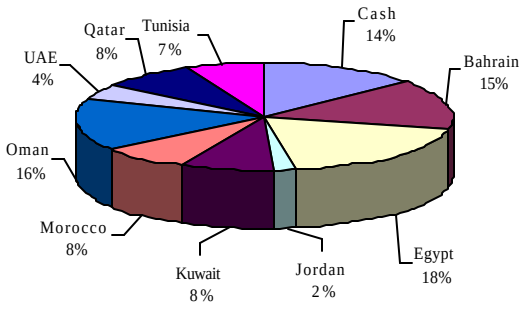
The EFG-Hermes Middle East and Developing Africa Fund Limited

9 June 2004 *Covering May 2004*

The MEDA Fund has continued to rsie in May, adding 3% to it's NAV during the month to stand at USD10.95. The Egyptian marketsaw someprofit taking, butafter the announcement ofstrong 1Q04 results from Orascom Telecom and Orascom Construction, these holdings recovered most of their lost ground. However, the strong performance of Oman, Bahrain and the UAE markets lifted the Fund's performance. Emaar was the star of the month, leaping 22% as it continued to rally after the company announced a 10:1 stock split. The end of the lock up period of the Amlak Finance capital subscription, is expected to help market liquidity prior to a proposed secondary issue for Emaar. We viewed this share price rise as a selling opportunity, locking in an average profit of 60% since our purchase in late 2002. In Bahrain, Batelco jumped 10% as investors speculated that it will win the second Omani GSM license and that the government will be selling its stake in the company at a higher level. Our holdings in Oman also witnessed strong performance, led by Oman Cement which jumped 17% after it announced it has almost doubled its net profits in 1Q04 compared to the same period last year. We have taken some profits in both Batelco and Oman Cement.

Top 10 Holdings	% Net Assets
OCI	9.1%
Qtel	7.8%
Alliance Housing Bank	5.2%
Bank Muscat	5.1%
Lafarge Maroc	4.9%
Emaar	4.4%
Batelco	4.3%
OT	4.2%
Bahrain Commercial Facilities	4.1%
Banque de l'Habitat	3.9%

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. EFG-Hermes (UK) 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

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 May 2004 US$ 10.95

ENQUIRIES:

Tristan Clube- Investment Advisor
Tel: 971-4-3300335 Fax: 971-4-3300336
Tel: 44-131-6237800 Fax:44-131-6237804
e-mail: tclube@wwmail.co.uk

EFG-Hermes Asset Management

Karim Nehma - Portfolio Manager
Tel: 202-3318217 Fax: 202-3365589
e-mail: knehma@efg-hermes.com

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.