SAIB's Third Investment Fund (El Rabeh)

Quarterly report
Q2-2026

Investment Objective

The principal investment objective of the fund is to achieve the highest possible return through investing in meduim 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 442.08346
Dividends Since Managed	EGP 8.20
Duration Days	418.63 days
Fund Size	EGP 87.16 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

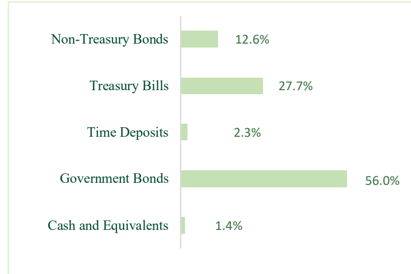
SAIB Bank	
Telephone	16668
Website	http://www.saib.com.eg/

Portfolio

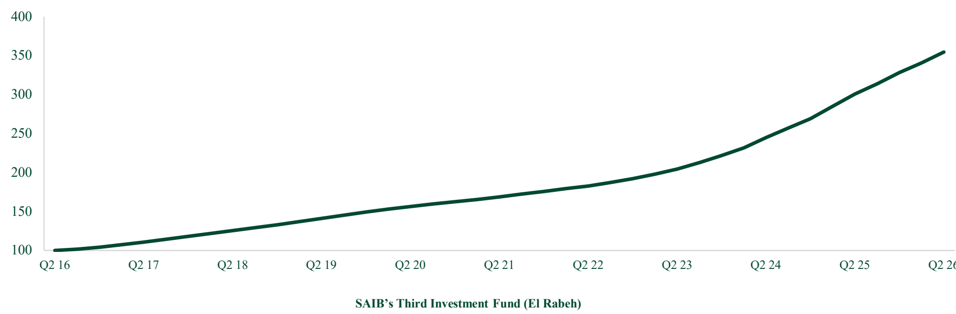
Performance Figures

Date	Return
YTD	16.1%
2025	21.9%
2024	21.2%
2023	15.5%
5 YTD	16.0%
Since Managed	12.1%

Asset Allocation



Performance



Market Outlook

Market Commentary

- Effects of the US/Israel war on Iran left markets in a turmoil where huge volatility was witnessed across all asset classes; oil prices soaring to all time high od USD 119.50/bbl, disruptions of global supply chains, locally imposing pressures on EGP seeing around USD 7bn outflows in hot money driving ccy to an all time high of EGP 54.59/USD, and local debt market yields rising around 2% reaching 26%.
- Market volatility remained escalated throughout the majority of Q2-2026, with positive outlook on the war during the last 2 weeks of June, the markets have partially recovered from the war affects across different asset classes. However, it should be noted that geopolitical risks remain highly uncertain and could reignite at any time.
- EGP currency appreciated witnessing hot money inflows of around USD 9bn, pushing the FX from a high of EGP 54.59/USD to EGP 49.20/USD during Q2-2026.
- 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 14.60% in May 2026, decreasing from 14.90% in April 2026, leaving real interest rates around 4.90%. Core inflation was steady at 13.80% in May, compared to April.
- Egypt's Net foreign reserves continued its upward trend to reach USD 53.1bn in May, up from USD 53bn in April.
- Remittances from Egyptians working abroad climbed 33.2% Y-o-Y to USD 39.2bn in 10 months FY2025/2026 (Jul-Apr), according to the Central Bank of Egypt (CBE). In April, flows jumped 41% Y-o-Y to USD4.3bn.
- GDP grew by 5.3% in 4Q25 vs 4.3% 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 4.649bn in Q1-2026 compared to USD 4.948bn in Q4-2026, as services and remittances offset a wider trade deficit, strengthening external balances.
- Average T-Bonds Net rate Q2 2026:
  - 2YR Bond 18.16%
  - 3YR Bond 18.14%
  - 5YR Bond 15.76%

Strategy

- The fund manager's strategy is to maintain the current duration and preset weights to capitalize on high returns emanating from current market volatility, while adding to the non-treasury exposure to capture the yield enhancement effects. The manager will keep an eye on other opportunities that present itself.