

Bank of Alexandria Fixed Income Fund Quarterly Report – Q3-2015

Fund's Performance

The Fund achieved annualized returns of 6.94% net of fees and tax by the end of 3Q2015. In comparison, the one-year treasury-bill yield reached an average of 9.38% and money market funds in the market achieved an average return of 8.33% over the same period.

Economy & Market Outlook

The fixed income market started the quarter with an increase by approximately 35bps during July 2015. However the market witnessed continuous decline in interest rates throughout the quarter which eliminated the hike effect by the end of the quarter. Furthermore, the demand and supply for the fixed income instruments witnessed no significant activity, with the focus was mainly on the 3 and 5 years treasury bonds issues. Towards the end of the quarter, the 3 year, 5 year, 7 year and 10 year treasury bonds reached an average net of tax rate of 10.06%, 10.54%, 11.56% and 12.02% respectively.

On the economic front, August witnessed the opening of the new Suez Canal project which was declared as a special economic zone and it is expected to increase the annual revenues coming from the Suez Canal from USD 5.5bn to USD9.5bn over the coming years to reach 13.2bn in 2023. In addition, Italian energy group "Eni" announced the discovery of the largest known gas field in the Mediterranean off the Egyptian coast during the month. The new Gas field is expected to hold up to 30 trillion cubic feet of lean gas representing 46% of the country's current natural gas reserves and considered to be one of the world's largest natural gas discoveries. Net international reserves fell by USD2bn during the quarter due to the absence of exceptional inflows. The annual inflation rate decreased to 7.9% in August 2015 compared to 8.3% in July 2015. Also, the government reported a balance of payment (BoP) surplus of USD 3.7bn in FY2014/2015 compared to USD1.5bn a year earlier, this came on the back of an increase in net flows and the depositary aid received from a number of GCC countries.

Investment Strategy

The fund manager will maintain current duration for the fund with a possibility of a reduction on the short term until the next Monetary Policy Committee (MPC) meeting, then a clearer market outlook will be achieved.

EFG Hermes Asset Management Top Asset Manager in Egypt in 2014

EFG Hermes named Best Asset Manager in Egypt.

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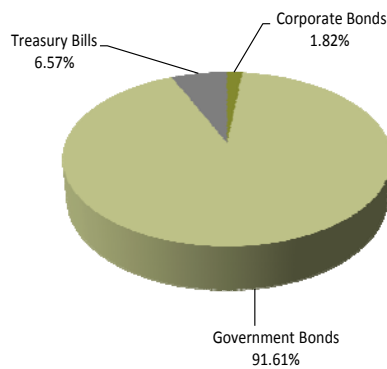
Fund's Performance

Returns	BOA FI Returns
Q1 2015	13.03%
Q2 2015	6.98%
Q3 2015	6.94%
YTD	9.17%
2014	8.70%
2013	14.56%
2012	11.36%
2011	7.68%
Since Inception (Annualized)	10.19%
Since Inception	70.28%

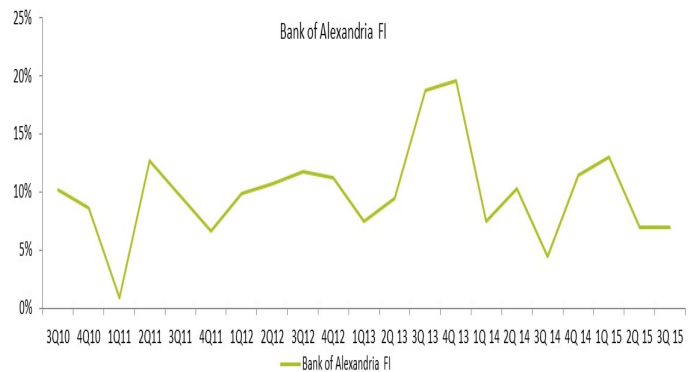
Fund Information

IC Price (28/09/15) EGP 16.62892	Subscription Weekly (No Fees) until 12 pm Redemption Monthly (No Fees) until 12 pm
Fund Size (28/09/15) EGP 101,640,490	Fund Management EFG-Hermes Asset Management
Duration (28/09/15) Days 792	Fund Manager Khalil El Bawab
Dividends Distributed Since Inception EGP 0.25	Assistant fund Manager Karim Zaafan
Inception Date 05 April 2010	Reuters Lipper Code 68074583
Inception Price EGP 10	Bloomberg Ticker EFGBOAF

Top Holdings



Performance



For Further Information:

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