

## Quarterly report Q4 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, securitized 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 today liquidity.

- The valuation day for the fund is daily

- Minimum initial investment is 100 ICs

### Fund Details

Type of Scheme	Open Ended
Inception date	September-2006
IC price	EGP 489.623
Dividends Since Inception	EGP 0.00
Duration	104.30 days
Fund Size	EGP 4,926.57 million
Bloomberg Ticker	EFGNSGB
ISIN	65077571

### Fund Manager

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

### Contact Details

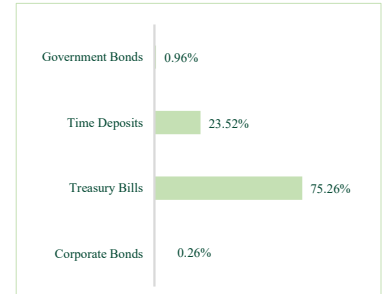
QNB Al Ahli	
Telephone	19700
Website	<a href="http://www.qnbalahli.com/">http://www.qnbalahli.com/</a>

## Portfolio

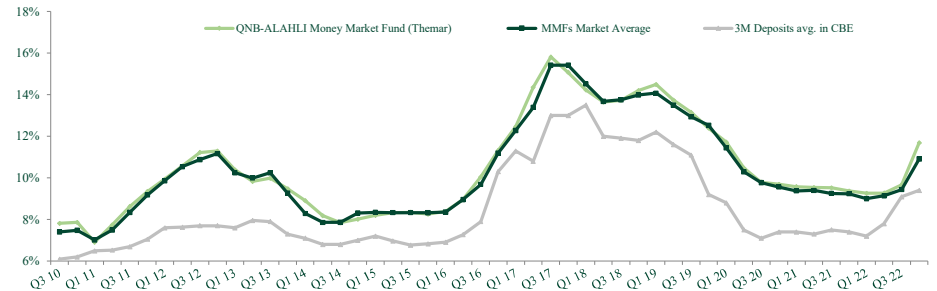
### Performance Figures

Date	Return
Q4 2022	11.69%
YTD	10.36%
2021	9.85%
2020	10.83%
2019	14.13%
5-YTD	11.95%
Since Inception	10.26%

### Asset Allocation



### Relative Performance



## Market Outlook

### During 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 rate hikes.
- ≡ COVID-19 pandemic still causing slowdown to domestic growth and supply shocks.

### Market Commentary

- ≡ Annual urban inflation has accelerated to 18.7% in November 2022. On the other hand, monthly inflation upped to 2.3% in November, impacted by weaker local currency.
- ≡ Net international reserves increased by USD470mn to USD34bn at the end of December 2022, according to central bank. This marks the four consecutive months of increase, with a total of USD850mn.
- ≡ Egypt Purchasing Managers' Index (PMI) declined to 45.4 in November from 47.7 in October, well below the 50.0 threshold that separates growth from contraction. This marks the second lowest reading since the pandemic dragged the index down in June 2020, and the 24th consecutive month of contraction.
- ≡ Egypt's economy grew 4.4% in 1QFY22/23, up from 3.3% the previous quarter according to preliminary data from the Planning Ministry. This comes down from 9.8% in 1QFY21/22. The government expects GDP growth of 5% in FY22/23.
- ≡ Egypt concluded the IMF agreement of USD3bn, with potential talks of another USD6bn, that should support FX availability.
- ≡ The Central Bank of Egypt (CBE) decided to raise the overnight deposit and lending rates, and the CBE's main operation rate by 300bps to 16.25%, 17.25%, and 16.75%, respectively.
- ≡ Quarter Closed:
  - 3m: 18.15%
  - 6m: 18.75%
  - 9m: 18.85%
  - 1Yr: 18.90%

### Strategy

- ≡ The fund manager will increase liquidity in anticipation of possible redemptions, while cautiously deploying in high yield T-bills to improve performance.