

Faisal Islamic Bank of Egypt Fund

Quarterly Report –Q3-2014

Fund's Performance

The equity market was able to reverse its direction over 3Q2014 and ended the quarter with big gains. Economic developments were the main driver for the market over the quarter with the New Suez Canal Project and its investment certificates being the main highlight for the period. The fund returns for 3Q2014 reached 9.9% while the EGX30 showed a performance of 19.8% for the same period.

Economy & Market Outlook

A number of companies released strong financial results over the quarter. In the real estate sector, Talaat Mostafa Group reported revenues of EGP1,542 million, increasing 69.8% year-on-year, due to the company ramping up deliveries, while Medinet Nasr Housing and Development announced net income of EGP52 million, an increase of 9.6% year-on-year, backed by higher land sales. In the telecom sector, Telecom Egypt released an outstanding set of results, beating market expectations. The company reported net income of EGP1,024 million, an increase of 86.5% quarter-on-quarter. The surge in income came on the back of the sale of two cables, leading to a boost in international customs and networks revenues. On a separate note, the government approved the issuance of a unified landline and mobile license, opening the way for Telecom Egypt to offer mobile phone services. The government gave Telecom Egypt until the end of 2015 to sell its 45.0% stake in Vodafone Egypt.

As for economic developments, the government announced the digging of a new canal waterway as part of the Suez Canal Development mega project. The new Suez Canal will be financed through the issuance of 5-year debt certificates to the public. The certificates offered annual interest of 12% and the total proceeds from its sale came above the amount the government was looking to raise; reaching EGP 64 billion. The certificates issue attracted EGP27 billion of fresh cash from outside the banking system and even helped ease FX pressure, as USD1.5 billion of foreign currency deposits were exchanged into local currency to purchase the certificates. Moreover, the minister of investment disclosed that the government will announce a new investment stimulus package worth EGP64 billion to be executed over two phases in accordance with Egypt's new budget. As for net international reserves (NIR), it saw an increase to reach USD16.8 billion in August, while inflation continued to increase reaching 11.5% in August from 11% in July.

Investment Strategy

The fund manager will trim his exposure in high beta names and follow a more cautious approach, while being selective in his stock picks, after the recent market hike. The fund manager remains positive on the long term and will maintain a well-diversified portfolio that is set to benefit from the ongoing economic developments.

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
Q3-2014	9.9%
Q2-2014	-1.3%
Q1-2014	10.0%
YTD 2014	19.3%
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	63.2%

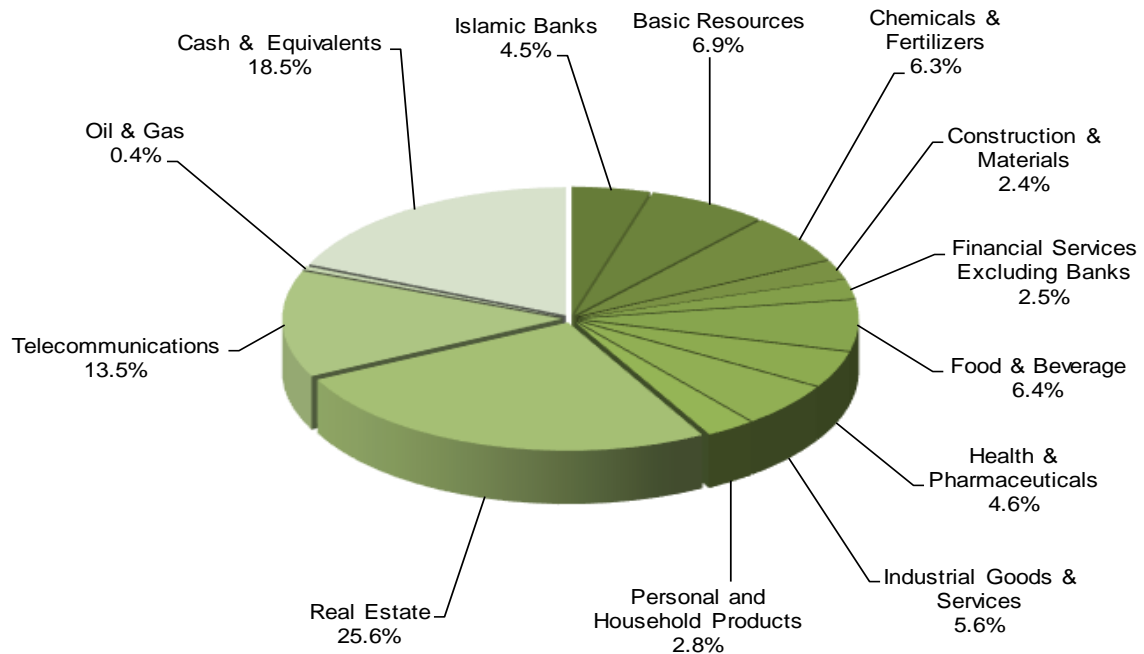
Top Holdings

Holding	Sector
T M G HOLDING	Real Estate
Global Telecom	Telecommunications
EZZ STEEL	Basic Resources
SIDI KERIR PETROCHEMICALS CO	Chemicals & Fertilizers
JUHAYNA FOOD INDUSTRIES	Food & Beverage

Fund Information

IC Price (25/09/14) EGP 95.97	Subscription/Redemption Weekly/ Weekly
Dividends Distributed Since Inception EGP 69.0	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

Asst Allocation



For Further Information:

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