

### Fund Manager's Analysis

#### Fund's Performance

The Egyptian stock market was dragged by a bearish sentiment amid the escalating political crunch during the first quarter of 2013. Market volatility dominated the trading scene while large caps being hit the hardest. The fund returns for 1Q2013 reached -1.5% while the EGX30 showed a performance of -4.3% for the same period.

#### Economy & Market Outlook

On the corporate front, the first quarter of 2013 witnessed the release of 4Q2012 results for most companies. Orascom Telecom Holding reported net loss of USD474mn in 4Q2012 which came as a surprise to analysts. However, the net loss was mainly driven by non operating items including impairment losses of USD339mn on one of its subsidiaries' loan in addition to FX losses. Telecom Egypt reported net profit of EGP2.6bn representing a year-on-year decline by 13%. On the real estate front, Talaat Mostafa Group (TMG) reported robust 4Q2012 results with the company's revenue growing 97% year-on-year reaching EGP1.4bn while net income showed a year-on-year growth of 34% reaching EGP112mn. Juhayna Food Industries also reported robust 4Q2012 results with net income reaching EGP 85.5 million showing a year-on-year increase of 130% due to large margin improvements in the company's core segments.

On the economic front, the country's economy grew by 2.2% in 2Q 2012/2013 with the government announcing a revised full year growth target of 3.0%. Government revenues increased by 31% year-on-year during 1H 2012/2013 reaching EGP153 billion while budget deficit widened to EGP91.5 billion over the same period showing a 24% year-on-year increase. The impact of a weakening EGP was quickly reflected in prices with February inflation rate jumping to 8.3% year-on-year compared to 4.7% in December 2012. Net International Reserves declined to USD13.4bn during the month of March 2013 covering 2.8 months of merchandise imports.

#### Investment Strategy

Given the low visibility on the conclusion of the IMF deal, the continued volatility in the market and political tension, the investment manager maintains his cautious view, keeping his focus on the short term on defensive and high dividend plays.

For Further Information:

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#### Fund Performance

Returns	Faisal Islamic Bank Fund
Q1-2013	-1.5%
YTD 2013	-1.5%
2012	30.2%
2011	-47.0%
2010	3.2%
2009	10.6%
2008	-37.6%
2007	34.4%
2006	6.0%
2005	63.2%
Since Inception	11.7%

#### Fund Information

IC Price	EGP 72.0
Total Distributed Dividends	EGP 61
Inception Date	December 2004
Subscription/Redemption	Weekly/Weekly
Reuters Code	65077570
Bloomberg Ticker	EFGFISL

#### Top Holdings

Holding	Sector
ORASCOM TELECOM HOLDING	Telecommunications
ORASCOM CONSTRUCTION INDS	Construction & Materials
TELECOM EGYPT	Telecommunications
JUHAYNA FOOD INDUSTRIES	Food & Beverage
SIDI KERIR PETROCHEMICALS CO	Chemicals & Fertilizers

#### Asset Allocation

