

Fund Manager's Analysis

Fund's Performance

The Fund achieved annualized returns of 18.79% net of fees and tax by the end of 3Q2013. In comparison, the one-year treasury-bill yield reached an average of 10.64% and Money Market Funds in the market achieved an average return of 7.9% over the same period.

Economy & Market Outlook

The fixed income market started the quarter with a relatively bearish sentiment, following a Fitch downgrade to Egypt on the back of political and economic concerns. However, a number of positive developments helped regain some confidence as yields dropped significantly towards the end of the quarter. Grants and loans from GCC countries helped the government ease the FX pressure and in turn easing the pressure on the budget. More importantly, the CBE has cut interest rates by 100 bps during the quarter in order to help economic growth, which was reflected in lower yields on treasury bonds. Towards the end of the quarter, the 3 year, 5 year and 7 year treasury bonds were trading in the market at an average net of tax rate of 11.00%, 12.44% and 12.72% respectively.

On the economic front, neighboring countries have pledged more aides and grants to the country; a total of USD12 billion from UAE, Kuwait and, KSA in grants, deposits and hydrocarbon products. This helped the CBE hold an exceptionally large FX auction; USD 1.3 billion, while maintaining stability on the Net International Reserves, at USD 18.7 billion in by the end of the quarter. On a separate note, GDP recorded year-on-year growth of 2.2% in 2Q 2013 versus 3.3% a year earlier. Meanwhile, inflation eased to 9.8% during the month of August.

Investment Strategy

The fund manager's strategy for the fund will focus on building positions in high yield instruments through increasing the duration of the fund. The fund manager will also continue trading the market on the short term capitalizing on possible short term market rallies.

For Further Information:

Please visit the nearest BOA branch, or call BOA 202-37623167/68/69/70

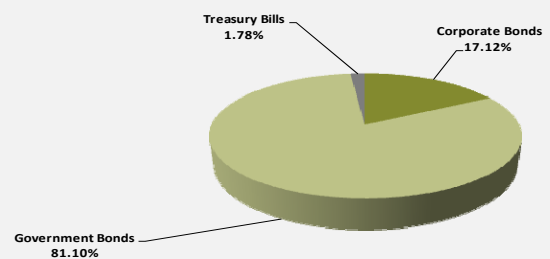
Fund Performance

Returns	BOA FI Returns
Q3 2013	18.79%
Q2 2013	9.42%
Q1 2013	7.49%
YTD since (31-12-2012)	12.24%
2012	11.36%
2011	7.68%
Since Inception (Annualized)	10.06%
Since Inception	36.69%

Fund Information

IC Price (29/09/13)	EGP 13.64199
Dividends Distributed Since Inception	EGP 0.25
Fund Size (29/09/13)	EGP 84,099,896
Duration (29/09/13)	Days 704
Inception Date	5 April 2010
Inception Price	EGP 10
Subscription	Weekly (No Fees) until 12 pm
Redemption	Monthly (No Fees) until 12 pm
Fund Management	EFG-Hermes Asset Management
Fund Manager	Khalil El Bawab
Assistant Fund Manager	Karim Zaafan
Reuters Lipper Code	68074583
Bloomberg Ticker	EFGBOAF

Fund Allocation



Performance

