

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 29.7
Listing	Irish Stock Exchange
Index of reference	Hermes Financial Index
Bloomberg Ticker	EFGHEGY BH
ISIN	BMG2948Y1093

Quantitative Data (Since Inception)

Standard Deviation	26.2%
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
Fax	+973 1756 9574

Portfolio

Performance Figures

Date	Return
November 2019	-1.9%
YTD	11.3%
1 Year	11.3%
5-YTD	-27.2%
Since Inception	288.2%

*EFG Hermes Egypt Fund achieved a strong 5-YTD return of 64.2% in EGP but it was affected by the sharp currency devaluation as shown above.

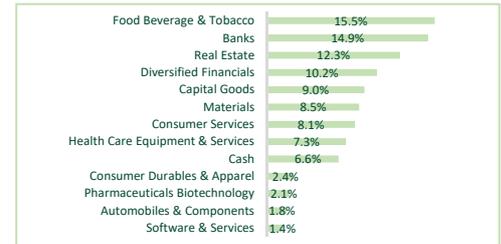
Top Holdings

Stock Name	Sector	Weight
Commercial International Bank Egypt SAE	Banks	13.2%
Eastern Co SAE	Food Beverage & Tobacco	9.5%
Egyptian Financial Group-Hermes Holding Co	Diversified Financials	7.9%
Egypt Kuwait Holding Co SAE	Materials	7.7%
ElSewedy Electric Co	Capital Goods	5.9%

Performance Contributors (Monthly)

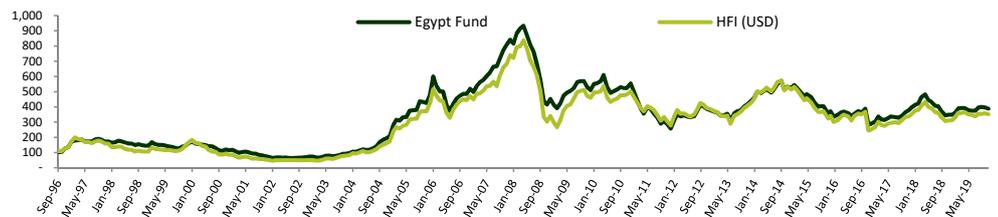
Stock Name	Sector
Eastern Co SAE	Food Beverage & Tobacco
Egypt Kuwait Holding Co SAE	Materials
Egyptian International Pharmaceuticals EIPICO	Pharmaceuticals Biotechnology

Sector Allocation*



* GICS Industry Group

Track Record Vs HFI (USD)



Market Outlook

Market Commentary & Strategy

- ≡ The EGX 30 CAP index increased by 9.7% in the first 11 months of 2019 significantly outperforming emerging markets main index MSCI EM that advanced by 7.7% during the same period. Egypt's outperformance was mainly on the back of three main factors: 1) The CBE resuming its easing cycle that started in 2018 and was later paused due to emerging markets selloff with rates being cut by 350 bps so far in 2019, 2) The execution of VEON Telecom tender offer to acquire the minorities stake in Global Telecom thus releasing around EGP8.0 billion of fresh liquidity into the market, and 3) Continuous improvement in economic indicators with the government showing strong commitment to reducing its budget deficit.
- ≡ We still believe that Egypt will keep outperforming emerging markets in the foreseen future given its current growth profile and cheap valuation multiples that are trading below its historical average given the high interest rate environment that prevailed following the floatation of the Egyptian pound. However, given that the CBE already is more than half way through the easing cycle cutting rates by 650 bps over 2018 and 2019; with expectations of an additional 100 to 150 bps cut before end of 2020, we believe that Egypt should start moving north towards its historical multiples.

Economic Updates

- ≡ CBE Cuts Rates by 100 Bps

The CBE Monetary Policy Committee (MPC) decreased overnight deposit and lending rates by 100 bps to 12.25% and 13.25% respectively implying total cuts of 450 bps in 2019, and 650 bps since the beginning of the easing cycle in February 2018. The CBE stated that continuous moderation of inflationary pressures is the main reason of its decision, and that future policy rates adjustments will remain a function of inflation expectations.

- ≡ Fitch Affirms Egypt Rating at B+ with Stable Outlook.

Fitch affirmed Egypt's rating at 'B+' with a stable outlook. The credit agency indicated that its rating is a reflection of the improvement in macroeconomic stability and external finances yet the relatively weak governance along with security risks still weigh on the overall rating.

- ≡ Net International Reserves marginal increase to USD45.3 Billion.

Egypt's Net International Reserves inched upwards to USD45.3 Billion in November 2019 up mere 0.2% from USD45.25 billion in October 2019 implying a stable import coverage ratio of 8.2 months.

- ≡ Inflation Accelerates to 3.6% in November 2019.

Inflation accelerates to 3.6% in November versus 3.1% in October after ending the favorable base effect that took place in the previous months.