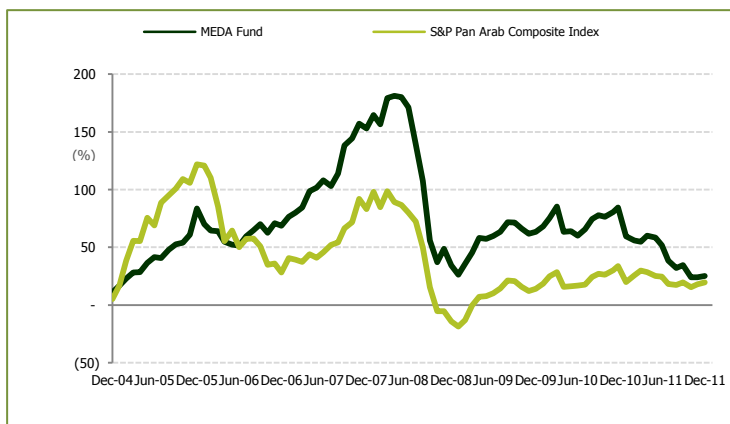


Fund Manager's Strategy & Outlook

The MENA markets started the year on a positive note, on the back of improving risk appetite. Investors ignored the global economic threats that are still at large and instead shifted focus to the attractive valuations that are apparent in selective markets around the world. The MENA region was no exception, with volumes improving substantially from 2011 levels across the board. Although we expect regional politics to again be the dominant theme in 2012, specifically the escalating tensions between Iran and the West- that we believe is currently the biggest tail risk in our region- we are cautiously optimistic on the year ahead.

The Investment Manager continues to maintain the focus of the Fund on the GCC countries. Increased investment spending will continue to be the main driver of growth, and valuations look very reasonable compared to historical levels. We believe that once the political risks abate, the markets could potentially offer a very attractive upside. In Saudi Arabia, where we have the largest exposure, banks are willing to accelerate their lending in 2012 and foreign investors are watching the potential introduction of direct foreign investments very closely given the size and importance of that market in the region. We have increased the Funds exposure to the banking sector and reduced exposure to the petrochemicals sector. In the UAE, progress on corporate deleveraging and improving investor sentiment has helped drive the market higher.

Egypt has been one of the best performers in the region this month. The election of a new parliament, and a clearer timeframe on power handover by the Supreme Committee of the Armed Forces were some of the main reasons for the sharp rally in January. We still expect volatility to dominate the Egyptian market for some time to come as macro headwinds remain, and hence the Investment Manager has reduced the Fund's Egypt exposure.



EFG-Hermes Asset Management

Tel: 9714-363 4047 / Fax: 9714-362 1171
 e-mail : AMsales@efg-hermes.com

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**	0.9%	1.4%	-0.5%
YTD	0.9%	1.4%	-0.5%
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 December 29th, 2011 and January 30th, 2012

Fund Characteristics

No. of Holdings	29
Weighted Market Cap	USD 10.1 billion
Average Dividend Yield*	4.0%
P/E Ratio 2012	8.3x

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

Fund Metrics*

Alpha	0.04%
Beta	0.7
Standard Deviation	5.9%
Information Ratio	0.0

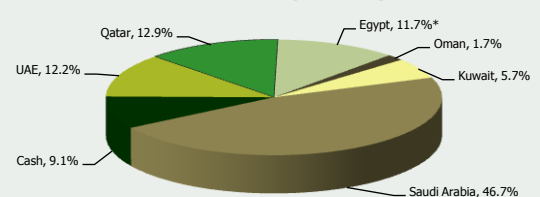
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

Top Five Equity Holdings

Holding	Country	% of NAV*
First Gulf Bank	United Arab Emirates	6.2%
Samba Financial Group	Saudi Arabia	5.9%
Etiihad Etisalat	Saudi Arabia	5.7%
Mouwassat	Saudi Arabia	5.3%
Bank Saudi Fransi	Saudi Arabia	4.8%

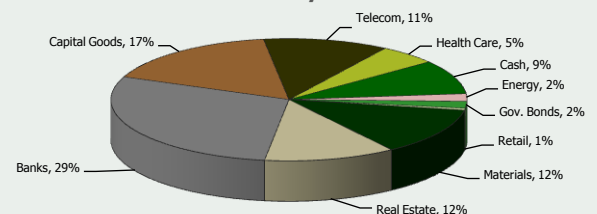
*Figures as of January 30th, 2012

Allocation By Country



*Includes Egypt Government Bond, 1.8%

Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 17.61
Fund Size (USD)	USD 103 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