

Quarterly report
Q4 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.

- Weighted average durations doesn'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 10 ICs

- Maximum initial investment is 10,000 ICs

Fund Details

| | |
|--------------------------|--------------------|
| Type of Scheme | Open Ended |
| Inception date | June-1999 |
| IC price | EGP 1,000.00 |
| Dividend Since Inception | EGP 2,440.98 |
| Duration Days | 104.93 days |
| Fund Size | EGP 782.74 million |
| Bloomberg Ticker | EFGCIII |
| ISIN | 65077566 |

Fund Manager

| | |
|------------------------|------------------------|
| Management company | Hermes Fund Management |
| Fund Manager | Yehya Abdel Latif |
| Assistant Fund Manager | Aly Sallam |

Contact Details

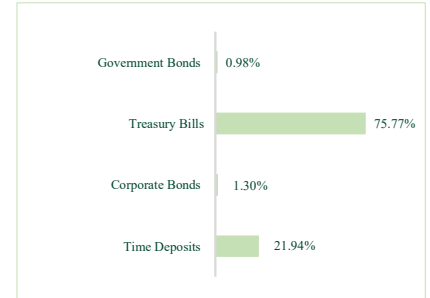
| | |
|-----------------------|---|
| Credit Agricole Egypt | |
| Telephone | 19077 |
| Fax | +202-27380584 |
| Website | https://www.ca-egypt.com/ |

Portfolio

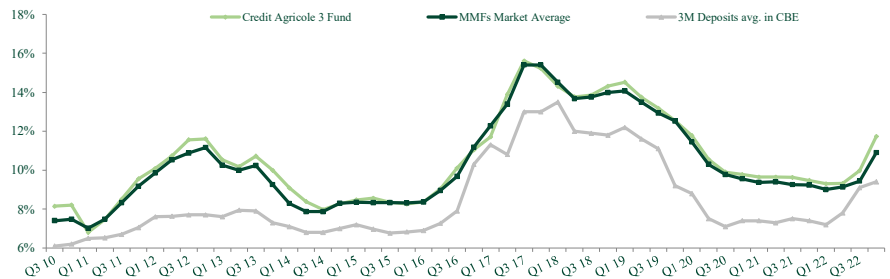
Performance Figures

| Date | Return |
|-----------------|--------|
| Q4 2022 | 11.74% |
| YTD | 10.47% |
| 2021 | 9.95% |
| 2020 | 10.92% |
| 2019 | 14.19% |
| 5-YTD | 12.04% |
| Since Inception | 10.25% |

Asset Allocation



Relative Performance



Market Outlook

During 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

- ≡ Annual urban inflation has accelerated to 18.7% in November 2022. On the other hand, monthly inflation upped to 2.3% in November, impacted by weaker local currency.
- ≡ Net international reserves increased by USD470mn to USD34bn at the end of December 2022, according to central bank. This marks the four consecutive months of increase, with a total of USD850mn.
- ≡ Egypt Purchasing Managers' Index (PMI) declined to 45.4 in November from 47.7 in October, well below the 50.0 threshold that separates growth from contraction. This marks the second lowest reading since the pandemic dragged the index down in June 2020, and the 24th consecutive month of contraction.
- ≡ Egypt's economy grew 4.4% in 1QFY22/23, up from 3.3% the previous quarter according to preliminary data from the Planning Ministry. This comes down from 9.8% in 1QFY21/22. The government expects GDP growth of 5% in FY22/23.
- ≡ Egypt concluded the IMF agreement of USD3bn, with potential talks of another USD6bn, that should support FX availability.
- ≡ The Central Bank of Egypt (CBE) decided to raise the overnight deposit and lending rates, and the CBE's main operation rate by 300bps to 16.25%, 17.25%, and 16.75%, respectively.
- ≡ Quarter Closed:
 - 3m: 18.15%
 - 6m: 18.75%
 - 9m: 18.85%
 - 1Yr: 18.90%

Strategy

- ≡ The fund manager will increase liquidity in anticipation of possible redemptions, while cautiously deploying in high yield T-bills to improve performance.