

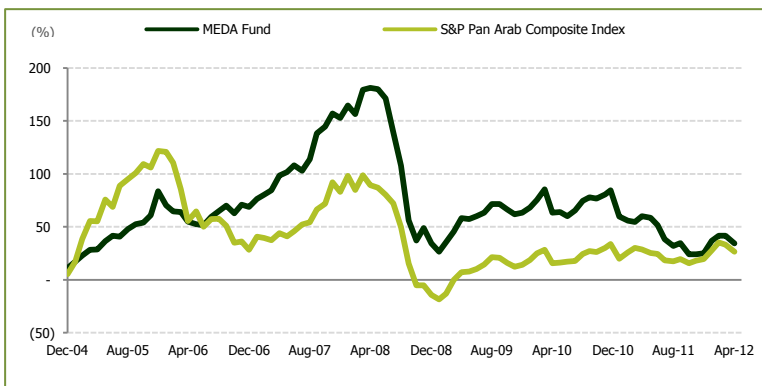
### Fund Manager's Strategy & Outlook

Fears of a global slowdown intensified during May, resulting in a decline in risk appetite and an ensuing sell-off in global markets. Negative news was apparent across the board, with the Eurozone crisis showing no signs of abating, and the regional political climate remaining largely uncertain. MENA markets followed the decline in global markets as oil prices experienced a sharp drop from the USD 100+ level. Saudi Arabia and Dubai- two of the best performing GCC markets YTD experienced the sharpest declines as investors booked profits and opted to stay on the sidelines ahead of summer when volumes typically dry up. The Fund ended the month with a 5.3% decline.

The Investment Manager has made very slight changes to the portfolio during the month. We increased the Fund's exposure to the UAE to close to 17% as we believe the economic recovery remains on track, and the recent weakness- in our view is a buying opportunity. Saudi Arabia remains a big focus of the Fund given the attractive economic backdrop, and potential positive catalysts in the near term- namely the opening up of the market later this year.

In Qatar, the Qatari Central Bank banking data showed a rebound in public sector loan growth in April as loans grew 4% month over month and 35% YOY. The growth was driven by a strong rebound in public sector lending which was up 13% month over month. The loan to deposit ratio for the sector stood at 124% at the end of April 2012, up from 111% at the end of Dec. 2011. Liquidity is expected to improve in the second half of 2012, as the announcement of the state budget, followed by a pickup in infrastructure contract awards should see deposits returning to the banking sector. Qatar's public works authority is shortly set to award QAR50bn of contracts for road and infrastructure projects

In Egypt- first round presidential elections went smoothly. The two remaining candidates are Mohamed Mursi- who Heads the Muslim Brotherhood's Freedom and Justice Party and Ahmed Shafik, the last Prime Minister of the Mubarak era. The results from the second round are expected to be announced around mid June at which point a new president will be appointed. Furthermore, Saudi Arabia finalized a USD 1 billion financial package to the Egyptian government which helped curtail pressure on the Egyptian pound in the short term. We remain cautious on the Egyptian market as we believe the situation remains highly fluid until the conclusion of the presidential elections.



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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	S&P Pan Arab*	Difference
MTD**	-5.3%	-5.1%	-0.2%
YTD	8.3%	7.3%	1.0%
2011	-31.4%	-9.4%	-22.0%
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%

\*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 April 30<sup>th</sup>, 2012 and May 28<sup>th</sup>, 2012

#### Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 11.8 billion
Average Dividend Yield*	3.3%
P/E Ratio 2012	11.4x

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

#### Fund Metrics\*

Alpha	0.3%
Beta	0.7
Standard Deviation	5.9%
Information Ratio	0.0

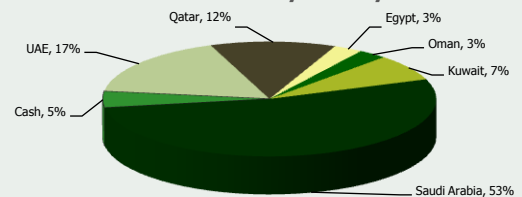
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

#### Top Five Equity Holdings

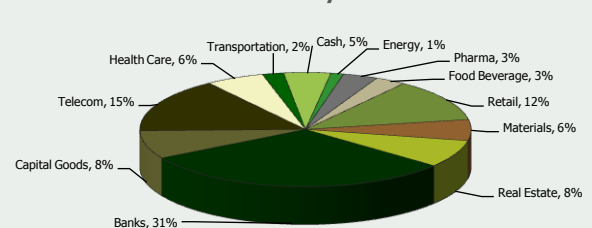
Holding	Country	% of NAV*
Fawaz Abdul Aziz Al Hokair	Saudi Arabia	6.8%
Emaar Properties	United Arab Emirates	6.5%
Etiihad Etisalat	Saudi Arabia	6.2%
SABIC	Saudi Arabia	5.9%
Bank Saudi Fransi	Saudi Arabia	5.5%

\*Figures as of May 28<sup>th</sup>, 2012

#### Allocation By Country



#### Allocation By Sector



#### Fund Data

NAV per Share (Class A)	USD 18.89
Fund Size (USD)	USD 90 million
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

#### Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH