

### Fund Manager's Strategy & Outlook

Heightened volatility dominated the trading scene during the month of August 2013. The market started the month with strong performance, however, it was dragged by a bearish sentiment amid escalating political tension after the breakup of pro-Morsi sit-ins. Accordingly, strong selling force was witnessed emanating from foreign institutional investors. Nevertheless, the fund delivered positive returns during the month amounting to 3.8% bringing its year to date performance to -1.3% and outperforming the index by 7.0%.

Following the removal of Orascom Construction Industries stock from the EGX30 index, majority of cash proceeds were reallocated by investors to Commercial International Bank (CIB) stock which showed a strong hike in share price in the beginning of the month. The bank also reported 2Q2013 results showing a 28% year-on-year increase in net income reaching EGP671 million. The bank's operating income increased by 53% on the back of strong growth across all revenue segments. On the telecom front, Telecom Egypt also reported strong 2Q2013 figures on the back of strong wholesale and retail revenues. The company's net income reached EGP861 million showing 45% year-on-year growth also boosted by one off gains. On the real estate front, Talaat Mostafa Group (TMG) net income grew by 12% during 2Q2013 reaching EGP173 million backed by improvement in margins due to the delivery of higher margin units during the quarter.

Given the recent developments in the country's political and economic situation, the government announced an emergency economic plan amounting to USD3.2bn to be implemented over the coming nine months. The plan aims at stimulating the country's hindered economic sectors namely tourism and investment. Minister of planning announced a target real GDP growth of 3.5% for the fiscal year 2013/2014. Headline inflation accelerated during the month of July 2013 with annual growth of 10.3% versus 9.8% during the previous month on the back of increased food prices during the month of Ramadan. Net international reserves jumped to USD18.9bn in July 2013 due to financial aid received from Saudi Arabia and UAE amounting to USD5bn.

Given the current political and economic uncertainties, the fund manager will prolong his cautious strategy for the fund. Excess cash in the fund's portfolio will be utilized to benefit from any attractive buying opportunities arising over the coming period.

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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 | 3.8%       |
| Year to Date  | -1.3%      |
| Q2 2013       | -8.6%      |
| 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 28.40            |
| 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 | 20    |
| Beta            | 0.81  |
| Sharpe Ratio    | -0.03 |

### Top Holdings

| Holding                       | Sector   | % Holding |
|-------------------------------|----------|-----------|
| Commercial International Bank | Banking  | 14.7      |
| Orascom Telecom Holding       | Telecom. | 13.5      |
| Telecom Egypt                 | Telecom. | 8.0       |

### Allocation By Economic Sector

