

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 35.49
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EGFHGEGY 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	ambusinessdev@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
March 2018	10.1%
YTD	16.4%
1 Year	46.0%
5-YTD	35.4%
Since Inception	364.5%

*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 251.9% in EGP but it was affected by the sharp currency devaluation as shown above.

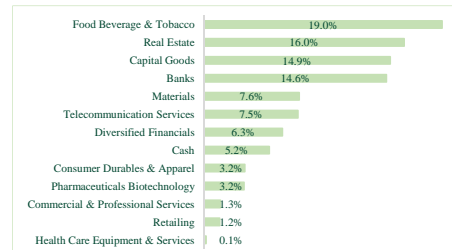
Top Holdings

Stock Name	Sector	Weight
Eastern Tobacco	Food Beverage & Tobacco	14.1%
ElSewedy Electric	Capital Goods	13.5%
Commercial International Bank Egypt	Banks	12.2%
Global Telecom	Telecommunication Services	6.1%
Talaat Moustafa Group	Real Estate	6.0%

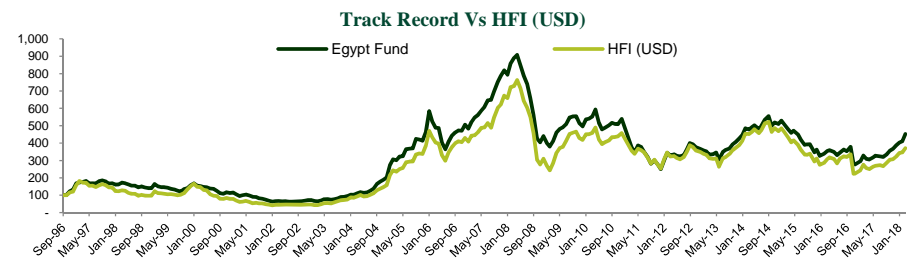
Performance Contributors (Monthly)

Stock Name	Sector
ElSewedy Electric	Capital Goods
Eastern Tobacco	Food Beverage & Tobacco
Commercial International Bank Egypt	Banks

Sector Allocation



* GICS Industry Group



Market Outlook

Market Commentary

- EGX30 increased in March 2018 by 12.8% in EGP and USD terms
- Foreigners maintained their buying direction with much stronger momentum ending the month as net buyers by EGP2.5 billion thus absorbing all selling pressures from Arab Investors (net sellers by EGP1.0 billion) and local investors (net sellers by EGP1.5 billion)
- We highlight that average daily turnover increased during March to EGP1.9 billion up from EGP1.3 billion in February and EGP1.2 billion in January
- CBE interest rate cuts led to an increase in the Real Estate sector mainly SODIC (37.6%), Palm Hills (24.3%), TMG (15.8%) and Emaar (16.0%)
- Qalaa Holding outperformed (75.5%) mainly on the back of the announcement that ERC has received additional funding worth about USD500 million to accelerate the completion of its refining project
- El Sewedy Electric outperformed (40.1%) as it announced many positive developments across all business lines; new transmission agreements, reaching final stages in its 500MW wind farm project, potential in opening in new markets and another turnkey project worth EGP1.23bn with New Administrative Capital

Economic Update

- The CBE Monetary Policy Committee (MPC) decreased overnight deposit and lending rates for the second consecutive meeting by 1.0% to reach 16.75% and 17.75% respectively
- The government announced the state budget for FY18/19 targeting GDP growth of 5.8% up from 5.2% in FY17/18
- The government also forecasts a deficit of 8.4%, inflation rate of 13.0%, and targets to decrease unemployment to 10.2%. The budget is yet to be approved by the Parliament
- In addition, the government announced a list of 23 state-owned companies that it plans to offload a stake in the range of 15-30% of each company in the stock market targeting total proceeds of EGP80 billion
- Egypt's Net International Reserves is stable at USD42.6 billion in March 2018 in line with USD42.5 billion in February 2018 implying an import coverage ratio of 8.3 months.
- Inflation rate came in line with the government estimates as it reached 13.3% in March almost 1.0% down from 14.4% in February 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
- As a result, the CBE had recently cut interest rates by 2.0% in its past 2 meetings (1% in February and 1% in March). We believe there is a further room for 1-2% additional cuts during 2018
- Thus, we overweight stocks with a strong balance sheet that allow them to utilize available opportunities in a growing economy