

Rasmala Egypt Equity Fund



October 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 6704.25 points and ended negatively, losing 0.20% to reach 6691.07 points while the EGX70 gained 0.65%. The pharmaceutical sector was the top gainer up 8.81%, followed by personal and household gaining 5.79%. In contrast, telecoms fell 9.17% and basic resources declined by 1.04%.

The Egyptian market was affected by the news from market heavyweights TMG & OT. TMG's land issue is close to being concluded with no additional financial burden on the company. Orascom Telecom's stock is still facing massive volatility with contradicting news about finalizing the Vimplcom deal with the Algerian government disclosed intentions to nationalize Djezzy. Also Mobinil (34.7% owned by OT) announced disappointing third quarter results with squeezed margins due to the severe competition.

The Fund's performance was negatively affected by its heavyweight position to the telecom sector that experienced one of its worst months during 2010 due to the news mentioned. We believe the sector will still play a dominant role in the performance of the EGX in the next couple of months.

We maintain our bullish view on the market in the medium term with the new IPO of Amer Group, the real estate developer who intends on raising USD 200 million, expects to be traded by the end of November 2010. While on another note the parliament election will also start at the end of the November and this could lead to higher volatility in the market. Accordingly, the Fund Manager will be cautious in the tactical tilts of the portfolio focusing on companies that are anticipated to have healthy third quarter results.

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 27 October 2010	85.26
Official Nav 29 September	87.43
Management Fees	1.75%
Min. Subscription	USD 270,000
Min. Add. Subscription	USD 50,000
Placement Fee	3.00%

Top Holdings

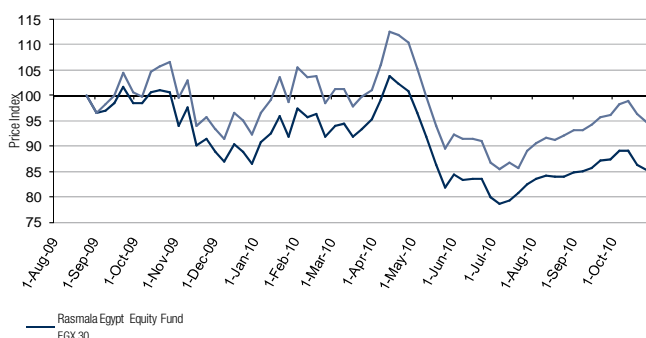
Company Name	Sector	Weight
Commercial Int.	Banks	20.72%
Orascom	Construction & Materials	18.74%
Orascom Telecom	Telecoms	9.95%
Egyptian Kuwaiti	Financial Services	5.68%
Telecom Egypt	Telecoms	5.64%

Fund Performance

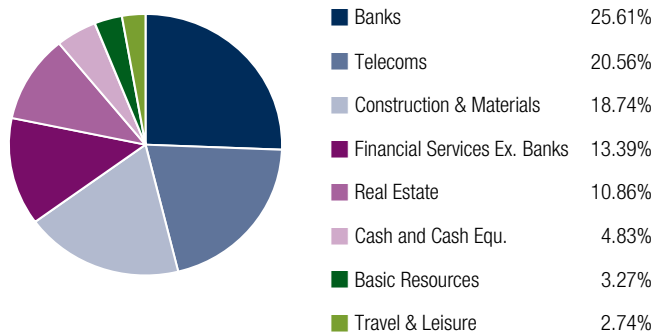
*Data is reflective of the period from 29 September to 27 October
Returns are net of fees. **Inception date of the Fund is 26th August 2009. ***USD – adjusted return.

	October 2010*	Year-to-Date	Since Inception**
Rasmala Egypt Equity Fund	-2.47%	-1.47%	-14.74%
EGX 30***	-1.54%	2.54%	-5.22%

Performance Graph*



Sector Allocation



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