

# The EFG-Hermes Egypt Fund

July 31, 2007

Dear Shareholder,

Your EFG-Hermes Egypt Fund delivered another month of impressive performance posting a return of 6.3% during July 2007, thus bringing its year to date performance to 27.8% and outperforming the broad based market index, HFI, by a solid 8%. The fund's outperformance was driven by overweighting banking and real estate stocks, which have posted highest price gains during July and maintained their advance despite strong selling pressures towards the end of the month triggered by the major correction in global equity markets.

The highest contributing sector was the real estate sector attributing 2.6% to the fund's return. We have successfully added to our position in Egyptian Resorts, which occupied center stage during July with the stock appreciating in excess of 47%.

The largest attributor to the performance this month, is your real estate holding, Sixth of October Development and Investment Company (SODIC), which added 1.1% to your NAV, on the back of the sale of 117 thousand sqm of land in West Cairo to Bonyan Development Company for a total value of EGP 300 million, realizing profits of EGP 238 million.

Moreover, the banking sector witnessed heavy activities during July supported by several merger and acquisition (M&A) announcements. The long awaited sale of Al Watany Bank of Egypt is expected to be finalized within the month of August at a premium to the prevailing market price.

The M&A hype also affected the Commercial International Bank (CIB), which added around 0.8% to your NAV, as talks increased regarding a possible merge with another private sector bank in Egypt. The stock rallied by around 15% during the month.

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## 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	27.8%	No. Years ▲	8
1 Month	6.3%	No. Years ▼	3
3 Months	15.2%	Best Yr ▲	130.7%
1 Year	58.2%	Worst Yr ▼	-39.2%

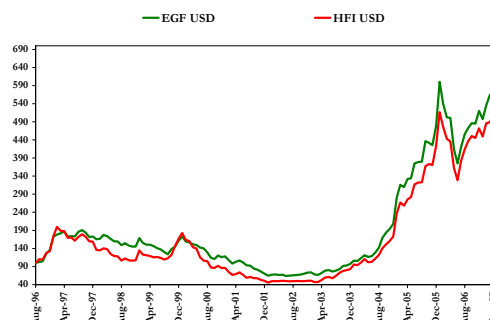
### Fund Information

NAV per share	USD 51.02
Launch Date	August 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

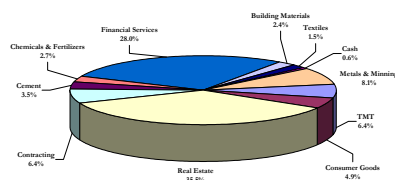
### Fund Relative Performance



### Top Holdings (%)

Holding	% of NAV
Commercial International Bank (CIB)	11.0%
El Watany Bank of Egypt	9.4%
SODIC	8.9%
Orascom Hotels & Development (OHD)	8.4%
El Ezz Steel	8.1%

### Asset Allocation



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