

### Fund Manager's Strategy & Outlook

The month of August 2015 witnessed a significant sell off in local and international markets on the back of heightened global economic tensions as concerns about the health of the Chinese economy rattled investors across the world. The EFG-Hermes Egypt Fund lost -7.0% versus -7.3% for the HFI index bringing its year-to-date performance to -23.7% and outperforming the index by 4.8%.

While markets were crumbling during the month, company results for 2Q2015 came out strong with Commercial International Bank (CIB) reporting 23% year-on-year increase in net profit reaching EGP1.15bn. Total interest income grew by 18%, total loans showed annual growth of 21% reaching EGP59.3bn, while deposits grew by 30% over the same period reaching EGP143bn. Moving to Talaat Mostafa Group, the company recorded 8% year-on-year growth in net profit and 32% increase in gross profit margin. Total revenues for the company reached EGP 1.80bn showing 16% annual increase. On the telecom front, Telecom Egypt recorded 55.5% annual increase in net profit totaling EGP378 million. This jump came on the back favorable base effect after EGP739 million tax provision were taken last year for the recognition of undistributed dividends for subsidiaries and associates.

On the economic front, this month witnessed the opening of the new Suez Canal project which was declared as a special economic zone according to a decree issued by the President during the month. The project is expected to increase annual revenues coming from the Suez Canal from USD5.5bn to USD9.5bn over the coming years and to reach USD13.2bn by 2023. In addition, Italian energy group "Eni" announced the discovery of the largest known gas field in the Mediterranean off the Egyptian coast during the month. The new Gas field is expected to hold up to 30 trillion cubic feet of lean gas representing 46% of the country's current natural gas reserves and considered to be one of the world's largest natural gas discoveries. Net International Reserves (NIR) decreased from USD20.1 billion in June 2015 to USD18.5 billion in July 2015. The annual headline inflation slowed down to 8.3% in July 2015 from 11.4% in June 2015 due to favorable base effect related to higher food prices in July of 2014. The Central Bank of Egypt kept the EGP steady against the USD during the month of August 2015 at EGP7.82/USD.

As market volatility persists the fund manager will maintain a large cash cushion for the fund shielding against further market decline. The manager will also keep stock selection leaned towards defensive names until market alleviates.

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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 *	-7.0%
Year to Date	-23.7%
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 July 27, 2015 and August 31, 2015

### Fund Information

NAV per share	USD 30.6
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	24
Beta	0.8
Sharpe Ratio	0.1

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	16.2%
Eastern Tobacco	Personal & Household	10.0%
T M G Holding	Real Estate	8.1%

### Allocation By Economic Sector

