



Andalucia

Cairo 1/1/2014,

***"Be fearful when others are greedy..
Be greedy when others are fearful",
Warren Buffet***

Dear Valued Investor,

Finally, the moment we've been waiting for, for about 3 years, is upon us as we have finally reached a few months of "perceived relative" stability coupled with expansionary government policies and unequivocal regional support for the Egyptian economy. This has simply resulted in the stock exchange reaching its pre-Jan 2011 levels.

Back in 2009 and 2010, and although the Egyptian economy has been largely able to weather the effects of the 2008 financial crisis, the Egyptian stock exchange had been caught in a narrow trading range. This was normal at the time, with the main cloud hanging over investors' heads being the country's political future in light of the absence of a clear succession plan. Today, we are in an even worse shape than in 2009/2010, with no clear political path to the future. This is why we are happy with the level we have reached thus far as we will be eyeing an exit during the first quarter of 2014.

We know that the market may very well shoot up beyond our exit target but, by and large, the market is now in overbought territory and we are not comfortable holding stocks beyond this level. We believe we will be able to re-buy into the market at much lower levels within months.

This been said, our outlook isn't all that negative. We actually believe that after Egypt passes the bottleneck of the next 1 to 2 years, we have the potential to see the biggest rally in EGX history and we hope we will be there to reap its benefits for you.

Also, rest assured that I will be in contact with you individually as soon as we execute our market exit to discuss the next phase of your long term investment plan.

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Finally, I remain, as usual, personally at your disposal to answer any questions/comments as we at Andalucia wish you a very happy and prosperous new year 2014.

Thank you and best regards,
Mohamed Hawary



Managing Director
Andalucia Financial Consultancy and Investment