

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 36.8
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

Quantitative Data (Since Inception)

Standard Deviation	26.8%
Beta	0.8
Sharpe Ratio	0.1

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
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Portfolio

Performance Figures

Date	Return
April 2018	3.7%
YTD	20.7%
1 Year	53.2%
5-YTD	39.4%
Since Inception	381.6%

*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 255.4% in EGP but it was affected by the sharp currency devaluation as shown above.

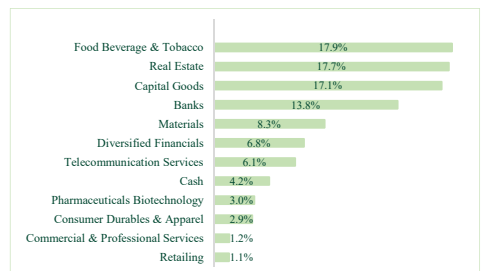
Top Holdings

Stock Name	Sector	Weight
ElSewedy Electric	Capital Goods	15.7%
Eastern Tobacco	Food Beverage & Tobacco	12.6%
Commercial International Bank Egypt	Banks	11.1%
Talaat Moustafa Group	Real Estate	8.0%
Sidi Kerir Petrochemicals	Materials	4.8%

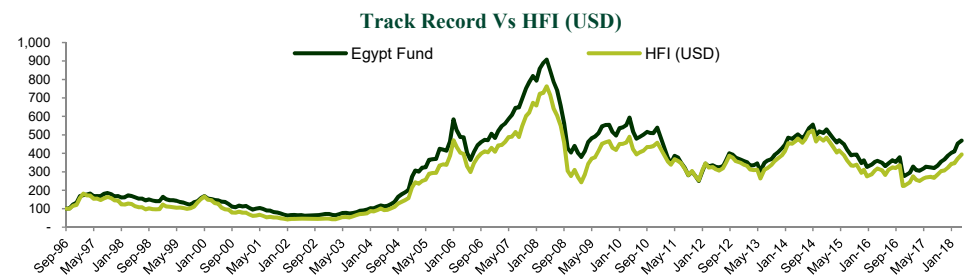
Performance Contributors (Monthly)

Stock Name	Sector
ElSewedy Electric Co	Capital Goods
Talaat Moustafa Group	Real Estate
Juhayna Food Industries	Food Beverage & Tobacco

Sector Allocation



* GICS Industry Group



Market Outlook

Market Commentary

- EGX30 posted solid gains of 4.8% in April in EGP and USD terms, bringing YTD performance to an impressive 21.8% in EGP and 22.8% USD terms
- CI Capital offered a 41.5% stake for a total consideration of EGP1.7 billion through an IPO in the Egyptian Stock Exchange.
- Telecom Egypt was the market best performer advancing 30.3% mainly catching the market rally as the stock was underperforming the market over the past year for no specific reason.
- Juhayna Food Industries was the second top performer advancing 19.5% mainly on good future prospects post recent interest rate cuts along with the company's first quarter results showing decent volume recovery.
- Textiles and Apparels underperformed the market with Dice down 5.7% and Oriental Weavers down 3.8% on the back of fear from rising costs in the industry post recent commodity hikes.
- Global Telecom fell dramatically by 21.9% post Veon announced to withdraw their tender offer as a result of the FRA delay in their reply.

Economic Update

- The IMF delegation began conducting the third review of Egypt's economic reform program. The delegation should complete the review by May 17th, and based on the assessment, Egypt should receive USD2.0 billion representing the 4th tranche of the USD12 billion loan.
- The government passed a draft law to establish a sovereign wealth fund to manage state assets worth of around EGP200 billion
- Egypt's Net International Reserves is increased by 3.2% during April reaching USD44.0billion up from USD42.6 billion in March 2018 in a reflection of Eurobond sale worth USD1.4 billion.
- Inflation rate declined to 13.1% in April down from 13.3% in March 2018 (lowest level since May 2016).

Strategy

- Egyptian market is outperforming emerging markets advancing 22.8% YTD in USD terms compared to MSCI EM index advancing 0.5% only. We believe that this is normal given Egypt's growth story coupled with recent drop in cost of debt. However, we believe their might be a slowdown in the upward leg in selected stocks.
- We believe that oil prices will be maintained over USD70 per barrel for a while as such we will be increasing our stake in commodity stocks.
- Finally, we overweight stocks with a strong balance sheet that allow them to utilize available opportunities in a growing economy.