

Faisal Islamic Bank of Egypt Fund Quarterly Report –Q1-2016

Fund's Performance

The market started the year with an overall negative sentiment which was attributed to the global and regional selloff amid continuous pressure on oil prices. The market then moved sideways and towards the end of the quarter the market delivered a stellar performance on the back of Local currency devaluation. The devaluation created an attractive entry point for foreign investors, accordingly, the market witnessed a significant increase in the average daily turnover with strong foreign buying. The fund performance for 1Q2016 reached 6.5% while the EGX30 showed a performance of 7.4% for the same period.

Economy & Market Outlook

The market saw the newest addition to the Egyptian Stock Exchange after Arabian Food Industries (Domty) concluded the sale of 49% in an IPO deal worth around EGP1.0 billion. The private offering was covered 5.5x, while the public offering was covered 10.7x and the stock started trading mid-March 2016. El Sewedy Cables released 2015 results indicating 20.9% growth in sales from EGP17.01 billion in 2014 to EGP20.57 billion in 2015. This growth was mainly on the back of 2.4x increase in Turnkey revenues reaching EGP6.44 billion reflecting the company's contribution in fast track projects awarded by the Egyptian government in addition to an improvement in gross margin from 14.7% to 18.3%.

On the economic front, the Central Bank of Egypt (CBE) took several stern decisions during the quarter starting with a 13.6% local currency devaluation reaching EGP8.87/USD. The CBE announced that it will adopt a more flexible exchange rate regime that better reflects the underlying forces of supply and demand and lead to greater transparency and liquidity in the market. Moreover, the CBE stated that it targets to increase Net International Reserves (NIR) to USD25.0 billion during 2016 on the back of expected direct and indirect foreign inflows as confidence is restored. Currently NIR remain stable for the third consecutive month at USD16.6 billion. On a separate note, the Monetary Policy Committee (MPC) increased overnight deposit and lending rates by 1.50% to 10.75% and 11.75% respectively aiming to reduce currency speculation and limit expected inflationary pressures post the currency devaluation.

Investment Strategy

The fund manager will maintain the fund's diversified asset allocation between defensive and consumer stocks to weather the volatility in the equity markets in addition to targeting selective undervalued high beta and real estate names to capture any upside movements



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Fund's Performance

Returns	Faisal Islamic Bank Fund
Q1-2016	6.5%
YTD	6.5%
2015	-19.3%
2014	9.9%
2013	20.5%
2012	30.2%
2011	-47.0%
2010	3.2%
2009	10.6%
2008	-37.6%
2007	34.4%
2006	6.0%
2005	63.2%
Since Inception	29.1%

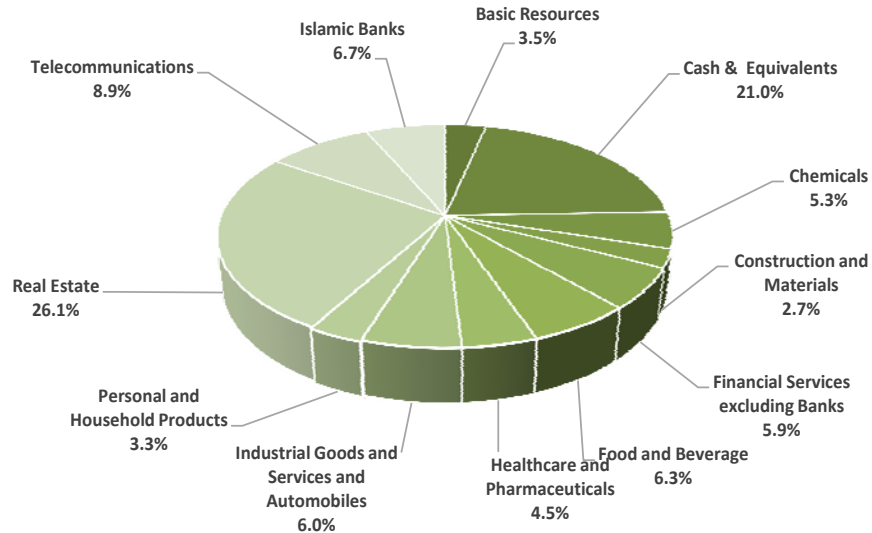
Top Holdings

Holding	Sector
Talaat Moustafa Group	Real Estate
Medinet Nasr Housing	Real Estate
Six of October Development & Investment	Real Estate
EISewedy Electric Co	Industrial Goods and Services and Automobiles
Global Telecom Holding SAE	Telecommunications

Fund Information

IC Price (27/03/2016) EGP 75.1	Subscription/Redemption Weekly/ Weekly
Dividends Distributed Since Inception EGP 70.0	Fund Management EFG-Hermes Asset Management
Inception Date December 2004	Fund Manager Nabil Moussa
Inception Price EGP 100	Assistant fund Manager Mostafa Amer
Bloomberg Ticker EFGFISL	Reuters Lipper Code 65077570

Asset Allocation



For Further Information:

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