

### Fund Manager's Strategy & Outlook

The Egyptian Stock Market returned to the positive territory after months of negative returns. Gains are on the back of a slightly better market sentiment post announcements of economic support from neighboring countries. The fund followed suit albeit similar currency devaluation, gaining 0.7% during the month while the HFI USD index lost 1.2% over the same period.

Long awaited corporate disputes came to a conclusion during the month including Orascom Construction Industries (OCI) reaching a final agreement with the Egyptian Tax Authority to settle its tax dispute by paying EGP7.1bn over ten installments with the first installment amounting to EGP2.5bn during 2Q 2013. Moreover, EFG-Hermes and QInvest have announced that their joint venture agreement was automatically terminated as the necessary Egyptian Financial Supervisory Authority (EFSA) approvals were not granted. However, EFG-Hermes announced that their strategy is now focused on regional growth opportunities and shareholder value creation. On the telecom front, Altimo's Baskindale offered Orascom Telecom Holding USD0.7/share for 100% of its shares; implying 10% upside to the market. The EFSA has approved Altimo's offer with the tendering period ending on May 27<sup>th</sup> 2013.

With developments on the economic front, the government announced a revised target GDP growth of 2.5% for FY2012/2013 given the weakening economic activity since the beginning of the year. Ongoing EGP devaluation has put strains on economic activity with April 2013 inflation rate reaching 8.1% year-on-year compared to 7.6% in March 2013. On a separate note, Net International Reserves increased by USD1.0bn during the month of April 2013 reaching USD14.4bn. The increase was mainly driven by Libyan budget support of USD2.0bn.

The fund manager will maintain a cautiously optimistic view on the Egyptian market during the coming period. The manager will keep core positions in stocks with defensive operations while utilizing mispricing opportunities in high beta names within the market as they arise.

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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	0.7%
Year to Date	-8.2%
Q1 2013	-8.9%
2012	46.4%
2011	-53.6%
2010	8.5%
2009	12.8%
2008	-46.2%
2007	61.9%
2006	8.6%
2005	130.7%
2004	113.1%

### Fund Information

NAV per share	USD 26.39
Launch Date	August, 1996
Listing	Irish Stock Exchange
Structure	Open Ended
Management fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Weekly

### Fund Identifiers

ISIN	BMG2948Y1093
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15
Bloomberg Ticker	EFGHEGY BH

### Fund Characteristics

No. of Holdings	21
Beta	0.81
Sharpe Ratio	0

### Top Holdings

Holding	Sector	% Holding
ORASCOM CONSTRUCTION INDS	Construction	18.8%
ORASCOM TELECOM HOLDING	Telecom.	12.9%
COMMERCIAL INTERNATIONAL BANK	Banking	11.1%

### Allocation By Economic Sector

