

## 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 26.6
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

## Quantitative Data (Since Inception)

Standard Deviation	26.7%
Beta	0.8
Sharpe Ratio	0.0

## 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
November 2018	1.1%
YTD	-12.6%
1 Year	-7.7%
5-YTD	-16.4%
Since Inception	248.7%

\*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 118.2% in EGP but it was affected by the sharp currency devaluation as shown above.

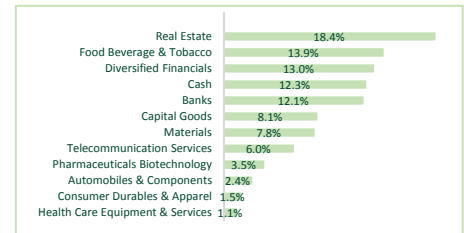
### Top Holdings

Stock Name	Sector	Weight
Commercial International Bank Egypt	Banks	9.7%
Eastern Tobacco	Food Beverage & Tobacco	8.9%
Talaat Moustafa Group	Real Estate	6.9%
EISewedy Electric Co	Capital Goods	5.0%
Egypt Kuwait Holding Co	Diversified Financials	5.0%

### Performance Contributors (Monthly)

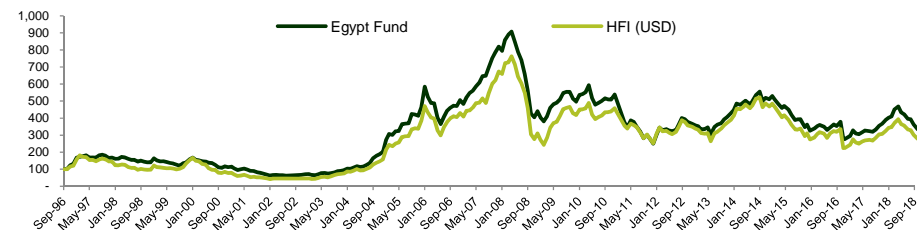
Stock Name	Sector
Eastern Tobacco	Food Beverage & Tobacco
Global Telecom Holding SAE	Telecommunication Services
EISewedy Electric Co	Capital Goods

### Sector Allocation



\* GICS Industry Group

### Track Record Vs HFI (USD)



## Market Outlook

### Market Commentary

- The Egyptian market main index EGX30 inched up by 0.5% (EGP) and 0.8% (USD) in November thus reducing its YTD negative performance into 11.3% (EGP) and 11.7% (USD).
- We highlight the local investors were net buyers for the first time in 2018 with a net buying position of EGP234 million, while foreign investors maintained their buying momentum with a net buying position of EGP234 million. Arab Investors, on the other hand, were net sellers by EGP1,135 million.
- The outperforming sector during the month was Telecommunication with Global Telecom (+33.8%) on anticipation of another deal and Telecom Egypt (+16.4%) on the back of robust results in addition to the CBE allowing mobile operators to offer microfinancing.
- Petrochemical, Oil and Gas and commodity related companies were underperforming due to the fall in oil prices with Sidi Kerir (-19.9%), MOPCO (-7.9%) and AMOC (-6.2%)
- The banking sector also underperformed with CIB (-7.1%) and QNB (-5.4%) on the back of the proposed tax law amendments.

### Economic Update

- MPC kept Overnight Deposit and Lending Rates for the fifth consecutive meeting at 16.75% and 17.75% respectively
- Government Targets to Drop Fiscal Deficit to 7% of GDP
- Foreign Holdings in Egyptian Treasuries Drops for the Seventh Month in a Row to reach USD44.5 billion as of October
- Net International Reserves was flat reaching USD44.5 Billion as of November 2018
- Inflation rate decreased during November to 15.7% down from 17.7% as of October 2018

### Strategy

- The stock market ended the month of November on a flattish note, rising by 0.5% MoM and reporting a YTD performance of -11.3%. The market witnessed a recovery during the month, rising by 5%, before erasing all of its gains on market wide correction after the announcement of the proposed tax law amendments affecting financial institutions.
- We believe that the market correction that started in April is overextended and was driven mainly by local panic. The market trades at attractive valuations with EGX 30 trading at a P/E (2019e) of 7.2x compared to MSCI EM average P/E (2019e) of 9.8x. Although we can't specify the bottom of the market, we are confident of a strong rally in the medium term. The stock market trades at cheap and attractive valuations compared to its Emerging Market peers.