

### Fund Strategy & Outlook

The Egyptian market showed a weakened performance of -4.3% in EGP terms and -3.6% in USD terms during April 2017 as investors started to lock in profits after the 8.9% increase during March 2017. During the month, foreign and Arab investors were net buyers by EGP2.01 billion and EGP305 million respectively, while local investors were net sellers by EGP2.32 billion. The EFG-Hermes Egypt Fund -1.2% during the month versus -2.4% for the HFI Index.

It is worth mentioning that the market saw two IPOs during April 2017; Raya Contact Center Group that concluded the sale of 49% of its stake worth around EGP808 million; and MM Group for industry and international trade (MTI) that offered 30% of its stake with a value of EGP708 million.

El Sewedy Cables released its full year 2016 results showing a 101.6% increase in EBITDA to reach EGP4.14 billion. This was due to 19.8% growth in operating revenues from EGP20.57 billion to EGP24.64 billion and 10.7% increase in operating expenses amounting to EGP20.51 billion. In addition, the company's net income hiked 3.1x to reach EGP3.85 billion up from EGP1.25 billion in 2015 due to an FX gain of EGP1.31 billion. On the real estate front, SODIC announced 64% Y-o-Y growth in contracted sales in 1Q2017 to reach 1.2 billion. Moreover, Talaat Mostafa Group (TMG) announced concluding the acquisition of 2.1 million sqm land plot in the new administrative city for a total cost of EGP4.4 billion.

On the economic front, the World Bank forecasts that Egypt's GDP will grow by 3.9% in FY16/17 compared to 4.6% growth in FY17/18 and 5.3% in FY 18/19. They also reported that the growth in GDP in the upcoming years would be driven by limited consumer spending on the back of rising inflation. In addition, the government started selling land plots worth EGP10 billion in the new administrative city for around eight different developers. The Central Bank of Egypt announced that Egypt's Net international Reserves increased by 7.5% in March to reach USD28.5 billion. Egypt's inflation rate increased from 30.2% in February 2017 to 30.9% in March 2017, which is a minimal increase since the local currency flotation in November 2016.

The fund manager maintains his cautious outlook for the stock market over the coming period. Accordingly, the manager will extend his current equity exposure and stock allocation strategy and the diversified set of holdings in the fund.

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### Objective

The principal objective of the fund is long term capital appreciation through investing in Egyptian equity and equity-related securities.

### Fund Performance

Returns	Egypt Fund
Month to Date *	-1.2%
Year to Date	10.4%
2016	-23.4%
2015	-29.1%
2014	19.5%
2013	16.7%
2012	46.4%
2011	-53.6%
2010	8.5%
2009	12.8%
2008	-46.2%
2007	61.9%
2006	8.6%
2005	130.7%
2004	113.1%

\*MTD figures reflect performance between March 27 2017 and April 24, 2017

### Fund Information

NAV per share	USD 24.0
Launch Date	August, 1996
Listing	Irish Stock Exchange
Structure	Open Ended
Management fee	1.75%
Minimum Subscription	USD 10,000
Subscription/Redemption	Weekly

### Fund Identifiers

ISIN	BMG2948Y1093
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15
Bloomberg Ticker	EFGHEGY BH

### Fund Characteristics

No. of Holdings	22
Beta	0.8
Sharpe Ratio	0.1

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	15.4%
Eastern Tobacco	Personal & Household	10.7%
Global Telecom Holding	Telecommunications	7.8%

### Allocation By Economic Sector

