

**Quarterly report**  
Q2 2022

**Investment Objective**

The principal investment objective of the fund is providing daily liquidity to investors while aiming to achieve the highest possible returns

**Investment Universe**

- The fund invests mainly in treasury bills, treasury bonds, corporate bonds, securitization bonds and time deposits.

**Subscription/Redemption**

- The fund offers weekly subscriptions to investors
- The fund offers monthly redemptions to investors
- The valuation of the fund is daily
- Minimum initial investment is 100 ICs

**Fund Details**

Type of Scheme	Open Ended
Inception date	April-2010
IC price	EGP 34.66794
Dividends Since Inception	EGP 0.25
Duration	2.47 Years
Fund Size	EGP 134.89 million
Bloomberg Ticker	EFGBOAF
ISIN	68074583

**Fund Manager**

Management company	Hermes Fund Management
Fund Manager	Karim Zaafan

**Contact Details**

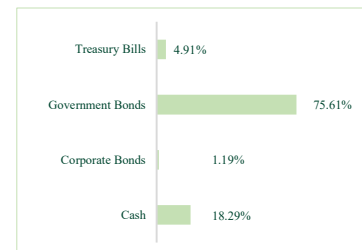
Bank of Alexandria	
Telephone	19033
Website	<a href="https://www.alexbank.com/En">https://www.alexbank.com/En</a>

**Portfolio**

**Performance Figures\***

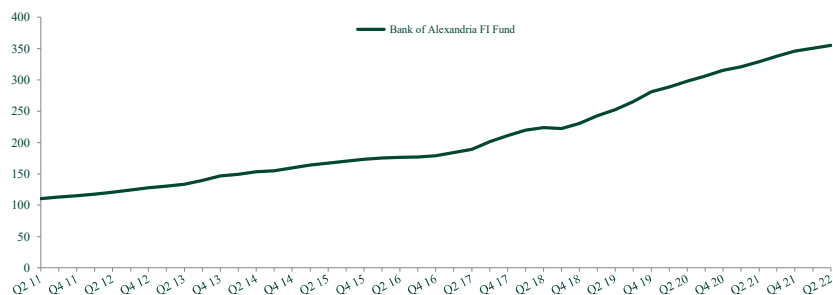
Date	Return
YTD	2.68%
2021	9.67%
2020	12.04%
2019	22.00%
5-YTD	87.51%
Since Inception	254.99%

**Asset Allocation**



\* Simple Performance Figures

**Performance**



**Market Outlook**

**During H1 2022, Global markets have been experiencing severe economic downturn due to the following factors:**

- ≡ Russia Invasion of Ukraine.
- ≡ The commodities crunch accelerating across the globe.
- ≡ Federal Reserve expected raised interest rates in March Meeting. Market expects five hikes for 2022 and another four next year.
- ≡ COVID-19 pandemic still causing slowdown to domestic growth and supply shocks.

**Market Commentary**

- ≡ Egypt's headline inflation rate accelerated to 13.5% in May 2022, from 13.1% in April.
- ≡ Moody's affirms Egypt's B2 rating, changes outlook to negative from stable.
- ≡ Egypt's parliament approved the state budget for FY22/23, with expenditure rising by 15%.
- ≡ The Central Bank of Egypt's Net International Reserves registered USD 35.5 Bn as of May 2022 compared to USD 37.1 Bn as of April 2022.
- ≡ Egypt's unemployment rate dropped to 7.2% in 1Q22, down from 7.4% in the previous quarter.
- ≡ The Central Bank of Egypt raised benchmark deposit and lending rates and the CBE's main operation rate by 200bps to 11.25%, 12.25% and 11.75%, respectively.
- ≡ The quarter closed at:
  - 3Yrs: 14.69%
  - 5Yrs: 14.25%
  - 7Yrs: 14.63%
  - 10Yrs: 14.68%

**Strategy**

- ≡ The fund manager will let duration fall naturally, in order to navigate expected volatility and possible redemptions in the short term, while still aiming to benefit from relatively high yields in anticipation of gradual economic recovery