

# Julius Baer Northern Africa Fund

## Fund Update

as per 30 September 2009

Emerging Markets Team

Dirk D. Kubisch, Product Specialist

The exclusive manager of Julius Baer Funds.  
A member of the GAM group.



# Fund highlights

As per 30 September 2009

- Julius Baer Northern Africa Fund continued its' strong performance, closing at +3.0% MTD and +39.0% YTD (EUR, B-shares) in September.
- Tunisia posted a strong performance in September (+7.2% Tusise Index in EUR). The Egyptian Stock Market ended the month by and large flat (-0.3% Hermes Egypt Index in EUR) whereas Morocco was one of the worst performing countries during the month (-3.3% Mosemdx in EUR).
- On the currency side, the Egyptian Pound depreciated versus the Euro by -1.4% in September, whereas the Kenyan Shilling (+0.5%) and the Nigerian Naira (+0.9%) appreciated.
- With regards to contribution, by far the best contributing country/region was Sub-Sahara with companies like Equinox Minerals, an international mining company and owner of the Lumwana Copper Project in Zambia, followed by Tunisia with the top contributing stock Amen Bank and Egypt with Orascom Development. On the negative side was Morocco with Douja Pormotion Groupe contributing the most to the negative performance.
- The major contributing sectors were materials, profiting from favourable commodity prices and financials.
- With the end of Ramadan in September there was an increase of volumes on the stock exchanges across the region.
- Since Morocco in our opinion is now the most expensive market in the region, we are decreasing our exposure to Morocco and looking for investments that are more attractive i.e. offer higher returns.

# Market highlights (1/4)

As per 30 September 2009

## Egypt

In the last month the Egyptian Hermes index gained +1.24 % in local currency. The Egyptian Pound was stronger versus the US dollar in August by +0.89%.

The government has announced the incorporation of EGP 8.0bn into the budget for 2009/2010, as a tool for stimulating the economy and curbing the effects of the downturn.

According to the Ministry of Energy and Electricity, Egypt's first solar energy power station will be fully operational in 2010 with a capacity of 140 megawatts (MW). Plans to build a 250 (MW) farm on Egypt's East Coast are under evaluation. Both stations mentioned above fall into the Ministry's greater plan to increase Egypt's dependence on renewable energy sources, such that 20% of power demand is fulfilled through renewable energy sources by 2020. The completion of such projects is crucial in order to protect the country against the volatility of the international oil and natural gas markets.

According to Dr. Mohi El Din (Egyptian Minister of Investment), Egypt managed to weather the worst of the financial crisis with a GDP growth of +4.7%, which is mainly a result of a stable financial sector and strong domestic demand. He expected the budget deficit for the current fiscal year to fall between 7.0% and 7.5%, and announced target GDP growth for the same year at over +5.0%. Importantly, the Minister of Investment unveiled target private investment values, which are set at EGP 135.0bn. He also noted that the CBE will continue to target annual inflation rates within a narrow band of 6.0% and 8.0%.

# Market highlights (2/4)

As per 30 September 2009

## Morocco

After a shy month in August, and the Ramadan period, September brought the Casablanca Stock Exchange down by -3.09%. Morocco is one of the worst performing markets September.

The real estate sector was hit the most with ADDOHA, one of the laggards, after posting negative half year numbers. The stock fell in the last trading days of the month, closing at -9.29%. Market sentiment is that the stock will eventually correct downwards further on, as domestic appetite seemed to have dried up at the .

On the other hand we saw some positive momentum on BRASSERIES DU MAROC (brewery) following the release of positive half-year results. Despite a small contraction of -0.5% in its revenues, the company managed to post a + 4.7% y/y rise in EBITDA, leading to an improved EBITDA margin of 30.2%.

Morocco has always been trading at a premium to its neighbours. It is now one of the most expensive markets in the region and we have been decreasing our overall exposure over the last months. This market is dominated by local investors and valuation can go quite high.

The Moroccan Dirham gained +1.92% versus the US Dollar.

# Market highlights (3/4)

As per 30 September 2009

## Tunisia

Tunisia saw a strong September, closing with a positive performance of +7.68%. Tunisia was the best performing country in the region, closing the month at a all time high. September was characterized by the end of Ramadan and a general increase of volumes across the region.

The banking sector was the leader with Societe Tunisienne de Banque (STB MC) closing the month at almost +30%, together with the distribution sector and some of its industrials companies. Tunisie Profiles Aluminum (TPR TU) contributed positively following the stock market trend at +7.36%. Sotuver, although September performance was flat, remains the strongest stock in Tunisia on a year-to-date basis with a performance of +344.6%.

The Tunisian Dinar gained +1.63% against the USD.

# Market highlights (4/4)

As per 30 September 2009

## Nigeria

The equity market in September went up about +1.0% in local currency. The Nigerian Naira gained +2.74% versus dollar.

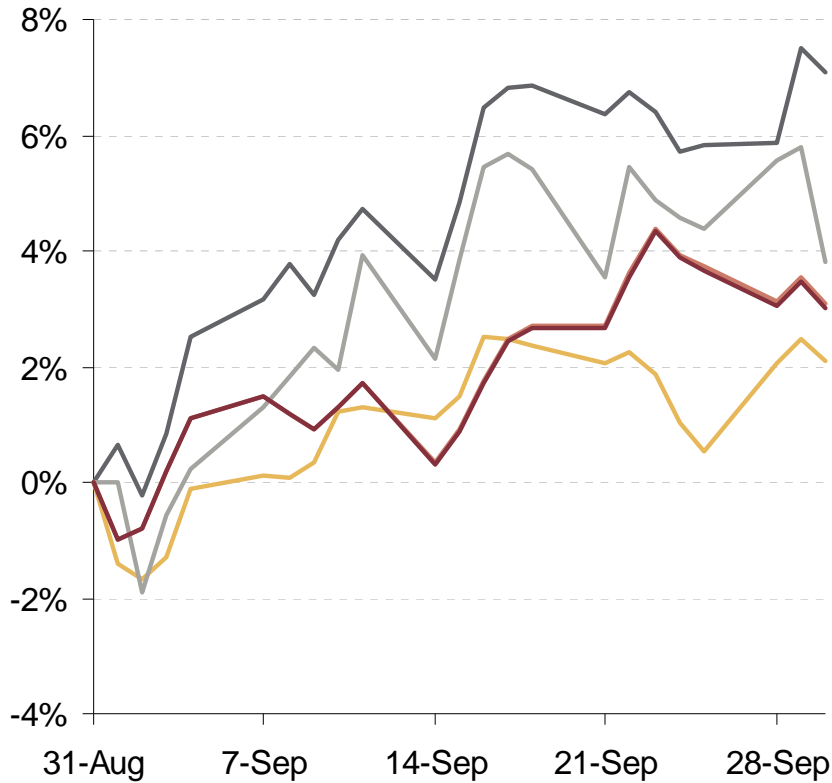
According to the National Bureau of Statistics, Nigeria's Q2 GDP grew +7.2% y/y, compared to a rise of +4.5% in Q1 and +5.7% for the corresponding quarter last year. GDP was boosted by higher oil output, which averaged 2.09m BOE per day in Q2; however the non-oil sector remained the main driver of economic activity, rising +8.3% in Q2. The annual inflation rate in Nigeria fell to 11.0% in August, down from 11.1% in July, the sixth month in a row that the index has declined. The fall was helped by lower food prices, which rose +12.7% y/y, compared to +12.9% in July. The CBN governor recently stated that he expects inflation to fall to 9% by year-end.

# Julius Baer Northern Africa Fund

Performance development as per 30 September 2009 (EUR)

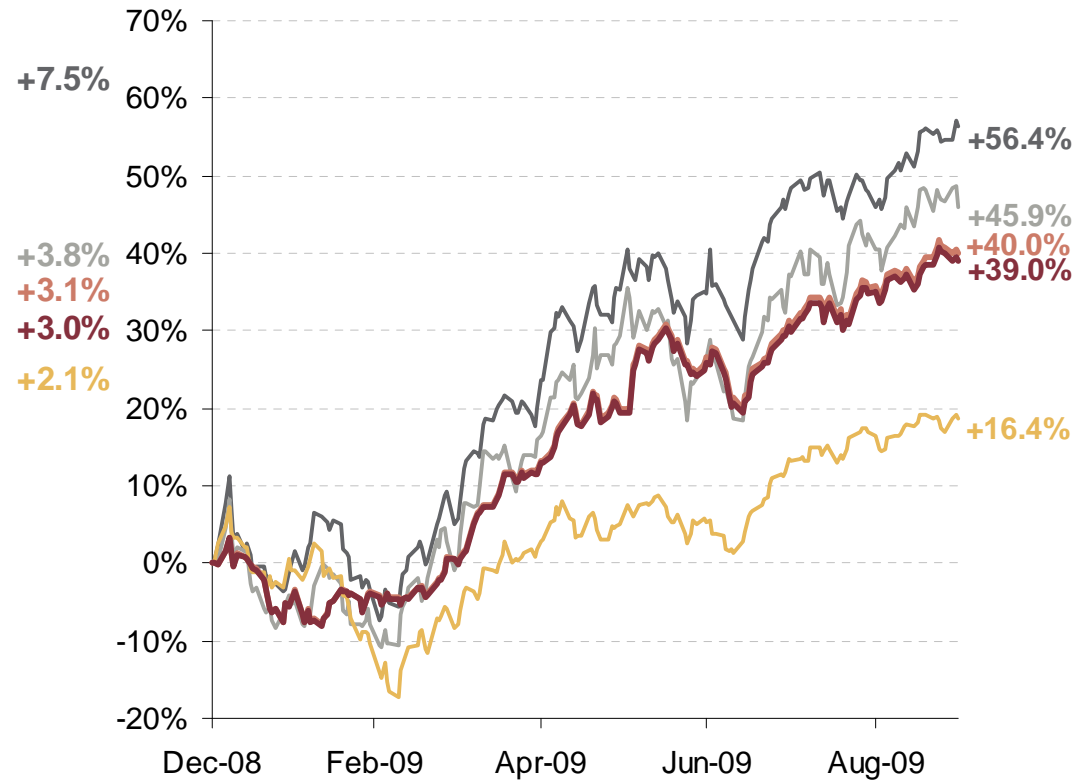


## 1 month



- Julius Baer EF Northern Africa-EUR B (MF)
- Julius Baer EF Northern Africa-EUR C (MF)
- MSCI EM (Emerging Markets) TR USD (IN)
- MSCI EM EMEA TR USD (IN)
- MSCI World TR USD (IN)

## YTD



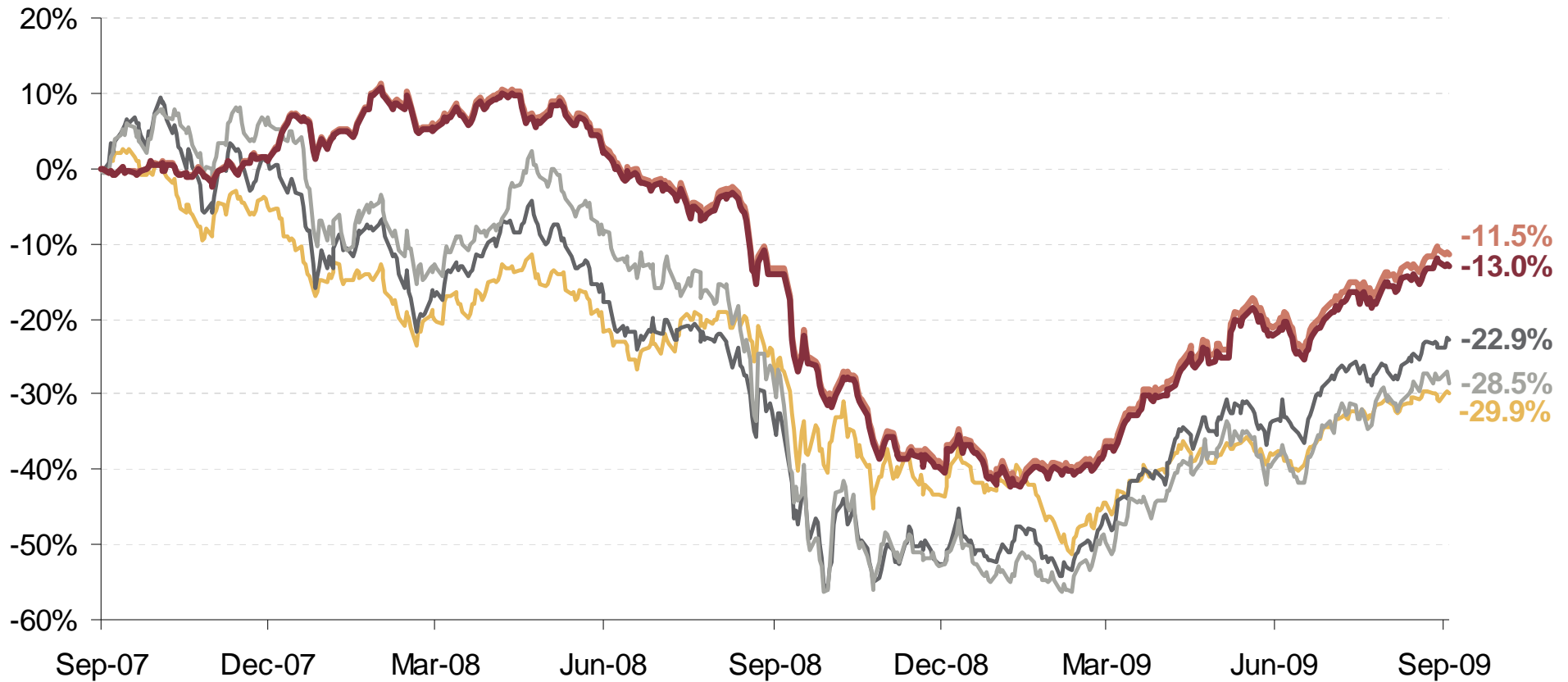
- Julius Baer EF Northern Africa-EUR B (MF)
- Julius Baer EF Northern Africa-EUR C (MF)
- MSCI EM (Emerging Markets) TR USD (IN)
- MSCI EM EMEA TR USD (IN)
- MSCI World TR USD (IN)

# Julius Baer Northern Africa Fund

Performance development as per 30 September 2009 (EUR)



## Since inception

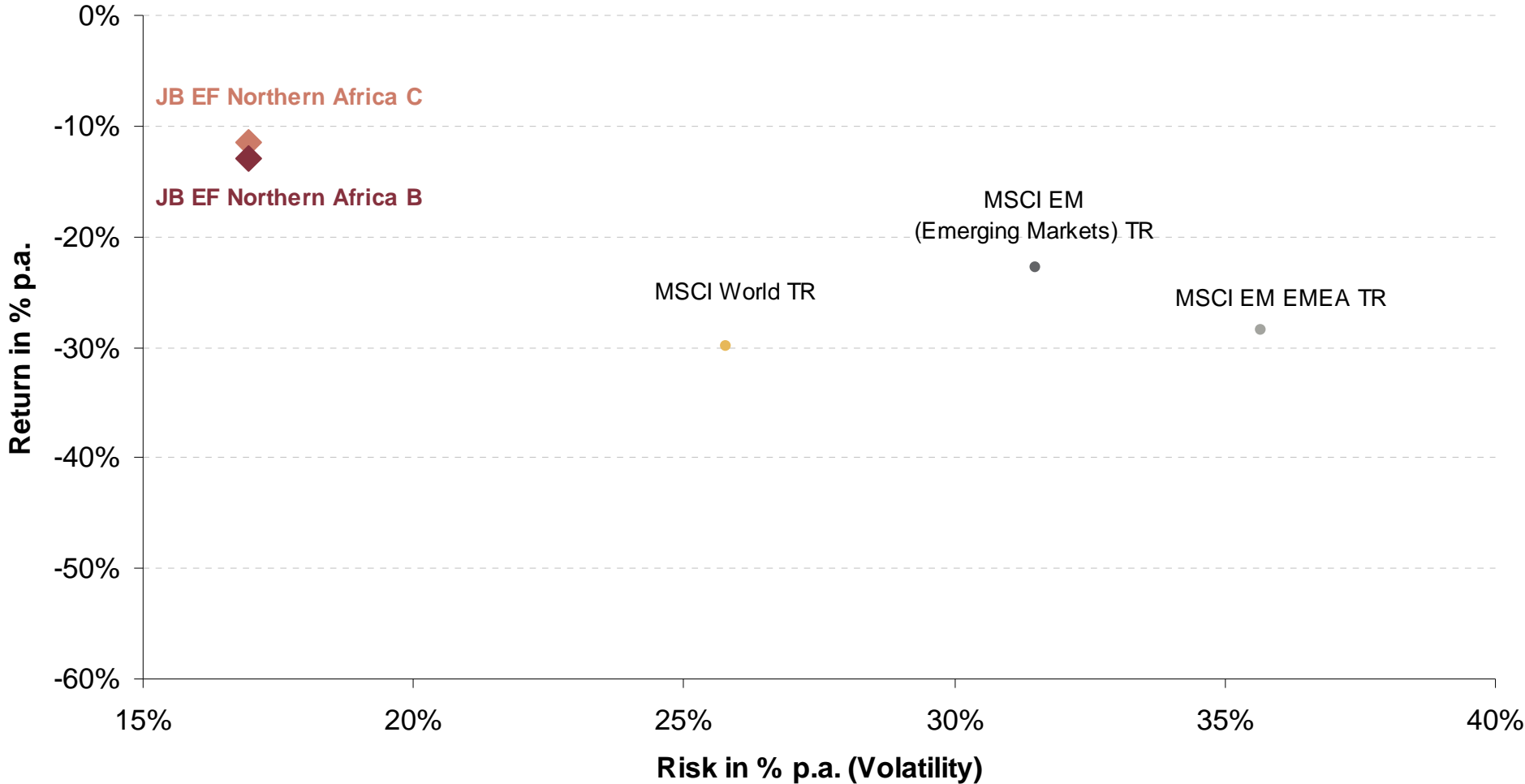


— Julius Baer EF Northern Africa-EUR B (MF)  
— Julius Baer EF Northern Africa-EUR C (MF)

— MSCI EM (Emerging Markets) TR USD (IN)  
— MSCI EM EMEA TR USD (IN)  
— MSCI World TR USD (IN)

# Julius Baer Northern Africa Fund

Risk / return profile since inception as per 30 September 2009 (EUR)

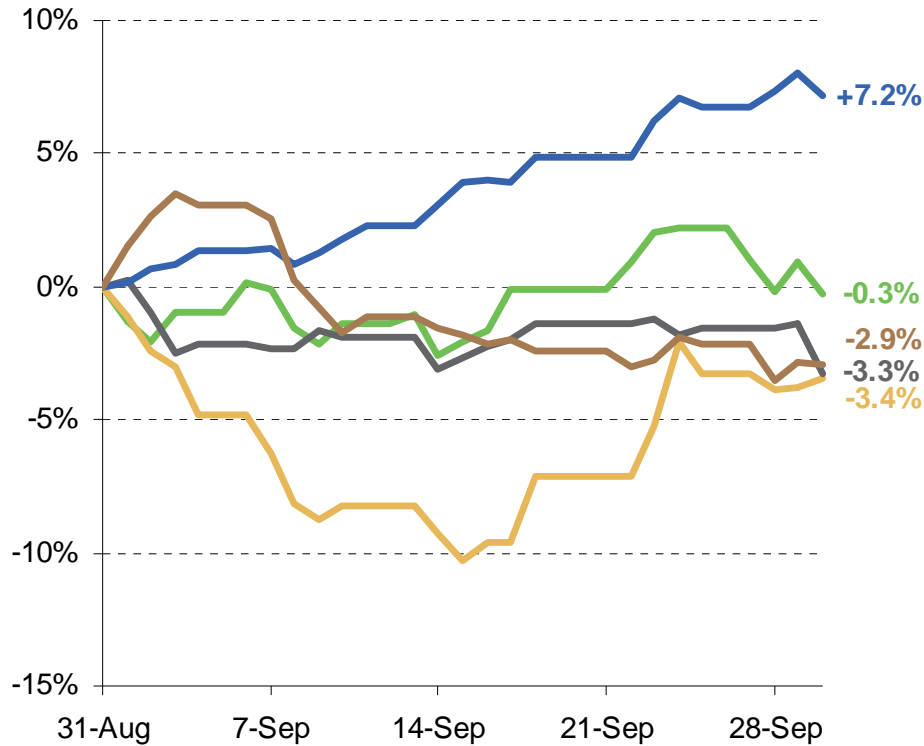


# Northern African Equity Markets

Performance development as per 30 September 2009 (in EUR)

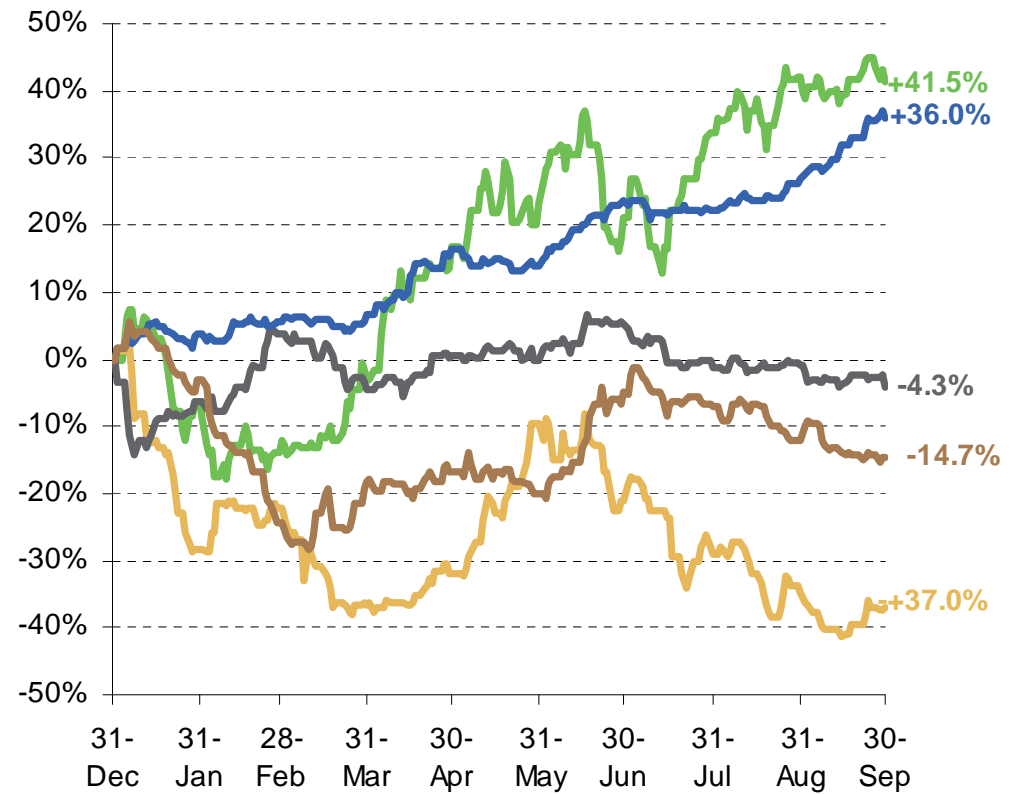


## 1 month



- Hermes Egypt Index
- MOSEM Morocco Index
- KNSMIDX Kenya Index
- NGSE Nigeria Index
- TUSISE Tunisia Index

## YTD



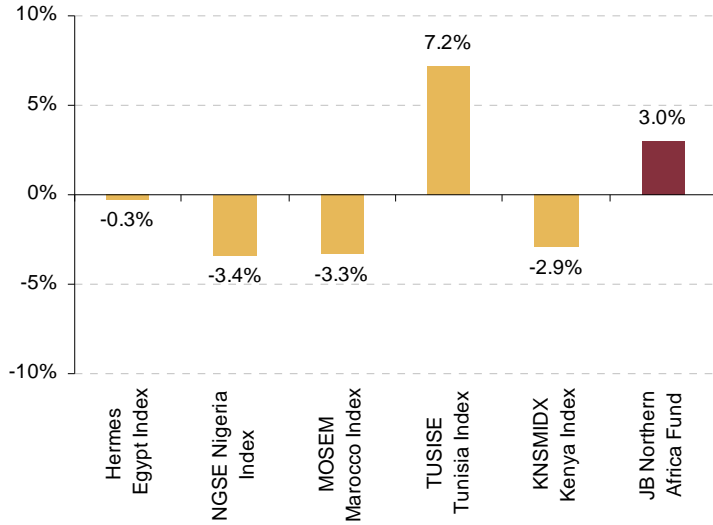
- Hermes Egypt Index
- MOSEM Morocco Index
- KNSMIDX Kenya Index
- NGSE Nigeria Index
- TUSISE Tunisia Index

# Northern African Equity Markets

Absolute returns in EUR as per 30 September 2009



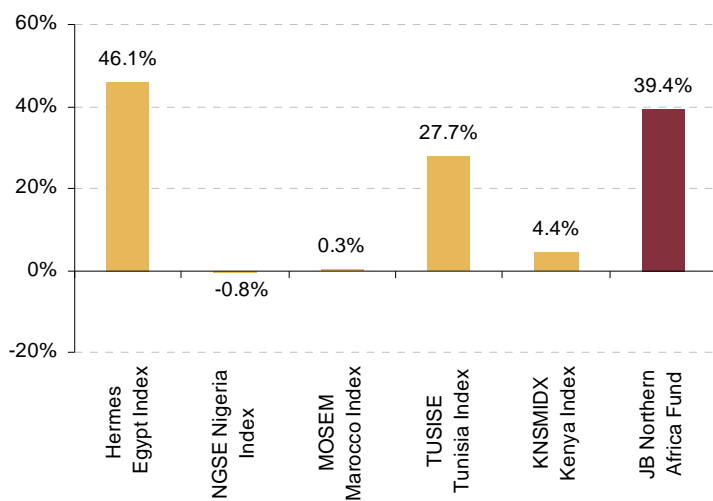
## 1 month



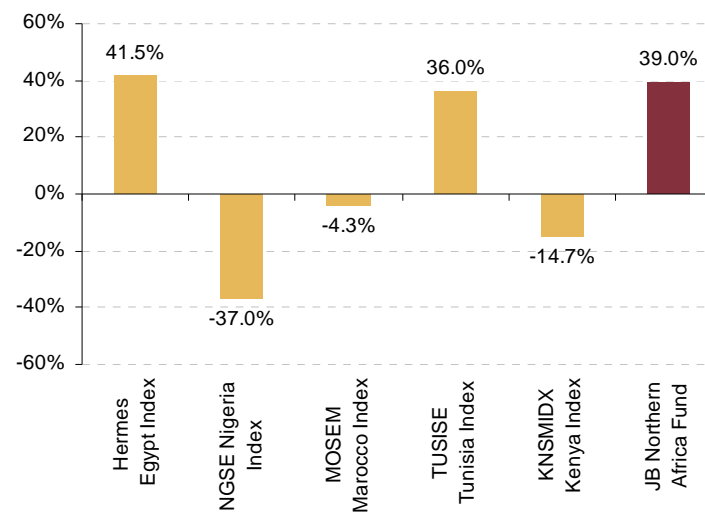
## 3 months



## 6 months

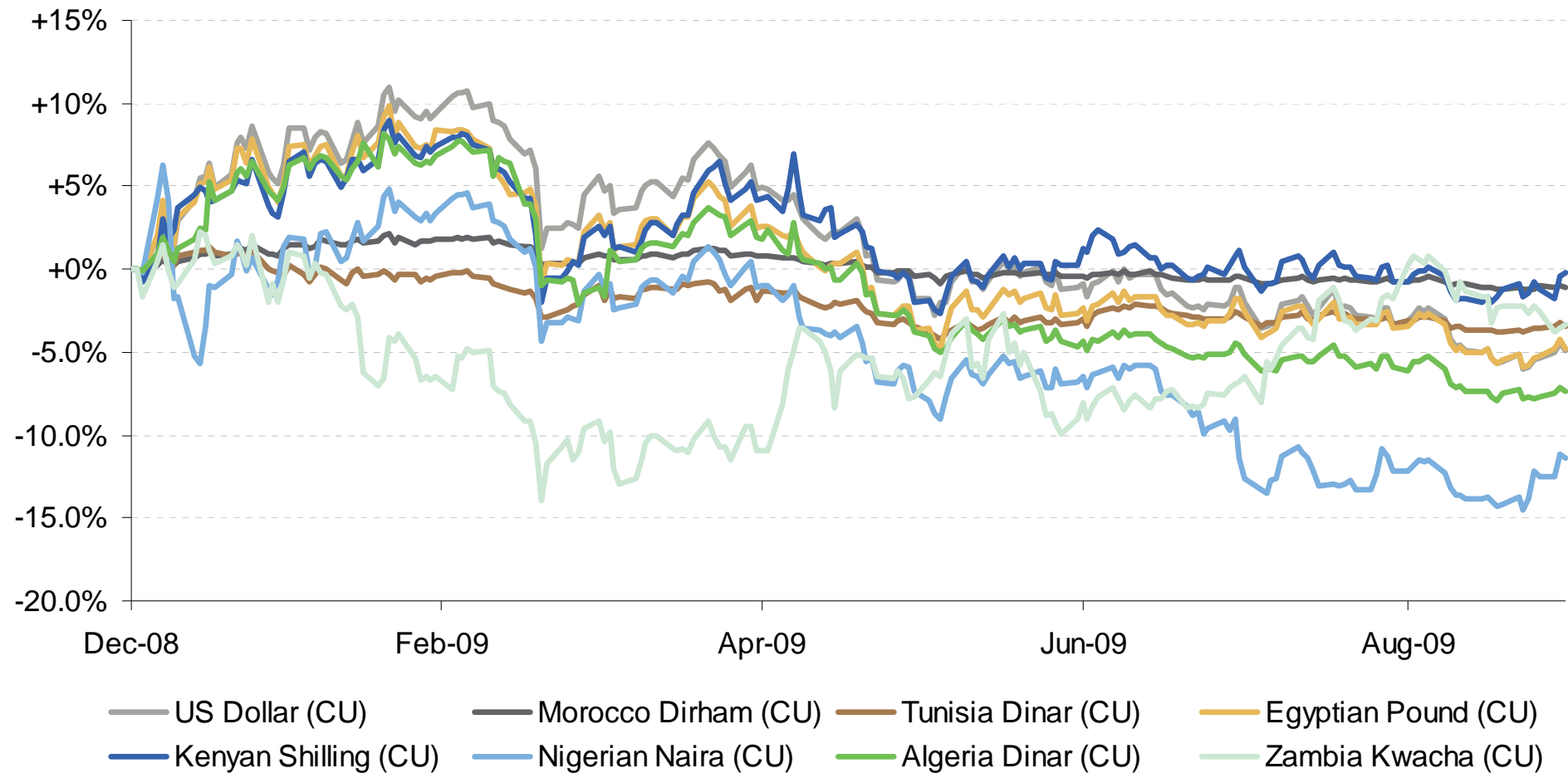


## YTD



# Northern African Currencies

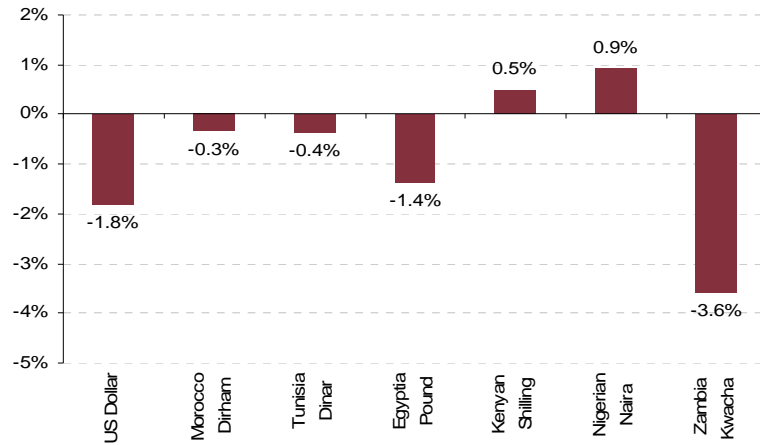
Relative development versus EUR YTD (as per 30 September 2009)



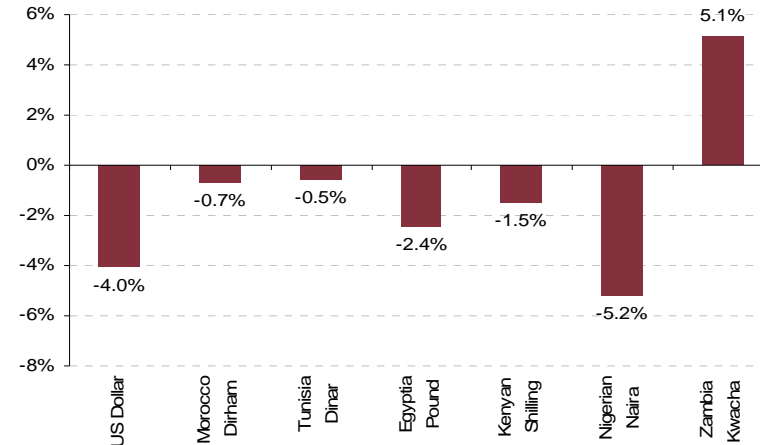
# Northern African Currencies

Relative development versus EUR as per 30 September 2009

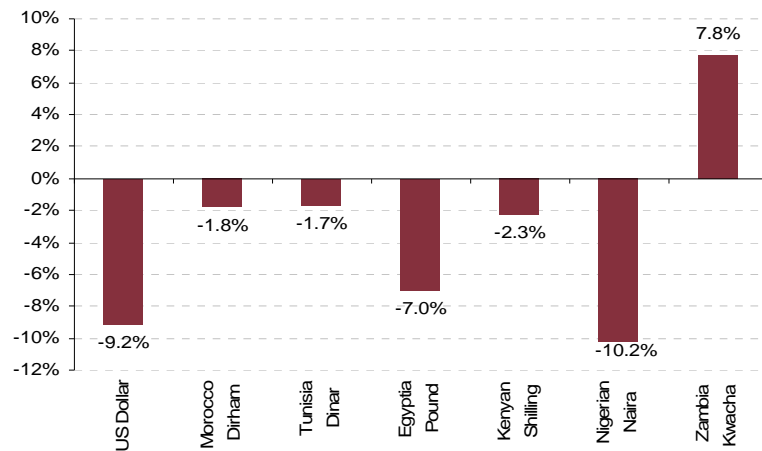
## 1 month



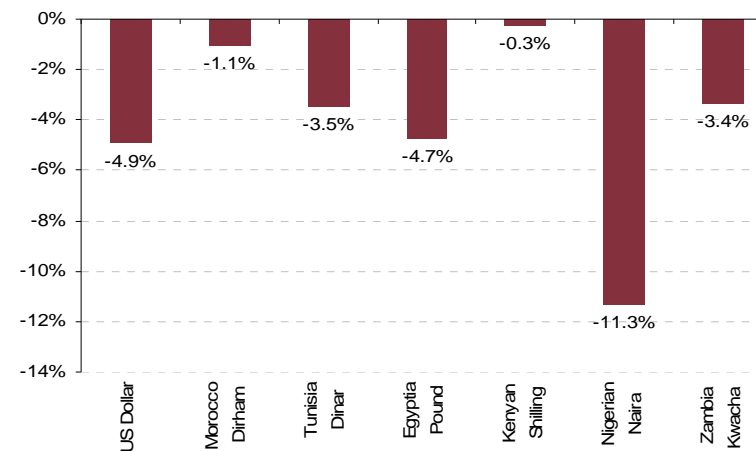
## 3 months



## 6 months



## YTD

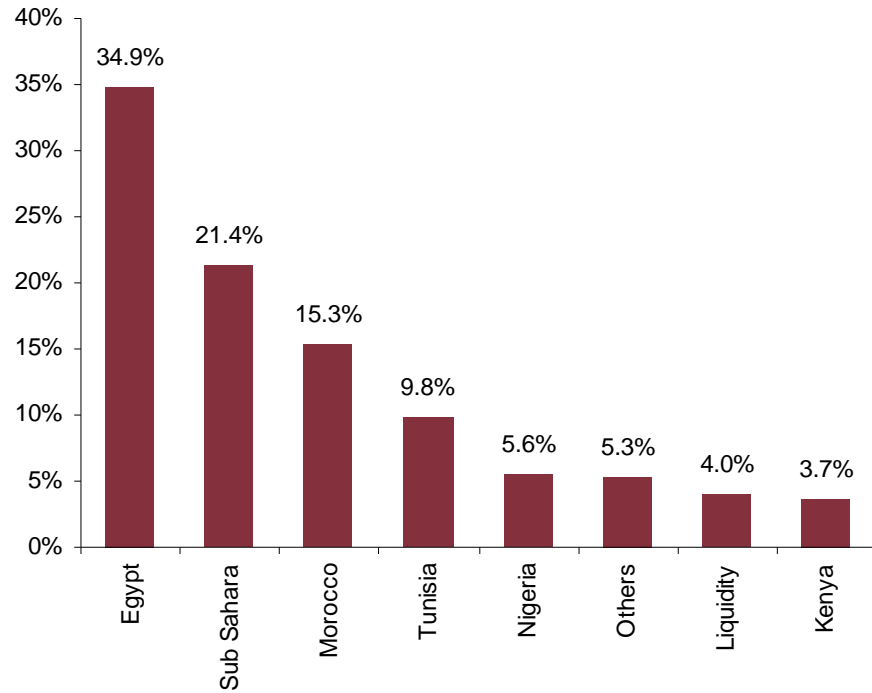


# Julius Baer Northern Africa Fund

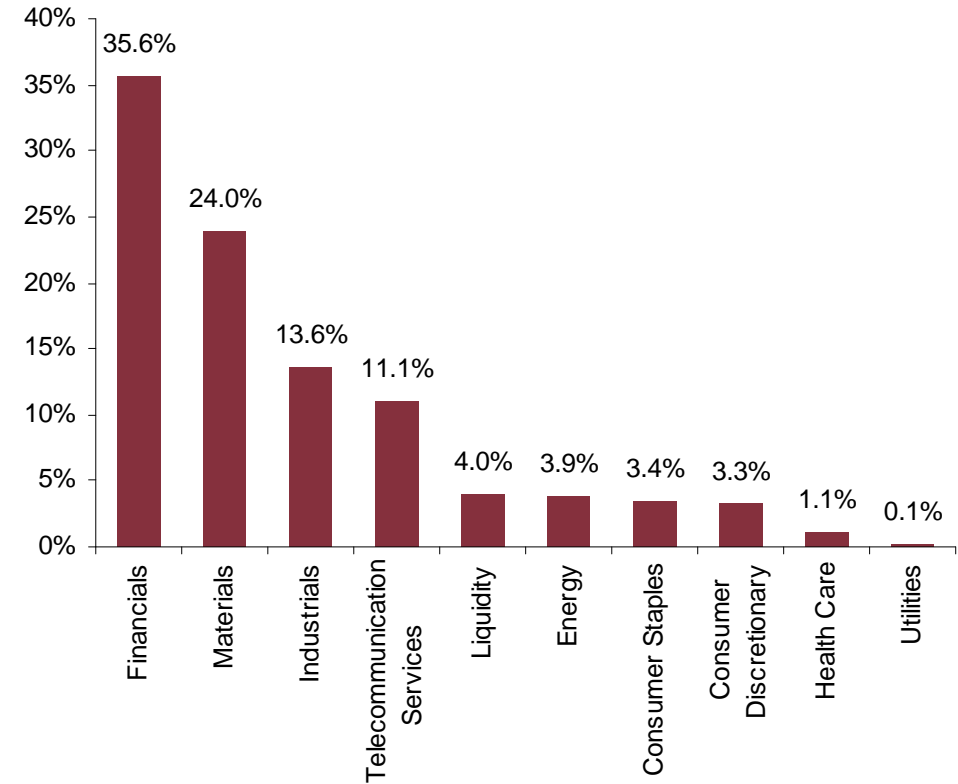
Allocation as per 30 September 2009



## Regional Allocation

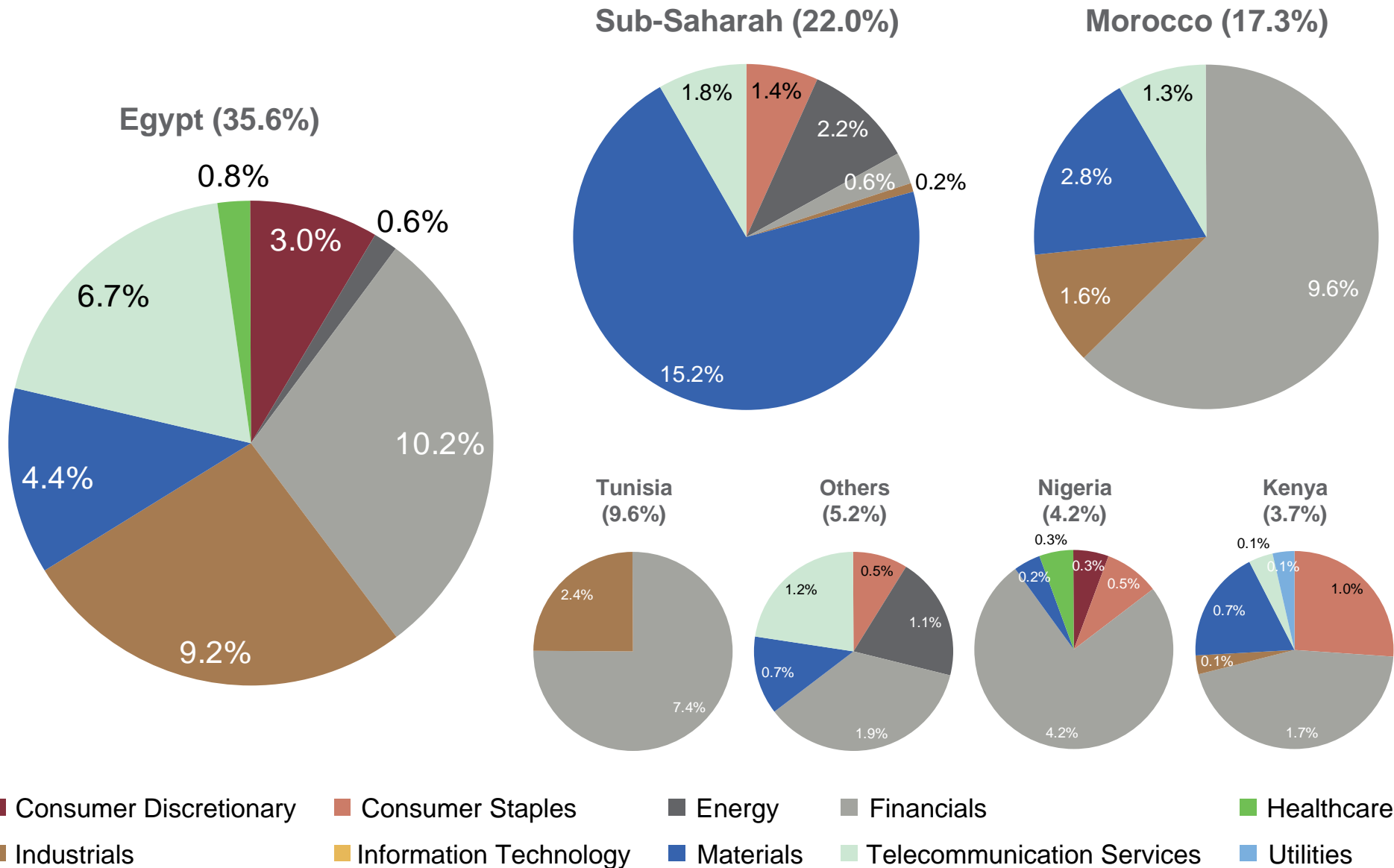


## Sector Allocation



# Julius Baer

Allocation as per 30 September 2009

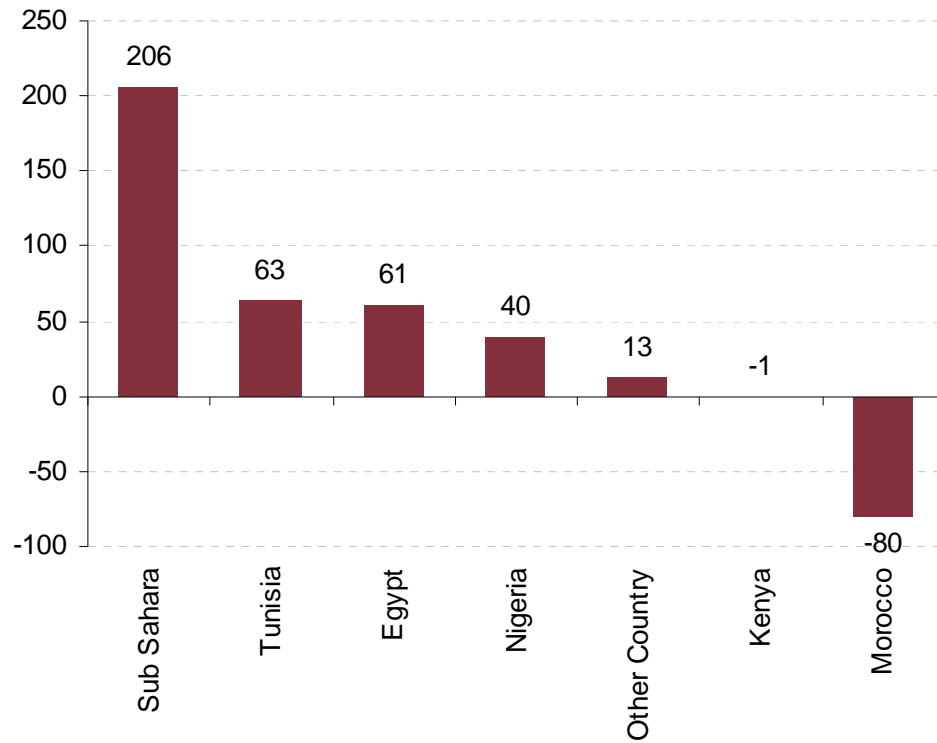


# Julius Baer Northern Africa Fund

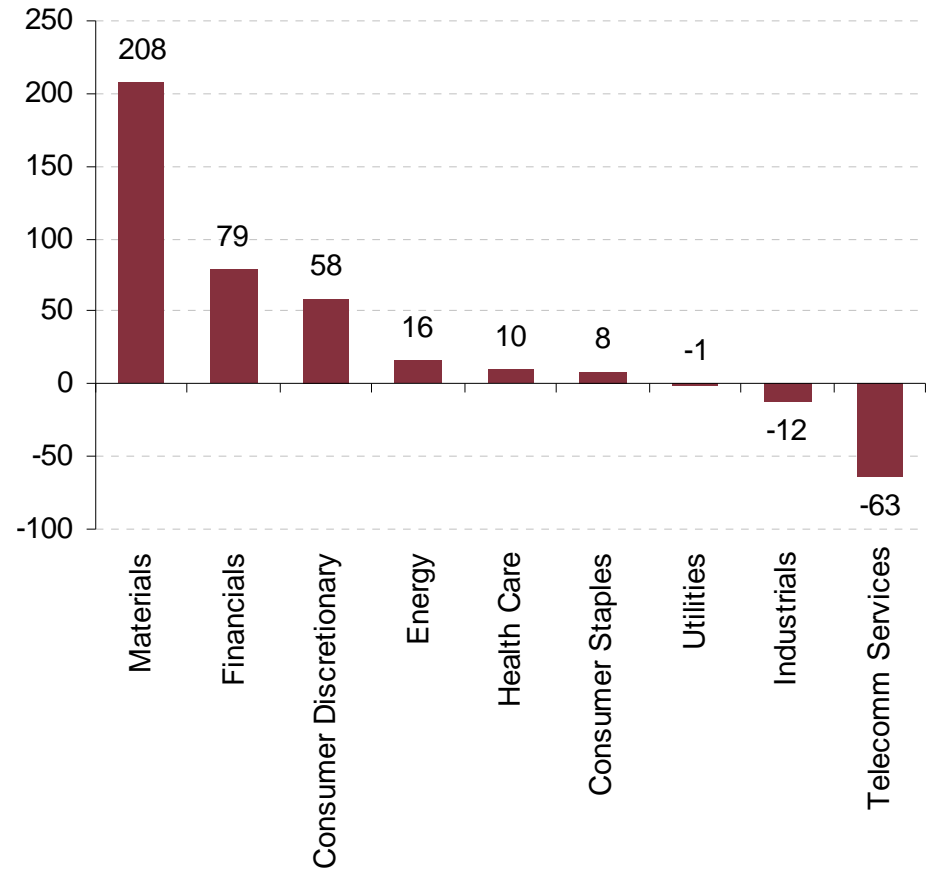
Performance contribution as per 30 September 2009



## Regional Contribution

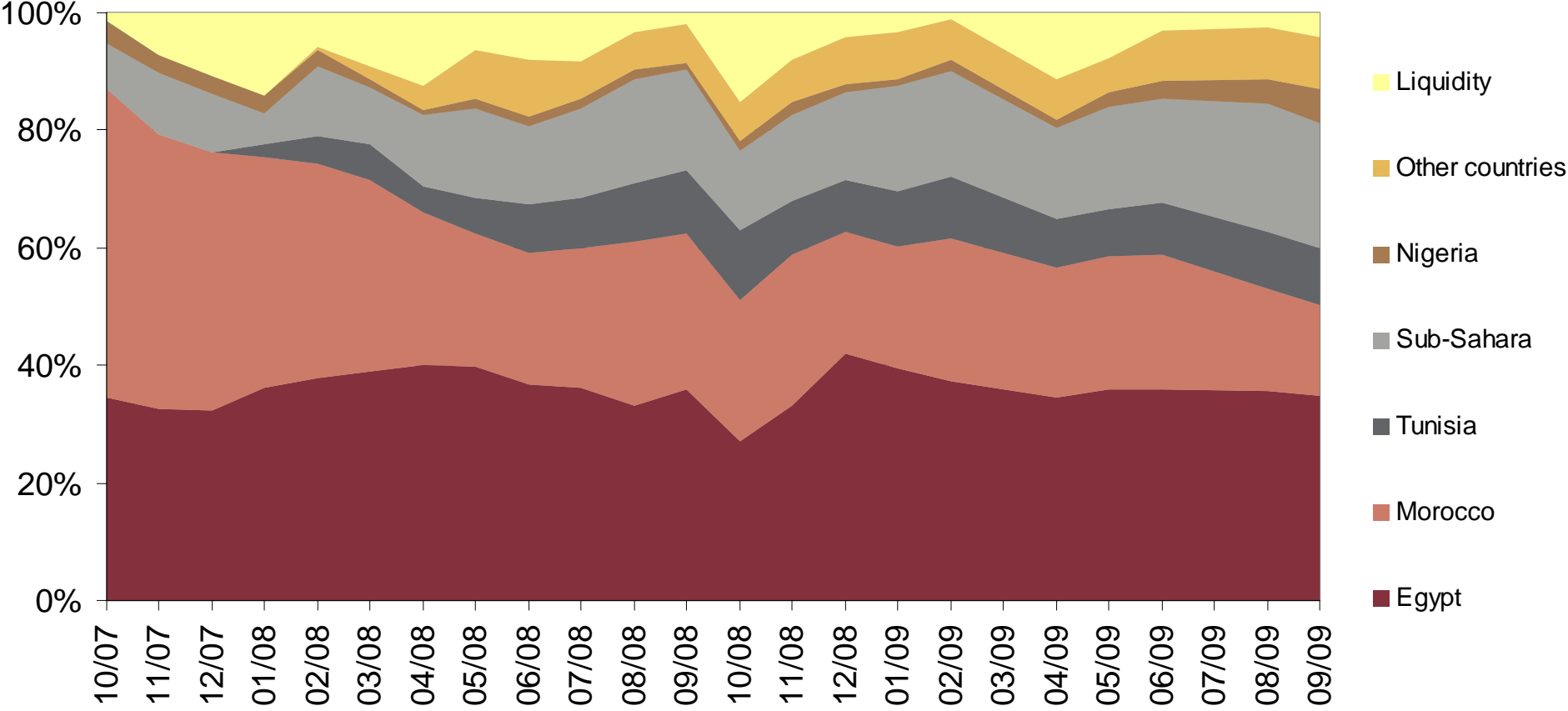


## Sector Contribution



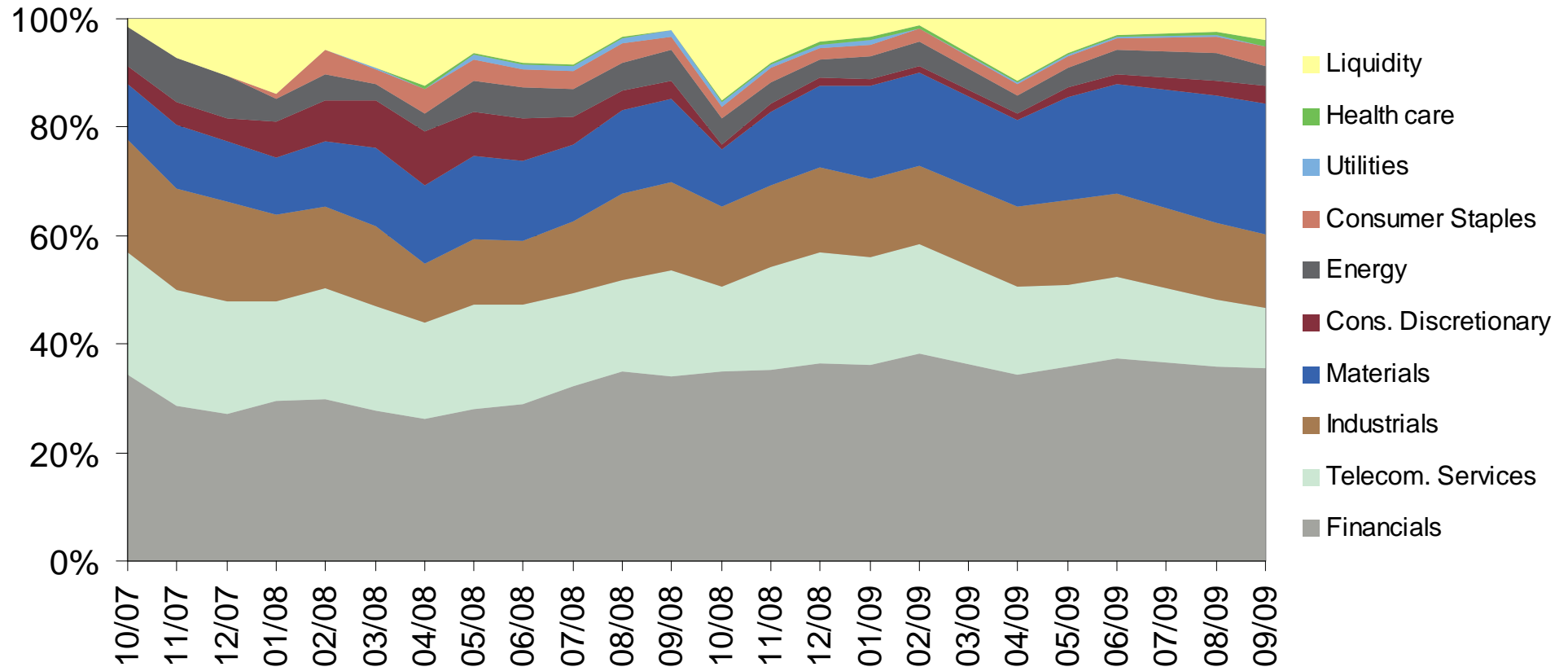
# Julius Baer Northern Africa Fund

Historic country allocation in percent of fund as per 30 September 2009



# Julius Baer Northern Africa Fund

Historic sector allocation in percent of fund as per 30 September 2009



# Julius Baer Northern Africa Fund

Your benefits

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- Reach for superior growth opportunities in one of the **World's most under-penetrated market**
- As other models show, **early adopter investing can be highly rewarding and value-creating**
- **First mover advantage** - Julius Baer Northern Africa Fund is one of the first UCITS funds that is providing access to Northern African markets (**with daily liquidity**)
- Benefit from **yet highly uncorrelated equity markets**
- Obtain access **carefully evaluated companies** which offer potential for **long-term superior capital growth**
- The Julius Baer Northern Africa Fund is managed by a Julius Baer team, **well experienced in managing Frontier market equities**

# Julius Baer Northern Africa Fund

## Facts & figures

|                              |  |
|------------------------------|--|
| <b>Legal name</b>            | Julius Baer Multistock – Northern Africa Fund                                  |
| <b>Legal structure</b>       | Subfund of Julius Baer Multistock SICAV<br>(regulated by Luxembourg law)       |
| <b>Domicile</b>              | Luxembourg   |
| <b>Launch</b>                | 27.09.2007   |
| <b>Investment advisor</b>    | Bank Julius Baer & Co. Ltd., Zurich  |
| <b>Investment approach</b>   | active, bottom-up stock selection, top-down macro analysis                     |
| <b>Reference index</b>       | no comparable benchmark  |
| <b>Base currency</b>         | EUR  |
| <b>Currency classes</b>      | USD, EUR, CHF (unhedged)   |
| <b>Share classes</b>         | A (distr.), B (acc.), C (inst./acc.), E (acc.)                                 |
| <b>Country registrations</b> | Luxemburg, Switzerland, Germany, Austria, Italy, UK,<br>Netherlands, Singapore |
| <b>Management fee</b>        | A-/B-/E-shares: 1.60% p.a.<br>C-shares: 0.85% p.a.                             |

# Julius Baer Northern Africa Fund

## Security codes

| EUR share classes | ISIN         | Valor CH |
|-------------------|--------------|----------|
| A-share EUR       | LU0303756455 | 3130121  |
| B-share EUR       | LU0303756539 | 3130125  |
| C-share EUR       | LU0303756612 | 3130129  |
| E-share EUR       | LU0303756703 | 3130131  |

| CHF share classes | ISIN         | Valor CH |
|-------------------|--------------|----------|
| A-share CHF       | LU0303756885 | 3130136  |
| B-share CHF       | LU0303757008 | 3130141  |
| C-share CHF       | LU0303757263 | 3130144  |
| E-share CHF       | LU0303757347 | 3130147  |

| USD share classes | ISIN         | Valor CH |
|-------------------|--------------|----------|
| A-share USD       | LU0305827056 | 3192558  |
| B-share USD       | LU0305830605 | 3192564  |
| C-share USD       | LU0305830787 | 3192567  |
| E-share USD       | LU0305830944 | 3192571  |

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**"Living Swiss core values globally"**

**"Nous misons sur des valeurs fondamentales suisses à l'échelle mondiale"**

**"Valori fondamentali tipicamente svizzeri in un'ottica globale"**

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