

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

November 30, 2006



ASSET MANAGEMENT FACT SHEET

Fund Manager's Strategy & Outlook

The MEDA Fund lost ground during November to end the month with slightly positive YTD gains and in the process maintained its outperformance over the regional indices. The YTD returns stand at 1.2% with the NAV hovering around the USD23.0 mark.

Persistent regional tension combined with the continuous selloff of the Saudi equity market added to the negative sentiment in most of the region. Trading was dominated by retail investors while foreign institutions continued to gradually build positions in the more attractively valued markets.

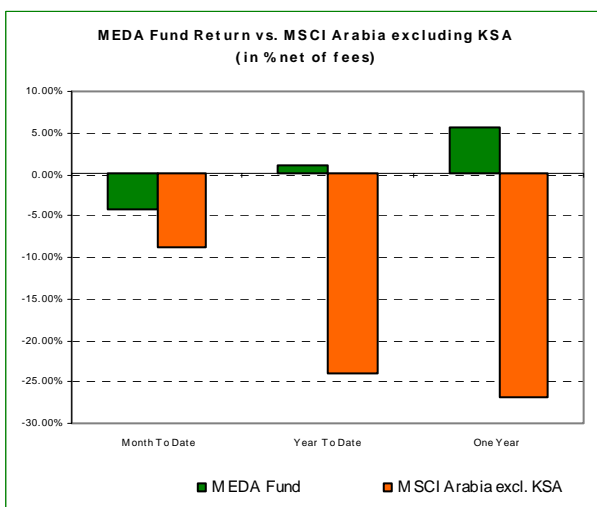
The Fund's NAV was affected predominantly by our holdings in Kuwait and the UAE which correlated positively this month with the negative performance witnessed in the Saudi market. The catalyst for the Kuwaiti Market's selloff was driven by the Kuwait Stock Exchange decision to ban a large family group from selling shares in firms they held stakes in as a result of a market regulation breach. This incident was followed by the government investigation about illegalities of contract awarding in specific listed stocks which triggered an overall negative sentiment in an already choppy market.

The UAE equity market suffered, among other factors, from a liquidity squeeze as a result of the high subscription levels in the Dubai Financial Market (DFM) IPO.

Other factors influencing the markets this month included increased political tension in Lebanon as a result of the resignation of six cabinet ministers followed by the assassination of the Lebanese cabinet minister Pierre Gemayel.

Our North African allocation provided the Fund with a cushion against the drop in the GCC markets. Early in the month, we had increased our exposure to the Egyptian market, specifically in the banking sector, which led to the Fund benefiting from the (short-lived) banking sector rally amidst talk of consolidation in the Egyptian financial sector. Furthermore, we continued to build selective positions in markets which we believe furnish good upside potential at current valuations including Qatar.

Going forward, we will maintain our selective strategy which will focus on identifying hidden values in mid cap stocks across the GCC and North African Markets.



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	-4.30 %	-8.82 %	4.51 %
Year to Date	1.15 %	-23.88 %	25.03 %
One Year	5.62 %	-26.81 %	32.43 %

Index history began 06/30/05

Fund Information

NAV per share	USD 22.91
Launch Date	July 2, 1999
Listing	Dubai Financial Market
Structure	Open Ended
Management fee	1.4%
Incentive fee	15% over 10%
Expense ratio	1.72%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG294041030
Sedol	0-675-970
Reuters Code	EDRG
Bloomberg Ticker	EFGMEAF BH

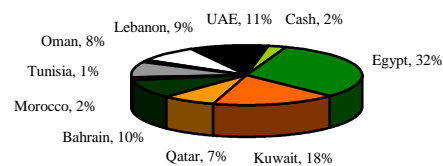
Fund Characteristics

No. of Holdings	36
Wtd. Market Cap.(mm)	USD 5,355
P/E Ratio	12.01X
Beta	0.27
Sharpe Ratio	1.32
Tracking Error	7.26%

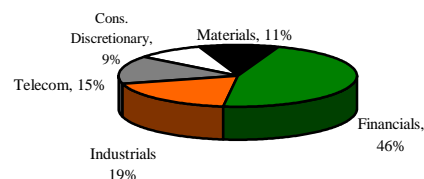
Top Holdings (%)

Holding	Country	% of NAV
AL Ahli United Bank Co.	Bahrain	6.11 %
Mobile Telecom Company	Kuwait	5.37 %
Emaar	UAE	5.10 %

Allocation By Country



Equity Allocation By Economic Sector



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