المجموعة المالية هيرميس
EFG HERMES

The EFG-Hermes Middle East & Developing Africa (MEDA) Fund
June 2010

Fund Manager's Strategy & Outlook

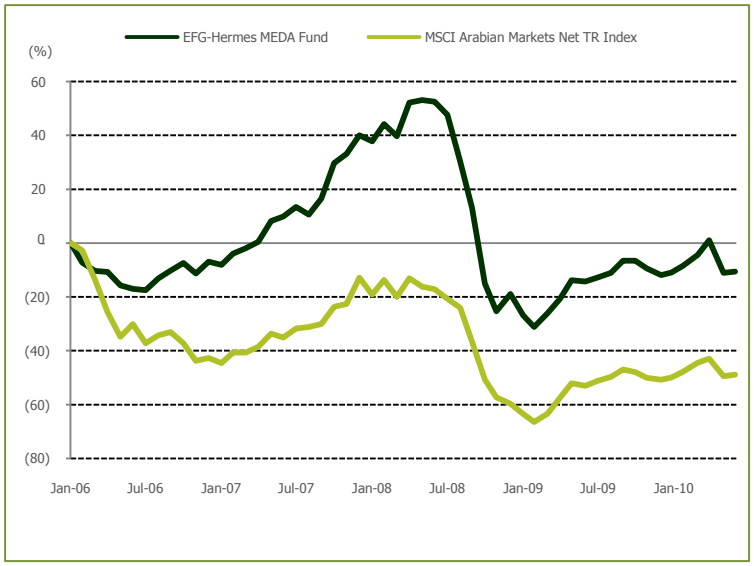
Almost all regional markets suffered across the board declines amid persistent concerns over a potential double-dip recession coupled with weak investor conviction of any near-term catalysts. Despite market volatility, the EFG-Hermes MEDA Fund posted a modest gain of 0.5% to bring its YTD performance to 1.4%. The two worst-performing bourses in the region were Egypt and Dubai which declined 8% and 7%, respectively. The Qatar Exchange was the only index to end in positive territory gaining 1.7% over the month.

In the UAE, news that Nakheel has started to payback creditors was overshadowed by general market volatility, as well as the announcement that Dubai Ports World's London listing would be delayed. The Dubai Financial Market has declined 19% since the beginning of 2010, and we believe the market currently presents attractive trading opportunities which the Investment Manager will look to exploit.

Saudi Arabia's Tadawul All Share Index (TASI) displayed notable resiliency during the month to end only slightly negative. We retain our positive view on the Saudi market given the attractive macroeconomic dynamics in the Kingdom and stable oil prices.

The Egyptian market remained the most correlated with other developed and emerging markets to fall more than other MENA bourses. Market declines echoed investor sentiment that potential hiccups in the global economic recovery would have negative repercussions for the Egyptian economy.

As we head into midsummer, volumes are expected to remain weak with little notable news expected from regional markets. In the medium-term, we expect markets to be supported by a relatively positive global backdrop coupled with increasingly attractive valuations. We believe that the current correction is systemically and seasonally driven rather than the start of sustained market decline.



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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	MSCI Arabia*	Difference
MTD**	0.5%	1.2%	-0.7%
YTD	1.4%	3.9%	-2.5%
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	4.2%	8.9%	-4.7%
3 year	-18.7%	-21.2%	2.5%
5 year	20.2%	NA	NA
Since Inception*	-10.6%	-48.8%	38.2%

*MSCI Arabian Markets Net TR USD Index launched in January 2006
**Performance figures are reflective of the period from May 31st, 2010 to June 28th, 2010

Fund Characteristics

No. of Holdings	31
Weighted Market Cap	USD 11.4 billion
Dividend Yield*	3.4%
P/E Ratio 10	9.2x

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

Fund Metrics*

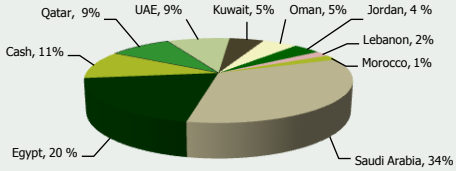
Alpha	5.9%
Beta	0.7
Standard Deviation	15.2%
Information Ratio	0.6

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

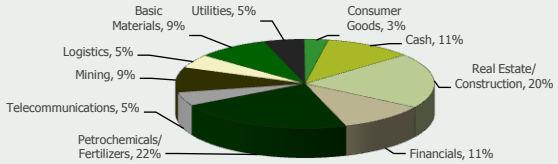
Top Five Equity Holdings

Holding	Country	% of NAV
Saudi Arabian Mining Co. (Maaden)	Saudi Arabia	9.2%
SABIC	Saudi Arabia	7.8%
Al Rajhi Bank	Saudi Arabia	5.2%
El Ezz Steel	Egypt	4.6%
Sahara Petrochemicals Co.	Saudi Arabia	4.6%

Allocation By Country*



Allocation By Economic Sector*



Fund Data

NAV per Share (Class A)*	USD 23.10
NAV per Share (Class C)*	USD 22.85
No. of Share Certificates	12,014,120
Launch Date	July 1999
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	2.3%
Minimum Subscription	USD 10,000
Subscription / Redemption	Weekly

* NAV per share and asset allocation figures are as of June 28th, 2010

Fund Identifiers

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

This update does not constitute an offer of shares and should not be relied upon by any person acquiring or otherwise dealing in shares of the company. Subscription of shares in the company may only currently be made on the terms of the Placing Memorandum of the company. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in The EFG-Hermes Middle East & Developing Africa (MEDA) Fund and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of shares and the income from them to fluctuate and you may get back less than you invested when you decided to sell your share.