

AIB Money Market Fund Quarterly Report –Q3-2014

Fund's Performance

The Fund achieved annualized returns of 7.89% net of fees and tax by the end of 3Q2014, with annualized YTD performance reaching 8.50%. In comparison, the three-month deposits yields reached an average of 6.8% for the same period as Central Bank of Egypt (CBE) statistics show. The annualized returns of the Fund since its inception reached 9.65% net of fees and taxes.

Economy & Market Outlook

Yields of money market instruments ended the quarter with an increase after witnessing much volatility throughout the period. The MPC decided to increase the corridor rate by 1% during their meeting in July in a preemptive move to counter the expected inflationary impact from the subsidy reform and the energy price increases. Moreover, the issuance of the Suez Canal investments certificates during September added temporary pressure by slightly drying up liquidity in the market, forcing yields higher. By the end of the quarter, treasury bills issues reached an average net of tax rate of 9.94%, 9.83%, 9.71% and 9.30% for the 1 year, 9 months, 6 months and 3 months respectively.

As for economic developments, the government announced the digging of a new canal waterway as part of the Suez Canal Development mega project. The new Suez Canal was financed through the issuance of 5-year debt certificates to the public. The certificates offered annual interest of 12% and the total proceeds from its sale came above the amount the government was looking to raise; reaching EGP 64 billion. The certificates issue attracted EGP27 billion of fresh cash from outside the banking system and even helped ease FX pressure, as USD1.5 billion of foreign currency deposits were exchanged into local currency to purchase the certificates. Moreover, the minister of investment disclosed that the government will announce a new investment stimulus package worth EGP64 billion to be executed over two phases in accordance with Egypt's new budget. As for net international reserves (NIR), it saw an increase to reach USD16.8 billion in August, while inflation continued to increase reaching 11.5% in August from 11% in July.

Investment Strategy

Yields are expected on the short term to witness some stability or slight increase; therefore, the fund manager will maintain a duration between 110 to 130 days for the fund's investments, to avoid any corrections in the short term. The fund manager continues to be optimistic about the implementation of economic reforms and is expecting yields to ease on the longer term.

"Money Market Fund of the Year" by MENA Fund Manager 2014



EFG Hermes named Best Asset Manager in Egypt.



Fund's Performance

Returns	A IB MMF (YTD ann.)
Q3 2014	7.89%
Q2 2014	8.16%
Q1 2014	8.95%
YTD Since (31-12-2013)	8.50%
2013	11.10%
2012	11.19%
2011	8.90%
2010	7.03%
Since Inception (Annualized)	9.65%
Since Inception	48.59%

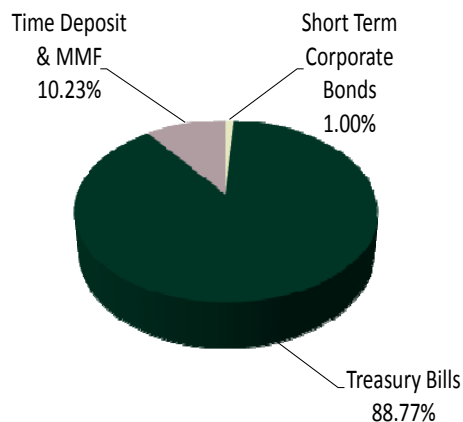
Fund Information

IC Price (30/09/14) EGP 14.8587	Subscription/Redemption Daily (No Fees) until 12 PM
Fund Size (30/09/14) 293,740,103	Fund Management EFG-Hermes Asset Management
Duration (30/09/14) Days 145.88	Fund Manager Khalil El Bawab
Dividends Distributed Since Inception EGP 0	Assistant fund Manager Yehya Abdel Latif
Inception Date 14 June 2010	Reuters Lipper Code 68074579
Inception Price EGP 10	Bloomberg Ticker EFGAIBM

Relative Performance

Deposits Vs AIB MMF	2010	2011	2012	2013	Q1 2014	Q2 2014	Q3 2014
3M Deposits avg. in CBE	6.20%	6.69%	7.60%	7.69%	7.10%	6.80%	6.80%
AIB Performance	7.03%	8.90%	11.19%	11.10%	8.95%	8.16%	7.89%

Top Holdings



Performance



For Further Information:

Please visit the nearest AIB branch, or call 25792807