

**Quarterly report**  
**Q4 2023**

**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 45.29400
Dividends Since Inception	EGP 0.00
Duration	30.68 days
Fund Size	EGP 775.11 million
Bloomberg Ticker	EFGAUDM
ISIN	68029463

**Fund Manager**

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

**Contact Details**

FAB Misr	
Telephone	16555
Website	www.fabmisr.com.eg

**Portfolio**

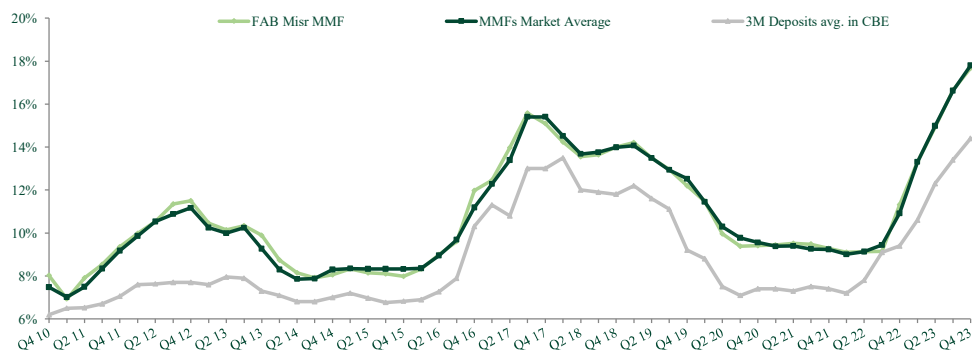
**Performance Figures**

Date	Return
Q4 2023	17.67%
YTD	16.59%
2022	10.03%
2021	9.76%
2020	10.44%
5-YTD	12.10%
Since Inception	10.89%

**Asset Allocation**

Variable Rate Bond	0.58%
Cash & Equivalents	9.33%
Treasury Bills	89.02%
Corporate Bonds	1.07%

**Relative Performance**



**Market Outlook**

**Market Commentary**

- ≡ Headline inflation eased from 35.8% in October to 34.6% in November. This came as monthly momentum inched from 1% in the previous month to 1.3%. The slowdown came on the back of continued moderation in food inflation, with prices increasing 0.2% down from 1.5% in the previous month and 3.6% in the month before.
- ≡ Egypt's current account deficit narrowed to \$2.8bn in 1Q23/24 from \$3.2bn a year earlier. This came as the trade deficit narrowed to \$7.9bn from \$9.1bn in 1Q22/23 on the back of a drop in imports to \$16.3bn. Tourism revenues grew c. 9% to \$4.5bn, while FDI saw a drop to \$2.3bn from \$3.3bn. Overall, the balance of payments recorded a surplus of \$229mn vs \$523.5mn in 1Q22/23.
- ≡ Net international reserves increased slightly to \$35.22bn in December from \$35.17bn a month earlier.
- ≡ Egypt's Purchasing Managers' Index (PMI) slightly rose to 48.5 in December from 48.4 in the previous month, marking the first uptick since last September.
- ≡ The Monetary Policy Committee (MPC) decided to keep the Central Bank of Egypt's (CBE) overnight deposit, lending rate, and the rate of the main operation unchanged at 19.25%, 20.25%, and 19.75% respectively, in its December meeting.
- ≡ Egypt's net foreign liability position narrowed to \$27bn in November from \$27.2bn in October.
- ≡ Quarter Closed:
  - 3m: 25.70% (20.56% Net of Tax)
  - 6m: 26.00% (20.8% Net of Tax)
  - 9m: 27.30% (21.84% Net of Tax)
  - 1Yr: 27.60% (22.08% Net of Tax)

**Strategy**

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