

**Quarterly report
Q3-2024**
Investment Objective

The principal investment objective of the fund is to achieve the highest possible return through investing in medium to long term fixed income instruments

Investment Universe

- The fund invests mainly in treasury bills, treasury bonds, corporate bonds, securitized bonds and time deposits.

Subscription/Redemption

- The fund offers daily subscriptions and weekly redemptions

- The valuation day for the fund is weekly

Fund Details

Type of Scheme	Open Ended
Inception date	February-1999
IC price	EGP 321.03384
Dividend Since Inception	EGP 8.10
Duration Days	470.59 days
Fund Size	EGP 51.54 million
Bloomberg Ticker	SAIBTHI EY
ISIN	6507756

Fund Manager

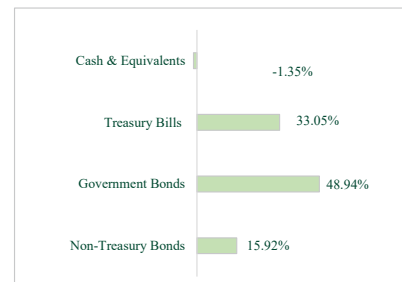
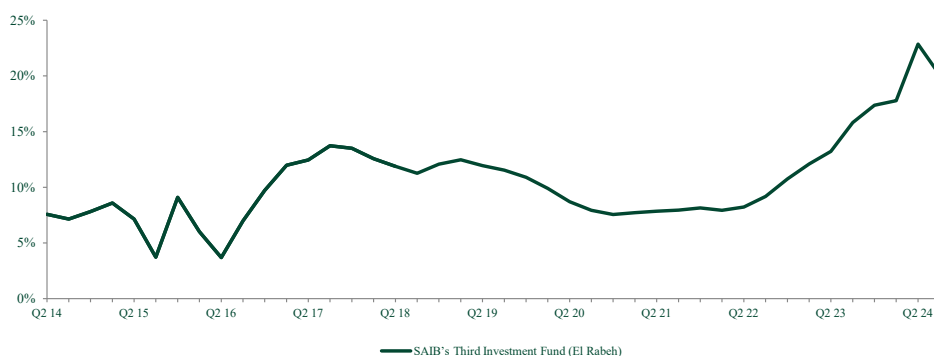
Management company	Hermes Portfolio and Fund Management
Fund Manager	Nabil Moussa
Assistant Fund Manager	Yehya Abdel Latif Mostafa Amer Aly Sallam
Managing since	November-2013

Contact Details

SAIB Bank	
Telephone	16668
Website	http://www.saib.com.eg/

Portfolio
Performance Figures

Date	Return
Q3-2024	20.07%
YTD	21.27%
2023	15.46%
2022	9.34%
2021	8.16%
Since Managed	10.92%

Asset Allocation

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-Bonds rates Q3 2024:
 - ≡ 3Yrs: 20.00%
 - ≡ 5Yrs: 12.00%
 - ≡ 7Yrs: 12.40%
 - ≡ 10Yrs: 11.74%

Strategy

- ≡ The fund manager will continue extending the investment duration, expecting a period of relaxed monetary policy due to decreasing inflation both locally and worldwide. Additionally, the manager is expanding investments in non-government sectors to take advantage of the significant difference between the corridor (the pricing benchmark) and the treasury market.