

### Fund Manager's Strategy & Outlook

The Egyptian market resumed the positive momentum this month which was triggered by solid inflows on the back of positive corporate year end results. The EFG-Hermes Egypt Fund added 8.3% during February, bringing its year to date performance to 5.0%.

The Fund's largest holding, Orascom Construction Industries (OCI), was this month's top contributor adding 1.8% to the Fund's NAV. The regional conglomerate announced that UAE-based Abraaj Capital, the leading regional private equity firm has agreed to merge its fertilizers production operations under OCI for a total enterprise value of US\$2.7 billion. On a separate note, National Steel Fabrication (NSF), a wholly owned subsidiary of OCI, plans to build a EGP450 million steel fabrication plant in an industrial park in Ain Sokhna with an annual capacity of 80,000 tons on 500,000 sqm of land, raising OCI's steel fabrication capacity to around 120,000 tons.

Commercial International Bank (CIB) announced consolidated end of year results with net income reaching EGP1.3 billion reflecting a 51% growth year on year. This came on the back of a 27% increase in net interest income which stood at EGP1.2 billion. CIB's gross loan portfolio grew by 16% to reach EGP21.7 billion, whereas its deposits recorded a 25% increase to EGP39.5 billion. The bank announced a cash dividend of EGP1 per share as well as a stock dividend of 1:2.

Furthermore in the financial services sector, Credit Agricole reported positive 2007 figures, surpassing market expectations with net profit reaching EGP524 million from EGP21 million a year earlier. Excluding one-off provisions in 2006 as a result of merging with Egyptian American Bank (EAB), normalized net profit grew by 55% year on year supported by a healthy 23% rise in net interest income to EGP509 million.

El Sewedy Cables announced that it will establish a US\$50 million factory in Algeria with an initial annual capacity of 11-12 thousand tons of power and control cables increasing to 15 thousand in 2009. The plant is expected to become operational by the second quarter of 2008 catering for the local as well as the international markets.

The Investment Manager maintains a positive stance on the Egyptian market, as the economy is expected to continue to benefit from domestic demand as well as the ongoing structural reforms, and solid GDP growth. Valuations remain attractive, and we will continue to identify and take advantage of mispricing opportunities within the market as they arise.

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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	8.3%
Year to Date	5.0%
2007	61.9%
2006	8.6%
2005	130.7%
2004	113.1%

### Fund Information

NAV per share	USD 67.53
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	1.52

### Top Holdings

Holding	Sector	% Holding
OCI	Contracting	12.6%
OT	TMT	10.5%
EK Holding	Investments	7.8%
El Ezz Steel	Building Materials	6.9%
CIB	Banking	6.9%

### Allocation By Economic Sector

