

Quarterly report
Q2 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, 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 43.38874
Dividends Since Inception	EGP 0.25
Duration	2.26 Years
Fund Size	EGP 95.97 million
Bloomberg Ticker	EFGBOAF
ISIN	68074583

Fund Manager

Management company	Hermes Portfolio and Fund Management
Fund Manager	Karim Zaafan

Contact Details

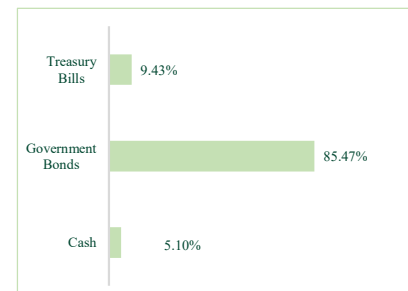
Bank of Alexandria	
Telephone	19033
Website	https://www.alexbank.com/En

Portfolio

Performance Figures*

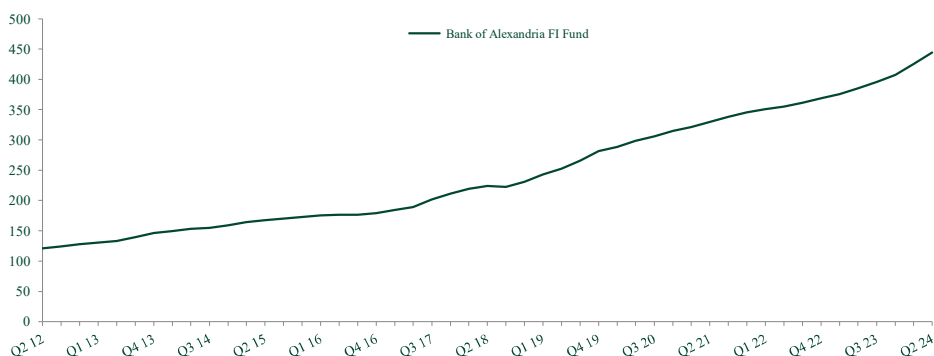
Date	Return
YTD	18.95%
2023	10.47%
2022	6.66%
2021	9.67%
5-YTD	12.02%
Since Inception	11.08%

Asset Allocation



* Simple Performance Figures

Performance



Market Outlook

Market Commentary

- Annual headline inflation has decelerated to 28.1% in May from 32.3% in the previous month, with food deflation translating into a 0.7% MoM drop in the CPI compared to a 1.1% MoM increase in April.
- The World Bank has announced US\$700 million in Development Policy Financing (DPF) for the Government of Egypt to support the country to shift toward more private sector participation, better macroeconomic and fiscal resilience, and a greener growth trajectory
- The IMF and Egypt have reached a staff-level agreement on the third review of the \$8bn loan program, which is set to unlock \$820mn following the IMF's board approval. The mission stated that Egypt stayed the course to preserve macroeconomic stability through fiscal discipline, tight monetary policy, and a shift to a flexible exchange rate regime.
- Egypt's net foreign assets recorded a surplus of \$14.3bn at the end of May, up from a deficit of \$3.7bn in April. This is the first recorded surplus since February 2022.
- Net international reserves rose by \$5bn in May to \$46.1bn, increasing imports coverage to 8 months as per the CBE. This was supported by the second \$20bn tranche of Ras El-Hekma project, of which \$14bn were fresh inflows.
- Egypt's non-oil private sector activity (PMI) increased to 49.6 in May from 47.4 in April, the highest level in almost three years. Easing inflation and rebounding demand supported the rise. Output and new orders closed most of their gaps to the 50.0 growth threshold.
- The Central Bank of Egypt has maintained interest rates unchanged in its meeting on 23 May. The decision came as forecasts indicate that inflation has already peaked and is expected to moderate in 2024 as inflationary pressures begin to subside, according to the CBE statement. Overnight deposit, lending, and the rate of the main operation stand at 27.25%, 28.25%, and 27.75%, respectively. The discount rate was also kept unchanged at 27.75%.
- Quarter Closed:
 - 3Yrs: 23.90%
 - 5Yrs: 15.00%
 - 7Yrs: 15.50%
 - 10Yrs: 14.68%

Strategy

- The fund manager will continue extending the investment duration, expecting a period of relaxed monetary policy due to decreasing inflation both locally and worldwide. Additionally, the manager is expanding investments in non-government sectors to take advantage of the significant difference between the corridor (the pricing benchmark) and the treasury market.