

Fund Manager's Strategy & Outlook

The market witnessed revived activity during the month of October 2015 as investors were bottom fishing the market at attractive levels. However, the fund was negatively affected by local currency devaluation against the USD of approximately 2.5% shedding almost all of the month's gains. The EFG-Hermes Egypt Fund gained 0.1% during the month bringing its year to date performance to -23.0% versus -27.7% for the HFI Index.

Eastern Tobacco showed exceptional performance in its 4Q2014/2015 results with earnings reaching EGP313 million showing an annual increase of 54% due to strong margin gains and lower taxes. This brought the company's 2014/2015 full year's earnings to EGP1.95 billion showing 95% year-on-year growth. The company announced a dividend per share of EGP9.0 implying a dividend yield of 4%. With solid recovery in margins, Juhayna Food Industries reported strong 3Q2015 results with net income growing 64% year-on-year reaching EGP88.2 million. This came on the back of improved revenue momentum coupled by lower commodity prices. After reporting impressive results during the previous month, El Sewedy Electric announced the distribution dates for the dividend per share of EGP1.0 that was previously announced to be paid in November 2015.

On the economic front, the Central Bank of Egypt (CBE) started another round of currency devaluation against the USD in two auctions mid-October 2015. The FX rate stood at EGP7.93/USD in the CBE auctions and was set at EGP8.03/USD at the banks. Net International Reserves dropped to USD16.3 billion in September 2015 after a large maturing bond repayment of EGP1.25 billion and the absence of any major inflows during the month. The annual inflation rate accelerated to 9.2% in September 2015 compared to 7.9% in August 2015. It is worth mentioning that the country successfully completed the first round of its parliamentary elections and the second round is expected to be finalized in early December 2015.

The fund manager prolongs his strategy for the fund over the coming period as market volatility intensifies. The equity exposure for the fund will be maintained at current levels while the cash portion will be deployed when the overall market sentiment improves.

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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 *	0.1%
Year to Date	-23.0%
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 September 21, 2015 and October 19, 2015

Fund Information

NAV per share	USD 30.88
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	25
Beta	0.8
Sharpe Ratio	0.1

Top Holdings

Holding	Sector	% Holding
Commercial International Bank	Banking	17.7%
Eastern Tobacco	Personal & Household	10.6%
T M G Holding	Real Estate	7.3%

Allocation By Economic Sector

