

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.
- Investments tenor shouldn't exceed 13 months and the weighted average duration shouldn't exceed 150 days.

Subscription/Redemption

- The fund offers daily liquidity to investors
- The valuation day for the fund is daily
- Minimum initial investment is 30 ICs

Fund Details

Type of Scheme	Open Ended
Inception date	March-2012
IC price	EGP 300.162
Dividends Since Inception	EGP 0.00
Duration	56.42 days
Fund Size	EGP 864.39 million
Bloomberg Ticker	THARWAAEY

Fund Manager

Management company	Hermes Fund Management
Fund Manager	Yehya Abdel Latif
Assistant Fund Manager	Aly Sallam
Managed Since	July 2017

Contact Details

Ably United Bank	
Telephone	19072
Website	<a href="http://www.ahliunited.com/egypt/">http://www.ahliunited.com/egypt/</a>

Portfolio

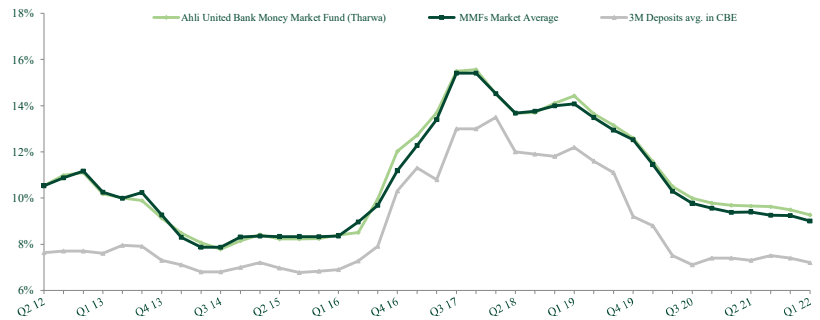
Performance Figures

Date	Return
Q2 2022	9.22%
YTD	9.36%
2021	9.96%
2020	10.88%
2019	14.14%
5-YTD	12.53%
Since Managed by EFG-Hermes (01-July-2017)	16.08%
Since Inception	11.23%

Asset Allocation

Government Bonds	0.86%
Corporate Bonds	0.19%
Time Deposits	44.89%
Treasury Bills	54.06%

Relative Performance



Market Outlook

During Q2 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:
  - 3M: 15.35%
  - 6M: 15.35%
  - 9M: 15.40%
  - 1Yr: 14.10%

Strategy

- ≡ The fund manager will maintain low duration, in order to navigate expected volatility and possible redemptions in the short term, while still aiming to benefit from relatively high yields.