

Fund Manager's Strategy & Outlook

The MEDA Fund gained 8.9% in April, bringing its YTD performance to 8.7%. The vast majority of the MENA markets experienced a strong recovery in April driven by strong Q1 results, following the challenging market conditions witnessed in March. The advance was led by the Doha Stock Market followed by the Muscat Securities Market at 18% and 11%, respectively. The Saudi market gained 10% to recover some of the losses for the year.

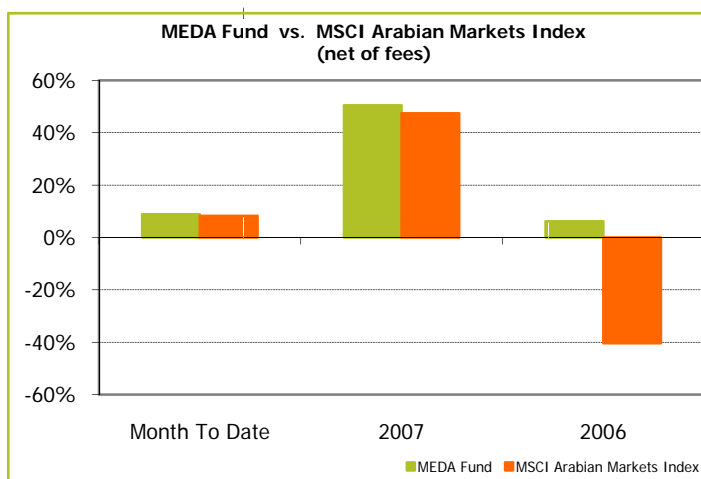
The Egyptian market experienced a modest gain of 4%. The Investment Manager will continue to reduce the Fund's exposure to that market, while retaining defensive positions that will capitalize on a particular set of dynamics within selective sectors.

In the GCC, the Doha Stock Market displayed strong performance throughout the month on the back of robust local and foreign investor interest. The rally was broad based across the major sectors, notably real estate and industrials. Industrial companies in Qatar should continue to exhibit strong results as they benefit from a low feedstock cost advantage.

The Saudi market recovered in April, driven by renewed investor confidence following a period of risk aversion and diminished liquidity. The petrochemical sector was one of the beneficiaries of the rally gaining 10% during the month. Saudi petrochemical producers should continue to enjoy competitive production costs which are at a fraction relative to their global peers.

The Muscat Securities Market continued its impressive run driven by the announcement of certain corporate actions in key companies. The Fund was well positioned to capture the upside in that market.

The Investment Manager expects a slowdown in activity during the traditional lackluster summer months. Solid second half results coupled with a robust macro outlook should provide the foundation for a sustained uptrend in the MENA markets for the remainder of the year.



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Objective

Long term capital appreciation through investing in Middle East and North African equities and equity-related securities.

Fund Performance

Returns	MEDA Fund	MSCI Arabian Markets	Difference
Month to Date	8.89%	8.24%	0.65%
Year to Date	8.65%	-1.86%	10.51%
2007	50.48%	47.39%	3.09%
2006	6.18%	-40.36%	46.54%
2005	60.87%	NA	NA
2004	52.71%	NA	NA

Fund Information

NAV per Share	USD 39.32
No. of Share Certificates	32,218,275
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.66%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

Fund Characteristics

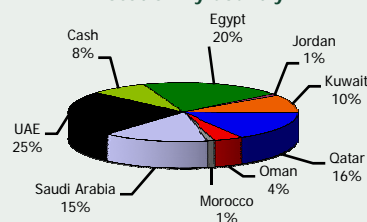
No. of Holdings	37
Wtd. Market Cap (mm)	USD 11,089
P/E Ratio 08	13.4x
Beta	0.43
Information Ratio*	1.50
Standard Deviation	14.11%

*Calculated vs. MSCI Arabian Markets Index

Top Holdings

Holding	Country	% of NAV
KIPCO	Kuwait	6.56%
Emaar	UAE	5.71%
Talaat Mostafa Group	Egypt	5.52%
Barwa Real Estate Co.	Qatar	5.24%
Qatar Gas	Qatar	4.80%

Allocation By Country



Allocation By Economic Sector

