

### Fund Manager's Strategy & Outlook

Retail investors dominated market activity for the month of February, targeting small and medium cap companies mainly. Political stability continued to be the main driver for the market as it sustained its rally for yet another month. However, profit taking along with some concerns over the government's resignation capped the market gains towards the end of February. The fund continued to make more gains, with year to date returns of 13.5%.

Financial reporting season started, with a number of companies announcing healthy figures. In the banks sector, Commercial International Bank (CIB) released a strong set of results in 4Q2013 beating analysts' expectations. Earnings came in at EGP757 million, up 28.9% year on year, on the back of growth in operating income. As for petrochemicals, Sidi Kerir Petrochemicals reported its FY2013 figures, showing a bottom line of EGP1.30 billion, up 49% year on year, on the back of higher realized prices for ethylene and polyethylene. As for Eastern Tobacco, the company released its 2Q2013/2014 results, showing revenues of EGP1.64 billion, a 9% year on year increase, supported by volume improvements and production efficiencies. Moreover, the company announced the renewal of its toll-manufacturing agreement with Phillip Morris International (PMI) for seven years which should translate into a EGP100 million increase in top line per annum, and the Ministry of Finance decided to increase cigarette prices, helping the stock rally a hefty 41.2% over the month.

On the economy level, the government is expecting new Gulf aid worth USD5.8 billion in the form of central bank deposits and petroleum products. Moreover, the government announced the final details for the second stimulus package, with spending mainly split between development projects and financing social programs, including a rise in the minimum wage. Meanwhile, net international reserves (NIR) increased USD73 million to reach USD17.105 billion in January 2014, as more aids got deposited in the central bank. Furthermore, annual inflation eased to 11.3% in January from 11.7% a month earlier due to a drop in shelter and recreation prices.

The fund manager shall revisit his asset allocation in order to become more cautious and selective in high beta stocks, as the expected market hike took place during the month of February. Meanwhile, the fund manager still maintains a positive long term outlook on the market.

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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	8.5%
Year to Date	13.5%
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%

### Fund Information

NAV per share	USD 38.09
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	0.2

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	16.7%
Global Telecom	Telecom.	10.8%
T M G Holding	Real Estate	9.2%

### Allocation By Economic Sector

