



December 20, 2021

The Honorable Chris Coons  
Chairman  
Senate Appropriations Subcommittee  
State, Foreign Operations, and Related  
Programs  
Washington, D.C. 20510

The Honorable Lindsey Graham  
Ranking Member  
Senate Appropriations Subcommittee  
State, Foreign Operations, and Related  
Programs  
Washington, D.C. 20510

The Honorable Barbara Lee  
Chairwoman  
House Appropriations Subcommittee  
State, Foreign Operations, and Related  
Programs  
Washington, D.C. 20515

The Honorable Hal Rogers  
Ranking Member  
House Appropriations Subcommittee  
State, Foreign Operations, and Related  
Programs  
Washington, D.C. 20515

Dear Chairman Coons, Ranking Member Graham, Chairwoman Lee, and Ranking Member Rogers:

The Egyptian-American Enterprise Fund ("EAEF") received the final tranche of its \$300 million commitment from USAID in April 2021. Through our investments in Egyptian companies directly or by our Egyptian fund managers, the value of EAEF's investments has reached over \$550 million, with an annual internal rate of return ("IRR") since inception of 19%.

To date, EAEF has supported 15,000 jobs, helped attract \$447 million in foreign capital to Egypt, and supported over 200,000 small and medium-sized enterprises ("SMEs") via its investment activities. SMEs are the backbone of Egypt's economy and account for 80% of private sector employment. EAEF is also becoming a leader in impact measurement and management to better evaluate its efforts to build a healthy private sector in Egypt. More information on EAEF's Impact Program can be found in our [2020 Impact Report](#).

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Since the start of the COVID-19 pandemic in early 2020, EAEF has completed five investments and an additional two investments through our fund managers. Many of our companies have been able to continue performing against the challenging backdrop of the pandemic.

In 2020-2021, our largest fund manager by allocation, Lorax Capital Partners, completed a first and second closing for its independent private equity fund. They currently have assets under management of \$223 million and will soon reach \$250 million. The new fund has closed three new investments in the microfinance, cosmeceuticals and customer loyalty spaces.

EAEF has also made additional allocations to existing portfolio managers, Ezdehar Management and Algebra Ventures.

In 2021, EAEF committed \$20 million to Ezdehar Management Fund II, an independent fund manager focused on fast-growing, mid-size companies in Egypt. EAEF's relationship with Ezdehar began in 2020 when EAEF and Ezdehar co-invested in Al Tayseer Healthcare Group, the largest healthcare provider in the Nile Delta—a historically underserved and heavily populated region north of Cairo.

As of June 30th, 2021, Ezdehar's first fund recorded an annual IRR of 18.4%. In addition to delivering financial returns, Ezdehar also implements environmental, social, and governance ("ESG") best practices across its portfolio.

In 2017, EAEF invested \$10 million in Algebra Ventures' first fund. Algebra Ventures is Egypt's leading venture capital fund focused on Pre-Series A and Series A stages. EAEF continues to support Algebra Ventures and recently committed \$15 million to its second fund, Algebra Ventures Fund II, which will target companies in the fintech, agritech, logistics, and healthcare sectors.

In 2022, EAEF expects to exit from Abu Auf, a specialty food retailer, managed by its investment advisor, Tanmeya Capital Ventures ("TCV"). Under TCV's guidance, Abu Auf has grown from 110 retail branches across 6 governorates to 179 locations across 13 governorates. Since TCV's initial investment in 2019 through October 31, 2021, the company's revenues more than doubled going from EGP 394 million (\$23.4 million) to EGP 804 million (\$51.2 million). Growth over the past two years has stemmed from expanding the company's product lines, its online presence, and an increase in exports.

EAEF has also prioritized investments in sustainability with TCV-managed investment, Hassam Allam Utilities ("HAU"). HAU currently operates 60 water treatment plants in Egypt. HAU's

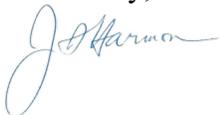
most recent acquisition is in the logistics space with the purchase of a 37% ownership position in Cargolinx, the largest logistics company to airlines in Egypt.

Additionally, we have made progress on EAEF's ESG and gender equality goals. Since our investment, Abu Auf increased the percentage of female personnel from 16% to 25%, and with TCV's support, the company hired two female executives to leadership roles: a Chief Financial Officer and a Chief Marketing Officer. The company has also implemented environmentally friendly initiatives including the increased use of reusable bags, eco-friendly packaging that has saved over one hundred tons of plastic, and the use of solar energy to power Abu Auf's production facility.

On the following page, you will find EAEF's projected 2021 operating budget. Although we have drawn down the full \$300 million USAID commitment, we remain a self-sustaining fund and continue to finance our operations with income from our cash management program and dividend income.

If you have any questions, please do not hesitate to reach out to me at 212-994-9801.

Sincerely,



James A. Harmon  
Chairman





**Egyptian-American Enterprise Fund  
Income Statement**

	Projected Unaudited Year Ended December 31, 2021	Final Audited Year Ended December 31, 2020
<b>Operating Income</b>	<b>\$ USD</b>	<b>\$ USD</b>
Interest	9,954,288	10,837,546
Dividends	5,041,902	3,034,870
<b>Total Operating Income</b>	<b>14,996,190</b>	<b>13,872,416</b>
<b>Operating Expenses</b>	<b>\$ USD</b>	<b>\$ USD</b>
Management Fees	2,677,573	3,268,429
Payroll & Related	1,280,683	1,043,993
Professional Fees	701,482	491,333
Office and Other Expenses	192,776	273,062
Travel	20,340	28,051
<b>Total Operating Expenses</b>	<b>4,872,854</b>	<b>5,104,868</b>
<b>Net Operating Income</b>	<b>10,123,336</b>	<b>8,767,548</b>
<b>Net Realized and Unrealized Gains</b>	<b>\$ USD</b>	<b>\$ USD</b>
Unrealized Appreciation (Depreciation)	(14,691,411)	132,099,180
Realized Gains	15,842,874	8,457,860
Plus (Minus) Incentive Fees	1,025,567	(16,997,146)
<b>Net Realized and Unrealized Gains</b>	<b>2,177,030</b>	<b>123,559,894</b>
<b>Net Income</b>	<b>\$ 12,300,366</b>	<b>\$ 132,327,442</b>