



As EGFE's Chairman of the Board and CEO, I take great pride in providing this update for early 2020, focusing on 2019 achievements and goals for 2020.

- 1) Blue River - remains a very steady and stable fund that continuously achieves its goal of double-digit returns, by means of leveraging an inherent tax arbitrage play in the U.S. AA/AAA municipal bond market with little correlation to stocks. The fund actually suffered a small loss in 2019 as interest rates were lowered three times by the Fed. This drop has no affect on your annual yield. We anticipate 2020 will return to be positive and in any case trust management to navigate these waters as they have done successfully for nearly 20 years.
- 2) Prudent – the funds all achieved their annual goals of double-digit returns. The Cayman funds – the Diversified Corporate Lending fund (Brazil) and the North American Opportunities fund can now be purchased thru the major four Israeli banks. Our goal in 2020 is to double and triple our assets under their management. The funds administered thru Luxembourg are currently suspended (no trading) due to the custodian (BNP Paribas) purchasing Deutsche Bank's brokerage and therefore was required to quit abruptly. Performance was not affected and all clients yielded between 11 – 12%. We are working very hard to ensure the suspension will end quickly and to communicate this to our clients and help them move to the new custodian and/or liquidate their funds should they choose to do so.
- 3) PGI (Premier Global Investments) - EGFE chose Bonita Reich (30 years' experience as private clients' investment and relationship manager in Bank Mizrachi) to create and manage PGI which is dedicated to servicing Qualified Investors. PGI has two main goals in 2020: develop new products and services as well as expand into the South African Anglo market.
- 4) Sharap Plus - our medical center chain - experienced another positive year of growth and profitability per the business plan. Management is attempting to merge the company with a Canadian network and expedite our ability to monetize our investments.
- 5) Better Life - EGFE purchased shares in an Israeli venture which bought and brought the first two hyperbaric oxygen therapy (HBOT) mono-place chambers to Hadassah Hospital in Jerusalem.
- 6) EGFE's European branch, led by myself, has spent months in the Balkans investigating the possibility of opening Prudent Europe operations, as well as reviving an old venture capital investment in the world of natural gas and commodities. Like in Brazil and other developing countries, there are many SME's (small and medium enterprises) that cannot access the credit (loans) market due to the anachronistic and oligarchic nature of the nation's banking industry. As in Israel, where the banks continue to decrease their exposure to loans (perhaps for fear of a growing real estate bubble?), the gap is taken up by private lending agencies and clever financial institutions with sophisticated algorithms to match lenders and borrowers with near-zero default rates. EGFE Israel can offer its Israeli clients such "social lending" opportunities such as Tarya, BTB and a few more being researched and developed. Similarly, EGFE Europe endeavors to expand in this exciting and evolving enterprise.



- 7) Our client base continues to grow thanks to client referrals and an expanded sales and marketing team, ably led by Tali Bar-Gil and assisted by Michal Mansano who doubles as EGFE Israel Ltd. office manager. Michal is assisted by Illariya Kalnitsky and Dani Segev.
- 8) Our new CRM is ready to launch an improved reporting system under the tutelage of Dani Segev and Michal Mansano and supervised by our talented accounting manager Eliaou Perez.

In 2019, we held a series of professional symposiums in lieu of a large party. We thank Dennis Klemming, Chairman of the Prudent Group, for attending our early April '19 event in Ramat Aviv where we launched EGFE's marketing of the North American Opps Fund.

In 2020, we will host our biggest annual event, to celebrate our 20<sup>th</sup> year !! on 25<sup>th</sup> May, 2020 at the Eretz Yisrael Museum in Ramat Aviv. The Museum will be opened only to EGFE clients and registered guests and in addition to a new exhibition "Design", there will be food galore, music and dancing. Please save the date; invitations will sent out in the near future for your registration.

20 years is a big milestone. I wish to thank my family, friends, dedicated employees and clients who have made this a special time. I remain fully committed to EGFE's vision of providing solid investments and positive results coupled with exceptional customer service.