

The EFG-Hermes Egypt Fund

February 28, 2007

We are pleased to announce that we had a stellar performance during the month of February 2007 achieving 7.6% return in a single month, thus bringing the fund's year-to-date return to 3.0%. We were able to maximize the fund's benefit from corporate actions spanning the different sectors. In addition, we continued to spot special opportunities in the market and ensure that you benefit from them.

Our strategy of focusing on the real estate and tourism sector proved successful with our real estate pick, Egyptian Resorts, outperforming the market during February as the stock price appreciated more than 12%. The stock continued to rally during the first few days of March owing to news regarding future expansions of the company. Another holding in the same sector, Orascom Hotels & Development (OHD), added 0.9% to your NAV, as the company announced the launch of its low-cost housing projects.

Qena Cement was this month's star, appreciating by around 51% after the announcement of Spain's Cimpor Inversiones SA and Citadel's Asec Cement Company interest in acquiring 100% stake in the company. The offering for the 1.4 million ton plant started at EGP 67 per share by Cimpor and was outbid by Asec at EGP 75 per share.

Furthermore, the telecom sector is in the spotlight with the plethora of M&A deals materializing at high EV/EBITDA multiples, including the Hutch Essar sale, the third mobile license in Saudi and the Kuwaiti's NMTC impending sale. These deals should cause a re-rating of the sector thus presenting a significant upside potential for your largest holding, Orascom Telecom (OT).

Capitalizing on the real estate boom in the gulf region, Orascom Construction Industries (OCI), your regional cement and construction player, announced the formation of a 50/50 joint venture with Saudi Arabia's Khayyat Group to build a 1.4 million tons state-of-the-art cement factory for a total consideration of US\$ 360 million. The plant will be upgradeable to 2 million tons and will increase OCI's cement capacity to 36 million tons by early 2009. On a separate note, the company announced that it will offer to buy all the remaining outstanding shares of Turkey's Batçim Cement, in which it already has a 21.6% stake through its wholly owned Turkish subsidiary OCI Cimento Anonim Sirketi for a total value of US\$ 602 million, implying an EV/ton of US\$ 197. The stock rallied 10% on the back of those announcements, adding 0.8% to your NAV.

We continue to believe that the Egyptian market poses lucrative investment opportunities owing to the expected growth of the economy as investments flow into manufacturing, services and real estate sectors, with real GDP growth expected to reach 6.2% in FY2006/07 and 7.2% by FY2008/09.



EFG - Hermes

ASSET MANAGEMENT FACT SHEET

Objective

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

Fund Performance

Trailing Returns		Risk Overview	
YTD	3.0%	No. Years ▲	8
1 Month	7.6%	No. Years ▼	3
3 Months	10.4%	Best Yr ▲	130.7%
1 Year	-0.8%	Worst Yr ▼	-39.2%

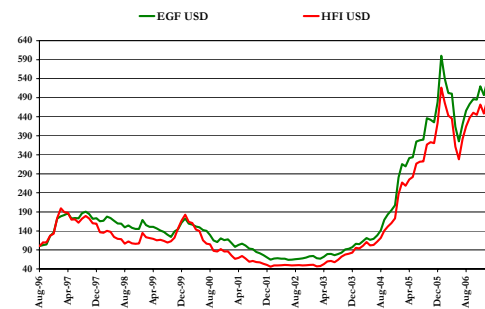
Fund Information

NAV per share	USD 41.09
Launch Date	September 1996
Listing	Irish Stock Exchange
Structure	Open Ended
Management fee	1.75%
Incentive fee	None
Benchmark	None

Investment Information

Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG2948Y1093
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15, MLSV

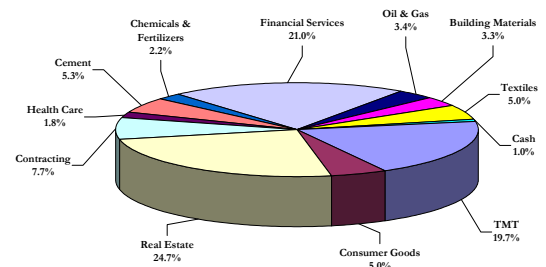
Fund Relative Performance



Top Holdings (%)

Holding	% of NAV
Orascom Telecom (OT)	19.7%
SODIC	10.4%
Commercial International Bank (CIB)	8.2%
Orascom Construction Industries (OCI)	7.7%
Orascom Hotels and Development (OHD)	7.6%

Asset Allocation



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