

### Fund Manager's Strategy & Outlook

During the month of August, the market maintained the positive momentum from the previous month and continued to head north. Economic developments continued to be the main driver for the market, with the New Suez Canal Project being the main highlight for the period. The fund gained a massive 7.50% over the month, bringing its year to date returns to 25.16%.

A number of companies released their 2Q2014 results throughout the month. Medinet Nasr Housing and Development announced net income of EGP52 million, an increase of 9.6% year-on-year, backed by higher land sales. Moreover, Talaat Mostafa Group reported revenues of EGP1,542 million, increasing 69.8% year-on-year, due to the company ramping up deliveries. In the financial services sector, EFG-Hermes Holding reported net income for 2Q2014 of EGP188 million, an increase of 58% quarter-on-quarter, driven by higher executions across markets and a jump in the investment banking arm revenues. As for the telecom sector, Telecom Egypt released an impressive set of results, beating market expectations. The company reported net income of EGP1,024 million, an increase of 86.5% quarter-on-quarter. The surge in income came on the back of the sale of two cables, leading to a boost in international customs and networks revenues. Meanwhile, Global Telecom Holding's EGM approved the sale of 51% of Djezzy to the Algerian government and cited a study on Djezzy's valuation that came lower than the amount paid by the Algerian government for the company. This helped the stock rally towards the end of the month, jumping 8.7% post the announcement to hold the EGM.

As for economic developments, the government announced the digging of a new canal waterway as part of the Suez Canal Development mega project. The new Suez Canal will be financed through the issuance of 5-year debt certificates by Egyptian banks to the public at 12% interest rate. Moreover, the minister of investment disclosed that the government will announce a new investment stimulus package worth EGP64 billion to be executed over two phases in accordance with Egypt's new budget. Meanwhile, net international reserves (NIR) saw a slight increase to reach USD16.74 billion in July. As for inflation, it witnessed the expected increase following the hike in fuel and electricity prices, reaching 10.6% in July from 8.2% in June.

The fund manager will maintain his high equity exposure as he remains positive on the Egyptian market over the coming period. The focus will remain on the stocks that are more likely to benefit from the ongoing economic developments.

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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	7.5%
Year to Date	25.2%
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%

### Fund Information

NAV per share	USD 42.02
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	23
Beta	0.8
Sharpe Ratio	0.2

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	16.8%
Global Telecom	Telecom.	10.4%
T M G Holding	Real Estate	10.2%

### Allocation By Economic Sector

