

### Fund Manager's Strategy & Outlook

The market witnessed a strong downdraft during the month of June 2013 after two months of strong performance. Political tensions prior to June 30th protests and the heightened degree of uncertainty were reflected into increasing volatility since the beginning of the month. Nevertheless, the fund continued to outperform the index bringing its year to date performance to -16.7%.

After an initial downward move driven by talks of Egypt's exclusion from the MSCI Emerging Market Index, the market saw strong selling waves during the following sessions due to negative sentiment from investors. The highest contributing sectors to the month's negative performance were the telecom and real estate sectors. Company news were dry during the month with the most significant being the Egyptian Financial Supervisory Authority (EFSA) refusal of Baskindale's request to buy the tendered Orascom Telecom shares; representing a 16% stake of the company. On the other hand, the EFSA finally approved Orascom Construction Industry (OCI) tender offer to convert OCI S.A.E shares into OCI N.V shares or a cash alternative of EGP255 per share.

The Egyptian economy recorded year-on-year GDP growth of 2.2% during 1Q 2013 versus 5.2% in 1Q2012 and 2.2% in 4Q2012. Minister of finance announced that the economy is still suffering from a collapse in revenues from tourism and foreign investment sectors. Headline inflation remained stable during the month of May 2013 with annual growth of 8.2% versus 8.1% during the previous month.

Given the current political situation in Egypt, the fund manager will maintain cautious equity exposure for the fund while building positions in selective high beta names. The fund manager will keep core positions in defensive plays as well as companies with international operations benefiting from FX movements. Excess cash in the fund's portfolio will be deployed to benefit from any trading opportunities that might arise on the short term

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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	-11.7%
Year to Date	-16.7%
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 23.97
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	-0.09

### Top Holdings

Holding	Sector	% Holding
Orascom Construction Inds	Construction	19.1
Orascom Telecom Holding	Telecom.	12.2
Commercial International Bank	Banking	11.7

### Allocation By Economic Sector

