

The EFG-Hermes Egypt Fund

May 31, 2007

Your EFG-Hermes Egypt Fund successfully delivered another impressive performance for the month of May 2007, posting 4.5% growth in its NAV, bringing its year to date performance to 16.0%, beating the market index, HFI, by 2.5%. Maintaining its strong track record, your fund has, for the third year running, been nominated top performing fund in the world by the International Herald Tribune for the 3 year period ending April 2007.

Real estate stocks continued to rally during the month of May on the back of the continuous increase in prices of land plots held for auction. The attractive land plot prices attracted several Arab developers including Emaar, Damac, Qatari based Al Barwa and Saudi developer Marakez. Real estate companies added around 4% to your NAV.

As a typical lagger to the real estate boom, construction and building material stocks are starting to catch on. We have successfully built positions in several beneficiaries of the real estate euphoria which have contributed 1.6% to your NAV over the month.

The regional construction and cement player, Orascom Construction Industries (OCI), which attributed around 1.4% to your NAV, announced impressive first quarter results, with net income increasing by 54% year on year to reach EGP 800 million. Moreover, the company announced that it has acquired a 60% stake in Samba SPA, the largest aggregates producer in Algeria, which owns and operates a crushed stone mine with a total of 60 million tonnes of crushed stone reserves and has a mining capacity of approximately 1 million tonnes of aggregates per year, for a total consideration of US\$ 8 million.

On the merger and acquisition front, several banks, including Eurobank, National Bank of Greece, National Bank of Kuwait as well as Jordan Arab Bank are currently performing due diligence on your banking holding, Watany Bank of Egypt, after expressing interest in acquiring a controlling stake in the bank. The bank added 0.5% to this month's performance.

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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 | 16.0% | No. Years ▲ | 8 |
| 1 Month | 4.5% | No. Years ▼ | 3 |
| 3 Months | 12.7% | Best Yr ▲ | 130.7% |
| 1 Year | 45.9% | Worst Yr ▼ | -39.2% |

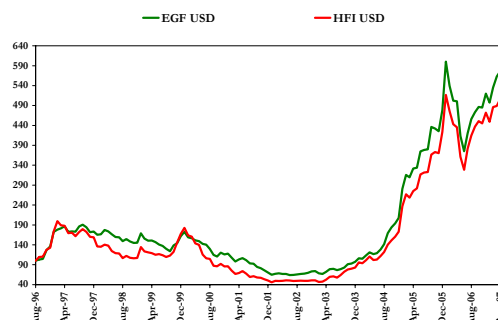
Fund Information

| | |
|----------------|----------------------|
| NAV per share | USD 46.29 |
| 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 |

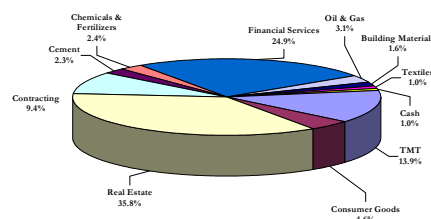
Fund Relative Performance



Top Holdings (%)

| Holding | % of NAV |
|---------------------------------------|----------|
| Orascom Telecom (OI) | 13.8% |
| SODIC | 13.2% |
| El Watany Bank of Egypt | 10.6% |
| Orascom Construction Industries (OCI) | 9.4% |
| Commercial International Bank (CIB) | 7.8% |

Asset Allocation



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