

Quarterly report
Q2 2023

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, securitized 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 37.58734
Dividends Since Inception	EGP 0.25
Duration	2.46 Years
Fund Size	EGP 95.26 million
Bloomberg Ticker	EFGBOAF
ISIN	68074583

Fund Manager

Management company	Hermes Fund Management
Fund Manager	Karim Zaafan

Contact Details

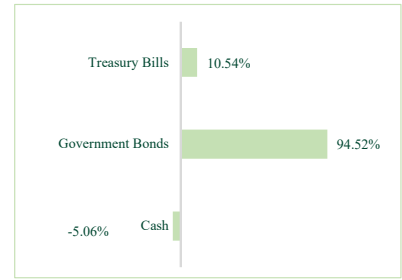
Bank of Alexandria	
Telephone	19033
Website	https://www.alexbank.com/En

Portfolio

Performance Figures*

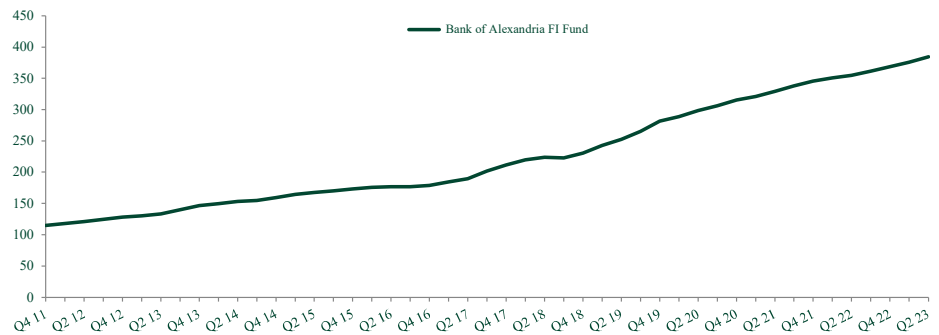
Date	Return
YTD	9.07%
2022	6.66%
2021	9.67%
2020	12.04%
5-YTD	11.43%
Since Inception	10.72%

Asset Allocation



* Simple Performance Figures

Performance



Market Outlook

Market Commentary

- ≡ Egypt's annual headline inflation accelerated to 35.7% in June from 32.7% in the previous month. The annual rate reflects a monthly inflation of 2.1% (vs 2.7% in May), mostly driven by tobacco prices, which saw a c. 19% MoM increase (vs c. 5% in May). Meanwhile, food inflation moderated with a MoM rise of 1.8% (vs 4.0% in May), which is the lowest reading since August 2022.
- ≡ Egypt's net international reserves slightly increased by USD146.5mn, reaching USD34.807bn by the end of June from USD34.66bn in May. Meanwhile, the unofficial foreign reserves inched up in June by USD708mn, reaching its highest level since February-22 at USD9.58bn.
- ≡ Egypt's Purchasing Managers' Index (PMI) continued its improvement, rising to 49.1 in June from 47.8 in May. This is the highest reading since August 2021.
- ≡ In its meeting on 22 June 2023, the Monetary Policy Committee (MPC) decided to keep the Central Bank of Egypt's (CBE) overnight deposit, lending rate, and the rate of the main operation at their current level of 18.25%, 19.25% and 18.75%, respectively.
- ≡ Egypt's banking sector net foreign liability position slightly narrowed to USD24.1bn in April from USD24.3bn in the previous month, according to the Central Bank of Egypt (CBE) data.
- ≡ Quarter Closed:
 - ≡ 3Yrs: 21.70%
 - ≡ 5Yrs: 15.00%
 - ≡ 7Yrs: 15.50%
 - ≡ 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. Given market conditions, the fund manager will be seeking to deploy cash positions in the best short-term available option.