

Credit Agricole Money Market Fund 3 Quarterly Report – Q3-2014

☰ Fund's Performance

The Fund achieved annualized returns of 7.97% net of fees and tax by the end of 3Q2014, with annualized YTD performance reaching 8.66%. 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 9.52% 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.

Top performing Money Market fund in Egypt in 2013



Fund's Performance

Returns	Credit Agricole MMF (YTD ann.)
Q3-2014	7.97%
Q2-2014	8.39%
Q1-2014	9.08%
YTD Since (31-12-2013)	8.66%
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)	9.52%
Since Inception	301.54%

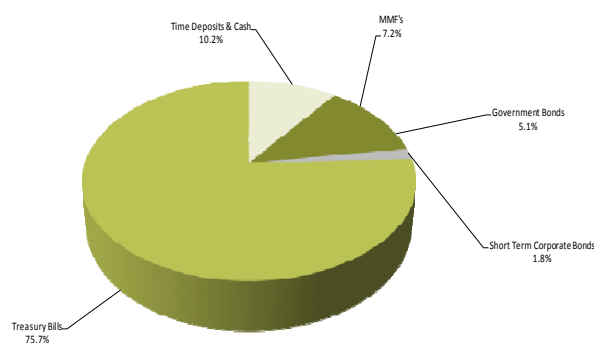
Fund Information

IC Price (30/09/14) EGP 1064.75	Subscription/Redemption Daily (No Fees) until 12 PM
Fund Size (30/09/14) EGP 1,232,844,200	Fund Management EFG-Hermes Asset Management
Duration (30/09/14) Days 127.11	Fund Manager Khalil El Bawab
Dividends Distributed Since Inception EGP 1414.89	Assistant fund Manager Yehya Abdel Latif
Inception Date 24 June 1999	Reuters Lipper Code 65077566
Inception Price EGP 1000	Bloomberg Ticker EFGCIII

Relative Performance (%)

Deposits Vs CA MMF	2007	2008	2009	2010	2011	2012	2013	Q12014	Q2 2014	Q3 2014
3M Deposits avg. in CBE	5.90%	6.50%	6.55%	6.20%	6.69%	7.60%	7.69%	7.10%	6.80%	6.80%
CA MMF Performance	8.82%	7.72%	7.72%	8.21%	8.47%	11.50%	10.77%	9.08%	8.39%	7.97%

Top Holdings



Performance

