

### Fund Manager's Strategy & Outlook

Subdued market activity dominated the trading scene during the month of November 2015 with an overall negative sentiment towards the Egyptian stock market. This came post the downing of the Russian airline at the beginning of the month while the aggressive increase in deposit rates by public banks pressured the market further with heavy selling waves. The EFG-Hermes Egypt Fund lost 11.6% during the month bringing its year to date performance to -31.9% versus -37.2% for the HFI Index.

Commercial International Bank (CIB) reported another set of strong results for 3Q2015. Net income reached EGP1.3bn showing 37% increase on a year-on-year basis. This came on the back of strong pick-up in loan growth, increase in interest income and lower operating expenses. On the other hand, Talaat Mostafa Group (TMG) reported slowing contracted sales figures for 3Q2015 with stable net income figure for the period reaching EGP137mn. The company announced facing challenges regarding the built-up area permits in its Rehab project in addition to the country's overall slowing economic conditions during the quarter. On the telecom front, Telecom Egypt reported a whopping 379% annual increase in its net income reaching EGP1.2bn on the back of a retroactive adjustment of lower corporate tax rate which contributed EGP984mn to the company's bottom line figure.

On the economic front, the Central Bank of Egypt (CBE) surprised the market with currency appreciation against the USD mid-November 2015. The FX rate stood at EGP7.73/USD in the CBE auctions and was set at EGP7.83/USD at the banks, completely eliminating the effect of the currency devaluation round that took place during the previous month. Net International Reserves stabilized at USD16.4 billion in October 2015 with no significant movements during the month, however, the country is expecting USD1.5mn loan from the World Bank in December 2015. The annual inflation rate continued its upward trend reaching 9.7% in October 2015 compared to 9.2% in September 2015. It is worth mentioning that the country's two largest banks aggressively increased interest rates by 2.5% on the three year certificate of deposits reaching 12.5%, the highest rate in seven years.

The fund manager maintains his equity exposure level for the fund at awaiting signs of recovery on the economic and political fronts. Our core holdings for the fund remain in defensive stocks, undervalued high beta names and real estate picks.

Tel: +20 2 3535 6528 / Fax: +20 2 3537 0924  
E-mail: [AMsales@efg-hermes.com](mailto:AMsales@efg-hermes.com)

### 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 *	-11.6%
Year to Date	-31.9%
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 October 19, 2015 and November 30, 2015

### Fund Information

NAV per share	USD 27.3
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	26
Beta	0.8
Sharpe Ratio	0.02

### Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	16.3%
Eastern Tobacco	Personal & Household	10.5%
T M G Holding	Real Estate	7.1%

### Allocation By Economic Sector

