

Fund Manager's Strategy & Outlook

For the month of April the Fund showed stellar performance gaining 7.3%. This brings the Fund's year-to-date returns to 19.5%, an outperformance of 4.1% to the HFI. The market's rally came with a pick-up in volumes traded, with the average daily traded value during April 45% higher than the average traded over the three preceding months and average foreign participation increasing by a 25%.

The performance and volumes were mostly on the back of rallies of the market's blue chips with Orascom Telecom (OT) in the lead. The market performance peaked mid-month to 9.7% with news on Orascom Telecom's holding acquisition talks with MTN over the possible sale of part or the whole of OT. And while OT has finalized its tax payment on Djezzy and resolved the Mobinil dispute with joint ownership with France Telecom, the month ended with the Algerian government putting a halt on the acquisition talks by announcing that it plans to exercise its right of first refusal on any sale of OT's Algerian unit.

While the market followed the OT development, the economy had a busy month with several indicators announced with a largely positive outlook. March year-on-year inflation was announced to have fallen to 12.2% its lowest level since October 2009 and underpinning another decision by the Central Bank of Egypt to keep rates constant. With the continuation in growth-promoting monetary policy paving the way for the targeted GDP growth for FY 2009/2010, the government announced the preliminary growth figure for 3Q 2009/2010 to be c. 5%. External sources of revenue such as Suez Canal and tourism picked up significantly, with the former growing 16% year-on-year in March and the latter posting a growth of 24% during the first quarter. Investment, remittances, and consumption are expected to be added to the list of catalysts to the economy over the coming quarters.

While the Fund Manager's strategy and allocation benefited from April's rally, uncertainty over the direction of the market and the global turmoil on the back of European economic instability will prove challenging in the coming period, however the Fund Manager remains optimistic and will opportunistically make use the market's volatility when attractive opportunities arise.

Hashem Montasser – Managing Director

Dalia Shafik – Fund Manager

Mai Mounir – Vice President

Tel: +20 2 33318 228 / Fax: +20 2 33362 298

E-mail: AMsales@efg-hermes.com

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		7.3%
Year to Date		19.5%
2009		12.8%
2008		-46.2%
2007		61.9%
2006		8.6%
2005		130.7%
2004		113.1%

Fund Information

NAV per share		USD 46.61
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		1.00
Sharpe Ratio		0.49

Top Holdings

Holding	Sector	% Holding
Orascom Construction Industries	Contracting	15.8%
Orascom Telecom	TMT	14.4%
Talaat Mostafa Group	Real Estate	8.0%

Allocation By Economic Sector

