



# **EGYPTIAN-AMERICAN ENTERPRISE FUND**

## **Financial Statements**

*For the Year Ended December 31, 2017*



RSM US LLP

## Independent Auditor's Report

Board of Directors  
Egyptian-American Enterprise Fund

### Report on the Financial Statements

We have audited the accompanying financial statements of Egyptian-American Enterprise Fund, which comprise the statement of financial position, including schedule of investments as of December 31, 2017, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Egyptian-American Enterprise Fund as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM US LLP*

New York, New York  
September 4, 2018

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017**

**ASSETS**

Investments (cost: \$116,281,754)	\$	168,048,364
Cash		1,722,362
Other assets		74,977
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>169,845,703</b>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Grant advance	\$	914,154
Payable to Advisor		6,626,030
Accounts payable and accrued expenses		133,649
Payable for investments		81,733
Total Liabilities		7,755,566

**Net Assets**

**TOTAL LIABILITIES AND NET ASSETS**

		162,090,137
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>169,845,703</b>

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**EXPENSES**

Management Fee	\$	2,444,335
Incentive Fee		4,971,686
Payroll and benefits		477,201
Office and other expenses		163,716
Travel expenses		77,220
Professional fees		19,856
<b>TOTAL EXPENSES</b>		<u>8,154,014</u>

**NET CHANGE IN UNREALIZED GAIN (LOSS) ON INVESTMENTS:**

Net change in unrealized loss due to foreign currency exchange		(1,670)
Net change in unrealized gain on investments		40,425,345
<b>NET CHANGE IN UNREALIZED GAIN FROM INVESTMENTS</b>		<u>40,423,675</u>

**NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**

\$	<u>32,269,661</u>
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**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>\$ 88,670,357</u>
USAID contributions	41,150,119
Net increase in net assets resulting from operations	32,269,661
Change in net assets	<u>73,419,780</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 162,090,137</u></u>

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net increase in net assets resulting from operations	\$	32,269,661
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of investments		(39,899,953)
Net change in unrealized loss due to foreign currency exchange		1,670
Net change in unrealized gain on investments		(40,425,345)
Changes in operating assets and liabilities:		
Other assets		(66,711)
Payable to Advisor		5,048,156
Accounts payable and accrued expenses		76,844

**NET CASH USED IN OPERATING ACTIVITIES** (42,995,678)

**CASH FLOWS FROM FINANCING ACTIVITIES**

USAID contributions, net of change in grant receivable/advance		<u>42,629,895</u>
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**NET CASH PROVIDED BY FINANCING ACTIVITIES** 42,629,895

**NET DECREASE IN CASH** (365,783)

**CASH, BEGINNING OF YEAR** 2,088,145

**CASH, END OF YEAR** \$ 1,722,362