

### Fund Manager's Strategy & Outlook

The Egyptian stock market was dragged by a bearish sentiment amid the escalating political crunch during the month of March 2013. The market remained volatile in a downward trend with large caps being hit the hardest. The fund lost 5.3% during the month bringing its year to date performance to -8.9% and outperforming the index by 1.6%.

On the corporate front, the month witnessed the release of 4Q2012 results of most companies. Orascom Telecom Holding reported net loss of USD474mn in 4Q2012 which came as a surprise to analysts. However, the net loss was mainly driven by non operating items including impairment losses of USD339mn on one of its subsidiaries' loan in addition to FX losses. Telecom Egypt reported net profit of EGP2.6bn representing a year-on-year decline by 13%. The company proposed a cash dividend per share of EGP1.3 implying a dividend yield of 9.6%. On the real estate front, Talaat Mostafa Group (TMG) reported robust 4Q2012 results with the company's revenue growing 97% year-on-year reaching EGP1.4bn while net income showed a year-on-year growth of 34% reaching EGP112mn.

On the economic front, the government announced a target GDP growth of 4.1% in FY2013/2014 with plans to increase investments to EGP291bn and tourism revenue to EGP10bn. The government also expects that tax amendments which will be applied during the FY2013/2014 will reduce the budget deficit to 10% of the GDP instead of 11%. The weakening of the EGP continued its pressure on consumer prices with February inflation rate jumping to 8.3% year-on-year compared to 6.3% a month earlier. Net International Reserves declined to USD13.4bn during the month of March 2013 covering 2.8 months of merchandise imports.

Given the low visibility on the conclusion of the IMF deal, the continued volatility in the market and political tension, the investment manager maintains his cautious view, keeping his focus on the short term will be on defensive and high dividend plays

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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	-5.3%
Year to Date	-8.9%
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 26.21
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

### Top Holdings

Holding	Sector	% Holding
Orascom Construction Inds.	Construction	17.52%
Orascom Telecom Holding	Telecom.	11.31%
Commercial International Bank	Banking	10.79%

### Allocation By Economic Sector

