

**Quarterly report**  
**Q1 2026**

**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 2006         |
| IC price                  | EGP 93.54054     |
| Dividends Since Inception | EGP 0.00         |
| Duration                  | 88.04 days       |
| Fund Size                 | EGP 3.23 Billion |
| Bloomberg Ticker          | EFGALX2          |
| Reuters Lipper Code       | 65077562         |

**Fund Manager**

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

**Contact Details**

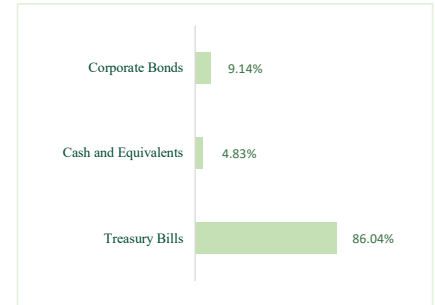
|                    |   |
|--------------------|---|
| Bank of Alexandria |   |
| Telephone          | 19033   |
| Website            | <a href="https://www.alexbank.com/En">https://www.alexbank.com/En</a> |

**Portfolio**

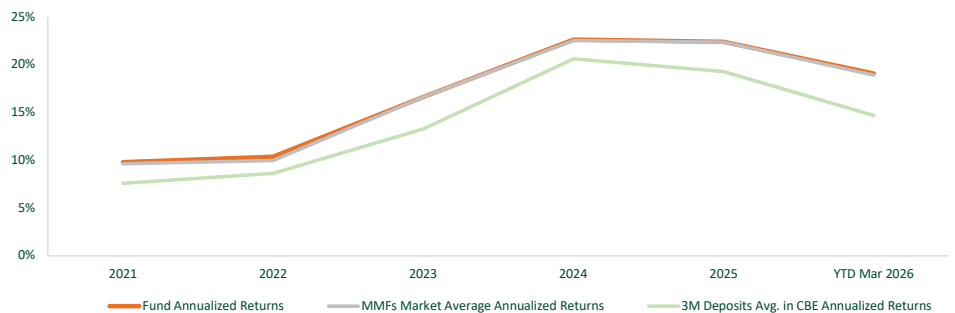
**Performance Figures**

| Date    | Return |
|---------|--------|
| Q1 2026 | 19.10% |
| YTD     | 19.10% |
| 2025    | 22.40% |
| 2024    | 22.62% |
| 2023    | 16.66% |
| 2022    | 10.38% |
| 2021    | 9.81%  |

**Asset Allocation**



**Relative Performance**



**Market Outlook**

**Market Commentary**

- ≡ The reinitiation 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.