

### Fund Manager's Strategy & Outlook

The Fund gained 2.1% during the month of July, bringing its YTD performance to almost flat and reversing the preceding months' declining trend. The market has also recovered some of its losses during the month, gaining 5.5% and narrowing the YTD losses to -3.2%. The market's positive performance came largely on the back of small cap stocks and stability in mid and large caps after two turbulent months. Volumes enjoyed a slight increase over the month and foreigners returned as net buyers of the market as all sectors witnessed a rally and sentiment reversed.

Companies in the market witnessed a pick-up in new project announcements and plans that should underpin their growth over the coming period. Orascom Construction Industries (OCI) announced winning a contract for Doha International Airport as part of a JV, bringing its announced contract awards this year to USD 1bn and the expansion of its infrastructure backlog. The company is also bidding on the new Egyptian Museum mega-project. Orascom Telecom (OT) chairman that the company expects a positive outcome from its discussion with the Algerian government over Djezzy, while the company's subscriber growth is expected to make it one of the world's top ten operators. On the real estate front, the Ministers of Finance and Housing asserted that the contract for the sale of Madinaty (Talaat Mostafa Group's major project) is in no way at risk of being revoked, helping to assuage investor worries regarding the issue.

The macroeconomic indicators for the FY 2009/2010 were released during the month ending a strong year on a positive and promising note. GDP growth for the year's last quarter accelerated to 5.9%, bringing the full year's growth to 5.3% and underpinning the government expectations for a 6%-plus GDP growth in FY2010/2011. Inflation remained stable during June at 10.7% y-o-y, slightly up from the May figure and no expectation of a rate increase in the short term. The budget deficit came at 8.3% of GDP, slightly lower than the budgeted 8.4% and a positive surge in tax revenue came on the back of increased economic activity. Infrastructure spending remained strong with announcement of new major projects in energy and transportation that also show a continuation of interest in PPP projects in Egypt while BP signed a new USD 10bn offshore gas deal that marks a return of major energy FDIs.

The Fund Manager remains confident in the fundamentals of the economy and the Fund's portfolio, while short term volatility will be used opportunistically to enhance the Fund's returns and sustain its outperformance.

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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		2.1%
Year to Date		-1.5%
2009		12.8%
2008		-46.2%
2007		61.9%
2006		8.6%
2005		130.7%
2004		113.1%

### Fund Information

NAV per share		USD 38.4
Launch Date		August, 1996
Listing		Irish Stock Exchange
Structure		Open Ended
Management fee		1.75%
Minimum Subscription		USD 10,000
Subscription/Redemption		Monthly

### 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		1.03
Sharpe Ratio		0.26

### Top Holdings

Holding	Sector	% Holding
Orascom Construction Industries	Contracting	18.2%
Orascom Telecom	TMT	14.5%
Commercial In't Bank	Banks	8.3%

### Allocation By Economic Sector

