

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

June 30, 2007



ASSET MANAGEMENT FACT SHEET

Fund Manager's Strategy & Outlook

The Fund continued to gain ground during the month to close up 1.6% and is now up 18.1% YTD. The positive performance of the Fund during the month can be attributed primarily to Egypt and Jordan which offset the negative contribution caused by the Saudi and UAE holdings. Furthermore, gains from the Fund's holdings in Oman and Bahrain also contributed positively to the overall performance.

The GCC markets witness a mixed performance for the month with Saudi Arabia lagging other GCC markets as the Tadawul Index shed more than 6%. The Investment Manager continues to have a positive long-term view on the Saudi market, and hence increased the Fund's exposure selectively as valuations are becoming increasingly compelling, and the prolonged correction provides a good entry point. Furthermore, the Fund has increased its exposure to the Omani market with an emphasis on the financial sector which stands to be a beneficiary of the current M&A talks across the GCC.

In the UAE, we have taken some profits across the financial sector following the recent run-up in valuations in favor of the building materials sector. In Kuwait, the Fund reduced its exposure to the telecom sector after a strong rally which drove the stock price of the regional operator MTC to higher valuations.

In the North African Universe, we added to Egypt and Jordan with a focus on the building materials sector following the recent correction.

The Investment Manager remains positive on the prospects of the MENA markets and hence will maintain a high exposure to benefit from the positive macro-economic dynamics of the region. The Investment Manager believes that increased foreign institutional investor's interest coupled with expectations of strong 2H07 results will help improve retail sentiment during H2 2007.

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 | 1.61% | 0.13% | 1.48% |
| Year to Date | 18.09% | 23.33% | -5.24% |
| 2006 | 6.18% | -21.73% | 27.91% |
| 2005 | 60.87% | NA | NA |
| 2004 | 52.71% | NA | NA |

Fund Information

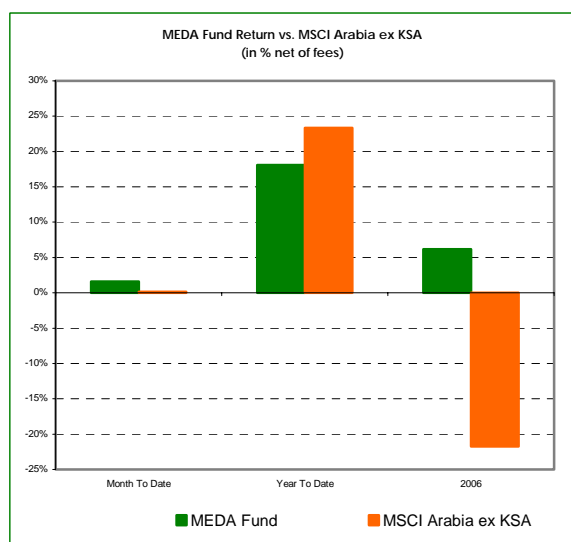
| | |
|--------------------------|------------------------|
| NAV per share | USD 28.40 |
| No of share certificates | 13,119,647 |
| Launch Date | July 2, 1999 |
| Listing | Dubai Financial Market |
| Structure | Open Ended |
| Management fee | 1.4% |
| Incentive fee | 15% over 10% |
| Expense ratio | 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

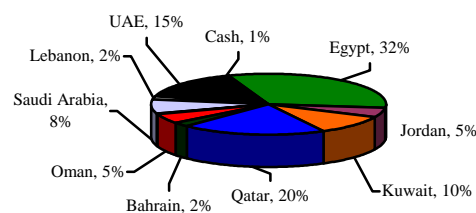
| | |
|----------------------|----------|
| No. of Holdings | 44 |
| Wtd. Market Cap.(mm) | USD5,362 |
| P/E Ratio 07 | 13.42x |
| Beta | 0.70 |
| Sharpe Ratio | 0.72 |
| Tracking Error | 7.50% |

Top Holdings

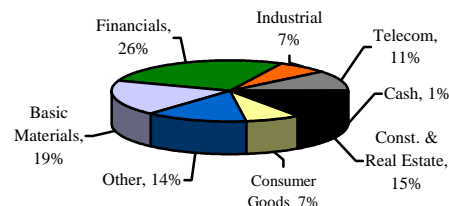
| Holding | Country | % of NAV |
|---------------------|---------|----------|
| El Ezz Steel Rebars | Egypt | 6.40% |
| Orascom Telecom | Egypt | 5.81% |
| Emaar | UAE | 5.37% |
| KIPCO | Kuwait | 5.09% |
| Olympic Group | Egypt | 4.34% |



Allocation By Country



Allocation By Economic Sector



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