

### Investment Objective

The principal investment objective of the fund is long-term capital appreciation through achieving the highest possible risk-adjusted returns.

### Investment Universe

- The fund invests principally in listed securities of companies that are established or doing a substantial part of their business in Egypt
- The fund is allowed to invest in listed securities in the MENA region up to 20% of the fund's Net Asset Value and based on the fund manager's outlook.

### Subscription/Redemption

- ≡ The fund offers weekly liquidity to investors.
- ≡ The valuation day for the fund is Monday of every week (subject to be a business day in Egypt, Bahrain & Bermuda).
- ≡ There is no Entry/Exit load applied by the fund manager.
- ≡ Minimum initial investment is USD10,000.
- ≡ Minimum additional investment is USD1,000.

### Fund Details

Type of scheme	Open Ended
Inception date	August 1996
Share price	USD 24.3
Listing	Irish Stock Exchange
Index of reference	EGX30 Cap USD Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

### Quantitative Data (Since Inception)

Standard Deviation	26.4%
Beta	0.7
Sharpe Ratio	0.0

### Fund Manager

Management Company	EFG Hermes Asset Management
Fund Manager	Nabil Moussa
Managing Since	June 2012
Contact Person	Ahmed Shalaby
Telephone	+20235356536
Mobile	+201005407086
E-mail	ambusinessdev@efg-hermes.com

### Fund Administrator

Fund Administrator	HSBC Middle East (Bahrain)
Contact Person	Lohit Nayak
Telephone	+973 1756 9567
Fax	+973 1756 9574

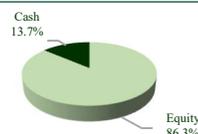
### Portfolio

#### Performance Figures

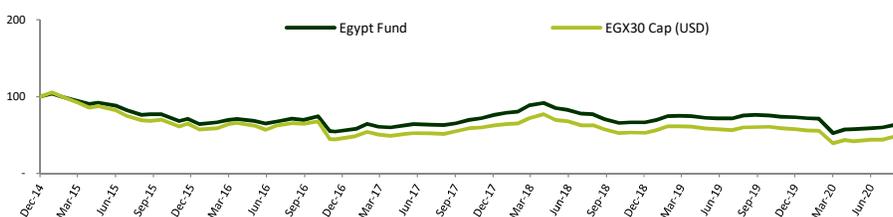
Date	Return
September 2020	-3.8%
YTD	-17.2%
1 Year	-20.5%
5-YTD	-21.3%
Since Inception	217.7%

\*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 58.4% in EGP but it was affected by the sharp currency devaluation as shown above.

#### Asset Allocation



#### Track Record Vs EGX30 Cap (USD)



### Market Outlook

#### Market Commentary & Strategy

- ≡ The Egyptian market main index EGX30 continued to climb higher in the third quarter with the index up 2.1% for the quarter and reducing its YTD negative performance to 21.3%, primarily boosted by retail individuals and local institutional buying appetite. The industrial sector outperformed the market on the speculation that the government will reduce natural gas prices to heavy industries. Nevertheless, the EGX30 underperformed significantly the emerging markets which enjoyed a strong quarter with MSCI EM index gaining 8.7% in the third quarter and reducing the YTD negative performance to 2.9%. This underperformance can be attributed to the geopolitical uncertainties across the region causing foreign institutions to be net sellers and pressuring the market. We believe market volatility is likely to remain elevated through year-end, with the global markets uncertainty is high with a possible second wave of COVID-19 alongside with US elections taking place in November.
- ≡ We enter fourth quarter with several catalysts to keep track of:
  1. A treatment or vaccine for COVID-19
  2. The global monetary easing trend continuing along with new stimulus packages from central banks to support economies
  3. Improvements in the geopolitical situation in the region.

#### Economic Updates

- ≡ The CBE Monetary Policy Committee (MPC) surprised the market by cutting rates by 50 bps bringing overnight deposit and lending rates to 8.75% and 9.75% respectively implying total cuts of 1,000 bps since the beginning of the easing cycle in February 2018. The CBE stated that muted inflationary pressure registering below 6% since February 2020 confirms the moderation of inflation expectations thus the cut aims to provide appropriate support to economic activity.
- ≡ The government announced that GDP growth stood at 3.5% in FY19/20 down from a preliminary figure of 3.8%. The government added that growth have been 1.9% if it wasn't for the support and stimulus package amid the outbreak of COVID-19 in March 2020.
- ≡ Egypt sold USD750 million five-year green bonds offering investors a yield of 5.25%. The proceeds of the bond will be used to finance or refinance green projects in transportation, renewable energy, and energy efficiency. It is worth mentioning that Egypt is the first country in the MENA region to issue such bonds.
- ≡ The CBE announced that Egypt's foreign reserves inched upwards by around USD51 million from USD38.31 billion in July to USD38.36 billion in August. This is considered the third consecutive month with stable reserves post the COVID-19 outbreak that led to USD9.5 billion drop in foreign reserves during the period March to May 2020.
- ≡ Egypt's headline inflation slowed to 3.4% in August (lowest Figure since October 2019) down from 4.2% in July. The slowdown was driven by falling food prices dropping 4.1% YoY, while non-food inflation was modest at 6.2%. We highlight that this is the fourth consecutive month we witness drop in food prices partially due to seasonality and partially due to weak consumption level mostly on the back of recent announced figure of an increase in unemployed people by around 2.7 million.