

Quarterly report Q3 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 to daily liquidity.

- 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 307.343
Dividends Since Inception	EGP 0.00
Duration	70.12 days
Fund Size	EGP 455.98 million
Bloomberg Ticker	THARWAA EY

Fund Manager

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

Contact Details

Ahli United Bank	
Telephone	19072
Website	http://www.ahliunited.com/egypt/

Portfolio

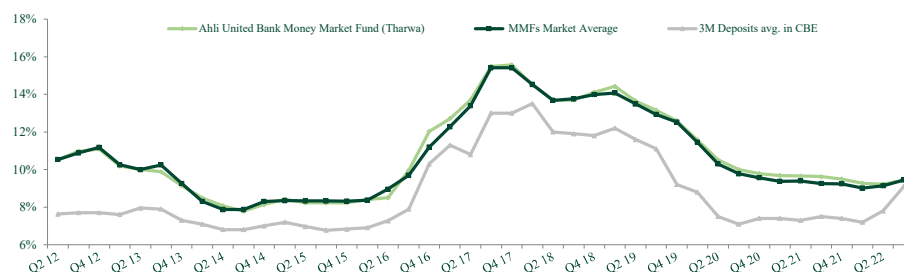
Performance Figures

Date	Return
Q3 2022	9.49%
YTD	9.55%
2021	9.96%
2020	10.88%
2019	14.14%
5-YTD	12.39%
Since Managed by EFG-Hermes (01-July-2017)	16.13%
Since Inception	11.19%

Asset Allocation

Government Bonds	1.68%
Corporate Bonds	0.14%
Time Deposits	2.86%
Treasury Bills	95.32%

Relative Performance



Market Outlook

During 9m 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

- ≡ Egypt's headline inflation rate accelerated to 14.6% in August, from 13.6% in July.
- ≡ Egypt's official net international reserves registered at USD33.2bn by end of September.
- ≡ The economy grew by 6.6% in FY22 compared to 3.3% in FY21.
- ≡ The unemployment rate stabilized at 7.2% during 4QFY22.
- ≡ In its meeting on 22 September 2022, the Central Bank of Egypt (CBE) decided to keep benchmark deposit and lending rates unchanged at 11.25% and 12.25%, respectively. On the other hand, the CBE increased the required reserve ratio to 18% from 14%.
- ≡ The quarter closed at:
 - 3M: 15.98%
 - 6M: 16.50%
 - 9M: 16.76%
 - 1Yr: 17.35%

Strategy

- ≡ The fund manager will slightly increase duration, to benefit from higher yields, however, remaining cautious due to expected volatility and possible redemptions in the short term.