



Fund Manager's Strategy & Outlook

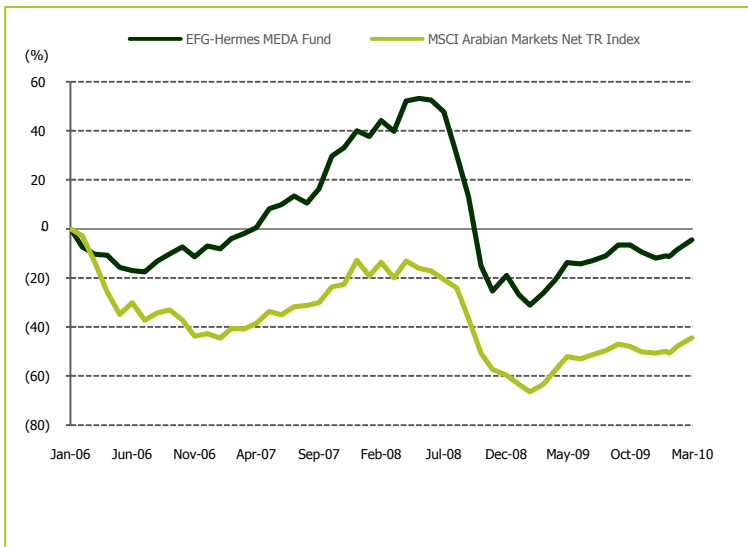
The EFG-Hermes MEDA Fund gained 4.4% on the back of improved investor sentiment, an increasingly solid macro backdrop, and a better than anticipated Dubai World restructuring announcement. As oil prices continue to rise gradually, growth forecasts for the MENA region should be positively revised. Other developments including improving domestic demand, strong levels of private consumption and the easing of short-term systemic events such as the Dubai World debt restructuring should contribute to improved earnings outlook in the medium-term.

In the UAE, the announcement that all Nakheel bondholders, contractors and financial lenders would be repaid by Dubai World in full was a positive catalyst driver for the Dubai Financial Market which gained 16% during the month. We had previously highlighted that a long-awaited relief rally was a possibility in the UAE markets should additional clarity emerge on the debt restructuring in Dubai. The markets could potentially continue to outperform in the short-term given current momentum.

Favorable news in Qatar that local banks would again be allowed to invest in equities coupled with the announcement by the Doha Stock Market (DSM) that it will allow local banks to apply for Qatari brokerage licenses helped drive the market 9% higher. The Fund's holdings in Qatar also benefited as foreign investor activity gained momentum which drove the DSM into positive territory for the year.

In Saudi Arabia, the Tadawul All Share Index (TASI) performed strongly adding 5%. This performance was in part driven by the launch of the first ETF in the Kingdom which traded more than USD 70 million on its first day – an undoubtedly positive development towards allowing increased foreign participation and institutionalization in the region's largest market. Moreover, in anticipation of higher earnings given the positive macro backdrop, Saudi large caps led by Maaden, Al Rajhi Bank and SABIC have continued to outperform.

Going into earnings season, the Investment Manager continues to build a number of relatively concentrated positions that should benefit from current momentum and a number of event-driven catalysts.



Hashem Montasser – Head of Asset Management
Karim Nehma – Fund Manager
Mohamed Abdel Halim – Director

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	MSCI Arabia*	Difference
MTD**	4.4%	6.3%	-1.9%
YTD	8.4%	12.8%	-4.4%
2009	8.7%	22.2%	-13.5%
2008	-42.1%	-53.8%	11.7%
2007	50.5%	52.1%	-1.6%
2006	6.2%	-42.7%	48.9%
2005	60.9%	NA	NA

	MEDA Fund Class A	MSCI Arabia*	Difference
1 year	29.3%	49.3%	-20.0%
3 year	-2.6%	-7.0%	4.4%
5 year	42.8%	NA	NA
Since Inception*	-4.5%	-43.5%	39.0%

*MSCI Arabian Markets Net TR USD Index launched in January 2006
**Performance figures are reflective of the period from February 22nd, 2010 to March 29th, 2010

Fund Characteristics

No. of Holdings	34
Weighted Market Cap	USD 8.4 billion
Dividend Yield	2.9%
P/E Ratio 10	10.3x

Fund Metrics*

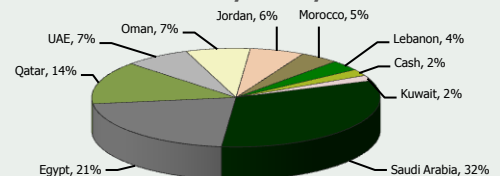
Alpha	6.4%
Beta	0.6
Standard Deviation	15.5%
Information Ratio	0.6

*Calculated vs. MSCI Arabian Markets Net TR USD since index inception in January 2006

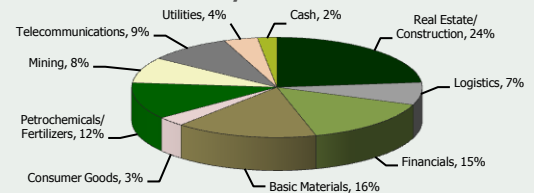
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	8.4%
Orascom Telecom	Egypt	7.7%
El Sewedy Cables	Egypt	5.4%
Sahara Petrochemicals Co.	Saudi Arabia	5.0%
Al Rajhi Bank	Saudi Arabia	4.6%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 24.70
NAV per Share (Class C)*	USD 24.64
No. of Share Certificates	12,973,664
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

* NAV per share and asset allocation figures are as of March 29th, 2010

Fund Identifiers

ISIN (Class A shares)	BMG294041030
ISIN (Class C shares)	BMG294042020
Bloomberg Ticker	EFGMEAF BH