

The EFG-Hermes Egypt Fund

January 31, 2007



EFG - Hermes

ASSET MANAGEMENT FACT SHEET

A somewhat bearish sentiment overtook the market during the month of January as retail investors were thrown into a panic-driven selling wave as the month of January did not deliver its usual impressive gains. The Egyptian market, a predominantly retail market, witnessed higher volatility with Arab investors on the sidelines and foreigner buying becoming active on the dips. Your fund's NAV lost 4.3%, outperforming the HFI which shed around 5% over the month owing to the fund's concentration in value driven shares and zero exposure to small cap stocks.

Your largest holding Orascom Telecom (OT) announced that it had completed US\$ 750 million bond offering and successfully priced the 7-year bond at an attractive 7.9% yield. The offering proceeds may be used to help finance the purchase of Saudi Arabia's third mobile license, in case it wins the bid, or to finance other investment opportunities in existing or new markets. Part of the proceeds might be used to finance the purchase of treasury stocks of up to 5% of total outstanding shares. On a separate note, OT's EGM approved a 1:5 stock split.

Your largest banking holding, Commercial International Bank (CIB), announced impressive end of year results, with consolidated net income of EGP 868 million, a 42% y-o-y growth. On a standalone basis, the bank recorded a 31% y-o-y growth, to reach EGP 802 million, in line with the manager's expectations.

Egyptian Resorts, your real estate player and highest positive contributor to fund's return this month, continued to announce positive news, declaring a 1:1 rights issue at par value, to finance the purchase of 14 million sqm of land in Ras Benas on the Red Sea Coast. Moreover, the company is bidding for a plot of land in Ain Sokhna, offered by the Egyptian government for sale. The stock gained 28% on the back of the news, adding around 1% to your NAV.

As for the Oil & Gas sector, your holding Alexandria Minerals & Oil Company (AMOC) announced impressive first half results for FY 2006/07 with bottom line recording EGP 477 million, a growth of 44%. The strong performance came on the back of a healthy increase in revenues by around 15% to reach EGP 2.2 billion and better cost management, which improved the company's EBITDA margin by 3.5% to record 24.8%.

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 | -4.3% | No. Years ▲ | 8 |
| 1 Month | -4.3% | No. Years ▼ | 3 |
| 3 Months | 2.2% | Best Yr ▲ | 130.7% |
| 1 Year | -17.1% | Worst Yr ▼ | -39.2% |

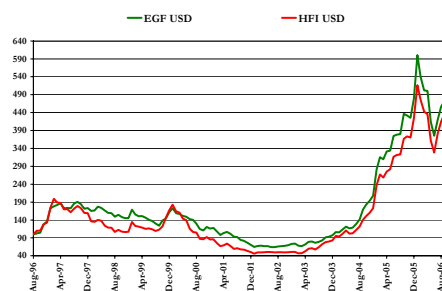
Fund Information

| | |
|----------------|----------------------|
| NAV per share | USD 38.18 |
| 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, WDRIFME1, ABNFUNDS15, MLSV |

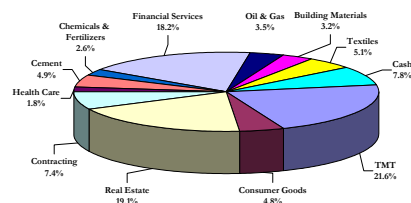
Fund Relative Performance



Top Holdings (%)

| Holding | % of NAV |
|---------------------------------------|----------|
| Orascom Telecom (OT) | 21.6% |
| SODIC | 8.5% |
| Commercial International Bank (CIB) | 8.3% |
| Orascom Construction Industries (OCI) | 7.4% |
| Orascom Hotels and Development (OHD) | 5.2% |

Asset Allocation



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