

**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, 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 36.01235
Dividends Since Inception	EGP 0.25
Duration	2.50 Years
Fund Size	EGP 102.35 million
Bloomberg Ticker	EFGBOAF
ISIN	68074583

Fund Manager

Management company	Hermes Fund Management
Fund Manager	Karim Zaafan

Contact Details

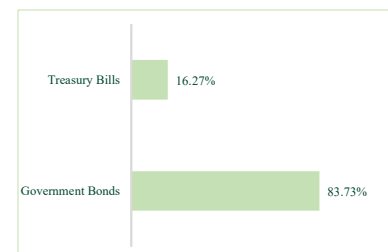
Bank of Alexandria	19033
Telephone	19033
Website	https://www.alexbank.com/En

Portfolio

Performance Figures*

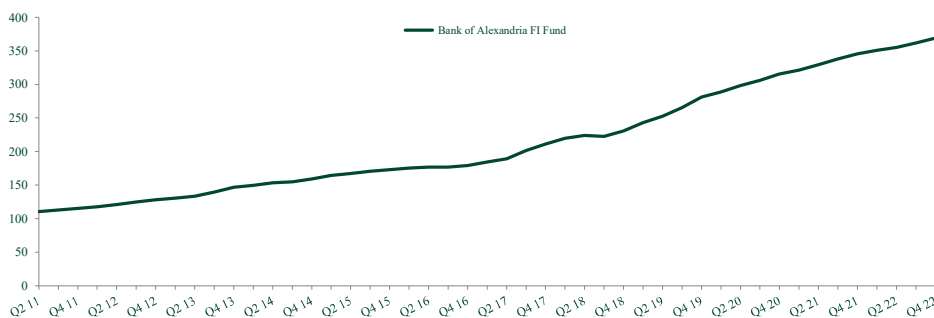
Date	Return
YTD	6.66%
2021	9.67%
2020	12.04%
2019	22.00%
5-YTD	74.51%
Since Inception	268.76%

Asset Allocation



*** Simple Performance Figures**

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 let duration fall naturally, in order to navigate expected volatility and possible redemptions in the short term. Given market conditions, the fund manager will be seeking to deploy cash positions in the best short-term available option.