

Bank of Alexandria Mutual Fund No.1

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 -2.5% while the EGX30 showed a performance of -7.9% for the same period.

Economy & Market Outlook

Company results for 3Q2014 were strong supporting the overall market sentiment. Commercial International Bank (CIB) reported strong 3Q2014 results with net profit reaching EGP972 million showing 6% year-on-year growth on the back of strong net interest income and fees growth. 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. Eastern Company announced 1Q2014/2015 results showing a strong 39% year-on-year growth in revenue reaching EGP1.6 billion due to the increase in prices. The company's earnings followed suite showing a robust 179% annual growth reaching EGP270 million. The company also announced the distribution of a dividend per share of EGP8.5 showing a dividend yield of 4.8% for its FY2013/2014 results.

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	Bank of Alex Mutual Fund No.1
Q4-2014	-2.5%
Q3-2014	12.4%
Q2-2014	-1.0%
Q1-2014	12.5%
2014	22.0%
2013	26.4%
2012	37.0%
2011	-47.4%
2010	6.3%
2009	7.1%
2008	-56.3%
2007	57.1%
2006	14.9%
2005	89.4%
2004	82.9%
2003	64.7%
2002	12.0%
2001	-15.0%
2000	-13.1%
1999	15.9%
1998	-16.6%
1997	18.5%
Since Inception	734.5%

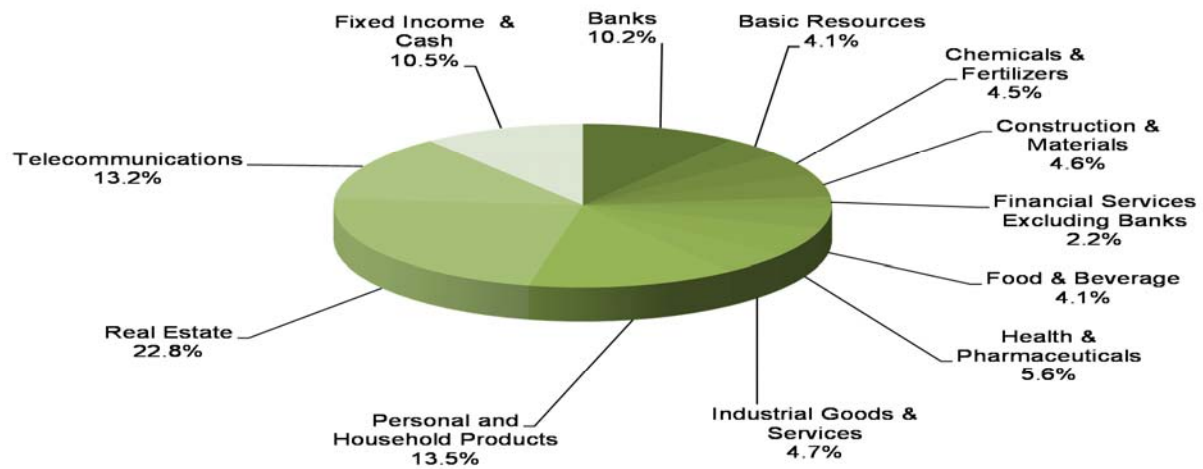
Top Holdings

Holding	Holding
COMMERCIAL INTERNATIONAL BANK	Banks
EASTERN TOBACCO	Personal and Household Products
T M G HOLDING	Real Estate
Global Telecom	Telecommunications
SIX OF OCTOBER DEVELOPMENT	Real Estate

Fund Information

IC Price (31/12/14) EGP 231.2	Subscription/Redemption Weekly / Weekly
Dividends Distributed Since Inception EGP 302.5	Fund Management EFG-Hermes Asset Management
Inception Date November 1994	Fund Manager Nabil Moussa
Inception Price EGP 100	Assistant fund Manager Mostafa Amer
Bloomberg Ticker EFGALXA	Reuters Lipper Code 65077561

Asset Allocation



For Further Information:

Bank of Alexandria

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