

CEO LETTER

January 2021

As EGFE's Chairman of the Board and CEO, I am honored to provide this end 2020 update as we look forward to another amazing and challenging year in 2021. Due to and despite the Coronavirus pandemic, I believe EGFE has every right to be proud of its achievements. While many investors lost money and panicked last year in traditional investments, most of our products performed well and our clientele actually grew. Allow me to thank my staff: Michal (Office Manager), Dani (Systems and Office support), Tali (Investor Relations Manager), Eliaou (Reporting), Omri (Analyst and new agent) and Ana (my assistant in Montenegro) for working extremely hard to make us all safe and satisfied.

We wish everyone the best of health and pray that the COVID-19 vaccine programs, in Israel and abroad, will succeed in enabling a "return to normal". In that vein, please mark the week of 18th October, 2021 when EGFE will hopefully hold its next annual event, at Museum Eretz Israel in Ramat Aviv; the exact date will be published as soon as we can schedule a gathering with hundreds of people.

Blue River

The fund made over 30% in 2020 as it cleverly and carefully took advantage of two strong movements in 10 year interest rates. In February-March, the Fed announced it would lower interest rates and the fund switched to a "long" position and captured gains as bond prices rose. Then it went back to its traditional "short" stance and has made large profits as rates have increased from 0.6% to 0.9% in Q4. Moving forward, with a Democratic President who will increase spending, raise taxes and widen the deficit (national debt), we see inflationary pressures as a result of printing money and thus rates going up which means more gains for the fund. Since the fund has AA assets and no correlation to stocks, this is a superb opportunity and the prognosis for the next few years is excellent.

As a result of these profits in 2020, EGFE will be issuing two bonuses in 2021 to all Blue River clients:

- a) 1.5% at the end of March on the total value of your portfolio at that time.**
- b) 1.5% at the end of September on the total value of the portfolio at that time, too.**

Prudent

- a) The North American Opportunity Fund is on pace to make a net 12% and certainly this is a major success in view of how badly the pandemic affected the U.S. The fund remains open thru the Israeli banks with a low minimum of \$10K only. EGFE is considering opening an Israeli shekel class for qualified investors and we will update you more on this development as time passes.
- b) The Diversified Corporate Lending Fund (Brazil) has experienced difficulties as the situation in Brazil is/was awful. Loans are not being repaid on time, yet fortunately there is sufficient collateral (guarantees) to prevent defaults. However, it will take time for the economy to recover and thus the Fund will be illiquid and not performing as in previous years until things are back to normal. The Cayman fund is liquidating, meaning clients will be slowly and surely getting back their investment. The Luxembourg Fund is still suspended until the CSSF in Luxembourg makes a decision if it can move to a new custodian or liquidate voluntarily. True, this should have happened in 2020 but we have no control over this and hope it will take place in early 2021. We are in constant contact with the Fund's managers and will update you accordingly.

Sharap Plus

Our medical center chain - experienced a very challenging year as lockdowns forced their closure for several months. Yet, due to strong management and our loyalty, the three branches in Haifa, Kfar Saba and Petach Tikva are all profitable. The goal this year is to get the Top Beilinson recuperation hotel to find its niche, too. There is a probability the chain will expand (more centers) and entertain bringing in strategic investors, too.

Better Life

The two hyperbaric oxygen therapy (HBOT) mono-place chambers in Hadassah Hospital in Jerusalem are performing as planned and the company is now ready to purchase 12 more and place them in private Better Life clinics and/or existing Israeli hospitals. EGFE plans to conduct a fund-raising campaign for this venture in mid 2021. There is no doubt in my mind that HBOT in Israel will be a huge success.

Montenegro

We have concluded a fundraising for Uniprom Metali (red bauxite mines) where I have become an equity partner. I believe this is an amazing opportunity to make profits in a region/enterprise that is completely non-correlated to everything else we do. With the renewal of flights in a few months, I will be contacting clients and inviting them to visit and see the many and varied business plans I am developing there.

EGFE was founded in 2000, so this will be our 21st year. While the (financial) world has experienced many ups and downs, we have always been a stable and reliable company, committed to providing solid investments and positive results coupled with exceptional customer service.

Writing this annual missive and spelling out our goals only reminds us of the wisdom of our Bible: Man Plans. God Laughs (Proverbs 19:21)

May the new year 2021 bring us health, happiness, peace and increased wealth. My gratitude as always to over 1000 clients, an amazing group of employees, dedicated fund providers and my dear family and friends for your continued confidence.

