

The EFG-Hermes Egypt Fund

August 31, 2007

We would like to congratulate our shareholders on the "AA" rating of the EFG-Hermes Egypt Fund by the international independent credit rating agency, Standard & Poor's. The rating indicates the fund's demonstration of very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives. We are also proud to announce that the EFG-Hermes Egypt Fund is the first and only fund investing in Egypt to receive this distinction.

Continuing the strong performance, your fund's year to date return amounted to 28.3%, doubling the performance of the broad-based market index, HFI. The fund managed to maintain its ground and added 0.4% to the NAV, beating the HFI by more than 5%, despite global equity market sell-off during August triggered by credit worries in the US.

Your largest holding, Al Watany Bank of Egypt, occupied center stage this month, rallying more than 51%, upon announcement of the long awaited sale of the bank in a deal exceeding market expectations. The bank is being acquired by National Bank of Kuwait (NBK) in a deal worth more than US\$ 1 billion, translating into a price to book multiple of 4.3x, currently in its finalization stage.

The global touristic developer, Orascom Hotels and Development (OHD), announced impressive first half results for 2007, with net income from operations growing by 217% year on year to amount to EGP 143 million. The impressive results were supported by the addition of 15.0 million sqm of land in prime beach front in Morocco in addition to two sites in Egypt with a total area of 11.3 million sqm, increasing OHD's total land bank under development to 105.5 million sqm.

In line with our strategy to focus on the building materials sector, we have successfully built a position in Lecico, the leading sanitary ware and tile producer in Egypt, which reported a growth of 39% in its net profit for the first half of 2007 to reach EGP 51 million, as a result of market pick-up in high-priced UK, its primary market. The second half of the year is expected to remain robust, as the first line of the new sanitary ware plant rolls-out to reach full capacity at the end of the year and core markets continue to be buoyant along with promising opportunities in new markets in the horizon.

المجموعة المالية - هيرميس
EFGHERMES

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	28.3%	No. Years ▲	8
1 Month	0.4%	No. Years ▼	3
3 Months	10.6%	Best Yr ▲	130.7%
1 Year	46.3%	Worst Yr ▼	-39.2%

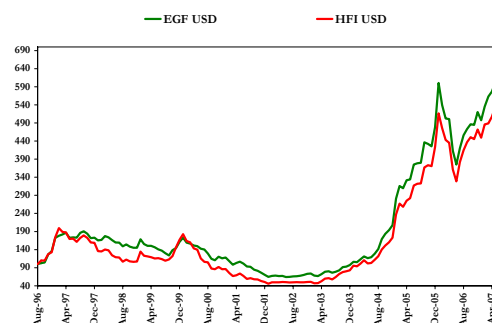
Fund Information

NAV per share	USD 51.21
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

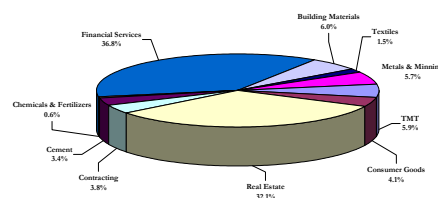
Fund Relative Performance



Top Holdings (%)

Holding	% Holding
El Watany Bank of Egypt	13.8%
Commercial International Bank (CIB)	11.8%
Orascom Hotels & Development (OHD)	7.4%
SODIC	6.9%
Lecico	5.7%

Sector Allocation



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