should continue to grow in the medium term given their industrial diversification, increased trade, and domestic consumption growth. The Investment Manager has increased the Fund's weighting in Saudi Arabia and the UAE.

In Egypt, the market sold off as protests resumed. On July 21<sup>st</sup>, Egypt swore in a new cabinet in the hopes of implementing the previously promised reforms and eliminating former members affiliated with the old regime.



EFG-Hermes Asset Management

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	S&P Pan Arab*	Difference
MTD**	-4.3%	-0.5%	-3.8%
YTD	-16.1%	-4.4%	-11.7%
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	-5.2%	6.4%	-11.7%
3 year	-44.1%	-30.9%	-13.2%
5 year	0.1%	-17.1%	17.2%
Since Inception*	51.6%	24.5%	27.2%

\*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 June 27<sup>th</sup>, 2011 and July 25<sup>th</sup>, 2011

#### Fund Characteristics

No. of Holdings	25
Weighted Market Cap	USD 5.3 billion
Average Dividend Yield*	5.6%
P/E Ratio 2011	10.3x

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

#### Fund Metrics\*

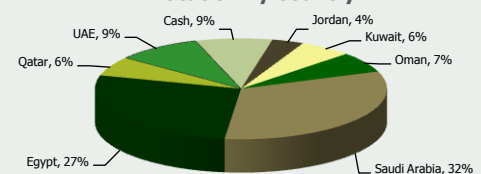
Alpha	1.9%
Beta	0.6
Standard Deviation	20.5%
Information Ratio	0.1

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

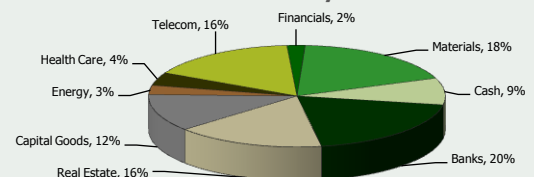
#### Top Five Equity Holdings

Holding	Country	% of NAV
Talaat Mustafa Holding	Egypt	7.8%
El Ezz Steel	Egypt	6.0%
Mobile Telecommunications Co.	Kuwait	5.8%
Astra Industrial Group	Saudi Arabia	5.0%
Six of October Development	Egypt	5.0%

#### Allocation By Country



#### Allocation By Sector



#### Fund Data

NAV per Share (Class A)	USD 21.35
Fund Size (USD)	USD 205 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