

Fund Manager's Strategy & Outlook

The market took another beating for the second consecutive month. The lack of liquidity in the market coupled by investors raising cash for the highly anticipated Edita's secondary public offering pressured the market during March 2015. The fund shed -5.4% versus -6.9% for the HFI index bringing its year-to-date performance to -6.1% outperforming the index by 1.8%.

Orascom Construction successfully listed 11% of its shares on the Egyptian Stock Exchange and NASDAQ Dubai Stock Exchange during the month. The offering was covered 5.5x in the private placement and 3.5x in the public placement and the stock started trading on the EGX mid-March 2015. The Initial Public Offering (IPO) pipeline resumed during the month with Edita listing 30% of its shares on the Egyptian Stock Exchange. The company's offering was successfully covered 13.4x in the private placement and 4.5x in the public placement with its first trading day scheduled for April 2nd 2015.

On the real estate front, six of October for Development and Investment Company (SODIC) reported a strong net income for FY2014 of EGP 154 million versus a net loss of EGP 477 million in FY2013. The company's operations showed a strong recovery as well in 2014 with net contracted sales growing 24% year-on-year, cancellations dropping to 5% from 9% in 2013 and cash collections growing 59% over the same period. Talaat Mostafa Group (TMG) also released resilient FY2014 results with net income reaching EGP 682 million showing 16.5% annual growth.

The Egyptian Economic Development Conference was the highlight of the month witnessing massive attendance from regional and international delegates; showing an evident success. The total value of investments, loan agreements, and grants secured during the conference reached USD60bn, of which USD36.2bn were in the form of investment agreements, USD18.6bn in EPC contracts, and USD5.2bn in loans signed with the Ministry of International Cooperation. On top of that, GCC countries announced additional investments and deposits at the Central Bank of Egypt (CBE) worth USD12.5bn. It is worth mentioning that Egypt's GDP showed 4.5% growth in 2Q2014/2015 compared to 1.4% in 2Q2013/2014 showing an economic recovery after the reform measures implemented by the government in 2014.

The fund manager started building positions in real estate and construction plays that are expected to benefit the most with the mega infrastructure and real estate projects announced during the economic conference. The manager will also capture any attractive investment opportunity in IPOs taking place 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	-5.4%
Year to Date	-6.1%
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%

Fund Information

NAV per share	USD 37.7
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	19.3%
T M G Holding	Real Estate	9.9%
Eastern Tobacco	Personal & Household	8.4%

Allocation By Economic Sector

