

**Quarterly report**  
**Q4 2025**

**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 55.15313
Dividends Since Inception	EGP 0.25
Duration	1.02 Years
Fund Size	EGP 248.65 million
Bloomberg Ticker	EFGBOAF
Reuters Lipper Code	68074583

**Fund Manager**

Management company	Hermes Portfolio and Fund Management
Fund Manager	Karim Zaafan

**Contact Details**

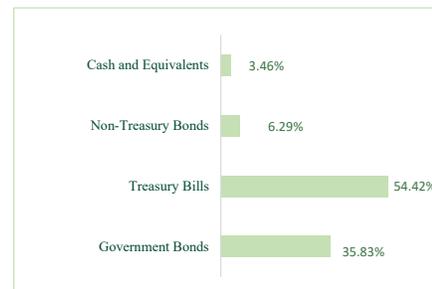
Bank of Alexandria	
Telephone	19033
Website	<a href="https://www.alexbank.com/En">https://www.alexbank.com/En</a>

**Portfolio**

**Performance Figures\***

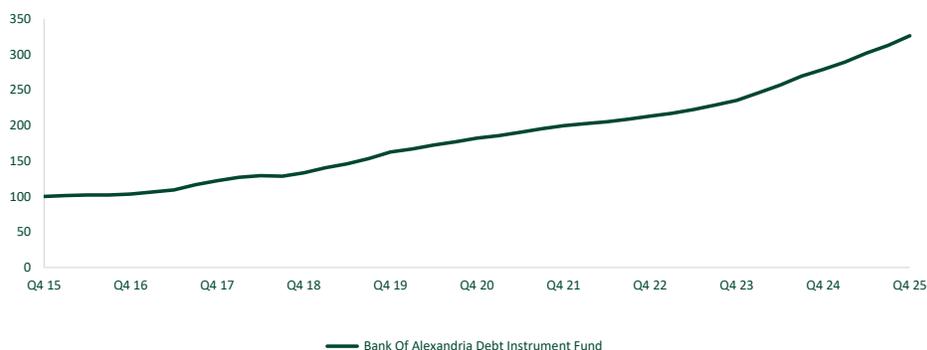
Date	Return
YTD	16.99%
2024	18.50%
2023	10.47%
2022	6.66%
5-YTD	12.36%
Since Inception	11.62%

**Asset Allocation**



**\* Simple Performance Figures**

**Performance**



— Bank Of Alexandria Debt Instrument Fund

**Market Outlook**

**Market Commentary**

- ≡ Egypt's annual headline inflation stood at 12.3% in December, easing from 12.5% in October. Higher food inflation was offset by slower non-food inflation, while fuel and rent price adjustments had limited passthrough. Core inflation declined to 11.8% from 12.5% in November.
- ≡ The Central Bank resumed easing, cutting rates by 100 bps in October and December, bringing total 2025 cuts to 725 bps. Falling inflation supports the accommodative stance despite fuel price adjustments. Policy rates now stand at 20.00% (deposit), 21.00% (lending), and 20.50% (main operation).
- ≡ Egypt's Net foreign reserves reached a record USD 51.45bn in December, up from USD 50.22bn in November.
- ≡ Remittances rose by 42.5% in 2025 to a record of USD 37.5bn, on a monthly basis, increased by 39.9% in November 2025, 26.2% in October 2025 and 30.9% in September 2025, compared to the same period last year, respectively.
- ≡ The IMF reached a staff-level agreement on the fifth and sixth Extended Fund Facility arrangement, potentially unlocking USD 2.5bn in funding.
- ≡ Egypt received USD 3.5bn under a Qatar-backed Mediterranean real estate and tourism project, part of a USD 7.5bn investment pledge.
- ≡ GDP grew 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%.
- ≡ S&P Global upgraded Egypt's rating to B with a stable outlook, while Fitch affirmed, citing reform-driven growth and FX rate liberalization.
- ≡ The current account deficit stood at USD 2.1bn in 2Q25, 45% y-o-y, as services and remittances offset a wider trade deficit, strengthening external balances.

- ≡ Average T-Bonds Net rate Q4 2025:
- ≡ 2Yrs: 18.141%
- ≡ 3Yrs: 17.248%
- ≡ 5Yrs: 15.689%

**Strategy**

- ≡ The fund manager implemented a dual strategy of extending duration in anticipation of interest rate cuts next year, while utilizing the shorter end of the yield curve to increase profitability.