

### 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 30.3
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

### Quantitative Data (Since Inception)

Standard Deviation	26.3%
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	ambusinessdevg@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
August 2019	5.7%
YTD	13.7%
1 Year	-1.8%
5-YTD	-27.9%
Since Inception	296.3%

\*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 66.9% in EGP but it was affected by the sharp currency devaluation as shown above.

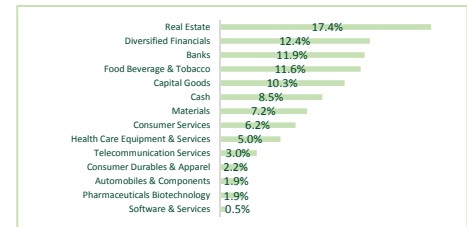
### Top Holdings

Stock Name	Sector	Weight
Commercial International Bank Egypt SAE	Banks	10.3%
Eastern Co SAE	Food Beverage & Tobacco	9.0%
Egyptian Financial Group-Hermes Holding Co	Diversified Financials	8.8%
Talaat Moustafa Group	Real Estate	7.6%
ElSewedy Electric Co	Capital Goods	7.6%

### Performance Contributors (Monthly)

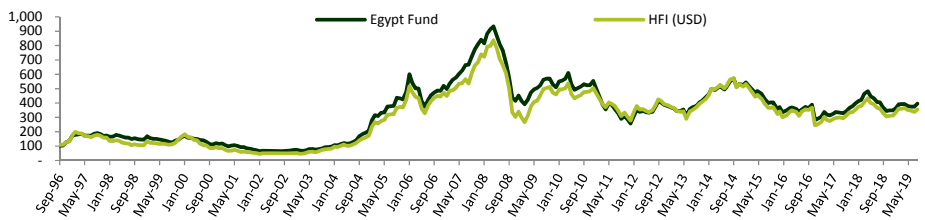
Stock Name	Sector
Egyptian Financial Group-Hermes Holding Co	Diversified Financials
Six of October Development & Investment	Real Estate
Talaat Moustafa Group	Real Estate

### Sector Allocation\*



\* GICS Industry Group

### Track Record Vs HFI (USD)



## Market Outlook

### Market Commentary & Strategy

- The Egyptian market completely outperformed Emerging Markets in August and was among the top performing equity markets in the world during the month. The market's main index increased in USD terms by 10.8% during August compared to a drop of 5.1% in MSCI EM main index. This outperformance was mainly on the back of two catalysts: 1) The CBE aggressively cutting overnight lending and deposit rates by 150 bps, and 2) The execution of Veon Telecom deal to acquire Global Telecom thus raising liquidity of around USD450 million to be reinvested in the market.
- From our view, Egypt constantly moves in the same direction as the MSCI EM index yet with different magnitude. The MSCI EM index increased by 1.9% in the first 8 months of 2019 compared to an increase of 15.9% in EGX30 in EGP term to be increased to 23.2% in USD terms if we factor the 8.3% appreciation in EGP since the beginning of the year.
- We believe that Egypt should keep outperforming emerging markets given its current growth profile and cheap valuation multiples that are trading below its historic average given the high interest rate environment that prevailed following the floatation of the pound. However, given that the CBE already started its easing cycle cutting rates by 450 bps over 2018 and 2019 with expectations of around 150 bps additional cuts before the end of 2020, we believe that Egypt should start moving north towards its historical multiples.
- The only risk we see that might affect the performance of the market is the escalation of trade war between the US and China, which might lead to negative outlook for global economies that will definitely impact all emerging markets including Egypt.

### Economic Updates

- The CBE Monetary Policy Committee (MPC) decreased overnight deposit and lending rates by 150 bps to 14.25% and 15.25% respectively.
- Foreign Holdings in Egyptian Treasuries Reaches USD20.1 billion in July
- Unemployment rate dropped to 7.5% in 2Q19 compared to 8.1% in 1Q19
- Egypt's Foreign Debt Increase by 9.6% to Reach USD106.2 Billion in 1Q19
- Net International Reserves moved Upward to USD44.9 Billion as of August 2019
- Inflation kept its declining momentum down to 7.5% in August, which is considered the lowest figure since August 2015