

Fund Manager's Strategy & Outlook

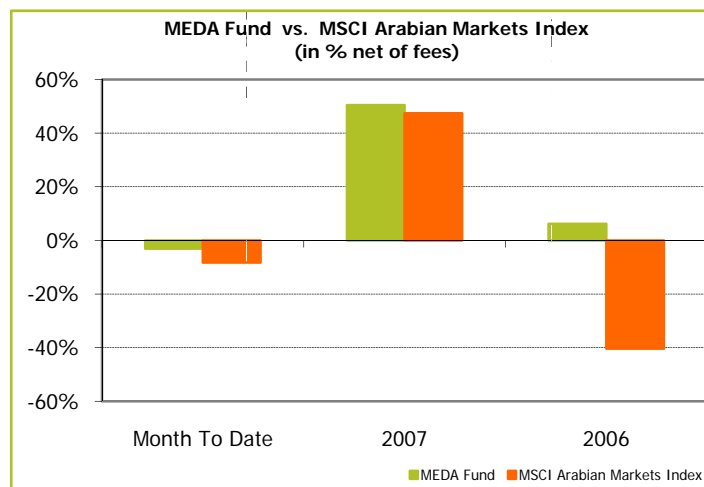
The MEDA Fund lost 3.1% in March, bringing YTD performance to -0.2%. Ongoing recessionary fears in the US coupled with deteriorating global growth prospects deterred investor confidence which has negatively impacted the MENA markets. The Saudi market was the worst performing market declining 11% followed by the Dubai Financial Market and the Doha Stock Market which declined by 10% and 9%, respectively.

The UAE and Qatari markets have suffered on the back of foreign investor selling. Increased foreign investor participation in the MENA markets has resulted in a higher correlation with international markets; however the Investment Manager believes the fundamental story remains intact.

In the Saudi Market, the main drivers behind the recent selling were weak investor sentiment which resulted in diminished liquidity, coupled with next month's anticipated SAR 10 billion IPO for Inmaa Bank.

The Egyptian market was relatively insulated from the sell-off ending the month flat. The Egyptian economy continues to show strong growth led by domestic driven demand and robust economic policies. The Investment Manager will continue to reshuffle the Fund's positions to more defensive areas that would potentially benefit should economic conditions become more onerous.

The GCC economies are anchored by sound economic developments coupled with favorable dynamics which should translate into strong growth over the long term. Oil prices are still well above the levels required to sustain healthy growth, and the currency reform argument should continue to gain precedence as the region's economic growth decouples from the rest of the world.



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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	-3.09%	-8.28%	5.20%
Year to Date	-0.22%	-9.33%	9.11%
2007	50.48%	47.39%	3.09%
2006	6.18%	-40.36%	46.54%
2005	60.87%	NA	NA
2004	52.71%	NA	NA

Fund Information

NAV per Share	USD 36.11
No. of Share Certificates	30,667,141
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management Fee	1.4%
Incentive Fee	15% over 10%
Expense Ratio	1.69%
Minimum Subscription	USD 10,000
Subscription / Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

Fund Characteristics

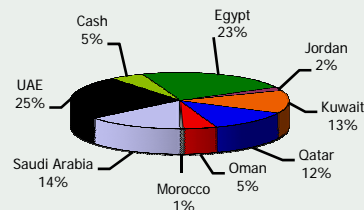
No. of Holdings	37
Wtd. Market Cap (mm)	USD 10,912
P/E Ratio 08	12.2x
Beta	0.37
Information Ratio*	1.28
Standard Deviation	13.94%

*Calculated vs. MSCI Arabian Markets Index

Top Holdings

Holding	Country	% of NAV
KIPCO	Kuwait	7.75%
Talaat Mostafa Group	Egypt	6.61%
Emaar	UAE	6.29%
Qatar Gas	Qatar	4.36%
Dubai Financial Market	UAE	4.17%

Allocation By Country



Allocation By Economic Sector

