

### Fund Strategy & Outlook

The Egyptian market witnessed excessive volatility which ended with a sharp decline during the month of June 2016. This came on the back of the “Brexit” which affected all the global markets especially Europe. The EFG-Hermes Egypt Fund lost 5.3% during the month versus -8.1% for the HFI Index.

During June 2016 along with the holy month of Ramadan companies’ announcement were minimal. On the banking front, Commercial International Bank (CIB) decided not to extend the agreement to sell its stake in CI Capital Holding to OTMT post the continuous failure of OTMT to obtain a no objection certificate from the regulator. CIB is currently considering different options for CI Capital including an IPO or selling partially/totally to another major financial institution. El Sewedy Electric’s announced its net profit for 1Q2016 which tripled to EGP785m from EGP239m a year earlier. The company was also awarded two underground transmission line projects in Egypt worth EGP671mn. Juhayna Food Industries announced that the company generated an equivalent of two and a half months’ worth of revenue during May 2016. The company is also targeting sales increase by 33% during the holy month of Ramadan, supported by new product launches. EFG-Hermes finalized the sale of 40% of Credit Libanais Bank for USD310mn. The proceeds will be used in distributing EGP1.08bn to shareholders, injecting capital into regional subsidiaries, increasing the AUMs and expanding into new frontier markets.

On the economic front, The Central Bank of Egypt (CBE) increased overnight deposit and lending rates by 1.00% to 11.75% and 12.75% respectively during its last Monetary Policy Committee (MPC). This follows a 1.50% increase in March 2016 bringing YTD interest increase to 2.50%. This was a surprise move to the market given the increase that already occurred in March, and it highlights the CBE’s commitment to try to contain inflation. Headline inflation reached 12.3% in May 2016 compared to 10.3% in April 2016. This is the highest inflation figure since May 2015 and was mainly a result of higher food and beverage prices. Egypt’s Net International Reserves increased by 3.0% during May 2016 reaching USD17.52 billion up from USD17.01 in April 2016. This improvement is mainly attributed to higher foreign currency deposits placed at local banks.

The fund manager will maintain his cautious view of the local market amid the surrounding circumstances on the local and global fronts and will utilize any upward rallies as a selling opportunity. A diversified equity exposure will be maintained focusing on defensive consumer names.

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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 *	-5.3%
Year to Date	-8.6%
2015	-29.1%
2014	19.5%
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%

\*MTD figures reflect performance between May 30, 2016 and June 27, 2016

### Fund Information

NAV per share	USD 25.98
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	28
Beta	0.8
Sharpe Ratio	0.03

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	15.0%
Eastern Tobacco	Personal & Household	10.3%
Global Telecom Holding	Telecommunications	7.3%

### Allocation By Economic Sector

