



June 30, 2023

Dear Stakeholder:

Attached are the audited financial results for the Egyptian-American Enterprise Fund (“EAEF”) for the year ended December 31, 2022. The results reflect a difficult period for Egypt as it continued to recover from the impact COVID 19 and subsequent pressure it is experiencing from the war in Ukraine. The resulting outflows of foreign currency led to a devaluation of 57% relative to the US Dollar for the year ended December 31, 2022. As of the date of this writing, the EGP has declined an additional 25%.

EAEF had a decrease of 25% in the Fund’s net asset value after accounting for the last drawdown of the USAID commitment from \$600,867,077 as of December 31, 2021 to \$470,719,486 as of December 31, 2022. This decline reflects the impact of the foreign currency devaluation and the unrealized losses resulting from the change in the fair valuations of our portfolio, net of a gain on the sale of the TCV managed portfolio company, Abu Auf.

We continue our mission to develop the private sector of Egypt and to deploy our capital when the time is right, and the investment is appropriate. If you have any questions on EAEF’s financial results, please reach out to me at (212) 994-9802 or by email [jharmon@caravelfund.com](mailto:jharmon@caravelfund.com).

Sincerely,

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James A. Harmon  
Chairman



## **EGYPTIAN-AMERICAN ENTERPRISE FUND**

### **Audited Financial Results**

*For the Year Ended December 31, 2022*

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

**ASSETS**

Investments, at fair value (cost: \$254,476,950)	\$	378,770,777
Cash, including Restricted Cash		107,677,750
Other receivable		1,401,051
Investment receivable		351,376
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>488,200,954</b>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Payable to Advisor	\$	17,456,472
Accounts payable and accrued expenses		24,996
Total Liabilities		17,481,468

**Net Assets**

470,719,486

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 488,200,954**

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>INVESTMENT INCOME</b>	
Dividend Income	\$ 8,604,009
Interest Income (net of tax withholding)	19,439,655
<b>TOTAL INVESTMENT INCOME</b>	<u>28,043,664</u>
<b>EXPENSES</b>	
Management fees	2,656,233
Payroll and benefits	1,519,069
Professional fees	613,593
Office and other expenses	199,613
Travel expenses	120,810
<b>TOTAL EXPENSES</b>	<u>5,109,318</u>
<b>INCENTIVE FEE</b>	
Incentive fee	(18,825,592)
<b>TOTAL INCENTIVE FEE</b>	<u>(18,825,592)</u>
<b>TOTAL EXPENSES AND INCENTIVE FEE</b>	<u>(13,716,274)</u>
<b>NET INVESTMENT INCOME</b>	<u>41,759,938</u>
<b>NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS:</b>	
Net realized gain on investments	19,329,991
Net change in unrealized loss on investments	(163,252,157)
Net change in realized loss on debt instruments due to foreign currency translation	(15,573,366)
Net change in unrealized loss on debt instruments due to foreign currency translation	(29,993,153)
<b>NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS</b>	<u>(189,488,685)</u>
<b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$ (147,728,747)</u>

**EGYPTIAN-AMERICAN ENTERPRISE FUND**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 600,867,077
USAID contributions <sup>1</sup>	17,581,156
Net decrease in net assets resulting from operations	(147,728,747)
Change in net assets	<u>(130,147,591)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 470,719,486</u></u>

<sup>1</sup>This represents a non cash contribution.

**EGYPTIAN-AMERICAN ENTERPRISE FUND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net decrease in net assets resulting from operations	\$ (147,728,747)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:	
Purchases of investments	(51,817,475)
Proceeds from sales and maturities of investments	157,405,515
Net realized gain on investments	(19,329,991)
Net change in unrealized loss on investments	163,252,157
Changes in operating assets and liabilities:	
Investment receivable	174,198
Other receivable	13,610,845
Payable to Advisor	(22,450,168)
Accounts payable and accrued expenses	(6,395)
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<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>93,109,939</b>
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<b>NET INCREASE IN CASH AND RESTRICTED CASH</b>	<b>93,109,939</b>
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<b>CASH, INCLUDING RESTRICTED CASH, BEGINNING OF YEAR</b>	<b>14,567,811</b>
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<b>CASH, INCLUDING RESTRICTED CASH, END OF YEAR</b>	<b>\$ 107,677,750</b>
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 <b>NON CASH CONTRIBUTIONS</b>	
Contributions received in advance	\$ 17,581,156
Contributions used for investment and fund operations	(17,581,156)
Total	<hr/> <hr/> <b>\$ -</b>