

### Fund Manager's Strategy & Outlook

The market resumed its positive momentum during the month of February in a volatile upward trend owing to mixed news on the corporate, economic and political fronts. The fund continued delivering strong results with monthly returns of 13.4% in February bringing its year to date performance to 37.5%. Furthermore, market turnover has picked up drastically reaching a high of USD143 million, thus, moving closer to pre-revolution levels.

The highest contributing sector to the month's stellar performance was the telecom sector with Orascom Telecom Media and Technology (OTMT) signing a memorandum of understanding with France Telecom to sell the majority of its stake in Mobinil at EGP202.5/share. Accordingly, Mobinil and OTMT witnessed a rally with stock prices rising 69% and 44% respectively. The deal is expected to be finalized during March 2012, pending relevant regulatory and BoD approvals. Furthermore, OTMT is currently in further discussions with France Telecom regarding a put option on its remaining 5% stake in Mobinil. More on the positive news, Commercial International Bank (CIB) announced higher than expected FY 2011 results with net income amounting to EGP1.6 billion. Net income for 4Q2011 alone amounted to EGP550 million showing a quarterly increase of 75% on the back of strong pick up in revenues and lower booked provisions as well. Despite economic turbulence during 2011, the bank managed to achieve growth in its balance sheet whereby customers' loans and deposits grew 13% year-on-year in 2011.

Several positive economic indicators were announced during the month as well. Annual headline inflation cooled down reaching 8.6% in January 2012 due to lower year-on-year food prices increase. Core inflation also declined reaching 6.9% year-on-year. On a separate note, net international reserves dropped by USD1.8 billion in January 2012 reaching USD16.4 billion, however, this drop is considered to be one last sizable drop and reserves are expected to witness lower depletion rate till end of fiscal year. Additionally, the Ministry of Finance announced issuing sovereign Sukuk worth of USD2 billion which will be used to support budget deficit and infrastructure projects. In addition, there were renewed talks of further international financial assistance to Egypt from the World Bank and the European Union amounting to USD1.1 billion.

With the positive stance towards the market, the fund manager will continue building long term positions in names offering deep value while identifying mispricing opportunities within the market as they arise.

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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		13.4%
Year to Date		37.5%
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 27.02
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		16
Beta		0.80
Sharpe Ratio		0.06

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	10.4%
Orascom Construction Industries	Construction	10.2%
Mobinil	Telecom.	9.7%

### Allocation By Economic Sector

