

Egypt gets first open-ended fund

By Meric Huband in Cairo

Egyptian financiers have launched the country's first open-ended offshore mutual fund, with capital of \$91m (£56m) to be invested in Egyptian stocks.

The Egyptian Growth Investment Company, to be based in Guernsey and listed in either London or Dublin within three months, brings to four the number of offshore mutuals established to invest in Egyptian stocks, with a total capital base of \$1.9bn, according to Egyptian financial sources; the three others are closed-term

Funds for the EGIC issue, launched at the weekend, have been raised from six Egyptian banks by Banque Misr, and to a lesser extent

in the Gulf states by Gulf Arab Investment.

The new fund makes Banque Misr the biggest single player in the arena of Egyptian mutual funds, with E£500m (£92m) invested in two domestic funds and E£300m in a third.

The investors in the new EGIC fund - Misr Exterior Bank, Misr International Bank, Misr Romanian Bank, Arab International Bank and the National Bank of Egypt - hope to use access to their foreign clients as a means of generating new funds. "These banks all have clients outside Egypt, so making it offshore and open-ended will allow them to fully utilise these contacts," said a Cairo financier close to the fund.