

The EFG-Hermes Egypt Fund November 30, 2007

Fund Manager's Strategy & Outlook

The EFG-Hermes Egypt Fund delivered another month of strong positive performance, posting 4.4% during November after distributing US\$ 0.3 per Investment Certificate (IC). This brings your return on investment since the beginning of the year to 55.4%, beating the broad-based market index, HFI, by around 11.0%, despite the index recording life highs in November owing to increased buying flows into blue chips which have continued into the month of December.

The highest contributing sector to return this month was the real estate sector with the materialization of the long awaited Initial Public Offering (IPO) of the real estate developer Talaat Mostafa Group (TMG). The offering was completed during November in a deal exceeding EGP 4.0 billion. The private placement tranche, sold to international and high networth investors, was covered more than 17 times, while the public offering which was open for Egyptian retail investors was more than 41 oversubscribed. The stock added 2.0% to your return.

Another real estate stock, Sixth of October Development and Investment Company (SODIC) witnessed a 15.5% price appreciation on the back of announcing 9M07 figures with net income skyrocketing to reach EGP 157 million compared to EGP 9 million for the same period last year. This stellar performance was triggered by a 415.0% growth in revenue to record EGP 321 million.

On the tourism front, your holding Orascom Hotels & Development (OHD) gained 7.5% after the announcement of booking US\$ 130 million in reservations for the first phase of its Seifa Mountain and Salalah Beach developments in Oman. On a separate note, the global tourism developer reported consolidated 9M07 results with net income rising 26.4% year on year to reach EGP 244 million.

Your largest telecom holding Orascom Telecom (OT) which added around 0.5% to the fund's performance this month announced that it had sold its remaining 14.2% stake in Hutchison Telecom International Ltd. (HTIL) in a total deal worth US\$ 960 million. As a result, OT received a total value of US\$ 1.3 billion million from the sale of its 19.3% stake HTIL after receiving a special dividend of US\$ 793 million from HTIL's divestment of its Indian operation, Hutch Essar.

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Objective

The principal objective of the fund is long term capital appreciation through investing in Egyptian equity and equity related securities.

Fund Performance

Returns	Egypt Fund
Month to Date	4.4%
Year to Date	55.4%
2006	8.6%
2005	130.7%
2004	113.1%

Fund Information

NAV per share	USD 61.71
Launch Date	August, 1996
Listing	Irish Stock Exchange
Structure	Open Ended
Management fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
ISIN	BMG2948Y1093
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15

Fund Characteristics

No. of Holdings	19
Beta	0.78
Sharpe Ratio	1.51

Top Holdings

Holding	Sector	% Holding
SODIC	Real Estate	14.7%
CIB	Financial	8.9%
OCI	Contracting	7.8%
TMG	Real Estate	7.6%
OT	TMT	7.0%

Allocation By Economic Sector

