



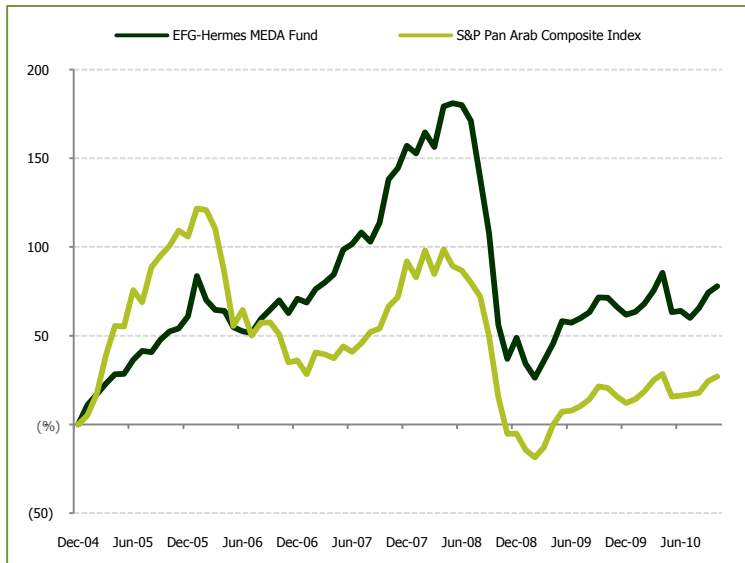
### Fund Manager's Strategy & Outlook

The EFG-Hermes MEDA Fund gained 2% in October as stable oil prices, falling short-term interest rates, and improving risk appetite provided support to regional markets. Following a lackluster summer of low trading volumes and limited foreign investor participation, liquidity has improved significantly across the board. October's positive performance was led by the UAE markets as both Abu Dhabi and Dubai gained approximately 5%.

Having underperformed other emerging markets over the last 16 months, the Investment Manager believes the MENA markets are well-positioned to converge given cyclical improvement in the underlying economies, reasonable valuations, and improving earnings momentum. The Investment Manager believes the regional markets will be indirect beneficiaries of a continued commitment to accommodative monetary policies in developed markets. The core focus of the Fund continues to be in countries with fundamentally strong growth profiles including Saudi Arabia, Qatar, and Egypt.

In Egypt, the market lost momentum towards the end of the month largely due to contagion from the Orascom Telecom fiasco. Rumors surfaced that Algeria may pay less than USD2 billion for OT's Algerian operator, Djazzy, coupled with fears that the deal could be jeopardized or delayed due to the Algerian government's nationalization plans.

In the GCC, Saudi Arabia remains one of the strongest economies in the GCC fueled by growing domestic demand, favorable demographics, and balance sheet strength. Qatar also remains one of the most attractive growth stories in the GCC driven by its massive LNG capacity expansion. The Investment Manager has positioned the Fund in infrastructure themes as well as selective financials to benefit from falling provisions. Furthermore, the availability of external sources of funding should ease the burden on the banks in the UAE in the medium-term.



EFG-Hermes Asset 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

	MEDA Fund Class A	S&P Pan Arab*	Difference
MTD**	2.0%	2.1%	-0.1%
YTD	9.9%	13.3%	-3.4%
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	3.7%	5.3%	-1.6%
3 year	-25.3%	-23.7%	-1.6%
5 year	16.6%	-36.8%	53.4%
Since Inception*	77.8%	27.0%	50.8%

\*S&P Pan Arab Composite Large/Mid Cap Net TR USD Index launched in December 2004

\*\*Performance figures are reflective of the period from September 27<sup>th</sup>, 2010 to October 25<sup>th</sup>, 2010

### Fund Characteristics

No. of Holdings	29
Weighted Market Cap	USD 12.6 billion
Dividend Yield*	4.3%
P/E Ratio 2011	10.7x

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

### Fund Metrics\*

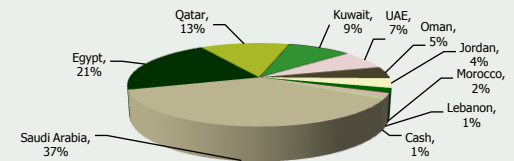
Alpha	6.7%
Beta	0.6
Standard Deviation	16.2%
Information Ratio	0.3

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

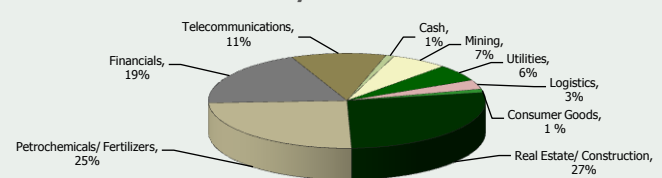
### Top Five Equity Holdings

Holding	Country	% of NAV
Palm Hills	Egypt	7.9%
SABIC	Saudi Arabia	7.7%
Rajhi Bank	Saudi Arabia	7.3%
Sahara Petrochemical Company	Saudi Arabia	7.0%
Maaden	Saudi Arabia	6.6%

### Allocation By Country\*



### Allocation By Economic Sector\*



### Fund Data

NAV per Share (Class A)*	USD 25.04
NAV per Share (Class C)*	USD 24.69
Fund Size (USD)	USD 290 million
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.0%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

\* NAV per share and asset allocation figures as of October 25<sup>th</sup>, 2010

### Fund Identifiers

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