The EFG-Hermes Middle East and Developing Africa Fund Limited

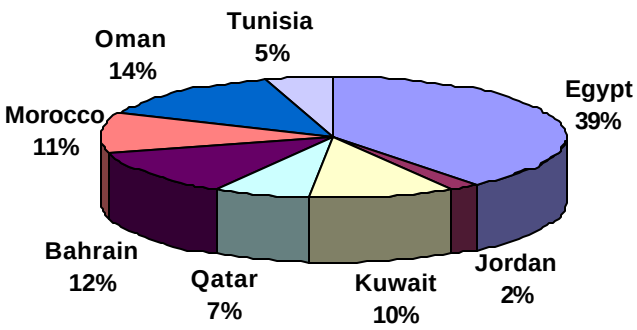
13 February 2005 *Covering January 2005*

January has been an excellent month for the fund, with the NAV rising by 11% to a new record high of US$ 15.62. In the Gulf, the fund has benefited from exposure to Q-Tel, National Bank of Bahrain and Bank Muscat. Stock moves have been heavily influenced by dividend and bonus share announcements. The Egyptian market (HFI) rose a startling 37.0%, lead by the fund's two largest holdings Orascom Construction 36.2% and Orascom Telecom 48.3%. Market performance has been helped by investors reducing the risk premium they apply on the market and the Egyptian pound, due to the more favorable position on the balance of payments. For the first time in memory, the Egyptian Pound appreciated against the US dollar. From a bottom-up standpoint earnings growth is strong and the prospects for the next two years indicate that PE and PEG ratios are not stretched for leading companies like OT and OCI. The fund is now seeing significant new subscriptions, and it is intended that the asset allocation will shift towards undervalued stocks in the Gulf region. For example, many companies in Kuwait are now on prospective PEs less than their counterparts in Egypt, but now have comparative dividend yields.

Top 10 Holdings

Holding	% of Net Asset Value
Orascom Telecom	12.2%
Orascom Construction Ind.	10.9%
Eastern Tobacco	6.9%
QTel	6.7%
Bank Muscat	5.1%
Alliance Housing Bank	4.9%
Vodafone	4.3%
Burgan Bank	3.8%
National Bank of Bahrain	3.6%
Bahrain Commercial Facilities	3.3%

Asset 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:

MQ Services Limited
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

NAV as of end of January 2005 US$ 15.62

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

ENQUIRIES:

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EFG-Hermes Asset Management

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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.