

Faisal Islamic Bank of Egypt Fund Quarterly Report –Q4-2014

Fund's Performance

The market took a heavy beating during the last quarter of the year. The downfall came on the back of renewed correlation with international and MENA markets followed by rising anxiety from local investors. The fund returns for 4Q2014 reached -7.9% while the EGX30 showed a performance of -7.9% for the same period.

Economy & Market Outlook

The market witnessed a wave of company results for 3Q2014. On the real estate front, Talaat Mostafa Group (TMG) showed resilient bottom-line figures for 3Q2014 with net profits increasing 39% year-on-year reaching EGP136 million on the back of delivering high-margin units. The company also announced that sales for the quarter reached EGP1.6 billion showing 39% annual growth. On the telecom front, Telecom Egypt announced its 3Q2014 results which were below analysts' expectations with net income coming in at EGP252 million showing 61% annual decline. The drop was mainly due to lower revenues during the quarter in addition to higher interconnection and other operating costs.

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

With a positive stance towards the market, the fund manager maintains his high equity exposure for the coming period. The fund's core investments will remain focused in stocks offering long-term appreciation while building up positions in selective stocks that are expected to benefit from low oil prices.

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	Faisal Islamic Bank Fund
Q4-2014	-7.9%
Q3-2014	9.9%
Q2-2014	-1.3%
Q1-2014	10.0%
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	50.3%

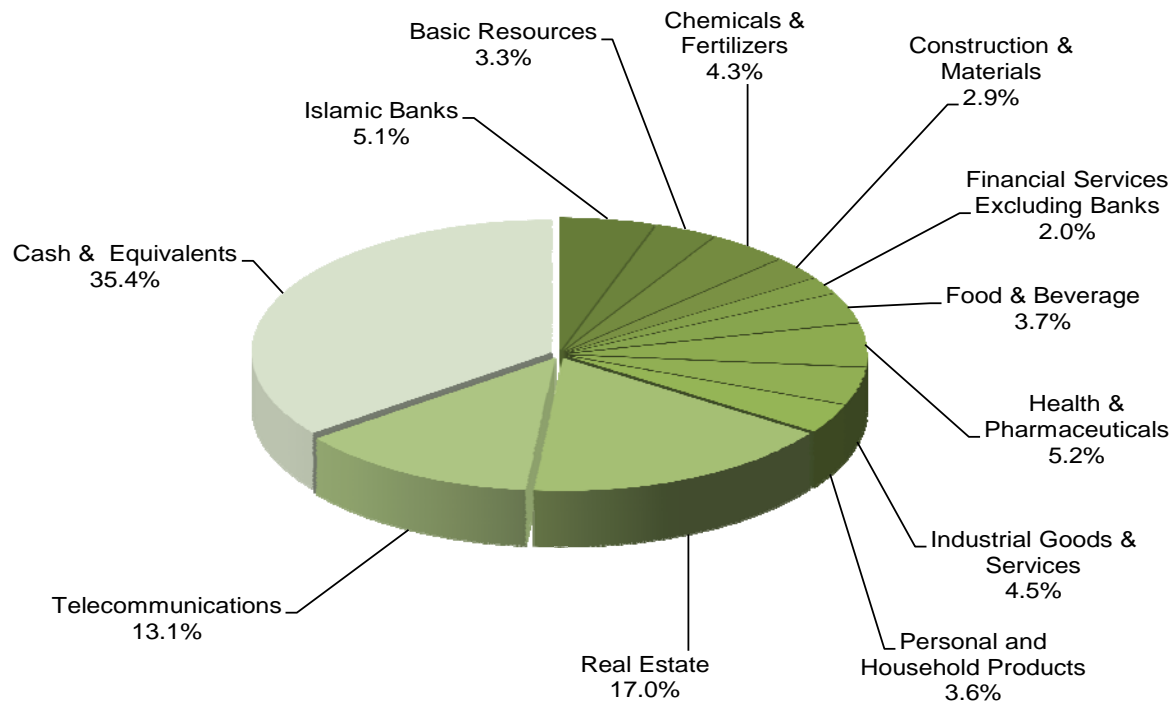
Top Holdings

Holding	Sector
Global Telecom	Telecommunications
T M G HOLDING	Real Estate
EGYPTIAN INTERNATIONAL PHARM	Health & Pharmaceuticals
SIX OF OCTOBER DEVELOPMENT	Real Estate
ELSEWEDY ELECTRIC CO	Industrial Goods & Services

Fund Information

IC Price (31/12/14) EGP 87.4	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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