

# Egypt Equity Fund



August 2010

## Objective

The Rasmala Egypt Equity Fund objective is to achieve long-term capital appreciation by primarily investing in publicly listed equity securities traded in the Egyptian stock exchange. The Fund Manager uses a combination of quantitative and qualitative methodologies to set the asset allocation of the Fund. The Fund provides high liquidity and diversification for investing in the Egyptian stock exchange.

## Outlook

The EGX30 started the period\* at 6226.18 points and ended positively, gaining 4.29% to reach 6493.28 points. The EGX70 gained 0.74%. Relative to other sectors, Construction and Materials was the top gainer up 5.61%, followed by Financial Services gaining 4.45%. In contrast, Travel and Leisure fell 5.96%, and the Industrial Goods and Services sector lost 1.22%.

August was a busy month for news flow and in particular for Orascom Telecom Holdings (OTH). In Algeria, the government has hired a local financial consultant for the purchase of OTH's Algerian subsidiary Djezzy, while Weather Investments and Russian Vimpelcom are in talks to merge in a transaction that could create a company worth more than USD 25 billion. GoE will not supply energy to the 12 companies that are awarded cement licenses at the beginning of 2011. Investors will be required to supply their own factories and to either source their energy requirements locally or internationally. In a deal worth USD 542 million, EFG Hermes Holding is due to acquire a 65% interest in Crédit Libanais, subject to the approval of the Central Bank of Lebanon and other standard conditions. The General Prosecutor has dismissed the case relating to the misuse of public resources in the Madinaty land lawsuit filed against a former Housing Minister. The decision will be presented to the High Administrative Court in preparation for the hearing on 14 September. To date, 42 companies announced H1 10 results with total revenues reaching EGP 77.4 billion. Total NPAT reached EGP 14.7 billion. Of these companies, 86% had a positive growth in revenues and 74% had a positive growth in net profit. The top 20 companies had a weighted average revenue growth rate of 16% and a weighted average NPAT growth rate of 36%.

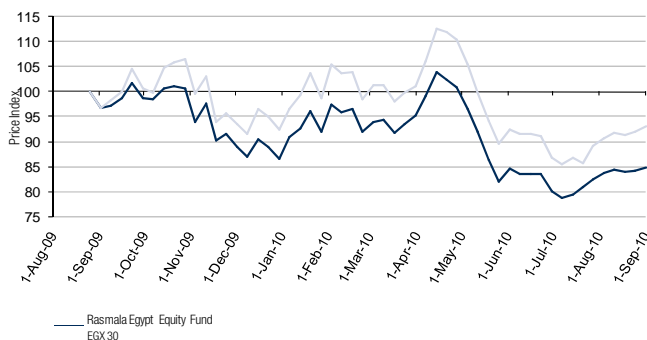
With positive corporate results the Fund was well positioned to capitalize on the market's rebound and returned a gain of 2.98%. Going forward, we expect the market to witness an increase in turnover after the holy month of Ramadan which should impact prices positively.

## Fund Performance

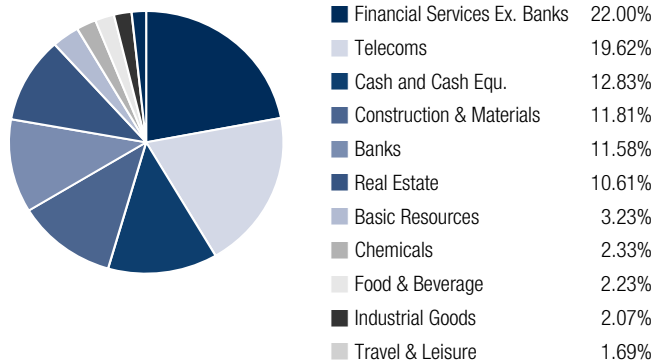
\*Data is reflective of the period from 28th July 2010 to 1st September 2010  
Returns are net of fees. \*\*Inception date of the Fund is 26th August 2009 \*\*\* USD – adjusted return

	August 2010*	Year-to-Date	Since Inception**
Rasmala Egypt Equity Fund	2.98%	-1.94%	-15.15%
EGX 30***	3.14%	0.74%	-6.88%

## Performance Graph\*



## Sector Allocation



## Fund Information

Fund Currency	USD
Structure	Open-Ended
Custodian	HSBC Bank Middle East
Administrator	Apex
Auditors	KPMG
Domicile	Cayman Islands
Subscription Frequency	Weekly
Redemption Frequency	Weekly
Lock Up	None

## Share

Official Nav 1st Sept 2010	84.85
Official Nav 28th July 2010	82.39
Management Fees	1.75%
Min. Subscription	USD 270,000
Min. Add. Subscription	USD 50,000
Placement Fee	3.00%

## Top Holdings

Company Name	Sector	Weight
Orascom	Construction & Materials	11.81%
Commercial Int.	Banks	9.42%
Orascom Telecom	Telecoms	8.96%
EFG-Hermes	Financial Services	8.14%
Egyptian Kuwaiti	Financial Services	7.83%

## Fund Manager Contacts

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