

## Credit Agricole Money Market Fund 3

### Quarterly Report – Q2-2015

#### Fund's Performance

The Fund achieved annualized returns of 8.56% net of fees and tax by the end of 2Q2015. In comparison, the three-month deposits yields reached an average of 6.97% for the same period as Central Bank of Egypt (CBE) statistics show. The annualized returns of the Fund since its inception reached 9.49% net of fees and taxes.

#### Economy & Market Outlook

The money markets witnessed sharp volatility during the second quarter of 2015. Yields started picking up slightly during the month of April 2015 followed by a significant increase by almost 1.0% in May 2015 and a drop by 0.5% by the end of June 2015. Towards the end of 2Q2015, the 3 month, 6 months, 9 months and 1 year treasury bills closed the quarter with an average net of tax rate of 8.96%, 9.28%, 9.18% and 9.42% respectively.

It is worth mentioning that the government conducted its first international bond sale since 2010 selling USD1.5 billion of 10 year bonds at a yield of 6%. The bond sale witnessed notable success being oversubscribed 3.0x by foreign investors.

On the economic front, Egypt received the USD6.0 billion deposit from the GCC at the Central Bank of Egypt. Accordingly, net international reserves jumped during the quarter reaching USD19.6 billion by the end of May 2015 after some debt repayments worth USD 0.9 billion during the month. Standard and Poor's (S&P) updated its outlook on Egypt from stable to positive after witnessing gradual economic recovery in the country since 2014. The government announced a target GDP growth of 5% in FY2015/2016 with a strong recovery in public and private investments along with a further cut in fuel subsidies. Foreign direct investments showed strong recovery during 3Q2014/2015 reaching USD3.0 billion. Annual headline inflation accelerated to reach 13.1% in May 2015 compared to 11.0% in the previous month as food prices hiked prior to the month of Ramadan.

#### Investment Strategy

The fund manager will maintain current low durations through focusing on short term issues. Yields are expected to increase during coming quarter along with a possibility of a hike in interest rates during the coming Monetary Policy Committee (MPC) meeting on the back of EGP devaluation against the USD and the introduction of the Value Added Tax to the market. Accordingly, the fund manager will start increasing duration through building positions on the longer end of the yield curve.

## Top performing Money Market fund in Egypt in 2013



### Fund's Performance

Returns	Credit Agricole MMF (YTD ann.)
Q2-2015	8.56%
Q1-2015	8.47%
YTD Since (31-12-2014)	8.61%
2014	8.70%
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 )	9.49%
Since Inception	327.40%

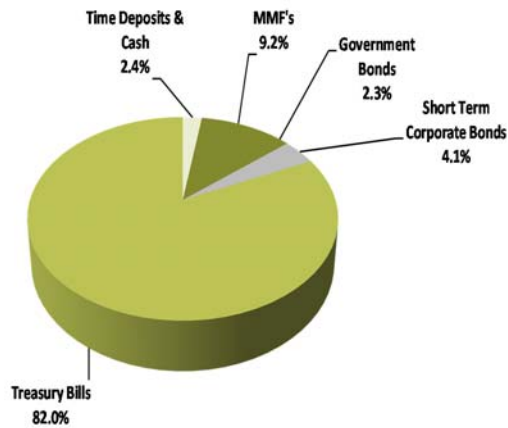
### Fund Information

IC Price (30/06/15) <b>EGP 1042.68</b>	Subscription/Redemption <b>Daily (No Fees) until 12 PM</b>
Fund Size (30/06/15) <b>EGP 1,021,115,928</b>	Fund Management <b>EFG-Hermes Asset Management</b>
Duration (30/06/15) <b>Days 134.44</b>	Fund Manager <b>Khalil El Bawab</b>
Dividends Distributed Since Inception <b>EGP 1502</b>	Assistant fund Manager <b>Yehya Abdel Latif</b>
Inception Date <b>24 June 1999</b>	Reuters Lipper Code <b>65077566</b>
Inception Price <b>EGP 1000</b>	Bloomberg Ticker <b>EFGCIII</b>

### Relative Performance (%)

Deposits Vs CA MMF	2007	2008	2009	2010	2011	2012	2013	2014	Q1 2015	Q2 2015
3M Deposits avg. in CBE	5.90%	6.50%	6.55%	6.20%	6.69%	7.60%	7.69%	7.00%	7.20%	6.97%
CA MMF Performance	8.82%	7.72%	7.72%	8.21%	8.47%	11.50%	10.77%	8.70%	8.47%	8.56%

### Top Holdings



### Performance

