

Fund Manager's Strategy & Outlook

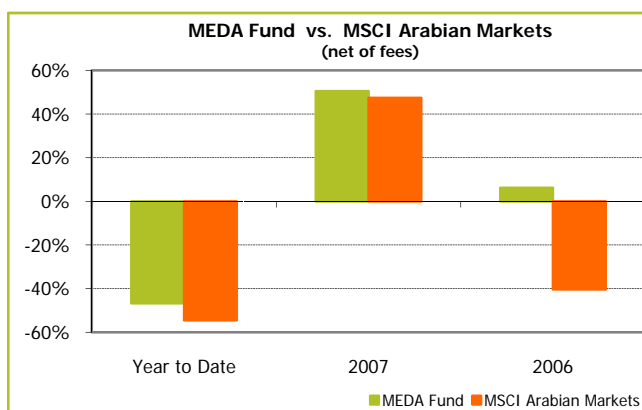
The MEDA Fund declined 12.2% during November on the back of persistent concerns on the weakening global economic outlook, shortage of liquidity, coupled with the sharp fall in oil prices. Markets plummeted for a fourth straight month, with Dubai leading the decline at 33%. Abu Dhabi and Saudi Arabia were among the worst performers declining 16% and 14% respectively.

In the last five months, the policy challenges facing the GCC economies have changed rapidly. As the global financial crisis morphed into widespread economic weakness, mounting inflation pressures have been overshadowed by liquidity shortages. Policymakers have responded swiftly, and we believe that going forward sufficient resources will be made available in order to ensure that domestic growth does not deteriorate substantially.

In Egypt, the market suffered another double digit decline as investors continue to shun emerging markets in a continuing flight to safety. During the month, the Egyptian government announced that they will spend an extra EGP 15 billion on infrastructure projects in the current financial year as part of a plan to support economic growth. Furthermore, inflation concerns have started to ease. The Investment Manager believes the risk reward in the Egyptian market is now compelling, and hence we have selectively increased the Fund's position in that market.

In the GCC, the Investment Manager reshuffled the Fund's positions into the more defensive areas in the UAE market on the back of ongoing concerns on Dubai's high debt levels and the recent sharp correction in real estate prices. The Investment Manager retains a cautious view on the UAE markets. Qatar is the largest country allocation, as the macro fundamentals remain one of the most sound in the region. The Fund is well positioned to capture the potential upside in that market.

Although valuations in the MENA markets are currently attractive, and have discounted a significant slowdown in earnings, in the current market environment we are cognizant that sentiment trumps valuations and evidence of a notable shift in sentiment will need to materialize before we see a sustained uptrend in the markets. From the macro side, policymakers in the GCC have - for the most part - responded swiftly to the current crisis. This will likely prove to be a supporting catalyst as well as quell concerns over the investment programs undertaken by the GCC governments. The Investment Manager has gradually started to take advantage of the depressed prices to build long term positions. The focus will be on companies that can withstand pricing pressure, generate high cash flow, and are run by strong management.



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Objective

Long term capital appreciation through investing in Middle East and North African equities and equity-related securities.

Fund Performance ¹

Returns	MEDA Fund	MSCI Arabian Markets	Difference
Month to Date	-12.2%	-17.8%	5.6%
Year to Date	-46.7%	-54.5%	7.8%
2007	50.5%	47.4%	3.1%
2006	6.2%	-40.4%	46.5%
2005	60.9%	NA	NA
2004	52.7%	NA	NA

¹ Fund and index performance figures as of November 27th, 2008

Fund Information

NAV per Share	USD 19.29
No. of Share Certificates	23,744,884
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.9%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
ISIN (Class C shares)	BMG294042020
Sedol	0-675-970
Reuters Code	LP65037105
Bloomberg Ticker	EFGMEAF BH

Fund Characteristics

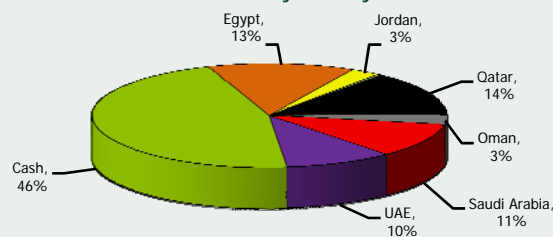
No. of Holdings	20
Wtd. Market Cap (mm)	USD 4,652
P/E Ratio 08	5.7x
Beta	0.7
Information Ratio*	1.1
Standard Deviation*	17.9%

* Calculated vs. MSCI Arabian Markets since index inception in June 2005

Top 5 Equity Holdings

Holding	Country	% of NAV
Qatar Gas Transport	Qatar	4.7%
Industries Qatar	Qatar	3.8%
CIB	Egypt	3.5%
Arabtec	UAE	3.3%
Commercial Bank of Qatar	Qatar	2.8%

Allocation By Country



Allocation By Economic Sector

