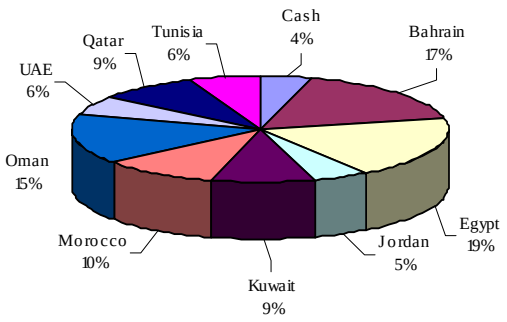
The EFG-Hermes Middle East and Developing Africa Fund Limited

7 March 2004 *Covering February 2004*

The MEDA Fund has continued to make steady advances in February, with the NAV rising by 1.44% during the month. Market performance has been more variable across the region after January's strong gains. Morocco and Qatar have been showing strong momentum, although QTel has underperformed, despite announcing a 20% improvement in profits in 2003. Morocco has signed a free-trade agreement with the US, although the market strength has more to do with speculation regarding the sale of assets belonging to the AXA Insurance Group, which is divesting from Morocco. We have continued to add to our position in Managem, the Moroccan metal producer, given that it is exposed to rapidly rising spot prices of Cobalt, Zinc and Lead. In Tunisia we have continued to add to Banque de l'Habitat on the basis it is very undervalued and will show favorable growth this year as the economy strengthens and provisions moderate. We have also taken some profits in Jordan Steel as we are uncertain about the outlook for steel tariff imports and the impact on 2004 margins.

Top 10 Holdings	% Net Assets
Orascom Construction Industries- Egypt	8.8%
Qatar Telecom- Qatar	8.6%
Emaar- UAE	5.5%
National Bank of Bahrain- Bahrain	4.8%
Alliance Housing Bank- Oman	4.8%
Bahrain Commercial Facilities- Bahrain	4.7%
Lafarge Ciments- Morocco	4.7%
Bahrain Telecom- Bahrain	4.4%
Bank Muscat Convertible Bonds- Oman	4.1%
Sonasid- Morocco	3.8%

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 February 2004 US$ 9.89

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

Yasmine Ali- Portfolio Manager
Tel: 202-3365960 Fax: 202-3365589
e-mail: yali@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.