

### Fund Manager's Strategy & Outlook

Rising political tension increased during November 2012 with the president's constitutional declaration causing street polarization between Islamists and other political parties. Mass street protests heated up the political scene and caused the market to surge down towards the end of the month mainly due to large selling waves emanating from local retail investors. The fund recorded negative returns of -4.05% outperforming the index by 1.25% and bringing its year to date performance to 50.74%.

Company results for 3Q2012 were announced during the month with some surprises to analysts. The banking sector reported strong 3Q2012 results with Commercial International Bank (CIB) recording a remarkable year-on-year increase in net income by 94% reaching EGP610 million. The bank benefited from high net interest income and strong trading and investment income compared to the previous year. National Societe Generale Bank (NSGB) reported net income of EGP390 million showing an annual growth of 10%. The bank reported strong operating income during the quarter which showed an increase of 23% on a year-on-year basis on the back of strong growth in net interest income. Orascom Construction Industries (OCI) announced net profit of USD127 million showing a year-on-year decrease of 31% on the back of diminished margins from its construction and fertilizers business. The company's backlog reached USD5.6 billion, a drop of 4% during the quarter.

On the economic front, the country's economic growth slowed to 2.6% year-on-year during the first quarter of FY2012/2013. The country witnessed an overall slowdown in economic activity, albeit some sectors showed increased growth over the same period including manufacturing and construction which have increased by 2.8% and 5.4% respectively. The government has also announced its economic reform program which included some measures that would help boost the country's economic situation on the short and long terms. The program targets to reduce the budget deficit to 10.7% of GDP in FY2012/2103 and to 9.5% in FY2013/2014 while growing the country's foreign reserves to USD25 billion by the end of FY2012/2013.

In anticipation of increased market volatility over the coming period, the fund manager will prolong his conservative strategy for the fund by maintaining low equity exposure, keeping core positions in high beta stocks, while trading the market to benefit from the expected volatility.

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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	-4.0%
Year to Date	50.7%
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 29.62
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	0.12

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	13.75%
Orascom Construction Industries	Construction	10.98%
Telecom Egypt	Telecom.	9.59%

### Allocation By Economic Sector

