

Quarterly report
Q3 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	May-2009
IC price	EGP 52.59492
Dividends Since Inception	EGP 0.00
Duration	78.76 days
Fund Size	EGP 361.47 million
Bloomberg Ticker	EFGAUMD
ISIN	68029463

Fund Manager

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

Contact Details

FAB Misr	
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Portfolio

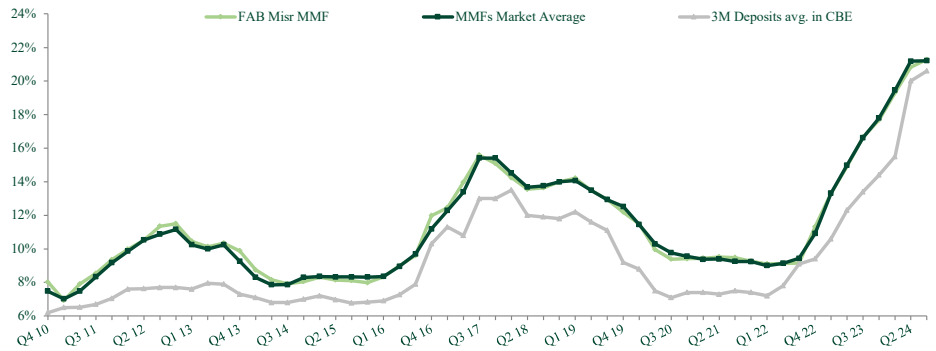
Performance Figures

Date	Return
Q3 2024	21.28%
YTD	21.53%
2023	16.59%
2022	10.03%
2021	9.76%
5-YTD	13.25%
Since Inception	11.44%

Asset Allocation

Variable Rate Bond	0.43%
Cash & Equivalents	5.96%
Treasury Bills	69.94%
Securitized Bonds	21.71%

Relative Performance



Market Outlook

Market Commentary

- ≡ Annual headline inflation accelerated to 26.2% in August 2024 from 25.7% in the previous month. This marks the first increase since February 2024. August saw a monthly print of 2.1%, up from 0.4% in the previous month, as the direct and indirect impact of the petroleum product price hikes introduced in July 2024 was fully reflected in the numbers.
 - ≡ Egypt's external debt fell to \$152.9bn by the end of June 2024 from \$160.6bn as of March 2024, supported by the Ras El-Hekma deal.
 - ≡ Egypt's net foreign assets dropped by c. 27% in August 2024 to \$9.7bn from \$13.3bn in July 2024.
 - ≡ Egypt's current account deficit widened to \$20.8bn in FY23/24 from \$4.7bn a year earlier. The increase was driven by a wider trade deficit of \$39.6bn and a drop in Suez Canal receipts to \$6.6bn, despite the solid tourism revenue. An improved financial account on Ras El-Hekma deal and restored portfolio inflows, however, supported a wider BoP surplus of \$9.7bn vs \$0.9bn in the previous year.
 - ≡ The CBE's MPC maintained key policy rates at their current level at its meeting on September 5th, 2024. The overnight deposit and lending rates remained unchanged at 27.25%, and 28.25%, and the main operation and discount rates at 27.75%.
 - ≡ Net international reserves reached \$46.6bn at the end of August 2024, up \$108mn from July.
 - ≡ Egypt PMI, measuring non-oil private sector activity, rises to 50.4 in August 2024 from 49.7 in July and vs 49.2 a year earlier. This marks the first time the index crosses the 50 benchmark that separates growth from contraction since November 2020. Output rises to 50.4 vs 49.2 in July 2024.
 - ≡ Average T-Bills rates Q3 2024:
 - 3 months: 22.52%
 - 6 months: 22.24%
 - 9 months: 21.42%
 - 12 months: 20.96%
- *Rates are Net of Tax

Strategy

The fund manager will slightly increase/maintain the current duration of the fund to take advantage of higher rates, while still providing healthy liquidity levels as a buffer for redemptions due to the risks of escalating tensions regionally.