

Fund Manager's Strategy & Outlook

The Egypt Fund maintained its positive momentum in April on the back of strong institutional and retail flows into large cap stocks following the announcement of positive corporate results and transactions. The Fund gained 2% in April to register a NAV of \$71.3. Top contributors to the Fund were largely concentrated in the building materials, fertilizers, real estate and telecommunications sectors.

The best-performing position was Orascom Telecom (OT) after the company announced a \$1.6 billion tender offer for its own shares at a price of EGP83 per share. Furthermore Ezz Steel Rebars (ESR) was one of the top contributors as the company raised ex-factory prices in response to increasing raw material prices. The company also announced its bond offering which will be used to refinance debt and finance expansions plans that were outlined by the company in an attempt to vertically integrate several facilities in Egypt and Algeria.

Maridive Oil Services (MOS) announced its Initial Public Offering during April. MOS is one of the leading and oldest companies in the MENA region to provide offshore marine and oil services encompassing offshore construction and support vessels. The public tranche of the Maridive offering, which closed on April 29th, was oversubscribed 20 times, while the private tranche was oversubscribed 31.2 times.

In an effort to alleviate inflationary pressure arising mainly from rising food costs, the government announced a 30% increase in public sector wages. To finance this increase, the government expedited its energy subsidy removal program which was scheduled to fully materialize towards the end of 2009. Other measures include increasing cigarette and domestic fuel prices, and levying a 15%-20% tax on energy-intensive industries in free zones. These measures were long expected and are aimed at alleviating pressures on the general population as the international food crisis escalates and the government faces mounting criticism.

The Investment Manager believes selective companies will continue to deliver strong results despite the recent government measures. We maintain a positive view on the market, and will continue to reshuffle the Fund's holdings to take advantage of high conviction ideas.

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Objective

The principal objective of the fund is long term capital appreciation through investing in Egyptian equity and equity related securities.

Fund Performance

Returns	Egypt Fund
Month to Date	2.0%
Year to Date	10.9%
2007	61.9%
2006	8.6%
2005	130.7%
2004	113.1%

Fund Information

NAV per share	USD 71.31
Launch Date	August, 1996
Listing	Irish Stock Exchange
Structure	Open Ended
Management fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG2948Y1093
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15

Fund Characteristics

No. of Holdings	21
Beta	0.78
Sharpe Ratio	1.53

Top Holdings

Holding	Sector	% Holding
EI Ezz Steel	Building Materials	11.4%
EK Holding	Investments	9.9%
OT	TMT	9.4%

Allocation By Asset Breakdown

