

**Quarterly report
Q1-2026**
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 424.86897
Dividend Since Inception	EGP 8.20
Duration Days	446.86 days
Fund Size	EGP 97.46 million
Bloomberg Ticker	SAIBTHI EY
Reuters Lipper Code	65077574

Fund Manager

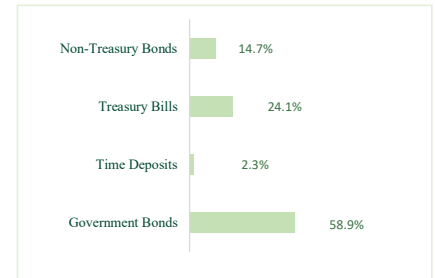
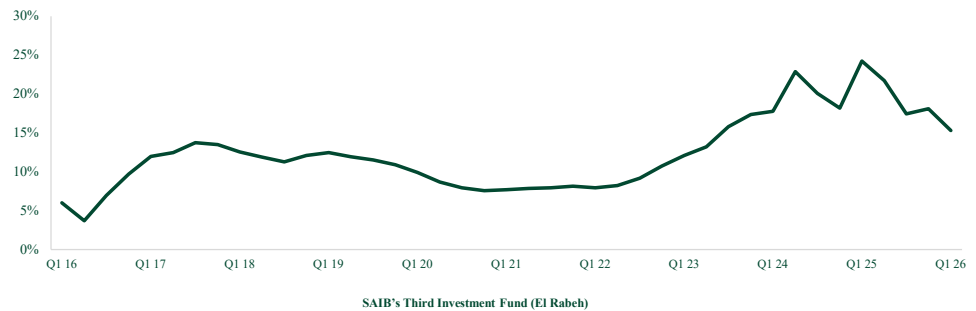
Management company	Hermes Portfolio and Fund Management
Fund Manager	Nabil Moussa
	Yehya Abdel Latif
Assistant Fund Manager	Mostafa Amer
	Aly Sallam
Managing since	November-2013

Contact Details

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

Portfolio
Performance Figures

Date	Return
Q1-2026	15.33%
YTD	15.33%
2025	21.95%
2024	21.23%
2023	15.46%
Since Managed	12.01%

Asset Allocation

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—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. 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-Bonds Net rate Q1 2026:
 - ≡ 2Yrs: 17.786%
 - ≡ 3Yrs: 16.834%
 - ≡ 5Yrs: 15.663%

Strategy

- ≡ Given the onset of the US/Iran war and its expected negative implications that could hinder Central Banks' easing cycle, the fund manager will shorten the duration by taking advantage of lucrative opportunities in the short-end of the curve from the sell-off in local treasuries.