

## Fund Manager's Strategy & Outlook

As the sell off across the region persevered, the MEDA Fund dropped to 3.8% YTD pressured by its larger positions in Egypt and Kuwait. A wave of institutional selling at the start of the month followed by retail selling was the primary reason behind the decline.

GCC markets did not fare well this month with heavy losses in the Saudi equity market weighing on the rest of the region. The losses were further compounded by margin calls which prompted retail selling across the board. However, near the end of the month, some of the markets started to consolidate at attractive levels furnishing good entry points for long term investors.

Some of the non-GCC markets that had seen strong gains thus far, most notably Morocco, also lost some of their shine near the end of the month. However, the Fund managed to lock some profits before the correction taking advantage of a near continuous rise in the Moroccan market until this month.

We also continued to take advantage of the higher volatility witnessed in some of the markets, building new positions on the dips in smaller markets such as Oman while reshuffling our exposure in larger markets such as Egypt and Kuwait. We also increased our equity exposure to the UAE as the drop rendered valuations in selective companies attractive.

Looking ahead, we will continue to take advantage of the volatility occurring in some of the markets to build positions where we believe there is substantial value. We also believe that strong 1Q06 results for our core holdings and our focus on operating income will continue to pay off in 2Q06.

## 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 21.80
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.4%
Incentive fee	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

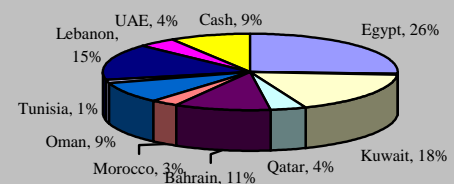
## Fund Performance

Trailing Returns		Risk Overview	
YTD	-3.8%	No. Years ▲	5
MTD	-5.6%	No. Years ▼	2
3 Months	-9.0%	Best Year ▲	61%
1 Year	20.5%	Worst Year ▼	-23%

## Top 3 Holdings

Holding	Country	% of NAV
Orascom Construction	Egypt	5.9
Bank Audi	Lebanon	5.3
Public Warehousing	Kuwait	5.2

## Equity Allocation By Country



## ENQUIRIES: