



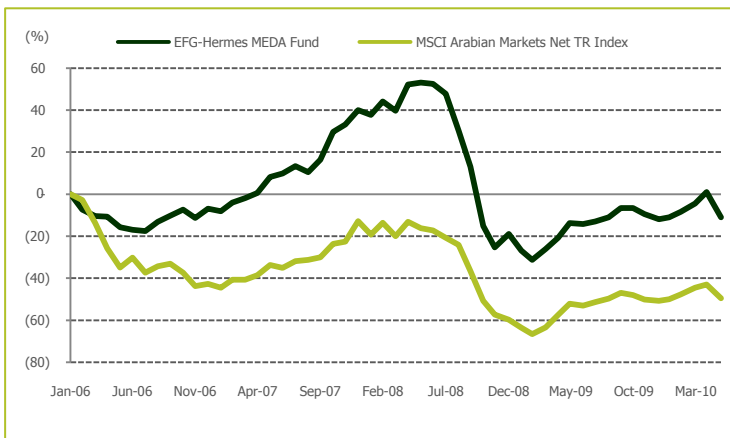
Fund Manager's Strategy & Outlook

Turmoil in global markets contributed to indiscriminate declines across all MENA markets. The EFG-Hermes MEDA Fund declined by 12% as MENA markets aggressively sold-off on the back of retail investor panic and weaker oil prices. Egypt was the worst-performing market declining 12.1% in line with other major emerging markets. The region's largest bourse, the Saudi TASI, shed 10.9% followed by Qatar and Dubai which lost 10.1% and 9.2%, respectively.

The Investment Manager believes the recent market correction was a result of global contagion largely driven by Europe's debt crisis. A meaningful recovery in GCC markets will be principally dependent on the strength and speed of oil price recovery, as well as positive Q2 earnings announcements. The strength of the Dubai market, specifically, will be contingent on the progress of debt restructuring in the emirate. The Egyptian market, however, will be more tied to other global markets as it is the only Arab bourse that is a significant component of the MSCI Emerging Markets Index. Investor focus in the short-term will also be centered on potential event-driven catalysts from potential M&A activity in the telecom sector.

In the GCC, we have increased the Fund's exposure to Saudi Arabia as we believe the recent sell-off was overdone as the Kingdom's structural economic fundamentals remain intact. Earnings growth estimates remain attractive, and we still hold the view that the Saudi market could benefit from potential catalysts in the medium-term. Specifically, the Investment Manger used the sell-off as an opportunity to increase allocation to beaten-down petrochemical companies and selective high-beta names. Earlier in the month, we also sought increased diversification in markets such as Kuwait and Morocco amid market volatility, and cut some exposure to the Omani market to take advantage of more attractive opportunities. Lastly, while the market correction in Egypt was steep given its relatively higher correlation to global indices, economic growth and company earnings are still expected to accelerate this year. We remain positive on Egypt and have maintained the Fund's exposure to the market.

As we enter the usually lackluster summer months, regional market liquidity will likely decline while volatility persists given investor uncertainty on the health of the global recovery. However, the Investment Manager believes that fiscal concerns in Europe do not have significant long-term repercussions for the MENA region. Current weakness and attractive valuations present a good opportunity to build positions in quality MENA companies that have sustainable competitive advantages.



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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**	-12.0%	-11.5%	-0.5%
YTD	0.9%	2.6%	-1.7%
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	3.2%	5.5%	-2.3%
3 year	-17.7%	-23.8%	6.1%
5 year	27.1%	NA	NA
Since Inception*	-11.1%	-49.5%	38.4%

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

**Performance figures are reflective of the period from April 26th, 2010 to May 31st, 2010

Fund Characteristics

No. of Holdings	34
Weighted Market Cap	USD 11.7 billion
Dividend Yield*	3.6%
P/E Ratio 10	9.5x

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

Fund Metrics*

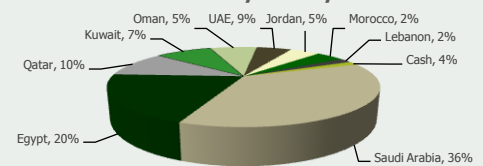
Alpha	9.0%
Beta	0.7
Standard Deviation	15.3%
Information Ratio	0.6

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

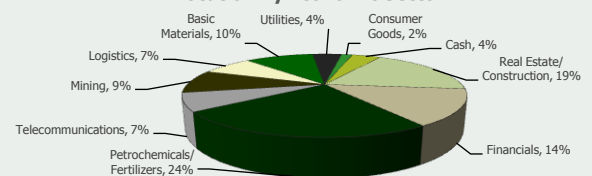
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	9.1%
SABIC	Saudi Arabia	8.8%
Al Rajhi Bank	Saudi Arabia	5.4%
El Ezz Steel	Egypt	4.6%
Sahara Petrochemicals Co.	Saudi Arabia	4.6%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 22.99
NAV per Share (Class C)*	USD 22.76
No. of Share Certificates	12,135,282
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.1%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

* NAV per share and asset allocation figures are as of May 31st, 2010

Fund Identifiers

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