

# The EFG-Hermes Egypt Fund

March 31, 2007

Again, we bring you impressive return this month with your fund exhibiting stellar performance of 5.2% in March 2007, outperforming the HFI by 4.6%, and bringing the year-to-date return to 8.3%. The manager's strategy focusing on the real estate sector has proven successful with real estate plays showing highest price gains over the month and adding 4.5% to your NAV.

Your real estate holdings announced robust financial growth in 2006 owing to increasing demand and escalating prices. Your largest real estate play, Sixth of October Development and Investment Company (SODIC), released its full year 2006 results reflecting an impressive 451% growth in net profit, reaching EGP 227 million. The stock gained 9% over the month, adding around 1% to your NAV. The biggest contributor to the fund's NAV was another successful real estate play, Egyptian Resorts, on the back of its impressive end of year results. The company's net income reflected a 287% growth coming in at EGP 236 million owing to a three-fold growth in revenues.

Al Watany Bank was one of the strongest performing stocks this month owing to the announcement that the bank had received letters from numerous regional banks seeking to perform due diligence ahead of a possible acquisition. The stock price surged 20.5%. Moreover, the bank released impressive full year 2006 results with net income rising by 58.0% to record EGP 94.6 million as well as a 1:3 stock dividend and EGP 0.25 cash dividend per share.

We continue to believe in the strong potential of the Egyptian market given the strong corporate fundamentals and the improving economic environment. On the political front, the Egyptian government has gained 75.9% approval for constitutional changes in the referendum held during the month of March 2007. Some of the changes included limiting presidential authority towards a more powerful Prime Minister and Parliament and allowing the latter the right to modify government budget.



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	8.3%	No. Years ▲	8
1 Month	5.2%	No. Years ▼	3
3 Months	8.3%	Best Yr ▲	130.7%
1 Year	12.1%	Worst Yr ▼	-39.2%

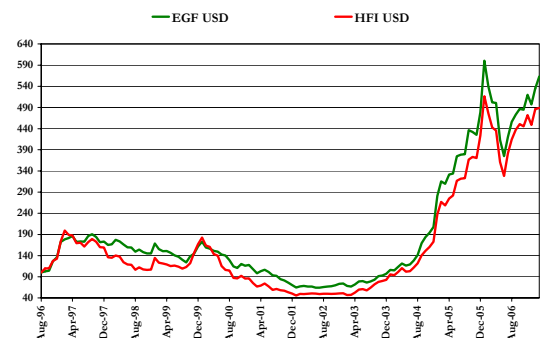
### Fund Information

NAV per share	USD 43.22
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

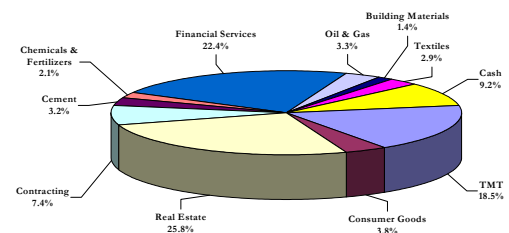
### Fund Relative Performance



### Top Holdings (%)

Holding	% of NAV
Orascom Telecom (OT)	18.5%
SODIC	11.0%
El Watany Bank of Egypt	8.8%
Commercial International Bank (CIB)	7.9%
Egyptian Resorts	7.6%

### Asset Allocation



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