

### Fund Manager's Strategy & Outlook

Politics continued to be the name of the game for the first month of 2014. The constitutional referendum was the main talking point and driver for the market during the month, with the draft passing by more than 98% approval. This gave a confidence boost to investors as it is the first of a number of expected political milestones to take place this year. Moreover, a big stock buyback program by EFG-Hermes Holding, with a price 23.7% above market price on the date of the announcement, gave a further push to the market. The fund saw a positive start for the year, with year to date returns of 4.6%.

On the companies' level, the Telecom sector dominated the news items this month. The National Telecom Regulatory Authority (NTRA) has agreed to grant the total telecom license to telecom operators in Egypt. Meanwhile, Orascom Telecom Media and Technology Holding announced that its subsidiary MENA Cables has signed a 20-year Indefeasible Right of Use (IRU) Agreement with Telecom Egypt for diversified Dark Fiber Pair between Zaafarana and Abu-Talat. On the Real Estate front, Talaat Mostafa Group signed an agreement with Telecom Egypt worth EGP 35.0 million for the provision of communication and technology services for TMG's Madinaty project. As for Juhayna, the company announced its plans to invest EGP 400m in 2014, which will be used to start operations at the 6th of October yoghurt plant, expand production capacity of juices and, complete its dairy farm.

On the economic front, Fitch Ratings has revised the outlook for Egypt's long-term foreign and local currency ratings to stable from negative. International reserves shed USD 0.8 billion to reach USD 17 billion in December 2013 as the Central Bank of Egypt "CBE" paid another maturing deposit to Qatar. Meanwhile, urban consumer price inflation declined to 11.7% in December from 12.9% in November, due to a drop in food items as well as butane cylinders prices.

With the positive progress made on the political and economic fronts, the fund manager will maintain a relatively high equity exposure over the coming period. The fund's holdings are focused on high beta names to benefit from the awaited political developments, with the presidential elections being the next target.

EFG-Hermes Asset Management

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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	4.6%
Year to Date	4.6%
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 35.1
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	21
Beta	0.8
Sharpe Ratio	0.1

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	15.9%
Global Telecom	Telecom.	13.7%
Telecom Egypt	Telecom.	9.0%

### Allocation By Economic Sector

