

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.

- 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	March-2012
IC price	EGP 408.748
Dividends Since Inception	EGP 0.00
Duration	104.87 days
Fund Size	EGP 522.54 million
Bloomberg Ticker	THARWAA EY

Fund Manager

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

Contact Details

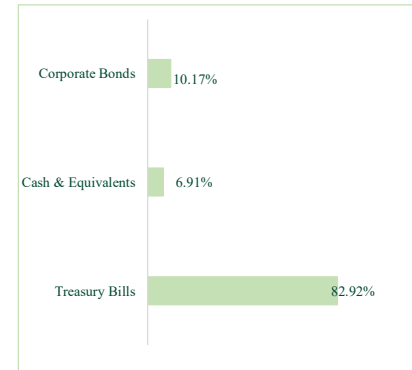
Ahly United Bank	
Telephone	19072
Website	http://www.ahliunited.com/egypt/

Portfolio

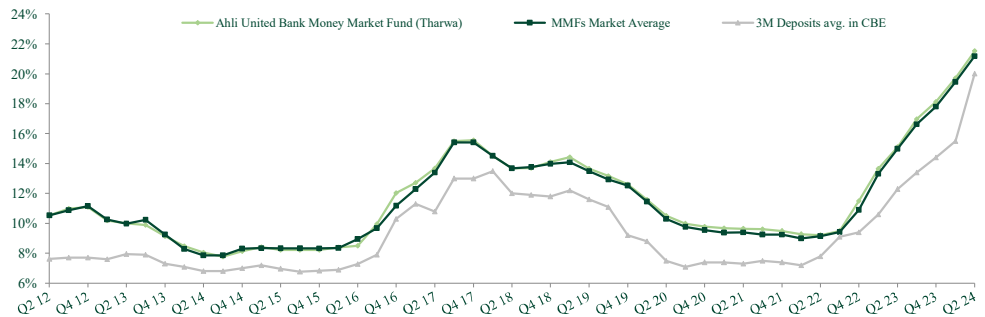
Performance Figures

Date	Return
Q2 2024	21.52%
YTD	21.15%
2023	16.95%
2022	10.25%
2021	9.96%
5-YTD	13.14%
Since Managed by EFG-Hermes (01-July-2017)	20.86%
Since Inception	12.13%

Asset Allocation



Relative 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 23rd 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:
 - 3m: 25.82%
 - 6m: 26.00%
 - 9m: 26.00%
 - 1Yr: 26.00%

Strategy

The fund manager will continue to deploy cash in longer tenors, increasing the duration of the fund to take advantage of higher rates, as well as diversifying investments by participating in corporate issues that offer significant premium over treasuries.