

Fund Manager's Strategy & Outlook

The Fund recorded returns of -8.3% for the month of April bringing its year to date returns to -35.7%. The index on the other hand took a beating as well on the back of large selling waves from the foreign investors resulting in a monthly decline of -5.3%. Average daily turnover amounted to USD84 million with the bulk of trading emanating from local investors since resumption of trading in late March.

The market witnessed several company announcements during the month. On the banking front, Commercial International Bank (CIB) had participated in two syndicated loans worth EGP2.25 billion and EGP1.27 billion each. Citadel Capital subsidiary Sphinks Private Equity Management signed a USD 25.5 million agreement with the international finance corporation to finance mill projects. On another note, Citadel Capital postponed the initial public offering that was planned for its subsidiary Taqa Arabia until late 2011 due to lower valuation prospects given prevailing market conditions. The month of April also witnessed a wave of dividend payout announcements; heavy weight Orascom Construction Industries (OCI) announced a distribution of interim cash dividend equivalent to USD1 per share, Talaat Moustafa Group shareholders approved a bonus share issue of one share for every 40 shares, Telecom Egypt shareholders approved the proposed FY2010 cash dividend of EGP1.3/share and Sidi Kerir Petrochemicals announced that it would distribute a cash dividend worth EGP1.40 per share for FY2010.

On the economic front, Suez Canal revenues rose 9% year-on-year in March 2011 reaching USD413.5 million, thus returning to pre-crises levels. Headline inflation in March accelerated to 11.5% year-on-year from 10.7% year-on-year in February, mainly due to higher food prices while on the other hand core inflation figure showed a year-on-year drop from 9.5% in February to 8.5% in March 2011.

The fund manager's strategy for the coming period will mainly focus on defensive plays, high dividend paying names, export oriented industries and companies with a strong balance sheet while taking advantage of market volatility.

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 | | -8.3% |
| Year To Date | | -35.7% |
| 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 27.19 |
| 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 |

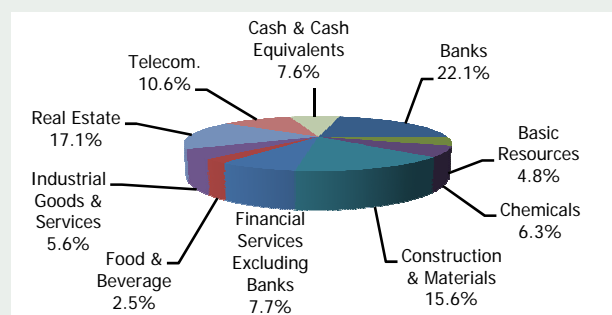
Fund Characteristics

| | | |
|-----------------|--|------|
| No. of Holdings | | 20 |
| Beta | | 0.79 |
| Sharpe Ratio | | 0.10 |

Top Holdings

| Holding | Sector | % Holding |
|---------------------------------|--------------|-----------|
| Commercial International Bank | Banking | 14.7% |
| Orascom Construction Industries | Construction | 14.2% |
| Telecom Egypt | Telecom. | 9.1% |

Allocation By Economic Sector



EFG-Hermes Asset Management

Tel: +20 2 35356 528 / Fax: +20 2 3537 0924
 E-mail: AMsales@efg-hermes.com