

Fund Manager's Strategy & Outlook

Rising anxiety and political instability pressured the market during the month of February 2013. With subdued market activity, average daily turnover dropped to USD50 million during the month owing to passive investor sentiment towards the market. The fund lost 1.4% during the month bringing its year to date performance to -3.7%.

Orascom Construction Industries (OCI) deal grabbed market's attention with handful announcements during the month. The company announced that 99% of the company's GDRs holders representing 75.7% of the company's total outstanding shares had accepted the offer to exchange their GDRs for OCI N.V shares. In addition, the company announced that it will host another EGM to discuss additional disclosures related to the transaction and to obtain minority shareholder's approval as per the regulator's request. The month of February 2013 witnessed few company results announcements with Commercial International Bank (CIB) recording net income of EGP 588 million in 4Q2012 showing a year-on-year growth of 7%. The bank proposed a cash dividend per share of EGP 1.25 implying a payout ratio of 34% and a dividend yield of 3.6%. Juhayna Food Industries reported robust 4Q2012 results with net income reaching EGP 85.5 million showing a year-on-year increase of 130% due to huge margin improvements in the company's core segments. Juhayna proposed a cash dividend per share of EGP 0.15 implying a payout ratio of 32% and a dividend yield of 1.8%.

On the economic front, the country's economy grew by 2.2% in 2Q 2012/2013 with the government announcing a revised full year growth target of 3.0%. Government revenues increased by 31% year-on-year during 1H 2012/2013 reaching EGP153 billion while budget deficit widened to EGP91.5 billion over the same period showing a 24% year-on-year increase. The impact of a weakening EGP was quickly reflected in prices with January 2013 inflation rate accelerating to 6.3% year-on-year compared to 4.7% in December 2012.

With uncertainty dominating the political and economic scenes, the investment manager will prolong his cautious investment strategy for the fund until more clarity for the long-term prospects of the Egyptian market is foreseen.

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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 | -1.4% |
| Year to Date | -3.7% |
| 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 27.69 |
| 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 | 22 |
| Beta | 0.81 |
| Sharpe Ratio | 0.05 |

Top Holdings

| Holding | Sector | % Holding |
|---------------------------------|--------------|-----------|
| Orascom Construction Industries | Construction | 18.3% |
| Commercial International Bank | Banking | 12.1% |
| Orascom Telecom Holding | Telecom. | 10.6% |

Allocation By Economic Sector

