

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 25.4
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

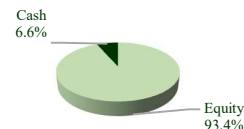
Portfolio

Performance Figures

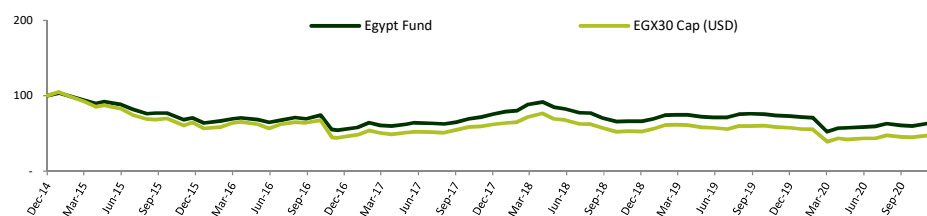
Date	Return
November 2020	5.5%
YTD	-13.5%
1 Year	-14.5%
5-YTD	-7.1%
Since Inception	231.9%

*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 86.1% 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

The market main index EGX30 followed the global markets trend in November rising 4.07% and reducing YTD losses to 21.62%, boosted by growing optimism that an early coronavirus vaccine can trigger a faster than expected economic recovery from the Covid-19 recession & CBE's second consecutive interest rate cut, trimming an additional 50bps. The average traded value for the month came back around to EGP1.4bn but not yet by virtue of institutional participation, however a continued interest from retail flow.

Nevertheless, The EGX30 underperformed the MSCI Emerging Index massively which rose 9.21% in November and turning the YTD performance to positive 8.11%. We note that MSCI average value is distorted by the weight of China (41%), Taiwan (12%), and Korea (12%) all having a positive return thus muting the severe negative performance achieved in other markets. The relative YTD underperformance of the Egyptian market coincided with low foreign participation standing around 10% of trading and a continuation of a trend that started in June 2019 by being net seller on a monthly basis till November 2020.

Economic Updates

IMF Reach Staff Level Agreement with Egypt in the First Review for the USD5.2 Billion Credit Facility

The IMF announced reaching a staff level agreement with Egypt after the first review of the USD5.2 billion credit facility with intention to disburse a USD1.6 billion tranche upon the executive board approval. The IMF is expecting the economy to grow by 2.8% in FY20/21 with modest recovery across all sectors except tourism, and stated that the CBE monetary policy is appropriately supporting economic recovery in light of muted inflation.

CBE Cuts Rates by 50 Bps

The CBE Monetary Policy Committee (MPC) decreased overnight deposit and lending rates by 50 bps to 8.25% and 9.25% respectively implying total cuts of 1,050 bps since the beginning of the easing cycle in February 2018. The CBE attributed its decision to that the outlook for inflation in 4Q20 is estimated to be in the low single digit confirming the muted inflationary pressures in the medium term.

S&P Maintains Egypt's Credit Rating at B with a Stable Outlook

S&P maintained Egypt's rating at B with a stable outlook for the second time post the outbreak of COVID-19 pandemic. The credit agency expects Egypt to maintain positive economic growth of 2.5% in FY20/21 that will jump to 4.8% in FY21/22, and 5.4% in FY22/23.

Foreign Reserves Reach USD39.22 billion at End of November

Egypt's foreign reserves stood at USD39.2bn at the end of November, the same figure in October, the Central Bank of Egypt (CBE) announced Sunday. Stable reserves came as a USD246mn drop in the value of gold holdings was compensated for by an equivalent increase in liquid foreign currencies.

Inflation Increases to 4.5% in October

Egypt's headline inflation increased to 4.5% in October up from 3.7% in September. The increase in inflation is mainly due to back to school seasonality leading to higher than usual rise in non-food inflation.