

Fund Manager's Analysis

Fund's Performance

The Fund achieved annualized returns of 9.08% net of fees and tax by the end of 1Q2014. In comparison, the three-month deposits yields reached an average of 7.10% for the same period as Central Bank of Egypt (CBE) statistics show. The annualized returns of the Fund since its inception reached 9.56% net of fees and taxes.

Economy & Market Outlook

The quarter started with money market instruments continuing to decline influenced by the sustained stability on the political and economic fronts, albeit at a slower pace as the government slowed its easing of the monetary policy. However, several market participants still expected another interest rate cut by the Central Bank of Egypt (CBE) which did not materialize. This helped yields increase slightly towards the end of the quarter. Nevertheless, the increase was capped by the excess liquidity available in the market. By the end of the quarter, treasury bills issues reached an average net of tax rate of 8.60%, 8.58%, 8.51% and 8.30% for the 1 year, 9 months, 6 months and 3 months respectively.

On the economic front, the Minister of Planning announced that Egypt's economy grew by 1.2% in 1H2013/2014, as the stimulus plans are being implemented. Moreover, the government is expecting new Gulf aid worth USD5.8 billion in the form of central bank deposits and petroleum products, as well as, the first installment of a EUR 5 billion support package from the European Union (EU) worth EUR 500 million. Furthermore, the government announced the final details for the second stimulus package, with spending mainly split between development projects and financing social programs, including a rise in the minimum wage. Fitch Ratings has revised the outlook for Egypt's long-term foreign and local currency ratings to stable from negative. As for net international reserves (NIR) it saw an increase of USD202 million to reach USD17.31 billion in February 2014 on the back of an upward revaluation of the value of the Central Bank of Egypt (CBE) gold holdings. Meanwhile, annual inflation continued to decline, reaching 9.8% in February from 11.3% a month earlier on the back of easing food and clothing prices.

Investment Strategy

With yields expected to continue in its decline once more, the fund manager will maintain a high duration for the fund's investments near 150 days. The fund manager continues to be cautiously optimistic on the economic and political outlook, looking forward to the presidential elections.

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Fund's Performance

Returns	Credit Agricole MMF (YTD ann.)
Q1-2014	9.08 %
YTD Since (31-12-2013)	9.08 %
2013	10.77 %
2012	11.50 %
2011	8.47 %
2010	8.21 %
2009	7.72 %
2008	7.72 %
2007	8.82 %
2006	8.40 %
2005	10.52 %
2004	9.33%
2003	9.50 %
2002	10.60 %
1999 - 2001	11.86 %
Since Inception (Annualized)	9.56 %
Since Inception	285.57 %

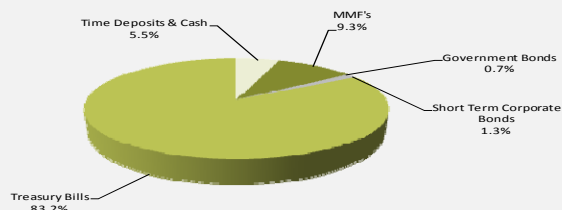
Fund Information

IC Price (31/03/14)	EGP 1022.40
Fund Size (31/03/14)	EGP 1,204,978,914
Duration (31/03/14)	Days 147.86
Dividends Distributed Since Inception	EGP 1414.89
Inception Date	24 June 1999
Inception Price	EGP 1000
Subscription/Redemption	Daily (No Fees) until 12 PM
Fund Management	EFG-Hermes Asset Management
Fund Manager	Khalil El Bawab
Assistant fund Manager	Yehya Abdel Latif
Reuters Lipper Code	65077566
Bloomberg Ticker	EFGCIII

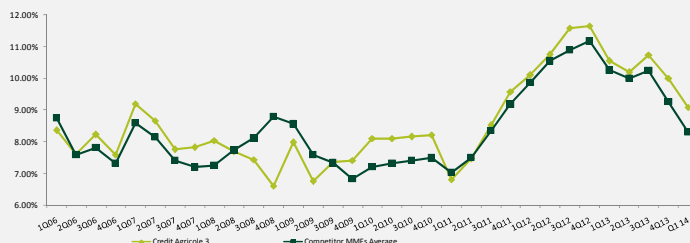
Relative Performance

Deposits Vs CA MMF	2007	2008	2009	2010	2011	2012	2013	Q1 2014
3M Deposits avg. in CBE	5.90%	6.50%	6.55%	6.20%	6.69%	7.60%	7.69%	7.10%
CA MMF Performance	8.82%	7.72%	7.72%	8.21%	8.47%	11.50%	10.77%	9.08%

Top Holdings



Performance



*Note that "Competitor MMFs" are excluding EFG managed funds