

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

August 31, 2007



ASSET MANAGEMENT FACT SHEET

Fund Manager's Strategy & Outlook

The MEDA Fund lost some ground during August on the back of the pronounced global equity markets sell-off. Credit worries that began with US sub-prime concerns spread to the MENA markets, leading to a shift in focus away from economic fundamentals which in turn led to "hot money" exiting the markets. The Investment Manager added to current holdings towards the end of the month in anticipation of a pickup in the fall period.

In the North African markets, some of the new additions in the Fund included an IPO in Morocco and a real estate opportunity in Egypt which the Investment Manager believes has an attractive upside potential. Furthermore we closed our position in Lebanon due to the uncertainty surrounding the political stability. The Investment Manager maintained the Fund's exposure to Jordan, predominantly focusing on the financial sector which should benefit from increased consolidation coupled with attractive valuations and favorable dynamics.

The Investment Manager continues to increase exposure to the GCC markets, as the recent market weakness presents a compelling buying opportunity. Furthermore, the Investment Manager reshuffled the Fund's holdings in the Saudi market following the recent rally.

The Investment Manager believes that the recent sell-off which the MENA markets have witnessed during the month provides a very compelling buying opportunity. As the focus shifts back to economic fundamentals, investors will reassess the attractive risk/ return profile of the region.

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	-2.52%	-1.05%	-1.48%
Year to Date	18.79%	25.73%	-6.94%
2006	6.18%	-21.73%	27.91%
2005	60.87%	NA	NA
2004	52.71%	NA	NA

Fund Information

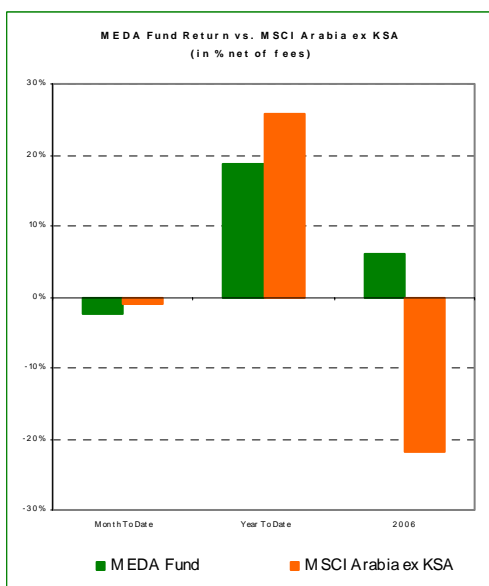
NAV per share	USD 28.57
No of share certificates	14,751,616
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.4%
Incentive fee	15% over 10%
Expense ratio	1.70%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

Fund Characteristics

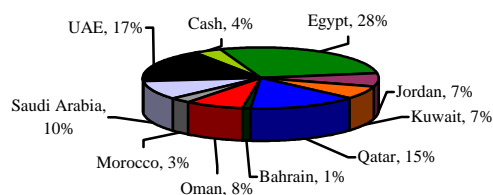
No. of Holdings	35
Wtd. Market Cap.(mm)	USD6,754
P/E Ratio 07	13.64x
Beta	0.71
Sharpe Ratio	0.71
Tracking Error	7.29%

Top Holdings

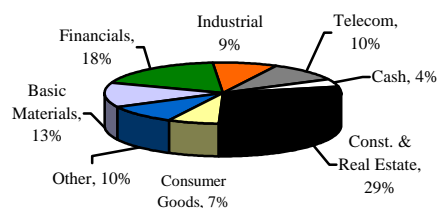
Holding	Country	% of NAV
Emaar	UAE	6.47%
Olympic Group	Egypt	4.94%
KIPCO	Kuwait	4.90%
Orascom Telecom	Egypt	4.88%
El Ezz Steel Rebars	Egypt	4.69%



Allocation By Country



Allocation By Economic Sector



Hashem Montasser Head of Regional Asset Management	Karim Nehma Fund Manager	Mohamed Abdel Halim Vice President Tel: 9714-3634047 Fax: 9714-3621171 e-mail: mahalim@efg-hermes.com
---	-----------------------------	---

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.