

Fund Manager's Analysis

The Fund returns for 1Q 2011 amounted to -22.1%. The Egyptian Stock Exchange resumed its trading activity on the 23rd of March after being closed for almost two months. The market saw a rally in the first two days of trading having foreigners as net sellers and Egyptians as net buyers in the market. The market then started seeing buying activity in selective stocks with the market share seeing a more even split between the locals and foreigners. Average daily turnover amounted to USD84 million since the resumption of trading vs. USD116 for the past 3 months.

The market witnessed a wave of result announcements during the quarter. On the banking front, Commercial International Bank (CIB) reported a strong set of 4Q2010 results, with strong loan growth and no deterioration in credit quality. National Societe General Bank (NSGB) reported strong 4Q2010 results, driven by strong revenue growth and provisions recoveries. Heavy weight Orascom Construction Industries (OCI) 4Q2010 results were above expectations reporting a 76% year-on-year increase in net income and a lower than expected financing costs. With regards to the telecom sector, Telecom Egypt 4Q2010 results were mixed, with revenues exceeding expectations, earnings in line, and a disappointing EBITDA margin due to the implementation of the early retirement benefit program starting July 2010. Talaat Mostafa Group (TMG) reported weak full year results with net income down 15% year-on-year. The results were below expectations and were driven by weakness in real estate revenues. SODIC reported weak 4Q2010 net income which was driven by high Selling General & Administrative expenses.

On the economic front, Egypt's GDP registered 5.6% real growth during the second quarter of fiscal year 2010/2011. Due to the recent political turmoil the GDP expected growth rate for fiscal year 2010/2011 has been revised downwards from previously 6% to below 3%. February headline inflation figure has slightly decelerated to reach 10.7% year-on-year in February from 10.8% in January. Core inflation figures showed similar behavior with a slight monthly drop from 9.74% in January to 9.51% in February 2011 which is still above the assumed comfort zone of the central bank of 6-8%.

The fund manager's strategy for the coming period is to concentrate investments on the main beneficiaries of the current global and local economic conditions and exit from sectors and selective companies that could be negatively impacted by further currency devaluation or new government regulations.

Fund Performance

Returns	Credit Agricole Bank Mutual Fund No.1
Q1 2011	-22.1%
2010	12.3%
2009	15.0%
2008	-42.8%
2007	50.0%
2006	15.4%
2005	70.1%
2004	69.0%
2003	63.4%
2002	11.1%
2001	-16.9%
2000	-14.4%
1999	11.0%
1998	-17.7%
1997	15.1%
Since Inception	505.1%

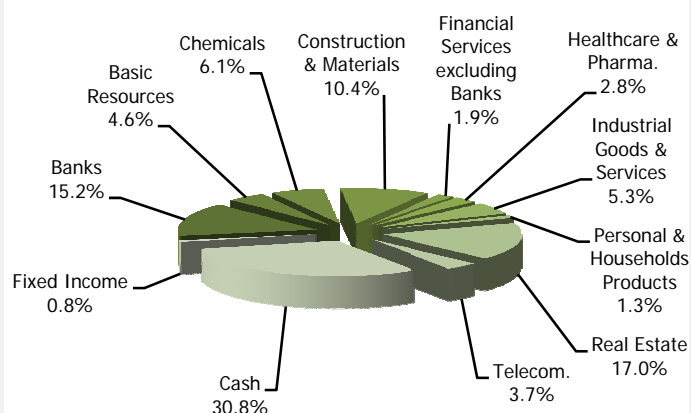
Fund Information

IC Price	EGP 178.48
Total Distributed Dividends	EGP 248.75
Inception Date	October 1994
Subscription/Redemption	Weekly/Weekly

Top Holdings

Holding	Sector
Commercial International Bank	Banks
Orascom Construction Industries	Construction & Materials
Talaat Mustafa Group	Real Estate
SODIC	Real Estate
El Ezz Steel Rebars	Basic Resources

Asset Allocation



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