

AIB Money Market Fund Quarterly Report –Q4-2014

Fund's Performance

The Fund achieved annualized returns of 8.12% net of fees and tax by the end of 4Q2014. In comparison, the three-month deposits yields reached an average of 7.0% for the same period as Central Bank of Egypt (CBE) statistics show. The annualized returns of the Fund since its inception reached 9.58% net of fees and taxes.

Economy & Market Outlook

The money markets witnessed a very sharp drop in yields during the last quarter of year 2014. Accordingly, the market lost the effect of the 1% interest rate hike during the previous quarter. The drop in yields came on the back of improved political situation and excess liquidity in the market. It is worth mentioning that during the month of December 2014 the Central Bank of Egypt (CBE) took additional measures to cap the size of money market and fixed income funds issued by banks, which resulted in creating additional liquidity in the Egyptian market. Towards the end of 4Q2014, the 3 month, 6 months, 9 months and 1 year treasury bills reached their lowest levels during the quarter with an average net of tax rate of 9.14%, 9.30%, 9.37% and 9.43% respectively.

On the economic front, the country's annual real GDP grew by 6.8% in 1Q2014/2015 due to low base point in 1Q2013/2014 following June 30th 2013 revolution. The government expects that the economy would show 3.8% annual growth for the full fiscal year. It is worth mentioning that government expenditure on fuel subsidies in 1Q2014/2015 decreased by 29% to EGP22 billion as a result of the subsidy cuts that started during the quarter.

During the quarter, Fitch Ratings and Moody's revised their outlook on Egypt from negative to stable. The improved rating came on the back of stabilized political situation, government initiatives towards fiscal consolidation and continued strong support from GCC countries. Net international reserves reached USD 15.6 billion in December 2014 after the repayment of the USD 2.5 billion Qatari deposit. Annual headline inflation reached 10.13% in December 2014 compared to 9.09% in November 2014.

Investment Strategy

It is expected that yields would move sideways with slight volatility until the economic summit takes place and the government provides a clear economic plan for the coming period. Accordingly, the fund manager will maintain current duration until more clarity is witnessed in the market. The manager will position the portfolio to benefit from any developments on the economic and political fronts over the coming period.

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



EFG Hermes named Best Asset Manager in Egypt.



Fund's Performance

Returns	AIB MMF (YTD ann.)
Q4 2014	8.12%
Q3 2014	7.89%
Q2 2014	8.16%
Q1 2014	8.95%
YTD Since (31-12-2013)	8.53%
2014	8.53%
2013	11.10%
2012	11.19%
2011	8.90%
2010	7.03%
Since Inception (Annualized)	9.58%
Since Inception	51.63%

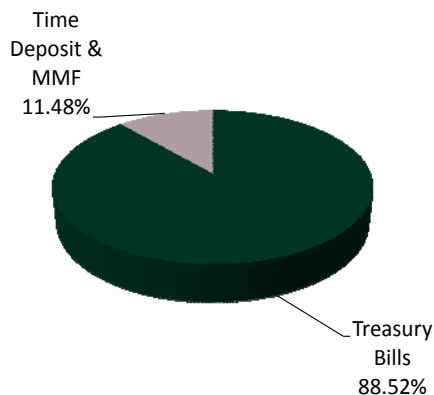
Fund Information

IC Price (31/12/14) EGP 10.00	Subscription/Redemption Daily (No Fees) until 12 PM
Fund Size (31/12/14) 288,513,770	Fund Management EFG-Hermes Asset Management
Duration (31/12/14) Days 139.32	Fund Manager Khalil El Bawab
Dividends Distributed Since Inception EGP 5.16	Assistant fund Manager Yehya Abdel Latif
Inception Date 14 June 2010	Reuters Lipper Code 68074579
Inception Price EGP 10	Bloomberg Ticker EFGAIBM

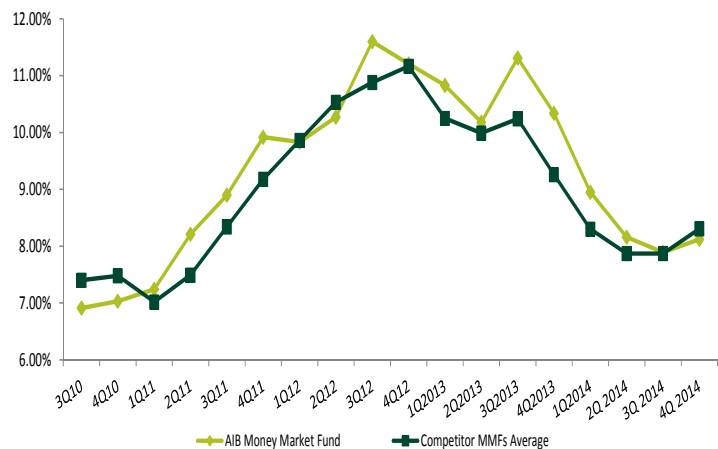
Relative Performance

Deposits Vs AIB MMF	2010	2011	2012	2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
3M Deposits avg. in CBE	6.20%	6.69%	7.60%	7.69%	7.10%	6.80%	6.80%	7.00%
AIB Performance	7.03%	8.90%	11.19%	11.10%	8.95%	8.16%	7.89%	8.12%

Top Holdings



Performance



For Further Information:

Please visit the nearest AIB branch, or call 25792807