Al Baraka Bank Egypt Money Market Mutual Fund Compliant with Islamic Sharia Principles

Quarterly report

Q1 2026

Investment Objective

The principal investment objective of the fund is providing investors with daily liquidity while aiming to achieve the highest possible returns through offering a Shariah-compliant investment vehicle, in accordance with the guidelines approved by the Shariah Supervisory Committee, and by investing all of its assets in short-term liquid investments.

Investment Universe

The fund mainly invests in Treasury bills, government sukuk, and corporate sukuk.

All investments are subject to approval by the Shariah Supervisory Committee.

Maximum maturity of any investment held by the fund is 13 months.

Subscription/Redemption

The fund offers daily subscription/ redemption giving clients access to daily liquidity.
The valuation day for the fund is daily.

Fund Details

Type of Scheme	Open Ended
Inception date	September 2019
IC price	243.16 EGP
Dividends Since Inception	0.00 EGP
Duration	105.49 days
Fund Size	EGP 726.25 million
Reuters Lipper Code	68576623

Fund Manager

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

Contact Details

Al Baraka Bank Egypt

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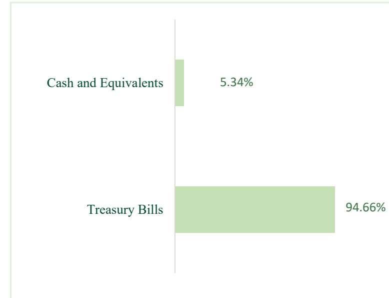
Portfolio

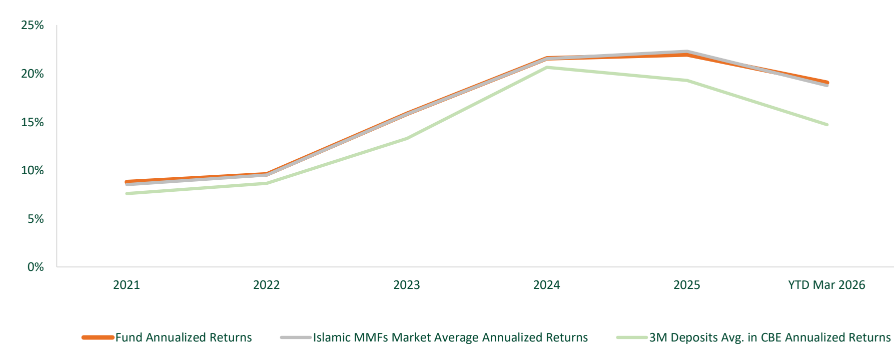
Performance Figures

Date	Return
Q1 2026	19.06%
YTD	19.06%
2025	21.95%
2024	21.56%
2023	15.85%
2022	9.57%
2021	8.78%

Asset Allocation



Relative Performance



Market Outlook

Market Commentary

- The reignition between Israel/US war on Iran during mid-February 2026 have led to the following key points:
- Closure of the strait of Hormuz driving Oil prices to all time high of USD 119.50/bbl.
- Disruption of global supply chains affecting global market prices across all asset classes.
- Locally imposing pressure on the EGP currency, whereby hot money witnessing outflows of around USD 7bn, pushing the FX from a low of 46.78/USD in February to a high of 54.59/USD in March (16.70% FX depreciation).
- Driving market yields up to around 26% from 24% pre-war levels.
- Although the Central Bank of Egypt resumed its easing cycle by cutting rates by 100 bps in February 2026 bringing cumulative cuts to 825 bps since the start of the 2025 easing phase—it is now reassessing its policy outlook due to the war on Iran. Economists expect the Monetary Policy Committee to hold rates steady going forward until the conflict is resolved, given rising inflationary pressures. Policy rates currently stand at 19.00% for deposits, 20.00% for lending, and 19.50% for the main operation.
- Egypt's annual headline inflation stood at 13.4% in February, increasing from 12.3% in December 2025. Higher food inflation was offset by slower non-food inflation, while fuel and rent price adjustments had limited passthrough. Core inflation increased to 12.7% from 11.2% in January.
- Egypt's Net foreign reserves reached a record USD 52.75bn in February, up from USD 52.59bn in January.
- Remittances from Egyptians working abroad recorded an increase of 28.4% during July/January 2025/2026, reaching about USD 25.6 billion (compared to around USD 20.0 billion during July/January 2024/2025). On a monthly basis, remittances went up by 21.0% in January 2026, registering about USD 3.5 billion (compared to around USD 2.9 billion in January 2025).
- GDP grew by 5.3% in 3Q25 vs 3.5% a year earlier, driven by manufacturing, tourism, telecoms, and Suez Canal recovery. The government targets c5% growth in FY25/26, up from a previous target of 4.5%.
- The current account deficit stood at USD 3.2bn in 3Q25, 45% y-o-y, as services and remittances offset a wider trade deficit, strengthening external balances.
- Average T-Bills Net rate Q1 2026:
  - 3 months: 19.658%
  - 6 months: 19.737%
  - 9 months: 19.327%
  - 12 months: 18.814%

Strategy

- The fund manager will maintain low duration due to the Israel/US war on Iran and its impact on Oil prices and global asset classes, and risks of spiking inflation levels.