

## Quarterly report

Q1 2024

### 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.

- Investments tenor shouldn't exceed 13 months.

- Weighted average durations doesn't exceed 150 days.

### Subscription/Redemption

- The fund offers daily subscription/redemption giving clients access to daily liquidity.

- The valuation day for the fund is daily

- Minimum initial investment is 100 ICs

### Fund Details

Type of Scheme	Open Ended
Inception date	June-1999
IC price	EGP 1,049.15
Dividend Since Inception	EGP 2,609.39
Duration Days	88.88 days
Fund Size	EGP 1194.92 million
Bloomberg Ticker	EFGCIII
ISIN	65077566

### Fund Manager

Management company	Hermes Portfolio and Fund Management
Fund Manager	Yehya Abdel Latif
Assistant Fund Manager	Aly Sallam

### Contact Details

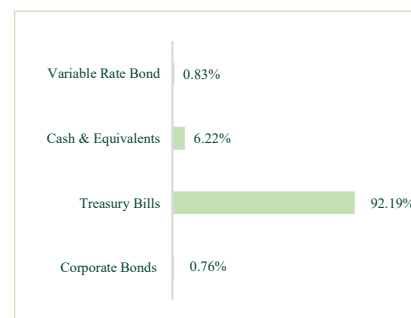
Credit Agricole Egypt	
Telephone	19077
Fax	+202-27380584
Website	<a href="https://www.ca-egypt.com/">https://www.ca-egypt.com/</a>

## Portfolio

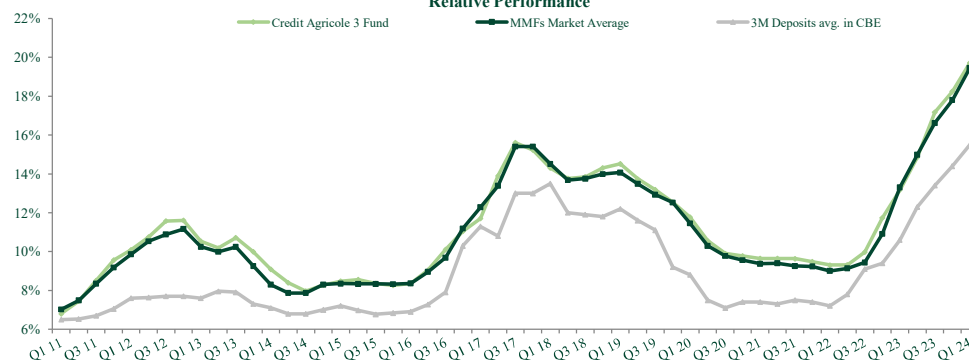
### Performance Figures

Date	Return
Q1 2024	19.71%
YTD	19.71%
2023	16.84%
2022	10.47%
2021	9.95%
5-YTD	12.72%
Since Inception	10.62%

### Asset Allocation



### Relative Performance



## Market Outlook

### Market Commentary

- Headline inflation accelerated from 29.8% in January to 35.7% in February, as monthly momentum increased significantly to 11.4% from 1.6% in the previous month. The stronger-than-expected rise in food prices (up 16.7% MoM vs 1.4% in January), coupled with an 8.5% MoM increase in tobacco prices, contributed to this above average monthly figure.
- Egypt and the International Monetary Fund (IMF) have reached staff level agreement on a revised \$8bn Extended Fund Facility (EFF) arrangement, which will be presented to the board before the end of March. Egypt is also seeking a \$1.2bn loan under the IMF's climate finance program.
- S&P upgraded Egypt's long- and short-term foreign and local currency sovereign credit outlook to positive from stable. Also, Moody's affirmed Egypt's long-term foreign debt rating at Caa1, outlook upgraded to positive from negative.
- The EU will provide Egypt with a EUR7.4bn package of loans, grants, and investments through to 2027. These include EUR5bn in concessional loans, EUR1.8bn in investments, and EUR600mn in grants.
- The World Bank will provide Egypt with a \$6bn financing package over the next three years, of which \$3bn will be allocated to support the government's structural reforms, social protection programs, and its green economy transition. The other \$3bn will be in the form of equity and loans to the private sector, channelled through the IFC.
- Egypt and the UAE signed a co-development agreement to build a new city in Ras El Hekma, North Coast that could attract \$150bn in investments. The project, which includes the development of an urban, business, and tourism center spanning over 170 mn sqm, will be implemented by the New Urban Communities Authority and the Abu Dhabi Development Holding Company, which is owned by the Government of Abu Dhabi. The project, in addition to other investments, will pump \$35bn in two tranches, where Egypt will receive \$15bn within a week, followed by the remaining \$20bn within two months, according to Egypt's Prime Minister. The first tranche includes \$5bn from the UAE's deposits at the Central Bank of Egypt (CBE) and \$10bn as fresh funding. The second payment will comprise \$6bn from the remaining UAE deposits at the CBE and \$14bn in fresh funding.
- Banque Misr and National Bank of Egypt have rolled out new three-year, high-interest certificates of deposit (CDs) with a declining rate, offering an annual payment of 30% for the first year, 25% for the second year, and 20% for the third year, or quarterly or monthly pay-outs at reduced annual rates. Quarterly pay-outs start at a 27% annual rate, declining 400 bpts each year, while monthly pay-outs start at 26% and decline 350 bpts each year.
- Net foreign reserves have increased by \$6mn to \$35.31bn in February.
- The Central Bank of Egypt decided in a special meeting to raise the CBE's overnight deposit rate, the overnight lending rate, and the rate of the main operation by 6% to 27.25%, 28.25%, and 27.75%, respectively. In addition, the CBE announced it will be adopting a flexible exchange rate policy.
- Quarter Closed:
  - 3m: 20.48%
  - 6m: 22.18%
  - 9m: 21.56%
  - 1Yr: 22.60%

### Strategy

The fund manager will begin deploying cash in longer tenors, to increase the duration of the fund and take advantage of higher rates.