

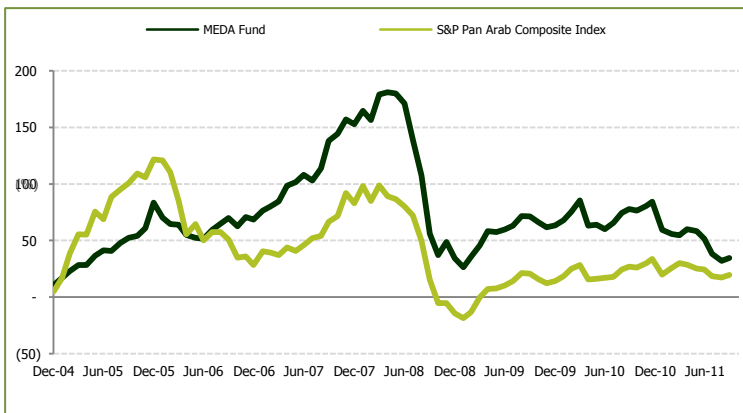
### Fund Manager's Strategy & Outlook

October was a month that was not short on news as investors switched into risk taking mode around the world, following increasing chatter about a potential double dip recession in September. The major trigger for a market rally was the breakthrough talks on the European debt crisis. More favorable economic data out of the US also helped extend the rally. Furthermore, the Arab Spring had its latest development- the longest serving leader of the Arab World, Muammar Gaddafi was killed after being captured in his hometown- this news certainly underscores the fact that winds of change continue to be the order of the day. The political vacuum that has been created as a result of Gadhafi's death leaves numerous question marks on the timing of Libya's economic recovery.

Egypt was the best performing market in the region, gaining 7.6% - and in the process helping the Fund gain 2.0%. Qatar and Saudi Arabia also registered gains of 2.4% and 1.8% respectively. We continue to believe that at these levels the region presents a compelling investment case, however, the political risk in several countries remains non-linear.

In the GCC, the Fund maintains an overweight exposure as the favorable macro backdrop is likely to cushion the GCC countries from a global downturn. Strong oil prices over the last few years have allowed for balance sheet repair and accumulated savings, which puts the GCC countries in a better position today.

The Investment Manager will maintain high equity exposure going into year end. Q3 earnings for Saudi and UAE corporates have been better than expected for the most part, and we expect the recent positive trend to continue. The focus on Egypt remains on special opportunities, and we will look to gain from those on any further rally.



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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%	2.0%	0.0%
YTD	-25.5%	-8.1%	-17.4%
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	-24.3%	-5.8%	-18.5%
3 year	-13.7%	3.7%	-17.4%
5 year	-20.8%	-20.7%	-0.1%
Since Inception*	34.6%	19.6%	15.0%

\*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 September 26<sup>th</sup>, 2011 and October 31<sup>st</sup>, 2011

#### Fund Characteristics

No. of Holdings	20
Weighted Market Cap	USD 9.1 billion
Average Dividend Yield*	5.1%
P/E Ratio 2011	9.5x

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

#### Fund Metrics\*

Alpha	0.8%
Beta	0.7
Standard Deviation	5.9%
Information Ratio	0.1

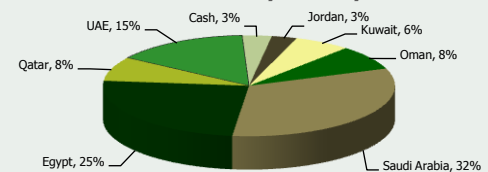
\*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

#### Top Five Equity Holdings

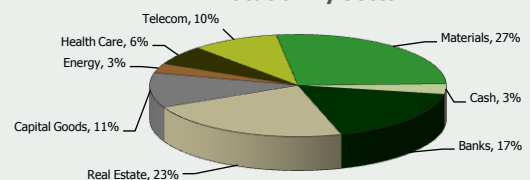
Holding	Country	% of NAV*
El Ezz Steel	Egypt	9.9%
Talaat Mustafa Holding	Egypt	9.6%
Emaar Properties	United Arab Emirates	7.8%
First Gulf Bank	United Arab Emirates	7.1%
Mobile Telecommunications Co.	Kuwait	6.3%

\*Figures as of October 31<sup>st</sup>, 2011

#### Allocation By Country



#### Allocation By Sector



#### Fund Data

NAV per Share (Class A)	USD 18.95
Fund Size (USD)	USD 134 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