

# The EFG-Hermes Middle East and Developing Africa (MEDA) Fund

July 31, 2007



## ASSET MANAGEMENT FACT SHEET

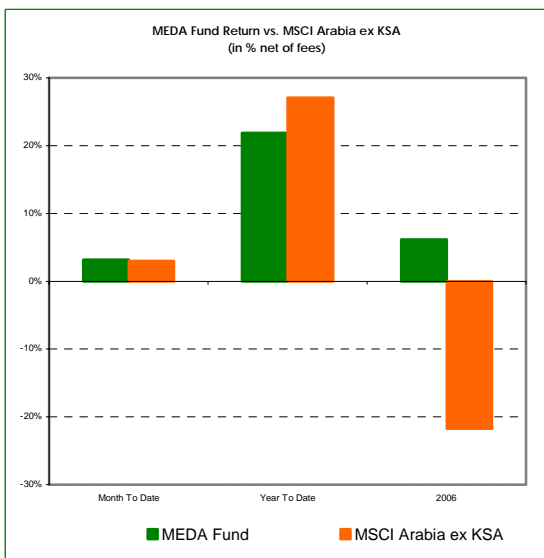
### Fund Manager's Strategy & Outlook

The MEDA Fund continued to gain ground adding 3.2% this month despite the global sell off in equity markets towards the end of the month which has adversely affected the regional markets. The Fund's positive performance can be attributed to its holdings in the Egyptian market which remains our highest country exposure as well as its Qatari and Saudi Arabian holdings which have been increased.

During the month, the Investment Manager has reduced the Fund's overall equity exposure and gradually accumulated cash while taking profits selectively in Egypt, Kuwait and Lebanon. The former was reduced mainly by taking profits in the building materials sector, while the latter was reduced by trimming our exposure to the financial sector. The Investment Manager continues to take a cautious stance on Lebanon due to the lingering political and macro-economic risk despite the sound fundamentals that prevail from a bottom up perspective.

The Investment Manager has also continued to add to the existing exposure in Saudi Arabia and Jordan. The Saudi market's steep correction over the last eighteen months has translated into attractive valuation across leading sectors including telecom and building materials.

Going forward, the Investment Manager continues to hold the view that the best is yet to come and that the region remains attractive both from a top down as well as bottom up perspective. While we anticipate potential volatility on thinner volumes during the remaining summer months given the turbulence in global markets, we would expect the region to decouple itself and continue—for the most part—dancing to its own tune.



### Objective

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

### Fund Performance

Returns	MEDA Fund	MSCI Arabia excl- KSA	Difference
Month to Date	3.20%	3.02%	0.18%
Year to Date	21.87%	27.06%	-5.19%
2006	6.18%	-21.73%	27.91%
2005	60.87%	NA	NA
2004	52.71%	NA	NA

### Fund Information

NAV per share	USD 29.31
No of share certificates	14,564,283
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.4%
Incentive fee	15% over 10%
Expense ratio	1.77%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

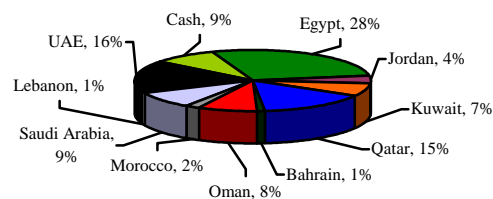
### Fund Characteristics

No. of Holdings	39
Wtd. Market Cap.(mm)	USD6,063
P/E Ratio 07	13.37x
Beta	0.70
Sharpe Ratio	0.74
Tracking Error	7.29%

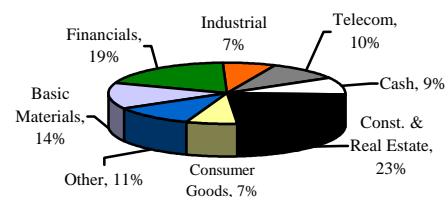
### Top Holdings

Holding	Country	% of NAV
Orascom Telecom	Egypt	5.33%
El Ezz Steel Rebars	Egypt	5.23%
KIPCO	Kuwait	5.07%
Olympic Group	Egypt	4.82%
Emaar	UAE	4.29%

### Allocation By Country



### Allocation By Economic Sector



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This update does not constitute an offer of shares and should not be relied upon by any person accruing 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 and should be re-graced 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 decide to sell your share.