

### 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 32.22
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

### Quantitative Data (Since Inception)

Standard Deviation	26.9%
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
February 2018	1.9%
Full Year 2017	40.1%
1 Year	24.9%
5-YTD	16.4%
Since Inception	321.7%

\*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 205% in EGP but it was affected by the sharp currency devaluation as shown above.

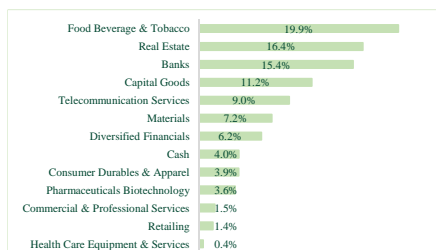
### Top Holdings

Stock Name	Sector	Weight
Eastern Tobacco	Food Beverage & Tobacco	15.0%
Commercial International Bank Egypt	Banks	13.0%
ElSewedy Electric	Capital Goods	11.2%
Global Telecom	Telecommunication Services	7.4%
Talaat Moustafa Group	Real Estate	5.9%

### Performance Contributors (Monthly)

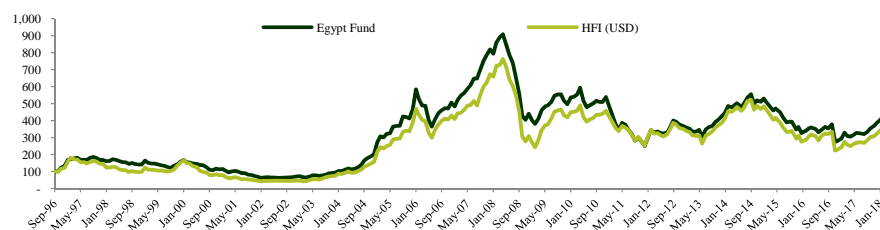
Stock Name	Sector
Eastern Tobacco	Food Beverage & Tobacco
Sidi Kerir Petrochemicals	Materials
Juhayna Food Industries	Food Beverage & Tobacco

### Sector Allocation



\* GICS Industry Group

### Track Record Vs HFI (USD)



## Market Outlook

### Market Commentary

- EGX30 increased in February 2018 by 2.9% in EGP and USD terms.
- Foreign and Arab investors were net buyers in the market during the month by EGP360 million and EGP110 million while local investors were net sellers by EGP470 million respectively.
- Small Cap Banks increased this month led by Al Baraka Bank (24.0%) and ADIB (9.9%)
- CBE interest rate cuts led to an increase in the Real Estate sector mainly Emaar Misr (10.2%) and Palm Hills (10.2%)
- Fertilizers, also, outperformed mainly Abu Qir Fertilizers (19.7%) for the second consecutive month after increasing 39.1% in January on the back of higher Urea prices
- Telecoms Sector, on the other hand, underperformed the market with OTMT (-9.7%), Telecom Egypt (-8.8%), and Global Telecom (-0.4%)

### Economic Update

- The CBE Monetary Policy Committee decreased overnight deposits and lending rates by 1.0% to 17.75% and 18.75% respectively
- Egypt issued USD4.0 billion of Eurobonds over three tranches and the book was covered 3x.
- Egypt's GDP growth rate reached 5.3% in 2Q17/18 as per the Ministry of Planning
- Egypt's Net International Reserves increased by 11.3% in February 2018 reaching USD42.5 billion implying an import coverage ratio of 8 months.
- Inflation dropped by 2.7% to reach 14.4% in February down from 17.1% in January 2018.

### Strategy

- We believe that our previously mentioned view of GDP growth above 5% and continuous decline in inflation is materializing as per the recently announced figures
- The CBE had recently cut interest rates by 1.0% and we believe there is a further room for 2-3% additional cuts during 2018
- As a result, we overweight stocks with a strong balance sheet that allow them to utilize available opportunities in a growing economy