

### Fund Manager's Strategy & Outlook

The month of July was overshadowed by the political aftermath following the ouster of president Morsi during the first week of the month. Renewed positive sentiment was back on the scene following June 30<sup>th</sup> protests and following the announcements by the army of a clear road map for the transition period. Shortly after, the streets started witnessing increased clashes which weighed down on the beginning of the month euphoria.

The reaction of the equity market attests to the magnitude of investor relief, following a year of foreign reserve depletion, EGP depreciation, sovereign rating downgrades, political polarization, deterioration in international relations, and alarming social divide. The market reacted positively at the beginning of the month then started moving sideways towards the end.

The fund gained 14.2% during the month while the HFI jumped 17.9%. On a year to date basis the fund outperforms the index by 5.9%.

On the companies' activities the main highlight was the completion of OCI N.V. share swap. The company announced that it has completed the execution of cash and share elections related to its acquisition of Orascom Construction Industries S.A.E. (OCI S.A.E.). OCI N.V. now owns 97.44% of OCI S.A.E. excluding employees' share options in issue. As a result, EGX30 saw major reshuffling of weights and stocks which was translated into the market activity.

On the economic front, neighboring countries have pledged more aids and grants to the country; a total of USD8 billion from UAE and KSA in grants, deposits and hydrocarbon products. As of end of June 2013 international reserves have reached USD14.9 billion, falling from USD16 billion one month earlier. It is expected that gross international reserves are to increase to their highest level since late 2011. This will also add comfort on the central bank's ability to intervene in FX markets in order to reduce volatility through year-end.

Over the coming period the fund manager will focus on rebalancing the fund's investment to accommodate for the exit of heavy weight OCI from the portfolio. Main focus will be the new heavy weight index constituents with solid fundamentals and a target exposure level in the late 70's. Given the expected upcoming volatility the manager will actively trade the market to benefit from opportunities that might 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	14.2%
Year to Date	-4.9%
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 27.36
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	-0.02

### Top Holdings

Holding	Sector	% Holding
Orascom Construction Inds	Construction	18.1
Commercial International Bank	Banking	12.9
Orascom Telecom Holding	Telecom.	12.5

### Allocation By Economic Sector

