

Fund Manager's Strategy & Outlook

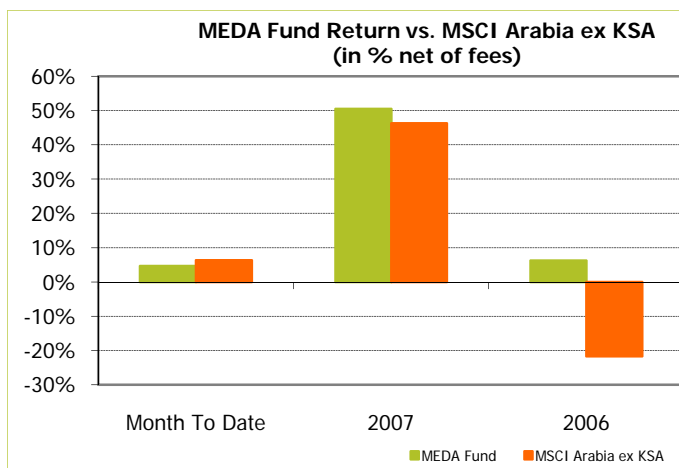
The MEDA Fund gained 4.7% in February, bringing its YTD performance to 3.0%. The majority of the MENA markets witnessed a strong recovery in February following the challenging market conditions witnessed in January. The advance was led by the Muscat Securities Market followed by the Doha Stock Market at 13% and 10%, respectively. The Saudi market gained 6% during the month, narrowing its YTD loss to -8%.

The Egyptian market registered a robust recovery, gaining 10%. The building materials, petrochemicals and real estate sectors were the biggest beneficiaries of this rally and we continue to focus on stories that can capitalize on the strong and growing domestic demand. Furthermore, we have maintained a minor exposure to Jordan and Morocco which have performed well YTD, gaining 13% and 15% respectively.

In the GCC, the Saudi market recovered some of the negative performance witnessed in January, and should continue to benefit from the trend of increased liberalization, as well as the favorable macro-economic backdrop.

In the UAE, the Dubai Financial Market gained 6%, placing it in positive territory for the year and similar gains have been registered in Abu Dhabi where the market gained 5% this month. Both markets are exhibiting selective opportunities that will capitalize on the diversification effort that is fueling growth in the non-oil sectors.

Looking ahead, The Investment Manager will continue to identify pockets of value within the MENA universe as stock selection will be imperative 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 Arabia exc. KSA | Difference |
|---------------|-----------|----------------------|------------|
| Month to Date | 4.66% | 6.29% | -1.62% |
| Year to Date | 2.96% | 8.20% | -5.24% |
| 2007 | 50.48% | 46.29% | 4.18% |
| 2006 | 6.18% | -21.73% | 27.91% |
| 2005 | 60.87% | NA | NA |
| 2004 | 52.71% | NA | NA |

Fund Information

| | |
|---------------------------|------------------------|
| NAV per Share | USD 37.26 |
| No. of Share Certificates | 26,713,959 |
| Launch Date | July 2, 1999 |
| Listing | Dubai Financial Market |
| Structure | Open Ended |
| Management Fee | 1.4% |
| Incentive Fee | 15% over 10% |
| Expense Ratio | 1.68% |
| Minimum Subscription | USD 10,000 |
| Subscription / Redemption | Monthly |
| ISIN | BMG294041030 |
| Sedol | 0-675-970 |
| Reuters Code | EDRG |
| Bloomberg Ticker | EFGMEAF BH |

Fund Characteristics

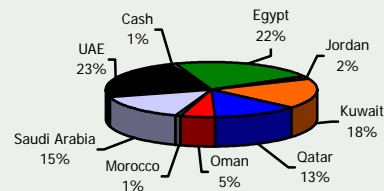
| | |
|----------------------|------------|
| No. of Holdings | 40 |
| Wtd. Market Cap (mm) | USD 10,277 |
| P/E Ratio 08 | 13.2x |
| Beta | 0.73 |
| Information Ratio* | 1.32 |
| Tracking Error | 8.10% |

*Calculated vs. MSCI Arabian Markets excl. KSA

Top Holdings

| Holding | Country | % of NAV |
|----------------------|--------------|----------|
| KIPCO | Kuwait | 9.12% |
| Sorouh Real Estate | UAE | 4.94% |
| Emaar | UAE | 4.89% |
| Talaat Mostafa Group | Egypt | 4.37% |
| Emaar Economic City | Saudi Arabia | 4.08% |

Allocation By Country



Allocation By Economic Sector

