

### Fund Manager's Strategy & Outlook

The market witnessed a positive thrust during the month of July which coincided the usually-slow month of Ramadan. Positive momentum was witnessed since the beginning of the month while the thin trading volumes characterizing the month of Ramadan brought the average daily turnover to USD73 million versus a three month average of approximately USD120 million. The fund delivered strong results with monthly returns of 3.49% bringing its year to date performance to 16.43%.

The market witnessed mixed news during the month of July 2014. Commercial International Bank (CIB) reported strong 2Q2014 results showing a 39% year-on-year increase in net income reaching EGP932 million. The bank's solid results came on the back of strong growth in loans and fee income in addition to lower operating expenses. Eastern Tobacco announced FY2013/2014 results showing a 17.1% year-on-year increase in net income reaching EGP883 million. The last quarter of the fiscal year witnessed strong growth in sales increasing 31.1% year-on-year in addition to improving net profit margin. On a separate note, the company announced revised cigarette prices following the tax increase on cigarettes announced by the government in the beginning of the month. The company increased the prices of its own brands which should increase the company's overall revenues and earnings. Juhayna Food Industries is planning to add two production lines for milk and juice at a total cost of EGP200 million. The company announced that the two new production lines will boost the production capacity by 30%.

Given the recent developments in the country's economic situation, the government expects economic growth to reach 3.2% in FY2014/2015 with targeted total investments of EGP377bn during the year, 61% of which should be from the private sector. Headline inflation remained stable at 8.2% in June 2014, however, it is expected that inflation will rise given the recent increase in energy and electricity prices. Net international reserves slightly dropped to USD16.7bn in June 2014 after the repayment of debt installment to Paris Club.

The fund manager will prolong his high equity exposure strategy for the fund given his positive outlook on the Egyptian market after the announcement of recent economic reforms. The fund manager will also reallocate the fund's investments through increasing weights in sound names that are most likely to benefit over the coming period.

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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	3.5%
Year to Date	16.4%
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 39.1
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	23
Beta	0.8
Sharpe Ratio	0.2

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	13.9%
Global Telecom	Telecom.	10.4%
T M G Holding	Real Estate	9.1%

### Allocation By Economic Sector

