

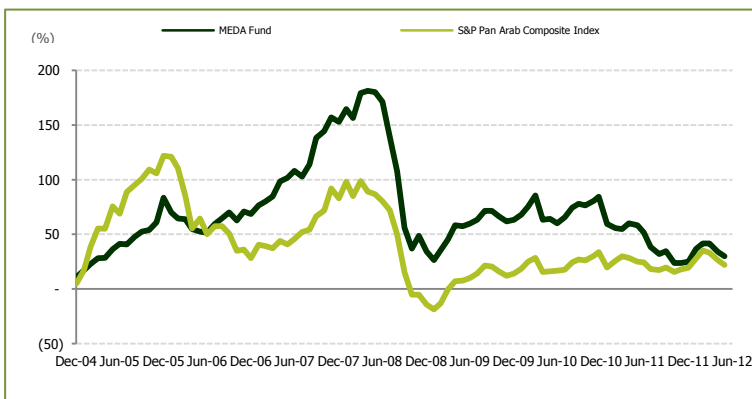
Fund Manager's Strategy & Outlook

MENA markets experienced another negative month, driven largely by global risk aversion and lackluster volumes across the region. Egypt finished the month flat on the back of a strong rally towards the end of the month following the conclusion of presidential elections which has revealed a polarized society where the prospect of change brings uncertainty as well as hope. Kuwait and Saudi Arabia were among the worst performing markets declining by 6.5% and 5.5% respectively. The MEDA Fund declined by 3.1%.

In Egypt, Mohamed Morsi was declared the country's first civilian leader following 60 years of military domination of politics. Morsi defeated Ahmed Shafik, the former prime minister in Hosni Mubarak's regime with 52% of the votes. The elevation of an Islamist to the post of the presidency in the Arab World's most populous nation marks a milestone in a region where social unrest and demand for political change were triggered 18 months ago. Although this is a momentous period in Egyptian politics, longer term concerns remain on the drafting of the Constitution, presidential powers going forward, upcoming parliamentary elections, and the country's weak external balances and declining FX reserves. We are underweight, looking to gradually add to our Egyptian exposure as we see signs of an improving economic outlook and we will continue to monitor this market closely over the coming months.

In the GCC, the Qatari government announced its budget for 2012 / 13 and under an oil price assumption of USD 65 per barrel, revenues are expected to increase by 27% to reach QAR 206bn. Total expenditures are budgeted at QAR 179bn, implying a budget surplus of QAR 27bn (8% of GDP) which represents a 20% rise over the previous budget. We view this as a positive catalyst for public and retail spending, infrastructure development, as well as for banking sector liquidity and credit growth.

We have increased the Fund's weighting to the Saudi market given the sharp correction over the last three months- we remain positive on the GCC overall, and we believe that the Saudi Arabian, Qatari, and the UAE markets have the potential to register strong growth in the second half of the year.



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**	-3.1%	-3.6%	0.5%
YTD	4.9%	3.5%	1.4%
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 May 28th, 2012 and June 25th, 2012

Fund Characteristics

No. of Holdings	28
Weighted Market Cap	USD 11.6 billion
Average Dividend Yield*	3.4%
P/E Ratio 2012	10.6x

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

Fund Metrics*

Alpha	0.2%
Beta	0.7
Standard Deviation	5.9%
Information Ratio	0.0

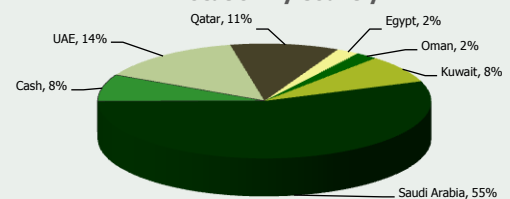
*Calculated vs. S&P Pan Arab Composite Large/Mid Cap Net TR USD since index inception in December 2004

Top Five Equity Holdings

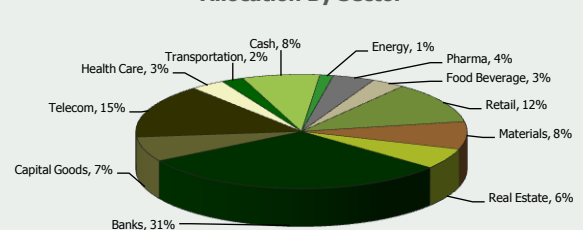
Holding	Country	% of NAV*
Fawaz Abdul Aziz Al Hokair	Saudi Arabia	6.5%
Rajhi Bank	Saudi Arabia	6.4%
Emaar Properties	United Arab Emirates	5.9%
Etiihad Etisalat	Saudi Arabia	5.7%
SABIC	Saudi Arabia	5.5%

*Figures as of June 25th, 2012

Allocation By Country



Allocation By Sector



Fund Data

NAV per Share (Class A)	USD 18.31
Fund Size (USD)	USD 84 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