

Fund Manager's Strategy & Outlook

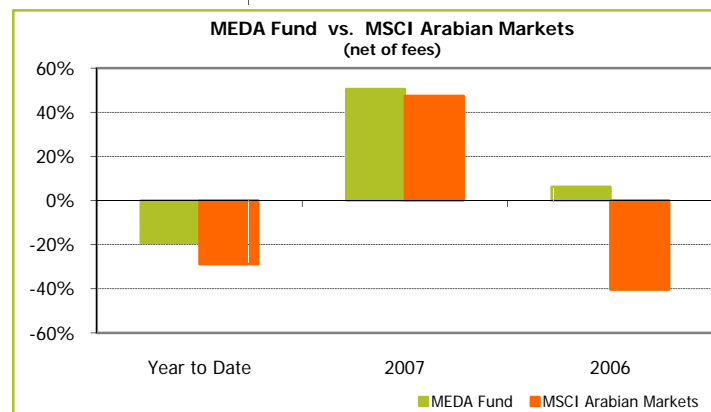
The MEDA Fund declined 13.2% during September on the back of the persistent decline in the MENA markets. Market dislocations were evident across the board, with the sell-off hitting every major market and sector across the region regardless of fundamentals. The unprecedented events of September have led to a global repricing of risk which in turn led to a dry up in liquidity and credit. The worst performing markets were Egypt, Saudi Arabia and Dubai declining 16%, 15%, and 14%, respectively. The Investment Manager has increased the cash position of the Fund in order to take advantage of undervalued assets when volatility begins to subside.

In Saudi Arabia, volumes have been light and several of the local investors have not been fully engaged with the market during the traditional Ramadan period, which in turn exacerbated the declines. The Saudi market remains one of the most attractive markets in the region and we believe that the liberalization steps which were recently implemented by the CMA should support the market in the medium term.

In the UAE, the Central Bank has announced measures to enhance liquidity within the banks by injecting AED 50 billion in deposits into the banking sector in order to address a liquidity shortage. The persistent negative outlook on the real estate sector continued to weigh on the markets.

In Qatar, the Investment Manager maintained the Fund's weighting at 14%. The core themes continue to be centered around selective real estate, petrochemicals and logistics. The Qatari market declined by 11% during the month on the back of negative sentiment and foreign investor liquidation. From a macro standpoint, the Qatari economy remains one of the most sound in the region.

It is important to note that the current crisis in the global markets can be described as one of the most acute in financial history. While the global market meltdown is attributed to systemic events, we believe that the pronounced correction experienced in the MENA markets is largely as a result of significant market dislocations. The GCC macro picture remains sound, and valuations have come down considerably in the last two months. The Investment Manager believes that investors that are willing to take advantage of today's bargains by taking a long term view in the current circumstances will be favorably rewarded once the market dislocations subside.



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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	-13.2%	-16.3%	3.1%
Year to Date	-19.2%	-28.8%	9.6%
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 29.23
No. of Share Certificates	34,554,179
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.9%
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

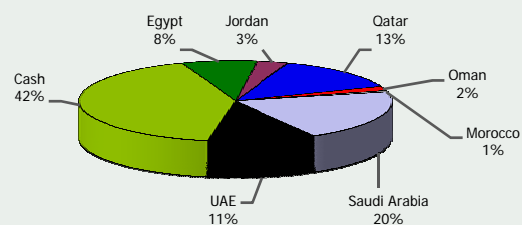
No. of Holdings	22
Wtd. Market Cap (mm)	USD 6,067
P/E Ratio 08	9.5x
Beta	0.5
Information Ratio*	1.2
Standard Deviation*	15.3%

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

Top 5 Holdings

Holding	Country	% of NAV
Qatar Gas Transport	Qatar	4.2%
Emirates NBD	UAE	4.0%
Arabtec	UAE	3.8%
Arabian Pipes	Saudi Arabia	3.8%
Maaden	Saudi Arabia	3.8%

Allocation By Country



Allocation By Economic Sector

