

Canada Egypt Business Council NEWSLETTER

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Unleash the Potentials



Inside

CEBC Welcome

2. A Step Ahead in Shaping the Future

CEBC Events

6. The Egyptian Mineral Resources, Applying Global Benchmarks to National Legislations

Savor Canada

15. Canada, A Land of Opportunities

CEBC In Depth

21. Evolve or Expire

Food for Thought

29. Don't Judge...

CEBC In Focus

31. Constructing an Investment Portfolio in 2013

A Spotlight on News

40. Egypt in the Spotlight

43. Canada in the Spotlight

CEBC Members

47. Members' Benefits

53. Members' Birthdates

56. New Members



Happy Birthday



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Chairman's Welcome Note

A Step Ahead in Shaping the Future



We have been hearing a lot before the 2011 revolution about Public-Private Partnerships or (PPPs), which are agreements between government and the private sector regarding the provision of public services or infrastructure.

Through this partnership, rather than completely transferring public assets to the private sector, as with privatization, which has been widely criticized, government and business sectors can cooperate together in joint ventures, to provide services through promoting private sector investments in key infrastructure and development sectors that may assist our economy now, witness a remarkable recovery and further growth.

Without massive investments, the government cannot advance its policies or fulfill its strategies. Not only do we require the support of the private sector, we need business investors to stand behind the growth and development of our economy and this is why we need to start steer the wheel of work, to make up work that we missed for the last couple of years.

At CEBC we have previously supported this direction through encouraging the consideration of public-private partnerships (PPPs) in the development of transportation improvements by hosting events covering this issue and addressing the consequences of activating the private sector's role in Egypt.

The relationship between government and private sector is supposedly matured by now, however, building strong public-private partnerships is a necessary part of the equation, one that will grow in eminence as further outstanding entities feel the need to participate in building a better Egypt. Further PPPs will provide the perfect interface between business and public sector, a framework for shaping our future in cooperative and genuinely rewarding ways that our nation is anticipating.



بتدور على قفلا..؟ يبقى البنك العقاري



حل الاختيارات متاحة ... في الموقع والقيمة والمساحة

- البنك العقاري المصري العربي البنك الرائد في مجال التمويل العقاري والاسم المضمون الذي تثق به تستطيع الآن أن تحصل من خلاله على القفلا التي تناسبك .
- قفلات متعددة النماذج بمساحات مختلفة وحدائق خاصة بأرقى مناطق الساحل الشمالي - العبور - الشروق.
- تسهيلات في السداد بمقدم يبدأ من ١٥ ٪ واستلم فوراً والباقي بالتقسيط حتى ٢٠ عامًا.
- كما يقوم البنك بتمويل شراء أي قفلا من اختيارك من غير المعروض بالبنك.



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The Egyptian Mineral Resources, Applying Global Benchmarks to National Legislations

Special roundtable discussion featuring H.E. Abudallah Ghorab,
Former Minister of Petroleum and Mineral Resources



Dr. Mostafa El Bahr, Eng. Motaz Raslan, H.E. Abdullah Ghorab,
Dr. Muhammad Zaher, Dr. Abdel Aal Hassan Attia

The Canada Egypt Business Council (CEBC) hosted a special roundtable discussion featuring H.E. Abudallah Gohrab, former Minister of Petroleum and Mineral Resources on September 16, at the Grand Nile Tower Hotel. The Minister was joined with Dr. Mosaad Hashim, Chairman of the Egyptian Mineral Resources Authority, Dr. Mostafa El Bahr, also the former chairman of the latter organization, Dr. Abdel Aal Hassan Attia, the geological expert and consultant in the Industrial Development Authority and Dr. Muhammad Zaher, Chairman of CEBC's Mining Committee and President of Z-Gold Resources. The discussion revolved around the future of the sector, its lost potential and ways of putting it on the right track.



Panel Discussion

CEBC Chairman, Mr. Motaz Raslan, delivered the opening remarks for the discussion. Raslan said that this event, along with others to come, is a shift by the Council towards the economy, which is “the path towards progress and development for this nation.” He said that the mineral resources sector has been chosen as a beginning for this series, which will focus on “getting the production wheel” rolling once more after June 30 revolution. The Chairman expressed his confidence that this sector, which did not receive sufficient attention in the past, could be Egypt’s way out of the bottleneck. He added that the discussion aimed at identifying challenges and solutions facing the sector, in order for it to achieve its potential.

Dr. Abudallah Ghorab, former Minister of Petroleum and Mineral Resources, assumed the floor following Mr. Raslan. Dr. Ghorab agreed with Mr. Raslan that it is time to shift attention and efforts towards the economy, something that has been in stalemate since the January 25 revolution of 2011.



Eng. Motaz Easlan, H.E. Abdullah Ghorab,
Dr. Muhammad Zaher, Dr. Abdel Aal Hassan Attia



H.E. Ibrahim Fawzy, Dr. Mostafa El Bahr

He added that unless people feel tangible improvement in the economy, the people would suffer even more frustration. The former minister lamented the situation of Egypt at the moment, whom he described as historically unacceptable. Dr. Ghorab said that Egypt has not yet utilized not even 1% of its mineral resources.

The former minister tackled several challenges facing the sector. He briefly touched on structural, bureaucratic and legislative obstacles, which hinder the development of the sector. On legislation for instance, Dr. Ghorab said that the final amendment to the legislation pertaining to mining was in 1956, which is outrageously outdated. He mentioned several areas in Egypt, which are rich in minerals and are not being harnessed. He added that mining is a labor-intensive sector and highlighted that as such it fulfils one of Egypt's direst needs during the current period. He said that there has been a tendency not to take any executive decision since the January



Part of the attendance



CEBC Guests

revolution, which delayed the development of the sector markedly. He also said that El Sokary Gold Mine should be an example repeated in several places due to the number of people it employs, despite the controversy stirred around it in its earlier days. He added that there has to be the courage to take decisions; ones that are to be taken with the adequate checks and balances.

The former minister criticized Egyptian intransigence to partner with foreign parties in the framework of agreements. He said that there has been reluctance to forge agreements, in fear that it would be at a loss for Egypt. However, the Dr. Ghorab pinpointed that some activity is better than no activity and no profit at all for the country. Dr. Ghorab also spoke of the importance to spread awareness regarding Egypt's mineral resources.

Dr. Mostafa El Bahr, the Chairman of Ageeba for Petroleum, and the former Chairman of the Egyptian Mineral Resources Authority, also gave



Distinguished Guests

a brief word on the sector. He commenced his word saying that Egypt as a nation needs, “the government to reconcile with the government!” Dr. El Bahr spoke of the fear to take decisions by officials, saying that this springs from fear of criticism. He added that public opinion only focuses on the mistakes of an official and not the positive steps he had taken, which drives officials to opt for not taking any decisions that entail any degree of risk. Dr. El Bahr said that it is the time for ‘revolutionary decisions’. Dr. El Bahr also mentioned other challenges including the research-oriented structure of the Mineral Resources Authority, which he says has hindered its performance and kept it a step behind other institutions in Egypt.

Dr. Muhammad Zaher, Chairman of CEBC’s Mining Committee and President of Z-Gold Resources, gave a presentation on the mining sector in general. He started off saying that the times of depending on the State are over, and that entrepreneurs need to take initiative for the development of the sector. He also gave a brief historical overview of the Egyptian Mineral Resources Authority. Dr. Zaher went on to say that the mining business is one that is “very high risk and very long term.” He asserted that resistance witnessed by mining projects, such as the El Sokary Gold Mine, terribly



affects the prospects of international partnerships in the field. Dr. Zaher also highlighted the Canadian prominence in the field, as he stated that 75% of mining companies worldwide are registered in Canada. He also said that Toronto Stock Exchange raised one third of all funds going into mining between 2007 – 2011 single-handedly.

Dr. Abdel Aal Hassan Attia, the geological expert and consultant to the Industrial Development Authority, assumed the floor and also gave a presentation on the field. He said that Egypt is going through a turning point. He described the mineral resources sector as Egypt's only remaining hope. Dr. Attia said that Egypt has plenty of resources, which has spectacular capacity. He criticized that until this moment, Egypt has established multiple industrial cities, none of which is based on utilizing Egypt's mineral resources. He also lamented that Egypt is importing raw materials, which can be quite easily produced in the country. He said that the problem lies in the "State fighting itself," concurring with the previous speakers on the executive branch challenges.



Part of the attendance

The floor was opened for questions and comments. Some of the attendees suggested solutions to the challenges facing the sector; others discussed the prospect of agreements and the fairness of the existing ones. However, there seemed to be almost unanimous agreement among the distinguished attendees that there needs to be a radical shift in government policy, accompanied by awareness that stops the inhibition of investment in the field.



Distinguished Guests



CEBC Guests



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EMethanex adheres to the ethic of Responsible Care®, the global chemical industry's commitment to sustainability, the environment and the economy, which has been adopted in over fifty countries in the world.

EMethanex strives to be a positive corporate citizen by creating and supporting social responsibility programs that contribute to the sustainable well-being of the communities it operates in.

CEBC Savor Canada

Canada, A Land of Opportunities



Canada is recently recognized as ‘a land of opportunities’, renowned for its exceptional quality of living, secure democratic system, its exceptional health care and retirement schemes, as well as its excellent education system.

Canada is a dreamland, especially for the migrants from developing countries. With better prospects for employment in addition to personal growth, it is a destination for those in quest of a superior quality of life and money.



Possessing vast natural wealth and abundance of natural splendor, Canada is one of the prosperous nations around the world due to its stability and respect for diversity. It has always been a first choice for many people around the world who wish to move to North America and has a strategy for encouraging multicultural diversity as well as its unprecedented economic growth.



Why Canada?

Canada is geographically the second largest country in the world however, encompasses relatively few population. Canada resembles the U.S. in its market-oriented economic system, pattern of production, and high living standards. As ever since the Second World War, a remarkable expansion of the industry, mining, and service sectors has changed the country from a rural nation into industrial and metropolitan society.

Experiencing its lowest unemployment rate in 30 years, Canada has begun to provide more motivating opportunities and launch several immigration programs to find skilled migrants to fill vacancies from entry-level to senior positions, knowing the fact that between 129,300 and 144,600 work visas have been made available in 2009.



Canada was among the very first countries to initiate immigration programs against a 'Point Based System', which have engrossed hundreds and thousands of immigrants over the last few decades. The enormous quantity of recently moving immigrants has persuaded the Government of Canada to create agencies for supporting and aiding them to mingle with social and cultural shock and guide them into means and tools of successful economic settlement in Canada.

Canada is a member of the Group-8 countries, which guarantee a special status in the developed world besides, it offers an environment free of corruption that is among the least polluted in the world. It also offers a great choice of immigration and visa programs for the employed, self-employed and executives' categories including federal and provincial candidate programs as well.

Moreover, even during the pervasiveness of the global recession, Canada has not reduced its immigration allowance in comparison to many other countries that did so, using direct as well as indirect means to command immigration.

In addition, Canada offers non-immigrant options such as work permit and student programs with many of which offer permanent resident visa.

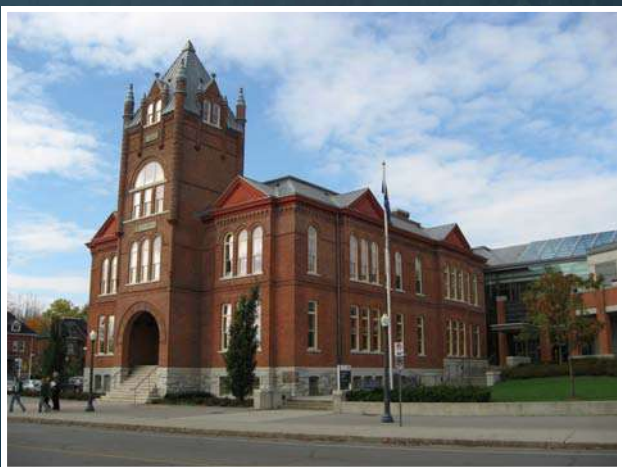


Enjoy a prosperous future in Canada...



Canada Charter of Rights and Freedom authorizes the inhabitants to live and work anywhere in Canada where rights of language, religion, freedom of expression as well as culture preference are widely enjoyed.

Education and health facilities are highly subsidized in Canada, however considered as one of the best in the world. Canada provides the most sustaining social security compensation program for immigrants and their families as well. This is in addition to the post retirement compensations that guarantee an extraordinary support and benefits for old age citizens.



The country also offers an unemployment allowance policies, during economic downturn, to insure a stable living for its residents. Canada is a neighboring country to the U.S. and the NAFTA treat between Canada, USA, and Mexico, provides exceptional investment and trade

development potentials, providing that the transportation across borders is much hassle less.

Finally, Canada grants a citizenship to the claimant of its national passport. A Canadian passport owner has the benefit of a visa free travel for about every main country across the globe. This is in fact why business executives and prominent investors apply for Canadian immigration since they are subjected to extensive visa restrictions in their native developing countries.

The Egyptian Diaspora in Canada

The Egyptian community in Canada has strong roots and a major net worth despite of the diversity of origins of its members. Around 350,000-450,000 Egyptian-Canadians currently inhabit Canada. They live mostly in Greater Toronto, Southern Ontario, Montréal, Ottawa, Vancouver, Calgary and many other cities and towns. The presence of the Egyptians in the Canadian society has proven to be very effective and their role is efficient in every field.

The Egyptian-Canadian community enjoys a very high level of education, specialized expertise, and social status. Many of its members have reached very senior positions in academic fields, scientific research, as well as trade and investment fronts.



كايي
TM

عصير بقطع الفاكهة الطبيعية



بتحب الفاكهة.. هتحب كايي

Evolve or Expire

By: Tarek Osman



No matter how much blood is shed on the streets of Egypt, the Muslim Brotherhood will neither be eradicated nor opt for exile. Sooner or later, the pillars of the Egyptian state, led by the military and the Brotherhood, and with their large sections of the country's Islamist movement, will reach some sort of *modus operandi*. It will prove shaky. There will be periods of turmoil, and the order will almost certainly break down from time to time on its path toward stability.

Along the way, the only truly existential threat to the Muslim Brotherhood will come from within.

The story starts in the late 1990s, when a new generation of Islamist leaders, most of them with business and entrepreneurial backgrounds, started gradually replacing the Muslim Brotherhood's older, theologically trained cohort, which had dominated the group for the previous half century. The new leadership brought significant changes to the Brotherhood, not least to its rhetoric.

Gone were the theologically rich publications and sermons that positioned the group as the choice of the pious. Instead, socioeconomic programs and development became the order of the day. The leaders' argument was that the Brotherhood, which has extensive experience creating and managing a wide-reaching service infrastructure, was the best-positioned political force to lead Egypt's economy and society out of the desert.



The Brotherhood's political strategy also witnessed a major change. The new leadership emphasized its allegiance to the Egyptian state, as opposed to the Islamic *ummah* (nation). Whenever possible, its rhetoric underscored its commitment to democracy -- not just through participating in and respecting the outcomes of elections but in abiding by the crucial democratic principles of respect for minority rights and civil and political freedoms.

The Brotherhood's positioning paid off when it secured over 40 percent of the seats in Egypt's parliamentary elections in December 2011 and January 2012 and, six months later, won Egypt's first free presidential election. For the first time in decades, it seemed that effectiveness would be coupled with legitimacy in Egyptian politics. But that moment was fleeting, and the economic challenges proved more taxing than the Brotherhood expected.

Over time, it became abundantly clear that the group lacked the experience to manage a delicate political and economic transformation. Still, the anger against the Brotherhood was more fierce and intense than economic mismanagement would warrant. Millions of Egyptians, especially in the country's intelligentsia, media, and middle class, believed that the Brotherhood was systematically working to Islamicize the state and the society.



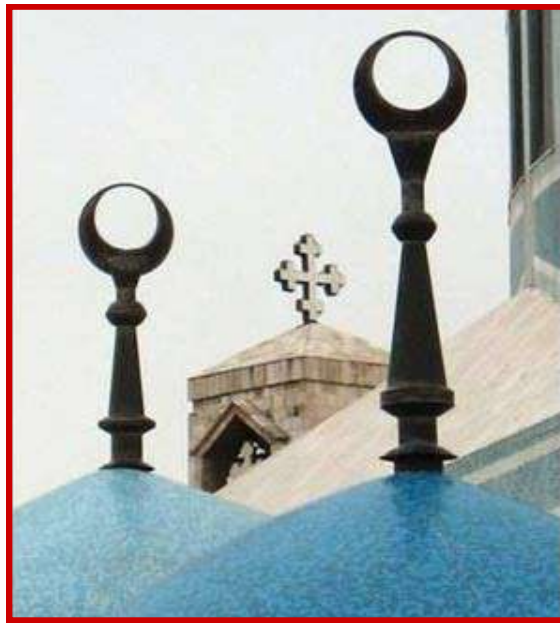


President Mohamed Morsi's own pronouncements exacerbated these fears -- his November 2012 declaration that gave his decisions complete immunity from any supervision and the rushed and exclusive process through which the December 2012 constitution was drafted and ratified certainly didn't help -- as did the simultaneous rise of political Islam in other Arab countries.

In other corners of the region where Islam is almost the sole defining social characteristic, Islamization might not have been so problematic. Islamist parties could have become just one force among many in a plural political milieu. But in Egypt, the notion clashed with the very old, rich, and deeply entrenched Egyptian national identity: a blend of Arabism, Mediterraneanism, Levantenism, Christianity, pharaohism, and a unique type of Islamism that has adapted, over centuries, to the tranquil and laid back life of the country's agrarian society.

For many Egyptians, including the leaders of several influential state institutions, fighting the Brotherhood has thus become a struggle to defend Egyptianness.

For others, the battle against the Brotherhood was more about preserving their own prerogatives. And here, economics did play a role. The Brotherhood's coming to power heralded a conspicuous attempt at transforming Egypt's political economy.



New economic players, with links to Islamic movements within Egypt and the Gulf, seemed to be rapidly increasing their market shares in the banking, construction, real estate, transport, retail, and other sectors. That threatened financial power centers which have, for decades (and especially in the last ten years of President Mubarak's rule), commanded a dominant and highly lucrative position in the Egyptian economy.

Another factor fuelling anger against the Brotherhood was its organizational structure. The group's strict and disciplined hierarchy had, over the past half century, allowed it to withstand successive (and at times brutal) attacks from successive Egyptian regimes. But the hierarchy became a handicap when the group came to power.

Simply put, there was no room for both the sprawling and influential administrative arms of the Egyptian state and the sprawling and powerful administrative arms of the Brotherhood, which continued to behave autonomously. The result of all of this is well known.

Now the organization must choose one of three paths. First, it can decide to stick to the dominant thinking of the last ten or 15 years -- that the Muslim Brotherhood is best placed to determine Egypt's socioeconomic future. This would not necessarily entail continuing or escalating the current confrontation. The dust would eventually settle, and the Brotherhood would likely arrive at some sort of *modus vivendi* with the state.



But, by refusing to evolve its thinking, the group would be papering 9/2/13 over the problems that fuelled the masses' anger against its rule and that led to Morsi's ouster. In this scenario, even if the group managed to navigate the current crisis, it would be destined to irrelevance.

The second choice is doing the exact opposite. The group's existing leadership, or a new cadre of younger leaders, can pause and take stock. They might realize that the real existential threat lies not in the current confrontation but in the way that their own operating style has antagonized large sections of the population, including pious people who were considered natural constituencies of the group. Over time, the leadership could push forward revolutionary change in both the group's thinking and in its organizational structure.

One option might be diluting the independent bureaucratic structure and focusing the group's strength, efforts, and funding on the Freedom and Justice Party (or a new party). That would effectively overhaul the group's political operations in a way that the largest segments of the society and the most powerful state institutions could accept.

In this scenario, the Muslim Brotherhood would have to evolve almost beyond recognition. Turkey's own Freedom and Justice Party (AKP) went through something similar in the late 1990s and early 2000s. Given the Brotherhood's history and the current crisis in Egypt, such a transformation would likely be more difficult – but would have a much wider impact than the AKP's a decade ago.



The third course is a mix of the first and the second options. In this scenario, the group would undergo a painful internal struggle between those who want to give in to victimhood and respond with violence and those who realize that it is time to move on. The result would almost certainly be the fragmentation of the Brotherhood into two (or more) separate groups. This would not be the first time that the group was torn in half. After the decisive blow that President Gamal Abdel Nasser dealt the Brotherhood in the 1950s, which forced the group underground and into exile, the organization effectively splintered between the operational arm that retained its focus on Egypt and the spin-offs that gradually developed a very different thinking and set out to establish a footprint abroad.

This time around, such a split would allow parts of the Brotherhood to evolve their thinking and operational structure, which would help them gradually rebuild their constituencies, especially among Egypt's colossal lower middle class. Other parts, the ones that refused to budge or that opted for violence, would eventually be left out in the cold. All this, in turn, would help redefine Arab political Islam.

It is difficult to imagine that all of the Brotherhood's circles and the emerging forces within its young members will remain united behind



a single strategy. Existential threats strain traditional command structures and stir creativity. It is likely that various factions within the Muslim Brotherhood would decide to adopt different courses of action. The real question would be what strategy the majority of the youngest members would align behind. The coming months will see violence and vacillation, but the third option is the most likely in the medium and long term.



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Don't Judge...



A 24 year old boy seeing out from the train's window shouted...

"Dad, look the trees are going behind!"

Dad smiled and a young couple sitting nearby, looked at the 24 year old's childish behavior with pity, suddenly he again exclaimed...

"Dad, look the clouds are running with us!"

The couple couldn't resist and said to the old man...

"Why don't you take your son to a good doctor?"

The old man smiled and said...

"I did and we are just coming from the hospital, my son was blind from birth, he just got his eyes today."

Every single person on the planet has a story. Don't judge people before you truly know them. The truth might surprise you.



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By: Pervez H. Patel

Constructing an Investment Portfolio in 2013

This is no time to be smug about how markets have fared in the last few years – both on the equity and fixed income front. Clearly we have had our fair share of scares that the global economic scene will come undone in the last 12 months. Not just one proverbial fly in the ointment but several. Let me list a paltry few:

1. The Euro would fall apart with grave repercussions for the world financial system.
2. Deficits would spiral out of control in the US, anemic growth would stall, and housing /financial institutions would collapse again in a manner that would make 2007/08 look like a picnic.
3. China was heading for a hard landing that would take down most of the emerging markets, but also affect the world at large.



4. The financial crisis in Cypriot banks would set off a chain reaction in other “weak” economic members in peripheral Europe.
5. The Middle East was a powder keg waiting to explode in the wake of an Arab spring .

We are also reminded of how fragile things can be in the US, by just a hint that the status quo would not being maintained. Let me explain. Earlier this year Ben Bernanke had suggested that monetary easing – the simultaneous drug cocktail of abysmally low interest rates and injections of monetary stimulus would continue ad infinitum. Effectively the US markets

interpreted this as a —Bernanke put that placed a floor underneath markets by virtually guaranteeing that their savior in chief would effectively bail them out if things started to go awry.

Effectively it did not matter if we had good news or bad news on the economy – as the latter was interpreted as reassurance that more monetary steroids would continue to be injected into the US financial system. Paradoxically, since the start of this year, we have had a string of positive economic figures primarily from the housing and auto sectors in the US, and at long last marginal improvements in unemployment statistics.

On that fortuitous day, May 21, barely two months back, Bernanke suggested that he would consider tapering off monetary easing by year end—something that he reiterated with even more conviction in early June. Equity and fixed income markets sold off with gusto on both occasions. Equity markets have since regained their poise as wisdom



prevailed that a good economy was a good thing for markets at large – even if there had to be a new found differentiation between companies with compelling valuations, and companies which were straightforward beneficiaries of monetary easing – who would have to shed their diapers ere too long. Fixed income on the other hand, continues to be in a rut, with a seismic move in yields on the all-important 10 year US Treasury moving up from 1.5 to 2.6%. We now have widespread polarization between bond gurus who believe that there is further pain coming (Goldman Sachs suggested last week that interest rates were headed to 4%), and those like PIMCO and Double Line, who view that fixed income markets have over-reacted, and that yields could start to ratchet down again.



I think it is clear that we cannot fall into the trap of complacency – relying on investment models that may have served us in the past, but which clearly failed us time and again in the last decade. More importantly what type of asset allocation can provide us with de-cent returns and protect principal at this juncture. I cannot stress enough that we are potentially at a time when return of principal should be given just as much emphasis as return on principal.

In looking around for appropriate investment models, my approach is always to look around to see how the smart money is invested – specifically what types of investment models have been embraced by institutions for their pensions and endowment plans, or by high net worth individuals and families. For instance, Ivy League universities in the US, have operated endowment funds for

decades with great success. Many of these endowments share remarkably similar financial goals as retirees or persons heading towards retirement – the ability to provide and maintain an affordable stream of income and to focus on long term capital appreciation. Where there has been a chasm of difference in the endowment models is that they have embraced different asset classes including real estate, hard assets and other uncorrelated investments. The evidence suggests that their results have been significantly better on a risk adjusted basis.

One example of this approach is the Yale endowment plan which currently has about \$20 billion under management. The fund has had industry leading returns of over 13% per annum after fees over the last decade, with demonstrably less volatility and better risk metrics than the market place. What is clear is that these superior risk/return parameters have been achieved through accessibility to investment strategies not used in conventional retail asset allocation plans.

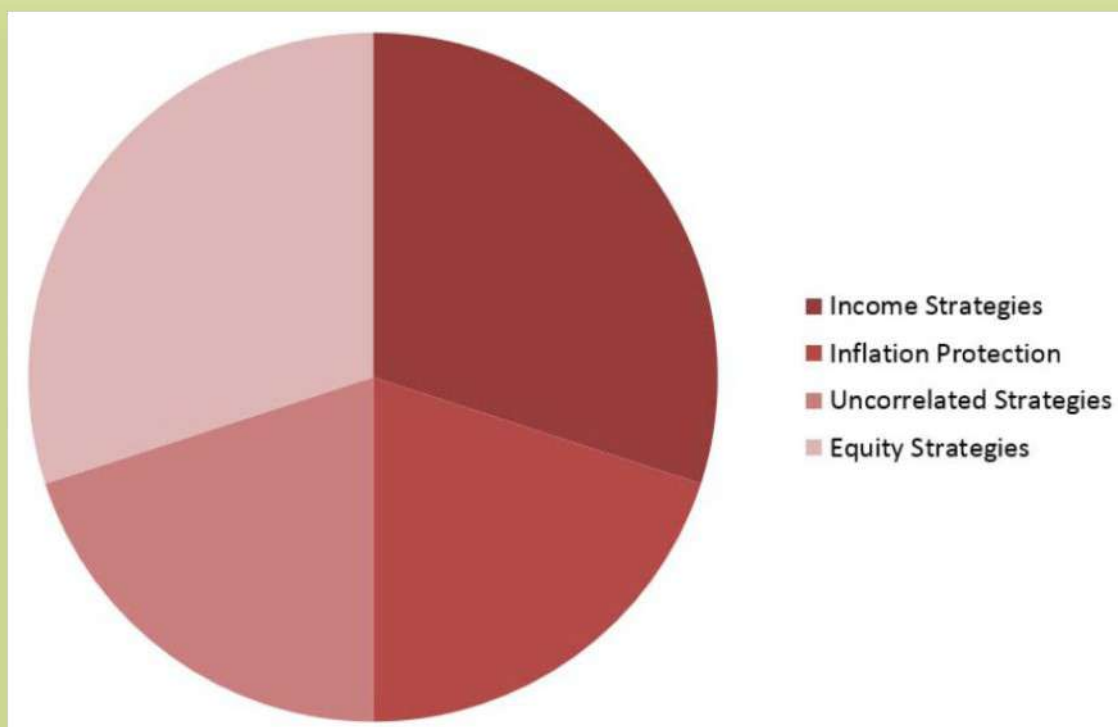
Let me be quite candid here – there are clear limitations for a retail advisor with a significantly smaller pool of capital to invest, who does not have 100 plus money managers working for him day and night, and who for regulatory and other reasons has limitations in access to the vast spectrum of choices that endowment plans have at their disposal. However, even with these limitations, the intent would be to balance the needs of current income and capital appreciation.

While it would be hard to provide a plethora of details about the new asset allocation model, certain features of the same can be described:

1. The achievement of equity like returns with balanced fund volatility.
2. The returns are not significantly correlated to market performance.
3. It may be useful to engage both active and passive strategies
4. Clearly some of the investment solutions would typically not be accessible to retail investors.

Represented below is a pie chart of how the different components would dovetail into a new model for strategic asset allocation.

One notable difference in the above pie chart from retail asset allocation models is the use of strategies that would work under a number of economic scenarios. By strategy, I would impute versatility in being nimble to take advantage of market dislocations that create time buying opportunities as well as an opportunity to book profits and go into cash. Let me quote the reaction of Alfred Murata, Managing Director and Portfolio Manager of PIMCO in the light of the current market volatility stemming from Bernanke's recent announcements. He opined that many investors have had to reconsider their asset allocation decisions, and in some cases to forcibly deleverage. While many asset classes have been negatively impacted as a result of recent market volatility, it has provided opportuni-



ties for those investors that can take advantage of market dislocations in the most affected asset classes around the globe.

Let me now talk briefly about the type of investments that would typically constitute the menu of options available under each strategy. A word of caution is in place here – please do not read this as an endorsement for making investments as listed at current valuations. Many pseudo fixed income and yield investments are still hopelessly overvalued even currently.

What is stated below is more to provide illustrations of choices that are available:

AAA) FIXED INCOME Strategies: This would include actively managed sleeves from esteemed global firms like PIMCO, emerging market fixed income opportunities (with or without currency cover as circumstances dictate), fixed income arbitrage opportunities, active duration management, the use of REITs and master limited partnerships.

BBB) INFLATION PROTECTION Strategies: This would include floating rate and real return bonds (the latter do still appear overvalued), real estate,

hard assets and securities that provide a constant stream of cash flow in a low inflation environment.

CCC) UNCORRELATED Strategies: This would include, inter alia, ETFs to implement secular trends / cyclical strategies, long/short strategies, investments in private equity or nascent organizations that are only minimally impacted by broader market considerations, capital structure arbitrage, convertible bond investing and event driven strategies.

DDD) EQUITY Strategies: This would encompass core dividend focused equity investing, special situations, global / regional and country investing through macro-economic analysis, buying rights. Where possible option overwriting would be used to augment returns, to manage risks and to achieve (through put writing) purchases at lower than market prices. Warren Buffet is an active user of the last named strategy.

In the coming months, I will spell out in much greater detail the different choices available under each of these strategies.

I would be terribly remiss if I suggest that this is no more than an honest attempt to provide retail investors with a fair shake in lieu of the mediocrity that they have been otherwise exposed to by a money management industry that has simply not fulfilled its promise to the public at large.



مالناش غير بعض

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A Spotlight on News



Egypt in the Spotlight

CBE Offering \$ 1.3 bln Exceptional FX Auction:



The Central Bank of Egypt (CBE) has announced on September 3, that it will be holding an exceptional dollar \$ 1.3 billion Forex FX Auction for the banks which operate in the banking sector,

so as to provide all the outstanding requests of banks to provide the basic needs of citizens. This is the third non-periodic FX Auction for the CBE after it has raised two auctions valued at \$ 1.4 billion within last April and May. The Central Bank of Egypt (CBE) has also offered its first foreign exchange auction totaled US\$ 40 million for local banks. The central bank is offering its 99th FX Auction since application and the 82nd since Hisham Ramez came in position. Hence, the CBE has pumped US\$ 3.960 billion through its periodic FX Auctions on Mondays, Wednesdays and Thursdays, in addition, CBE had also raised two exceptional FX Auction totaling US\$ 1.6 billion divided into two FX Auctions, issued in last April and May.

EBU Holds its Periodic Meeting to Review Banking Sector issues:



The Egyptian Banks Union (EBU) headed by Mr. Hisham Ezz Al-Arab, the Chairman and Managing Director of Commercial International Bank (CIB), held on September 4 its periodic meeting in the presence of Hisham Ramez, Governor of the Central Bank of Egypt. Ezz Al-Arab said the meeting comes within the periodic meetings held between EBU and the heads of the banks every three months. During the meeting discussions focused on the latest prominent economic developments and issues related to the banking sector.

Egypt's El-Nasr Co.'s Investments in Africa attain EGP 1 bln annually:

Egypt's Export Council for Mining Materials and Industries has signed a protocol of cooperation with El-Nasr Export & Import Co. whose volume of investments in the African markets hits annually EGP one billion, the council's



chairman told Amwal Al Ghad. Eng. Mr. Hamdy Zaher, Chairman of Export Council for Mining Materials and Industries, further noted that his council is seeking to bolster the mining industries exports to Africa.

Verizon Markets \$61 Billion Bridge Loan For Vodafone Deal:



Verizon Communications Inc (VZ.N) has started syndicating the \$61 billion bridge loan backing its \$130 billion buyout of Vodafone Group's (VOD.L) stake in its U.S. wireless business, banking sources said, adding that some of the loan may actually be drawn upon due to its huge size. The 364-day billion bridge loan will be refinanced with a permanent capital structure consisting of \$49 billion of corporate bonds and \$14 billion of loans, sources told Thomson Reuters. The loans will include a \$2 billion revolving credit and \$12 billion of term loans.

Egypt's Brotherhood under Legal Threat as Bomb hits Central Cairo:



A judicial panel set up by Egypt's military-backed government supported a legal challenge to the status of the Muslim Brotherhood, compounding a drive to crush the movement behind the elected president deposed by the army in July.

While short of a formal ban on the Brotherhood, which worked underground for decades under Egypt's previous military-backed rulers, the panel's advice to a court to remove its non-governmental organization status threatens the million-member movement's future in politics.



SODIC obtains LE 55 m from AAIB as part of LE 150 m Bridge Loan:

Six of October Development and Investment (SODIC) announced that it obtained LE 55 million as part of its bridge loan amounting to LE 150 million from Arab African International Bank (AAIB).

Morsi to Stand Trial in Egypt:

Deposed former President Mohamed Morsi of Egypt is set to stand trial for instigating violence against the protestors who camped outside his office before his removal from power.

Egypt's prosecutor general has referred

Morsi and 14 others to the country's Criminal Court following the violence around "Etihadaya" Palace that included the killing of a journalist, the *Associated Press* reports. Morsi will be tried for allegedly inciting supporters to kill at least 10 people during the protests earlier



In Summer

Canada in the Spotlight

Harper Announces Commitment to further Reduce National Debt:



Prime Minister Stephen Harper announced Canada's commitment to achieve a federal debt-to-GDP target of 25 per cent by 2021. The announcement was made at the G-20 Summit in St. Petersburg, Russia.

"Our Government remains committed to returning to balanced budgets by 2015," said the Prime Minister. "Lower debt-to-GDP ratios will result in lower taxes for Canadians and a strong investment climate that supports job creation and economic growth across the country."

The targets set will also help Canada maintain its advantageous fiscal position and meet the objectives agreed to in the Los Cabos Action Plan. In St. Petersburg, Canada was pushing world leaders to implement ambitious country-specific, medium-term fiscal strategies that are sufficiently flexible to take into account near-term economic conditions, to support global economic growth and job creation while putting debt as a share of GDP on a sustainable path.

The Prime Minister also noted that meeting this commitment is conditional based on the economic outlook. The Government of Canada may consider advancing the planned targets if Canada's economic growth is significantly stronger than expected.

This target announcement highlights Canada's longstanding commitment to fiscal discipline and the sound management of public finances. It is also consistent with the Government's plan to return to balanced budgets by 2015.

Canada Concerned by Reports of Forced Conversions of Syrian Christians:



Foreign Affairs Minister John Baird and Andrew Bennett, Canada's Ambassador for Religious Freedom, issued the following statement:

“We are concerned by reports of Christians from the village of Maaloula, near Damascus, being forced to convert to Islam by Syrian rebels allegedly led by al Qaeda-linked fighters. Threats of violence used to forcibly convert individuals to another faith are completely unacceptable”.

Canada stands by the Syrian people, who deserve the freedom to practice their respective faiths without being persecuted. “This freedom is essential so that all Syrians, regardless of religion, can contribute to Syria's future without fear of intimidation and violence.”

Food Labeling Modernization/Regulatory Modernization:



The Canadian Food Inspection Agency (CFIA) is holding face-to-face engagement sessions to provide consumers, industry and other stakeholders with additional opportunities to engage on the Food Labeling Modernization (FLM) initiative.

The key objectives of these sessions are to identify your food labeling issues within the focus of the FLM initiative. Our aim is to work together to collect and prioritize the issues that are important to you.

Information on other initiatives under the Safe Food for Canadians Action Plan will also be presented at these sessions, specifically the proposed regulatory modernization for federal food inspection and the proposed *Imported Food Sector Product Regulations*. Representatives from Health Canada will also be present to participate in the discussion.

Feedback from these meetings will contribute to key food safety and consumer protection initiatives that the CFIA is pursuing in order to modernize food safety and bring the *Safe Food for Canadians Act* into force.



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CEBC Members Benefits

Services :

Egypt Air :

CEBC members (their spouses & children) are offered discounted tickets on all classes.



Members who wish to receive the **Egypt Air Plus Mileage Card** are welcome to contact Ms. Amira Talaat from CEBC.

Alitalia :

CEBC members are offered from 6% to 10% discounted rate on their tickets to Europe on economy Classes (Y, B, M, H, K, V, T & N) and from 10% to 15% for Business Classes (C, D & I).



Members who wish to receive the **Alitalia discounted tickets** are welcome to contact Ms. Martha Youakim at 0120 41 41 430 or 22418490.

Mobinil :

CEBC members are entitled to special offers from Mobinil on the following devices and buckets:

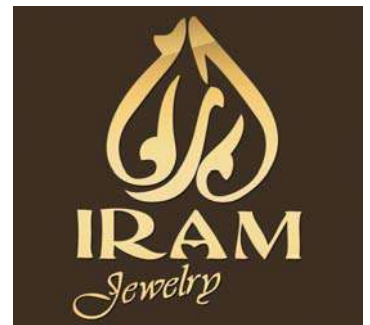
- ☐ Blackberries
- ☐ iphone
- ☐ ipad
- ☐ Samsung Galaxy Tab



Iram Jewelry :

CEBC members are entitled to a special **45% discount** on tag price amount.

The discount is neither valid in sales seasons nor on loose diamond stones.



Taki Vita :

CEBC members are entitled to **15% discount** at “Taki Vita” showrooms and its agents all around Egypt.



Minart Furniture :

CEBC members are entitled to **15% discount** at “Minart” showroom for fine furniture.

Restaurants :

Cocoon Restaurant & Café :

Enjoy a special *Promotion* from
Cocoon Restaurant & Café.

Address: 49 Masr Helwan El Zera'ay St., Maadi



Rossini Restaurant :

Enjoy **15% discount** on all:
"A La Carte" menus and beverages in
"Rossini's Outlets, Restaurants".

Address: 66, Omar Ibn El-Khatab St., Heliopolis.



Casseruola, Kook's & Bigg's and Mozzarellina Restaurants:

Enjoy **10% reduction** on all the tasty
"A la carte" food & beverages and also
on total bill of Outside Catering.

*Address: Sun City Shopping Mall
5th Floor – Autostrad Road – Sheraton Bldgs – Heliopolis*



Hotels: CEBC is contracted for special room rates with the following hotels :

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GROUP



SOLYMAR
Ivory Suites



Kempinski Nile
Hotel
GARDEN CITY CAIRO



MÖVENPICK
Hotels & Resorts



The Gabriel

Jaz*
HOTELS, RESORTS & CRUISES

Fairmont
NILE CITY
CAIRO

Iberotel
Hotels & Resorts



Kempinski Nile
Hotel
GARDEN CITY CAIRO



Cairo

- ☐ Fairmont Heliopolis & Towers
- ☐ Kempinski Nile Hotel
- ☐ The Gabriel
- ☐ Safir Cairo hotel

El Gouna

- ☐ Arenna Inn
- ☐ Ali Pasha
- ☐ Captain's Inn
- ☐ Dawar El Omda
- ☐ Fanadir
- ☐ Mosaique
- ☐ Turtle's Inn

Hurghada

- ☐ Kempinski Soma Bay

Nile Cruises

- ☐ Sonesta St. George Nile Cruise

Sharm El Sheikh

- ☐ Royal Savoy
- ☐ Savoy
- ☐ Sierra

Sokhna

- ☐ Movenpick Sokhna
- ☐ Jaz Little Venice

Taba

- ☐ Sonesta



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Members' Birthdates

Dr. Ahmed Barrada
Vice President
International Eye Hospital
October 01

Mr. Mohamed Samaha
Chairman
Medco Plast Co.
October 01

Mr. Ahmed El Watan
President
Fouad El Watan Consultant Auditor and Accountant
October 01

Mr. Sherif Khalifa
Business Development Manager
Egabi Solutions
October 01

Eng. Aiman Al Sakka
Vice Chairman and CEO
National Energy Corporation - TARSHEED
October 03

Ms. Nayera Amin
Managing Director & CEO
Piraeus Bank Egypt
October 03



Dr. Mohamed Mehrem
Vice President and
Chairman of Executive
Committee for Alexandria
Business Association
Mehrem Group
October 06

Mr. Mohamed Fala
Chairman
Caribbean World Resorts
October 07

Mr. Reda Genena
Chairman & Managing
Director
National Gas S.A.E.
October 08

Mr. Mamdouh Abdel Razek
Owner
Mamdouh Mostafa Abdel
Razek Firm
October 08

Dr. Kamilia Sofia
CEO & Managing Director
The Egyptian Methanex Methanol Co. (EMethanex)
October 08

Eng. Adel Riad
General Manager
Adel Aziz Design Office
October 09

Mr. Omar El Derini
Chairman
Tam Oilfield Services
October 09

Mr. Cherine Scandar
President and CEO
Sodeco Group
October 10

Mr. Adnan El Sharkawi
Vice Chairman & Board
Member
Egyptian Arab Land Bank
October 10

Mr. Mostafa Heiza
Attorney at Law and Senior
Managing Partner
Abdel Motaal, Moharram
and Heiza Law Firm
October 12



Eng. Hussein Fahmy
Managing Partner
Alkan Consult
October 12

Mr. Cesare Rouchdy
Regional Director of Marketing
Four Seasons Hotel Cairo
October 12

Eng. Beshoy Abdalla
Managing Director
El Raed Group for
Real Estate Investment
October 13

Mr. Ahmed Youssef
Cairo Branches Head
Citibank N.A
October 19

Eng. Ibrahim Saleh
President
Al Kharafi Group
October 22

Mr. Galal El Zorba
Chairman
Nile Holding
October 22

Mr. Mohamed El-Domiaty
Chairman
Domiatec Group
October 24

Mr. Mohamed El Degwi
General Manager & Member of
the Board of Trustees
Six of October University for
Modern Sciences and Arts
October 24

Mr. Jean Mainardi
General Manager
Conrad Cairo Hotel
October 29



Mr. Mohamed El Dib
Chairman and Managing
Director
National Societe Generale
Bank (NSGB)
October 29

CEBC New Members

Alphabetized by company name

Mr. Yves Gauthier

CEO

Egyptian Company for Mobile
Services (Mobinil)



Eng. Amr El Halabi

Excutive Vice President, Planning
Egyptian Petrochemicals Holding Co.
(ECHEM)



Ms. Mahi El-Ghazouli

General Manager, Human Resources
Egyptian Petrochemicals Holding Co.
(ECHEM)



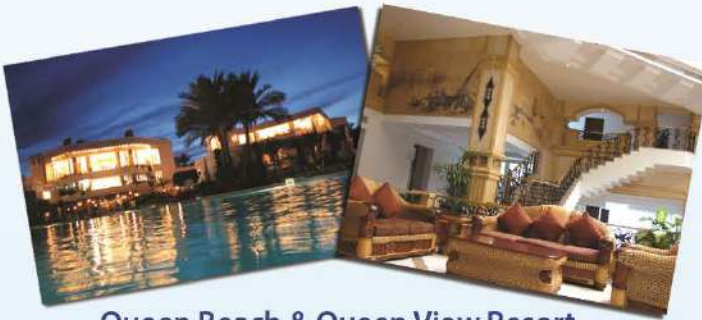
Mr. Ashraf Elarman

General Manager
Xerox Egypt





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