

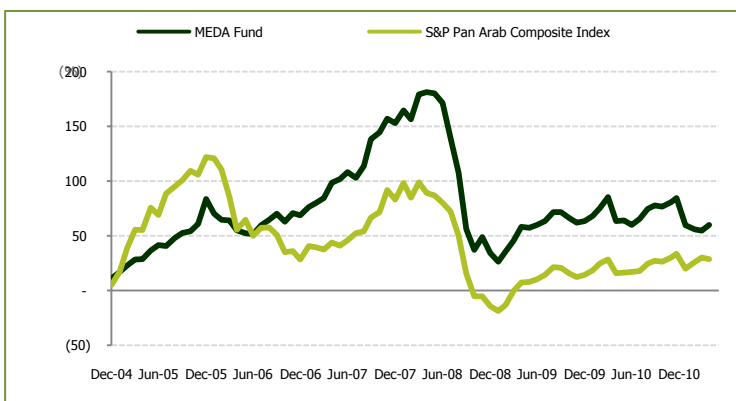
Fund Manager's Strategy & Outlook

The MEDA Fund gained 3.4% as regional markets ended the month largely in negative territory following the pullback in global markets. Oil prices experienced a sharp correction during May on the back of increased risk aversion following the concerns on the debt problems in Europe, geopolitical tensions, and softer economic data. The Egyptian market was the standout performer, gaining 10% on the back of international support packages of USD 20 billion from the International Monetary Fund, World Bank, United States, Qatar and Saudi Arabia.

The Egyptian market rallied on the back of international financial support for Egypt as well as the announcement by the military council that it is preparing a draft law to resolve issues with investors who have land-related issues with the government. These investors include developers that acquired land plots from the government. The draft law will not file criminal charges against developers that acquired land from the government illegally. Instead, government officials who were responsible for these transactions will be held accountable for not abiding by prevailing laws governing land privatisation. This announcement benefited real estate stocks in Egypt which experienced a sharp rally from depressed levels. We remain constructive on that market however- stock selection will continue to be instrumental, and we expect the market to remain volatile going into the summer months.

In the UAE, the markets experienced a mild pullback following the recent rally in April. Economic activity has been picking up in the UAE, with a sharp increase in tourism activity. Deposit inflows into banks have favored the UAE as a safe haven versus other banking sectors in the region, and the restructuring process continues at a strong pace. We remain positive on the UAE markets and will use the recent weakness to reshuffle the Fund's holdings.

We believe that high levels of liquidity, increased fiscal spending, strong profit growth and attractive valuations remain important tail winds for the MENA region. Even though oil prices have corrected sharply this month, we believe that the macro backdrop remains solid and that differentiation and country specific views will be the primary driver for returns in the coming period.



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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**	3.4%	-1.1%	4.5%
YTD	-11.4%	-1.2%	-10.2%
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%

	MEDA Fund Class A	S&P Pan Arab*	Difference
1 year	-2.0%	11.2%	-13.2%
3 year	-43.1%	-32.0%	-11.1%
5 year	3.3%	-17.3%	20.6%
Since Inception*	60.0%	28.6%	31.4%

*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 25th, 2011 and May 30th, 2011

Fund Characteristics

No. of Holdings	25
Weighted Market Cap	USD 5.3 billion
Average Dividend Yield*	4.8%
P/E Ratio 2011	9.2x

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

Fund Metrics*

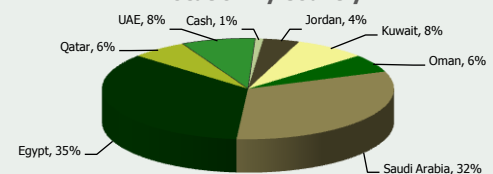
Alpha	3.1%
Beta	0.6
Standard Deviation	20.6%
Information Ratio	0.2

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

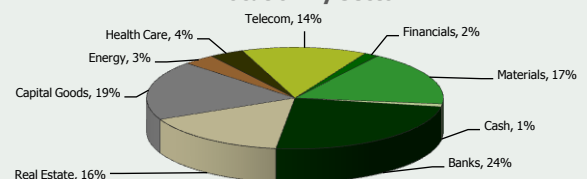
Top Five Equity Holdings

Holding	Country	% of NAV
Talaat Mustafa	Egypt	10.1%
El Ezz Steel	Egypt	7.3%
Qatar Telecom	Qatar	5.7%
Drake and Scull	United Arab Emirates	5.6%
Sodic	Egypt	5.5%

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 22.53
Fund Size (USD)	USD 217 million
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.9%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
Bloomberg Ticker	EFGMEAF BH