EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
BERMUDA

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED
DECEMBER 31, 2009

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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Directors	Mr. Mohamed Abdel-Halim Mr. Samuel L. Hayes III (Deputy Chairman) Mr. Hashem Montasser Mr. Amr El Sawaf Mr. Zaid Al Tunisi (From October 13, 2009) Mr. Mark Taborsky (From October 13, 2009)
Director / Chairman	Mr. Amr El Sawaf
Registered Office	6 Front Street, Hamilton HM11, Bermuda
Principal Banker	HSBC Bank Middle East Limited
Investment Manager	EFG-Hermes Financial Management (Egypt) Limited
Administrator & Custodian	HSBC Bank Middle East Limited
Auditor	Deloitte & Touche, P.O. Box 421, Manama, Kingdom of Bahrain.

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REVIEW REPORT TO THE UNIT HOLDERS

EFG-Hermes Middle East and Developing Africa Fund Limited
Bermuda.

Introduction

We have reviewed the accompanying condensed statement of financial position of EFG-Hermes Middle East and Developing Africa Fund Limited ("the Fund") as at December 31, 2009 and the related condensed statement of comprehensive income, condensed statement of changes in net assets and condensed statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Fund as at December 31, 2009, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34").

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 5 (a) to the condensed interim financial information. The securities designated at fair value through profit or loss include investments in listed shares, which, according to the Investment Manager, provide the Fund with the opportunity to enhance the return on the investment through trading gains. The fair value of these securities are based on quoted market prices. Certain markets and securities may be illiquid and indicative market prices may not necessarily represent realisable value.

Manama – Kingdom of Bahrain
_____, 2010

Deloitte & Touche

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2009

	Notes	December 31, 2009 USD	June 30, 2009 USD (Audited)
ASSETS			
Cash at banks		29,622,007	69,261,067
Securities designated at fair value through profit or Loss	5	287,776,133	280,215,862
Outstanding sales settlements		1,942,044	2,967,179
Other assets		106,354	419,188
Total Assets		319,446,538	352,863,296
LIABILITIES			
Due to related parties	6	1,182,019	1,171,184
Outstanding purchases settlements		12,619,238	10,623,942
Accrued fees and charges		111,077	117,285
Total Liabilities		13,912,334	11,912,411
Net Assets		305,534,204	340,950,885
ANALYSIS OF NET ASSETS			
Capital		650,603,270	695,346,908
Net cumulative realised loss		(325,577,944)	(344,200,116)
Change in fair value of securities designated at fair value through profit or loss		(19,491,122)	(10,195,907)
Net Assets		305,534,204	340,950,885
Number of shares		13,414,406	15,384,333
Net Asset Value Per Share		22.78	22.16

The condensed interim financial information were approved and authorised for issue by the Directors on _____, 2010 and signed on their behalf by:

Director

Director

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Note	Six-Month Period Ended December 31, 2009 USD	2008 USD
INVESTMENT INCOME			
Dividend income		-	3,733,679
Interest income		620,595	1,066,134
Foreign exchange gain		501,243	-
Other operating income		560,281	154,575
		1,682,119	4,954,388
EXPENSES			
Management fees	6	2,363,789	6,280,599
Administration fees		185,463	422,317
Custody fees		379,812	1,214,376
Registrar fees		21,520	38,400
Board of Directors fees	6	43,389	-
Performance fees	6	195,592	-
Foreign exchange loss		-	3,344,230
Other expenses		130,515	928,882
Total expenses		3,320,080	12,228,804
Investment loss - net		(1,637,961)	(7,274,416)
Realised and unrealised gain or loss on securities designated at fair value through profit or loss:			
Net realised gain / (loss) on investments		20,260,133	(248,284,104)
Change in fair value		(9,295,215)	(348,333,686)
Net gain / (loss) on securities designated at fair value through profit or loss		10,964,918	(596,617,790)
Net increase / (decrease) in net assets resulting from operations		9,326,957	(603,892,206)
Total comprehensive income / (loss) for the period		9,326,957	(603,892,206)

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Six-Month Period Ended December 31,	
	2009 USD	2008 USD
Investment loss – net	(1,637,961)	(7,274,416)
Net realised gain / (loss) on securities designated at fair value through profit or loss	20,260,133	(248,284,104)
Change in fair value of securities designated at fair value through profit or loss	(9,295,215)	(348,333,686)
Total comprehensive income / (loss) for the period	9,326,957	(603,892,206)
Change in net assets from capital share transactions	(44,743,638)	(332,650,277)
Change in net assets	(35,416,681)	(936,542,483)
Net assets – beginning of period	340,950,885	1,322,291,346
Net assets – end of period	305,534,204	385,748,863

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Six-Month Period Ended December 31,	
	2009 USD	2008 USD
Cash flows from operating activities		
Net increase / (decrease) in net assets resulting from operations	9,326,957	(603,892,206)
Adjustments for:		
Net (gain) / loss on securities designated at fair value through profit or loss	(10,964,918)	596,617,790
Dividend income	-	(3,733,679)
Interest income	(620,595)	(1,066,134)
	(2,258,556)	(12,074,229)
Changes in operating assets and liabilities:		
Decrease in other asset	312,834	617,509
Decrease in due to related parties	10,835	-
Decrease in accrued fees and charges	(6,208)	(30,714,777)
Decrease in proceeds from subscription of shares	-	(1,360)
	(1,941,095)	(42,172,857)
Purchase of securities designated at fair value through profit or loss	(604,017,052)	(596,076,609)
Proceeds from disposal of securities designated at fair value through profit or loss	610,442,130	963,731,586
Dividend received	-	3,733,679
Interest received	620,595	1,066,134
Net cash from / (used in) operating activities	5,104,578	330,281,933
Cash flows from financing activities		
Proceeds from issue of shares	20,305,545	190,444,077
Payments on redemption of shares	(65,049,183)	(523,094,354)
Net cash (used in) / from financing activities	(44,743,638)	(332,650,277)
Net decrease in cash and cash equivalents	(39,639,060)	(2,368,344)
Cash and cash equivalents at the beginning of the Period	69,261,067	117,364,076
Cash and cash equivalents at the end of the period	29,622,007	114,995,732
Comprising:		
Cash at banks	29,622,007	115,057,913
Bank overdraft	-	(62,181)
	29,622,007	114,995,732

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2009

1. STATUS AND ACTIVITIES:

The EFG- Hermes Middle East and Developing Africa Fund ("the Fund") was incorporated in Bermuda as an exempted mutual fund company on June 30, 1998 with limited liability und unlimited duration. Its registration number is 25155.

The Fund's objective is to achieve long term capital appreciation through investment in equity and equity related securities in Middle East and Developing Africa; the Fund's shares are listed in Dubai Financial Market.

2. BASIS OF PREPARATION:

The condensed interim financial information has been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34").

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. For more details, please refer to the audited financial statements for the year ended June 30, 2009.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending June 30, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES:

The condensed interim financial information has been prepared under the historical cost convention except for the valuation of investment securities.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Fund's financial statements for the year ended June 30, 2009, except for the impact of the adoption of the Standards and Interpretations described below:

IAS 1 (revised 2007) ***Presentation of Financial Statements***
(effective for annual periods beginning on or after January 1, 2009)

The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Fund.

Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Fund has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Improvements to IFRSs issued in May 2008

The improvements include 35 amendments across 20 different Standards that largely clarify the required accounting treatment where previous practice had varied, and have resulted in a number of changes in the detail of the Fund's accounting policies. These amendments did not have a material impact on the reported results or financial position of the Fund.

4. JUDGEMENTS AND ESTIMATES:

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended June 30, 2009.

5. SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:

This caption is composed of the following:

	December 31, 2009 USD	June 30, 2009 USD (Audited)
Listed shares	178,190,699	250,510,684
Listed bonds	109,585,434	29,705,178
	287,776,133	280,215,862

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5. SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS: (CONTINUED)

December 31, 2009

Listed Shares:

	Cost USD	Fair value USD	Change in fair value USD
Egypt - EGP	44,319,343	41,646,250	(2,673,093)
Egypt - USD	692,885	671,986	(20,899)
Jordan - JOD	36,652,061	22,487,815	(14,164,246)
Kuwait - KWD	23,004,738	23,416,984	412,246
Oman - OMR	18,535,722	21,939,446	3,403,724
Qatar - QAR	47,985,221	42,769,781	(5,215,440)
Morocco - MAD	12,336,718	10,364,384	(1,972,334)
United Arab Emirates - AED	5,566,006	4,549,178	(1,016,828)
United Kingdom – USD	10,729,993	10,344,875	(385,118)
Total listed shares	199,822,687	178,190,699	(21,631,988)

Listed Bonds:

	Quantity	Cost USD	Fair value USD	Change in fair value USD
Oman - OMR				
Bank Muscat SAOG 7% CB 20 March 2014 (5b)	201,091	-	474,261	474,261
United Arab Emirates – AED				
Jafz Sukuk Ltd FRN 27Nov2012	8,000,000	1,413,017	1,688,223	275,206
United States of America – USD				
Dar Al-Arkan Intl FRN 16 Jul 2012	4,350,000	3,227,396	3,697,500	470,104
Dubai Dof Sukuk Ltd 6.396% 3 Nov 2014	3,000,000	2,745,419	2,816,250	70,831
EFG Hermes –Saudi Basic Ind WTS 15 Dec 2012 (Note 6.4)	561,900	12,162,199	12,359,328	197,129
EFG-Hermes-Al Rajhi Bank WTS 15 Dec 2012 (Note 6.4)	675,500	13,698,550	12,831,933	(866,617)

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5. **SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS: (CONTINUED)**

December 31, 2009

Listed Bonds: (Continued)

	Quantity	Cost USD	Fair value USD	Change in fair value USD
United States of America – USD (Continued)				
EFG-Hermes-Jarir Marketing WTS 15 Dec 2012 (Note 6.4)	294,237	9,973,002	10,492,344	519,342
EFG-Hermes-Sahara Petrochem WTS 15 Dec 2012 (Note 6.4)	2,708,370	13,738,274	15,272,228	1,533,954
EFG-Hermes-Saudi Telecom WTS 15 Dec 2012 (Note 6.4)	964,265	12,859,852	11,337,442	(1,522,410)
EFG-Hermes-Yanbu NAT Petro WTS 15 Dec 2012	1,412,771	11,722,774	12,580,584	857,810
EFG-Saudi Arabian Mining Co WTS 15 Dec 2012 (Note 6.4)	2,714,604	11,843,860	12,520,839	676,979
EFG-Saudi Cable Co WTS 15 Dec 2012 (Note 6.4)	1,343,696	9,937,828	8,777,022	(1,160,806)
Kuwait Projects Co 8.875% 17 Oct 2016	2,000,000	1,974,500	2,044,980	70,480
Nakilat Inc 6.067% 31 Dec 2033	3,000,000	2,147,897	2,692,500	544,603
		106,031,551	107,422,950	1,391,399
Total listed bonds		107,444,568	109,585,434	2,140,866
Grand Total		307,267,255	287,776,133	(19,491,122)

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5. **SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS: (CONTINUED)**

June 30, 2009 (Audited)

Listed Shares:

	Cost USD	Fair value USD	Change in fair value USD
Egypt - EGP	30,885,046	32,058,028	1,172,982
Egypt - USD	7,189,095	6,864,712	(324,383)
Jordan - JOD	34,220,085	22,254,991	(11,965,094)
Kuwait KWD	13,064,193	13,795,688	731,495
Oman - OMR	32,321,562	34,581,341	2,259,779
Qatar - QAR	59,175,948	57,576,059	(1,599,889)
United Arab Emirates - AED	29,437,927	26,612,021	(2,825,906)
United Kingdom - USD	1,046,582	976,445	(70,137)
Saudi Arabia (Note 5.1) - SAR	56,491,897	55,791,399	(700,498)
Total listed shares	263,832,335	250,510,684	(13,321,651)

5.1 These investments are held by EFG Hermes MENA Securities Ltd for the benefit of the Fund.

Listed Bonds:

	Quantity	Cost USD	Fair value USD	Change in fair value USD
Oman - OMR				
Bank Muscat SAOG 7% CB 20 Mar 2014 (b)	201,091	-	471,127	471,127
AED				
United Arab Emirates - AED				
Jafz Sukuk Ltd FRN 27Nov2012	13,000,000	2,296,153	2,601,628	305,475
Tabreed 08 Fin Corp 7.25% CB 19MAY2011	3,000,000	269,526	310,398	40,872
		2,565,679	2,912,026	346,347

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5. **SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS: (CONTINUED)**

United States of America- USD				
Aldar Funding-10NOV2011	8,500,000	7,974,082	8,538,335	564,253
Arab National Bank-13OCT2016	6,000,000	3,913,086	4,470,000	556,914
Dar Al-Arkan Intl-16JULY2012	2,700,000	2,009,957	2,092,500	82,543
DP World Ltd-2JULY2037	4,000,000	2,230,785	2,682,000	451,215
DP World-144A-2JULY2037	500,000	305,560	335,250	29,690
Nakilat Inc-31DEC2033	5,000,000	3,579,827	4,025,000	445,173
Sabic Innovative Plast-15AUG2015	3,000,000	3,003,778	3,176,250	172,472
TDIC Finance Ltd-2JULY2014	1,000,000	996,680	1,002,690	6,010
		24,013,755	26,322,025	2,308,270
Total listed bonds		26,579,434	29,705,178	3,125,744
Grand Total		290,411,769	280,215,862	(10,195,907)

(a) Investments in listed shares are classified as securities designated at fair value through profit or loss. These securities provide the Fund with the opportunity to enhance the return on investment through trading gains. The fair value of these securities is based on market prices, which may not necessarily represent realisable value because of market illiquidity.

(b) There is no book cost for Bank Muscat SAOG 7% bonds since the total quantity of 201,091 have been received through bonus issues on prior holding of the same bonds.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
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6. RELATED PARTY TRANSACTIONS:

Transactions with companies in which the Investment Manager and its parent Company, EFG Group have substantial or controlling interest and transactions with key management personnel of the Fund are classified as transactions with related parties. These transactions are approved by the Directors.

6.1 The following are the transactions and balances between the Fund and its related parties:

Related Party	Nature of Transaction	Amount incurred Six-month period ended December 31, 2009 USD	Amount incurred Six-month period ended December 31, 2008 USD	Payable as at December 31, 2009 USD	Payable as at June 30, 2009 USD (Audited)
EFG Hermes Financial Management (Egypt) Limited	Management fees	2,363,789	6,280,599	1,171,305	1,171,184
EFG Hermes Financial Management (Egypt) Limited	Performance fees	195,592	-	-	-
Various Directors	Board of Director fees	43,389	-	10,714	-

6.2 The following related parties owned shares in the Fund:

Related Party	Nature of relationship	Number of shares held as at December 31, 2009	Number of shares held as at June 30, 2009
Mohamed Abdel-Halim	Director	1,000	1,176
Karim Nehma	Manager	1,233	1,233

6.3 The Fund has entered into an agreement with EFG-Hermes MENA Securities Ltd, an affiliate of EFG Group, whereby EFG-Hermes MENA Securities Ltd will purchase and hold investments for the benefit of the Fund (Note 5.1).

6.4 The Fund has invested in certain investments in related parties. The investments have a fair value of USD 96,171,720 as at December 31, 2009.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Directors believe that the fair values of financial instruments are not significantly different from the carrying values included in the financial statements.

7.1 Fair value measurements recognised in the statement of financial position

Financial instruments are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets at FVTPL are grouped within Level 1. There are no financial assets catergorised as "available for sale" as at the reporting date.

There are no financial liabilities at FVTPL at the reporting date. Further, there were no transfers between Level 1, Level 2 and Level 3 during the period.