

Fund Manager's Strategy & Outlook

The market slightly gained ground during the month of November 2014. This came on the back of bargain hunting from foreign investors after the previous month's downfall. The fund gained 3.8% during the month bringing its year to date performance to 21.4%.

The market was dominated by company announcements during the month with Commercial International Bank (CIB) reporting strong 3Q2014 results. The bank's net profit reached EGP972 million showing 6% year-on-year growth on the back of strong net interest income and fees growth. On the real estate front, Talaat Mostafa Group (TMG) showed resilient bottom-line figures for 3Q2014 with net profits increasing 39% year-on-year reaching EGP136 million on the back of delivering high-margin units. The company also announced that sales for the quarter reached EGP1.6 billion showing 39% annual growth. EFG-Hermes Holding SAE also reported strong results for 3Q2014 with healthy growth across all its business lines. The company's net profit for the quarter reached EGP100 million showing a robust 58% year-on-year growth. On the telecom front, Telecom Egypt announced its 3Q2014 results which were below analysts' expectations with net income coming in at EGP252 million showing 61% annual decline. The drop was mainly due to lower revenues during the quarter in addition to higher interconnection and other operating costs.

On the economic front, the country's annual real GDP grew by 6.8% in 1Q2014/2015 due to low base point in 1Q2013/2014 following June 30th 2013 revolution. The government expects that the economy would show 3.8% annual growth for the full fiscal year. Net international reserves dropped to USD18.9bn in October 2014 after the repayment of the USD2.5 billion Qatari deposit. It is worth mentioning that government expenditure on fuel subsidies in 1Q2014/2015 decreased by 29% to EGP22 billion as a result of the subsidy cuts that started during the quarter. Annual headline inflation inched up to 11.8% in November 2014 compared to 11.1% in September 2014 while core inflation continued deceleration reaching 8.5%.

The fund manager will prolong his strategy for the fund and maintain current equity exposure level over the coming period. The fund manager will reshuffle the fund's holdings during the last month of the year with his top picks for the upcoming year.

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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	3.8%
Year to Date	21.4%
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 40.8
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	17.4%
T M G Holding	Real Estate.	8.7%
Global Telecom	Telecom.	7.8%

Allocation By Economic Sector

