The EFG-Hermes Middle East and Developing Africa Fund Limited

10 March 2005 *Covering February 2005*

The Fund continued to deliver strong gains during the month adding 5.4% to its NAV to accumulate a year to date return of 17%. The fund's performance was boosted by the stellar performance of its holdings in Egypt and Kuwait which contributed 51% and 30% to the fund's gains while the balance was distributed amongst six other markets.

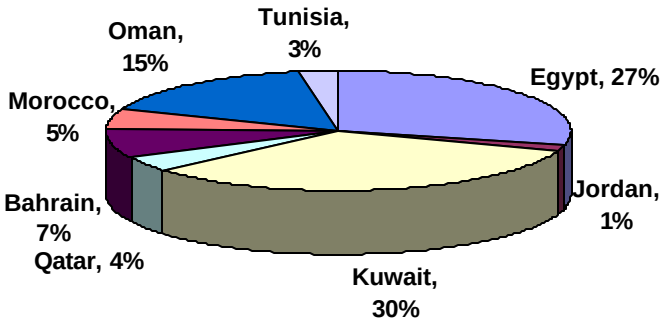
The fund's top performers were "Orascom Construction Industries – OCI" (Egypt), "National Mobile Telecom – NMTC" (Kuwait) and "Orascom Telecom – OT" (Egypt). OCI jumped 21% in February backed by strong FY04 results where it recorded LE1.1Bn beating analysts' expectations. NMTC also added 13% to its dividend adjusted price as its strong profit growth together with the decision of distributing dividend for the first time in its life boosted the stock's performance. As for OT, it continued to rally gaining 9% fuelled by the announcement of wining the second fixed line license in Algeria with Telecom Egypt and the launch of its operations in Bangladesh.

During the month we have introduced new stocks to our portfolio and increased our weight in Kuwait owing to our belief that the market will witness a strong rally during this year boosted by the strengthening economic conditions and its attractive valuation. We took position in NMTC before its dividend distribution, we also built a new position in "Public Warehousing Company" which is a logistics company that is expected to witness substantial growth over the near future through its aggressive regional expansion. In Egypt we added "MobiNil" as we believe it is trading at a significant discount to its regional telecom peers, while in Oman we introduced "Oman Cement" and "Raysut Cement", not only because they were trading at a significant discount to their regional peers, but also we believe that the region is still facing cement shortages for the coming couple of years and that the real estate sector in Oman is expected to witness some positive activity boosting the company's margins.

Top 10 Holdings

Holding	% of Net Asset Value
MTC	9.1%
NMTC	7.8%
PWC	7.6%
Orascom Telecom	6.8%
Orascom Construction Ind.	6.7%
Bank Muscat	4.5%
MobiNil	4.2%
Commercial Facilities	3.7%
Alliance Housing Bank	3.6%
QTel	3.6%

Equity Allocation By Country



BACKGROUND:

The EFG-Hermes Middle East and Developing Africa Fund Limited is an investment company incorporated in Bermuda for the purpose of providing Shareholders with the opportunity of investing indirectly in the Middle East and Developing Africa.
EFG-Hermes Financial Management (Egypt) Limited (HFM), a wholly owned subsidiary of EFG Hermes Holding Company, is the investment manager. Tethys Advisors Ltd acts as investment advisor to HFM.

ADMINISTRATION, SECRETARY AND REGISTRAR:

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Chancery Hall, 52 Reid Street, Hamilton, HM12, Bermuda.
Tel: 1441-295-9294 Fax: 1441-292-8899

SEDOL Code:

0-675-970

Bloomberg Ticker: EFGMEAF BH

THE FOLLOWING MAKE A MARKET IN THE FUND'S SHARES:

UBS Warburg / Mr. David Bliff	Tel: 44-207-568-4587	**REUTERS PAGE:** WDRIFMEA1
Jefferies International Limited / Mr. Norman C. Crighton	Tel: 44-207-618-3620	**REUTERS PAGE:** JEF03
LCF Rothschild Securities/ Ms. Claire Heathfield	Tel: 44-207-845-5960	**REUTERS PAGE:** EDRG
JP Morgan / Mr. Richard Crawford / Simon Ronan	Tel: 44-207-742-8463/8497	**REUTERS PAGE:** RSJA55
ABN-AMRO/ Mr. Andrew Cade	Tel: 44-207-678-5413	**REUTERS PAGE:** ABNFUND15

Shares can be redeemed on a quarterly basis and subscribed for on a monthly basis from June 2000. The subscription price is the last published NAV for the month plus a front-end charge of up to 2%. The redemption price is the last published NAV for the month less a charge of up to 4%. During the life of the fund redemption charges ranged between 0 and 2% and are a function of the liquidity of the portfolio at time of redemption. Redemption requests have to be submitted to MQ Services 14 working days before month end. Subscription requests have to be submitted to MQ Services 7 working days before month end.

FACT FILE:

First launched: August 1999
Fund restructured to MENA Fund in 2002

The company distributed dividends of:
US$ 0.19 per share as of 30 November 2000
US$ 0.21 per share as of 17 December 2002

NAV as of end of February 2005 US$ 16.47

ENQUIRIES:
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This update does not constitute an offer of shares and should not be relied upon by any person acquiring 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 in The EFG-Hermes Middle East and Developing Africa Fund Limited and should be regarded 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.