

Banque du Caire 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 -3.6% 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.

"Best Egypt Equity Fund of 2013" by Zawya



EFG Hermes named Best Asset Manager in Egypt.

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Fund's Performance

Returns	Banque du Caire Mutual Fund
Q4-2014	-3.6%
Q3-2014	15.2%
Q2-2014	-1.3%
Q1-2014	15.5%
2014	26.6%
2013	31.3%
2012	43.1%
2011	-47.2%
2010	-8.4%
2009	-4.7%
2008	-52.0%
2007	55.0%
2006	12.4%
2005	80.6%
2004	71.1%
2003	57.3%
2002	14.1%
2001	-13.1%
2000	-12.9%
1999	13.5%
1998	-14.9%
1997	22.0%
Since Inception	629.4%

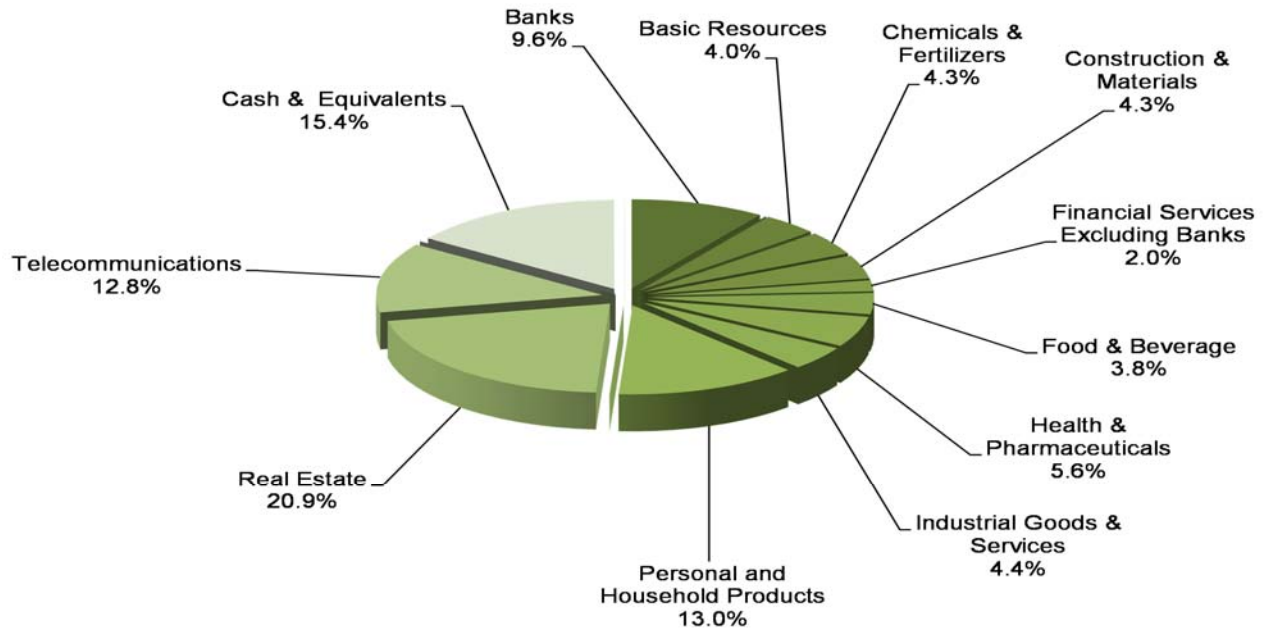
Top Holdings

Holding	Sector
COMMERCIAL INTERNATIONAL BANK	Banks
EASTERN TOBACCO	Personal and Household Products
T M G HOLDING	Real Estate
Global Telecom	Telecommunications
EGYPTIAN INTERNATIONAL PHARM	Health & Pharmaceuticals

Fund Information

IC Price (31/12/14) EGP 72.9	Subscription/Redemption Daily except Thursday / Weekly
Dividends Distributed Since Inception EGP 0	Fund Management EFG-Hermes Asset Management
Inception Date November 1995	Fund Manager Nabil Moussa
Inception Price EGP 10	Assistant fund Manager Mostafa Amer
Bloomberg Ticker EFGBNQA	Reuters Lipper Code 65077563

Asset Allocation



For Further Information:

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