

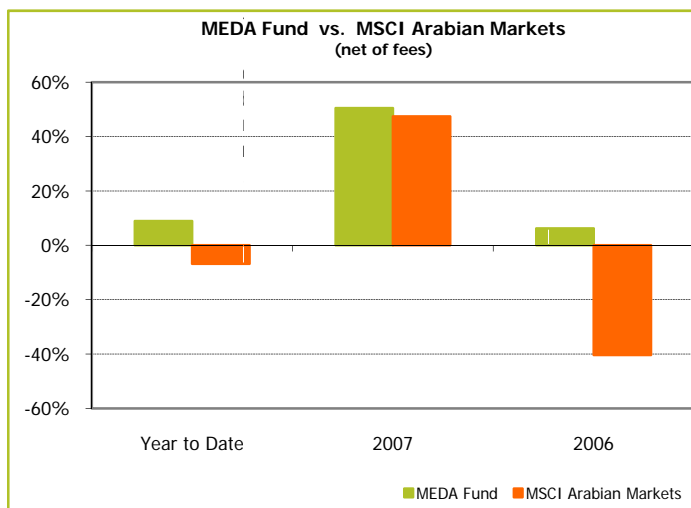
Fund Manager's Strategy & Outlook

The MEDA Fund declined 0.4% in June bringing its YTD performance to 8.9%. The majority of the MENA markets experienced modest declines on the back of negative sentiment resulting from the turmoil in global markets. The Kuwaiti market was the only market in the GCC to close in positive territory due to the strength of select companies in the retail and consumer sectors. The Egyptian market was the weakest market for a second consecutive month declining 11%.

In Egypt, inflation picked up sharply in the first half of the year. The Investment Manager believes this could impact economic growth and potentially affect margins, adversely. The Egyptian government's recent cancellation of the 67% sale of Banque du Caire amplified the negative sentiment. We have been stressing our defensive posture on this market for the last several months, and will continue to remain cautious.

In the GCC, the Dubai Financial Market and the Abu Dhabi Stock Market both closed in negative territory declining 4% and 2%, respectively. The Investment Manager remains positive on the UAE markets, and believes the market can benefit from other catalysts, namely the implementation of the UAE Federal Law on Commercial Companies, which should open the door to additional foreign investor participation. In Oman, the Investment Manager has locked profits on the back of this year's robust performance.

As for Saudi Arabia, the government is embarking on a diversified investment initiative that is aimed at increasing FDI and creating job opportunities for the local population. The Investment Manager believes there are several valuation discrepancies to be exploited in that market, and has changed the Fund's weighting accordingly.



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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	-0.4%	-1.3%	0.9%
Year to Date	8.9%	-6.8%	15.8%
2007	50.5%	47.4%	3.1%
2006	6.2%	-40.4%	46.5%
2005	60.9%	NA	NA
2004	52.7%	NA	NA

Fund Information

NAV per Share	USD 39.42
No. of Share Certificates	33,544,547
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.7%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly

Fund Identifiers

ISIN (Class A shares)	BMG294041030
ISIN (Class C shares)	BMG294042020
Sedol	0-675-970
Reuters Code	LP65037105
Bloomberg Ticker	EFGMEAF BH

Fund Characteristics

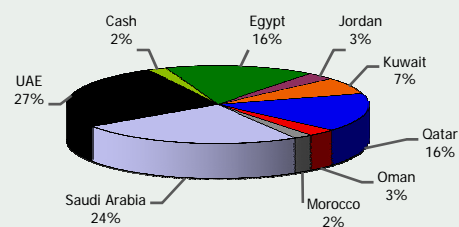
No. of Holdings	38
Wtd. Market Cap (mm)	USD 10,753
P/E Ratio 08	13.1x
Beta	0.4
Information Ratio*	1.4
Standard Deviation*	14.0%

*Calculated vs. MSCI Arabian Markets since index inception in June 2005

Top Holdings

Holding	Country	% of NAV
KIPCO	Kuwait	6.5%
Union Properties	UAE	5.1%
Talaat Mostafa Group	Egypt	5.1%
Saudi Arabian Fertilizers Co.	Saudi Arabia	5.0%
Emirates NBD	UAE	4.6%

Allocation By Country



Allocation By Economic Sector

