

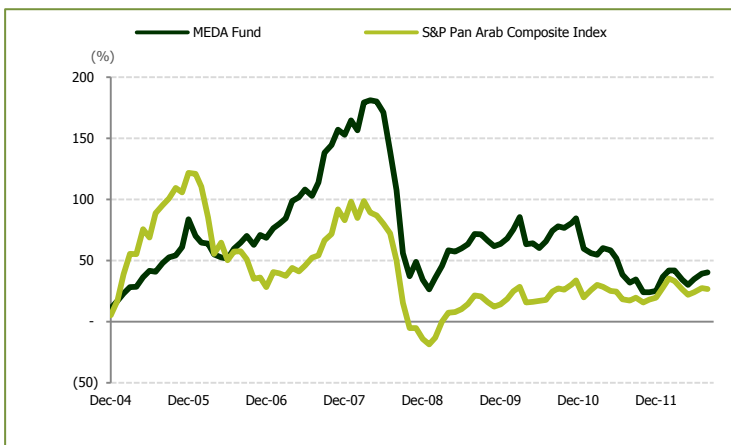
### Fund Manager's Strategy & Outlook

MENA markets were generally mixed in September. Egypt maintained the recent positive trend, gaining 10% on the back of the pickup in global risk appetite and increasing evidence of normalization in post-revolution Egypt. Saudi Arabia was the worst performing market, declining by 4% as increasing worry on the political succession subject resurfaced, and the announcement by Mohamed Al Moji Group – one of Saudi Arabia's most prominent industrial construction companies that the Group is facing bankruptcy given the recent losses. This announcement has renewed jitters on the banking sector as investors pondered the potential bad debt associated with this news. The UAE continued to post steady gains, with Dubai gaining 1% and Abu Dhabi gained 2%. The MEDA Fund ended the month with a modest gain.

In the GCC, the Kuwaiti market experienced a rally towards month end as the Kuwaiti government announced that it was studying a proposal to set up a KWD 1.5 billion fund to shore up the stock market. We believe this announcement is a positive catalyst for the market and hence we have increased the Fund's exposure to that market.

The Investment Manager has reduced exposure to the Saudi market given the recent uncertainty. Furthermore we remain positive on the UAE as we are becoming increasingly comfortable on the debt management and recovery story. External drivers continue to show strong signs of recovery as hence we believe that this warranted an adjustment in our view as we mentioned last month. According to estimates, the fiscal surplus for Qatar will rise to a record QAR 58bn in 2012-2013, twice the level that was budgeted on the back of growth from non energy sectors. The signs continue to support increased domestic expenditure on infrastructure as well as continued growth opportunities for the banking sector. Credit growth is up 19% for the year reflecting the heightened economic activity in the country.

On another note, tensions continue over Iran as Mr. Ahmadi-Nejad vowed that Iran would not retreat from its nuclear programme despite economic pressures which have lead to declining oil sales and a drop of more than 60% in the country's currency. We still are of the view that a diplomatic resolution is the most likely outcome.



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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**	0.7%	-0.7%	1.4%
YTD	13.1%	7.3%	5.8%
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%
2006	6.2%	-33.9%	40.1%

\*Figures reflect performance since inception of S&P Pan Arab Composite Large/Mid Cap Net TR Index in Dec 2004 as of the relevant Valuation Days of the MEDA Fund

\*\*MTD figures reflect performance between August 27<sup>th</sup>, 2012 and September 24<sup>th</sup>, 2012

#### Fund Characteristics

No. of Holdings	31
Weighted Market Cap	USD 13.0 billion
Average Dividend Yield*	3.0%
P/E Ratio 2012	11.0x

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

#### Fund Metrics\*

Alpha	0.8%
Beta	0.7
Standard Deviation	5.8%
Information Ratio	0.0

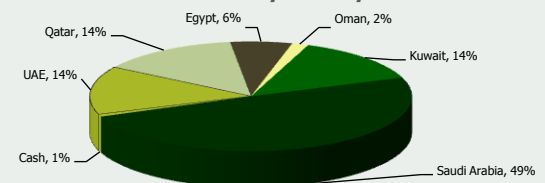
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

#### Top Five Equity Holdings

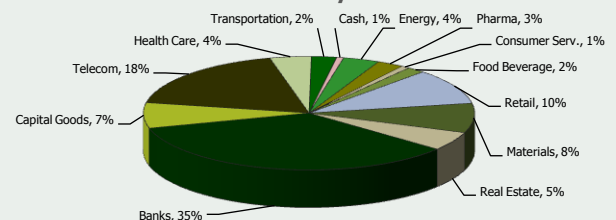
Holding	Country	% of NAV*
Qatar National Bank	Qatar	6.5%
SABIC	Saudi Arabia	6.4%
Rajhi Bank	Saudi Arabia	6.4%
Etihad Etisalat	Saudi Arabia	5.9%
Emaar Properties	United Arab Emirates	5.3%

\*Figures as of September 24<sup>th</sup>, 2012

#### Allocation By Country



#### Allocation By Sector



#### Fund Data

NAV per Share (Class A)	USD 19.74
Fund Size (USD)	USD 79 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