

## Banque Misr Fourth Fund (El Hesn) In accordance with provisions of Islamic Sharia Law Monthly Factsheet

March ٢٠٢٤

### Investment Objective

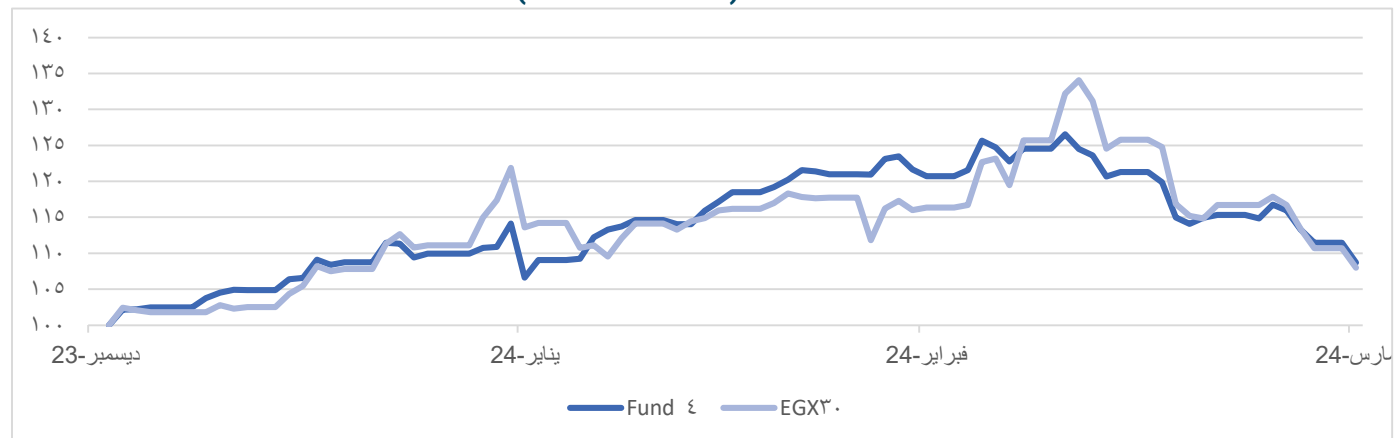
The fund's objective is to maximize capital growth while minimizing risk through prudent diversification by allocation, sector across securities. The fund invests mainly in equity shares listed on the Egyptian Stock Exchange.

### Fund Information

Investment Certificate (IC)	EGP ١٩٦,١٠
Managed By	CI Asset Management
Fund Manager	Abdelkader Ashraf
Asset Class	Islamic Equity Fund
Inception Date	2006
Fund Auditors	PKF- Rashed, Badr & Co..
Subscription/	Daily until ١٢ noon and execution the next day.
Redemption	The redemption form shall be registered the day before the last working day of each week, Transaction will be executed first working day on the next week.
Subscription/ Redemption Fees	Nil
	Equities: ٣٠%-٩٥%
	Fixed Income, Cash or Equivalents MAX: ٥٠%

### Investment Maximum Limits

### Performance: Year-to-Date Return (Growth of ١٠٠)



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### Historical Returns and Risk Ratios

1 Month Return			Fund	-9.95%
			Benchmark	-7.18%
Return Indicators				
Period	Year-to-Date	6 Months	9 Months	12 Months
Fund Return	8.7%	37.5%	45.1%	63.50%
Benchmark (EGX٣٠) Return	7.99%	33.3%	52.18%	63.74%
Excess Return	0.74%	4.22%	-7.08%	-0.24%
Risk Indicators				
Standard Deviation (Fund)	21.74%	20.65%	18.02%	17.10%
Standard Deviation (Benchmark)	31.98%	27.71%	23.63%	22.23%
Beta	0.53	0.59	0.61	0.59
Tracking Error	20.27%	17.01%	14.40%	14.21%
Risk-Adjusted Return				
Jensen’s Alpha	6.34%	15.51%	16.95%	21.06%
Sharpe Ratio	0.58	1.54	2.98	3.04
Treynor Ratio	0.24	0.54	0.89	0.88
Information Ratio	0.31	0.91	1.18	1.48

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## Key Market Developments

- CBE hikes rates by ٦٠٠bps in a surprise meeting, allowing FX rate to move freely to close the official parallel-rate gap.
- IMF board approves increasing size of the Extended Fund Facility by USD٥bn to USD٨bn, allowing the drawal of USD٨٢٠bn as it completes first and second review. Egypt will receive the first tranche of an expanded loan agreement with the IMF next week.
- EU plans to fast-track EUR١bn out of the EUR٧,٤bn pledged for Egypt over ٤ years. The EU intends to fast-track some of the funds using an urgent funding procedure that bypasses parliamentary oversight and other safeguards, according to the president of the bloc's executive branch. Egypt will receive the first tranche of the EU pledged EUR٥bn concessional loans before next summer.
- Egypt will receive the second batch of financial dues for the Ras El Hekma project, within the next few weeks. The second instalment is valued at USD١٤bn. Egypt had received USD١٠bn in the previous period from the USD٢٥bn deal and took measures to convert USD١١bn from UAE deposits at the Central Bank into local currency.
- The World Bank will provide Egypt with a USD٦bn financing package over the next three years, of which USD٢bn will be allocated to support the government's structural reforms, social protection programs, and its green economy transition. The other USD٢bn will be in the form of equity and loans to the private sector, channeled through the IFC.
- FTSE Russell is keeping Egypt on its watchlist for a possible demotion in its equity indexes as it continues to monitor the market following an improvement in foreign investors' ability to repatriate returns from the country.
- S&P upgraded Egypt's long- and short-term foreign and local currency sovereign credit outlook to positive from stable. This comes on the back of the significant increase in FDI inflows, recent policy measures taken by the CBE that will help drive GDP growth and over time support the government's fiscal consolidation plan.
- Egypt's recent FX injections, currency devaluation, and interest rate hike are not quite enough for Fitch to adjust the country's credit rating, as the recent developments were "already sort of baked into the rating and its stable outlook". Moreover, they highlight that the country's debt trajectory is "quite severe" with the debt-to-GDP ratio close to ١٠٠% and the interest cost to government revenue nearing ٥٠%.
- Moody's affirmed Egypt's long-term foreign debt rating at Caa١, outlook upgraded to positive from negative. The change reflects significant official and bilateral support announced and marked policy steps that, if maintained, support macroeconomic rebalancing.
- Annual urban inflation accelerates to ٢٥,٧% in Feb-٢٤ from ٢٩,٨% in Jan-٢٤, a large spike after fourth consecutive deceleration; up +١١,٤% MoM, the highest ever monthly reading vs. +١,٦% MoM in Jan-٢٤.
- Government pays ٢٠% of arrears due to international oil firms operating in Egypt within a plan to repay all dues during the coming period. Total arrears are reportedly worth USD٦,٢bn. Also, The Emirati company, Dana Gas, revealed that it received USD٥٨mn in dues from Egypt during ٢٠٢٣ distributed between USD٢٦mn in ١H٢٣ and USD٣٢mn ٢H٢٣. The company added they still have arrears of USD٧mn.
- The Egyptian government has agreed with producers and distributors to reduce commodity prices by up to ٢٠% this week going up to ٢٠% after Eid Al Fitr. These commodities include sugar, grains, rice, wheat, flour, pasta, tea, dairy, cheese, ghee, butter, meat, oils, as well as engineering goods and electronics, and major commercial chains, representing more than ٧٠% of the market volume.
- The EDA is looking to raise the prices of c٢k medicines following the currency devaluation, with producers asking for price increases ranging from ٢٠ to ٨٠%.
- Cement players are planning to increase their selling prices following the government's decision to partially liberalize energy prices. Mazut prices, which form up ٢٠% of the energy used by some cement companies, have increased by EGP١,٧٠٠/t to EGP٧,٥٠٠/t, which will likely require players to marginally add a maximum of EGP١٠٠/t to pass the cost inflation.
- Governmental companies in Egypt raised the selling price of sugar to the commercial sector by ٢٢%, bringing the price of a ton to EGP٢٢k, due to the rise in production costs and the floatation of the EGP.
- The Egyptian government raised prices of fuel across all segments on Thursday between ٨-٢١%. Also, the Committee decided to move mazut prices for the brick and cement industries and other sectors by EGP١,٥٠٠ per ton starting Friday, while keeping prices unchanged for electricity and food sectors.

## EGX and Company related news:

- MTIE reported  $\text{EGP}211\text{mn}$  (+11% YoY, -19% QoQ), implying a NPM of 9.0% in  $\text{EQ}22$  (+2.0ppts YoY, +2.9ppts QoQ) mainly on higher GPM of 15.2% (+0.9ppts YoY, +2.1ppts QoQ) boosted by higher contribution from the automotive segment, and profit from associates of  $\text{EGP}25.5\text{mn}$  (+0.2x YoY, 2.0x QoQ), driven by B Pharma Holding's contribution.
- FWRV reported  $\text{EGP}229\text{mn}$  (+97.3% YoY, +12.5% QoQ), implying a NPM of 25% in  $\text{EQ}22$  (+6.7ppts YoY, +0.9ppts QoQ).
- ECAP reported  $\text{EGP}21.5\text{mn}$  in  $\text{EQ}22$  (-1.3% YoY, -0.7% QoQ), implying a NPM of 5.7% (-1.9ppts YoY, -1.0ppts QoQ).
- EFID recorded  $\text{EGP}201\text{mn}$  (+2.5% YoY, -25.0% QoQ) with a margin of 10.2% (-2.0ppts YoY, -5.7ppts QoQ), mainly weighed down by net interest expense of  $\text{EGP}200.1\text{mn}$  during the quarter, compared to interest expense of  $\text{EGP}1.5\text{mn}$  in  $\text{EQ}21$  and interest income of  $\text{EGP}5.1\text{mn}$  in  $\text{EQ}22$ . Higher revenues (+22.1% YoY, +8.2% QoQ) were backed by YoY and QoQ rise in all segments.
- ETEL recorded  $\text{EGP}2.1\text{bn}$  in  $\text{EQ}22$  (-22.2% YoY, -0.8% QoQ), implying a NPM of 10.7% (-9.5ppts YoY, -2.1ppts QoQ).
- POUL recorded  $\text{EGP}21.0\text{mn}$  (-0.8% YoY, -9.1% QoQ) with a margin of 1% (-2.5ppts YoY, -1.1ppts QoQ), mainly weighed down by FX losses of  $\text{EGP}22.8\text{mn}$  (+1.7% QoQ) and  $\text{EGP}1.5\text{mn}$  of provisions (+1.8% QoQ).
- ISPH recorded  $\text{EGP}29.1\text{mn}$  (-26.9% YoY, -0.7% QoQ), implying NPM of 0.5% in  $\text{EQ}22$  (-0.5ppts YoY, -0.1ppts QoQ).
- RMDA recorded  $\text{EGP}20.1\text{mn}$  (+2.1% YoY, -2.1% QoQ), implying NPM of 10.0% (-2.5ppts YoY, -2.8ppts QoQ).
- CLHO reported  $\text{EGP}1.0\text{Vmn}$  in  $\text{EQ}22$  (+22.0% YoY, -19.0% QoQ), implying a NPM of 10.1% (-1.0ppts YoY, -2.9ppts QoQ).
- ORAS recorded  $\text{USD} 52.8\text{mn}$  (-1.0% YoY), mainly due to lower income from BESIX, bringing  $\text{FY}22$  earnings to  $\text{USD}108.1\text{mn}$  (+29.7% YoY).
- SWDY reported  $\text{EGP}1.0\text{Vbn}$  (-12% YoY, 1.8% QoQ), mainly affected by higher borrowing costs where net interest expense came in at  $\text{EGP}1.2\text{bn}$  in  $\text{EQ}22$  (+1.7% YoY, +1.1% QoQ) and an FX loss of  $\text{EGP}220\text{mn}$  vs  $\text{EGP}151\text{mn}$  in 3Q23 and a gain of  $\text{EGP}1,545\text{mn}$  in 4Q22.
- ORHD recorded  $\text{EGP}1.0\text{bn}$  (+200.0% YoY, +10.0% QoQ), bringing  $\text{FY}22$  earnings to  $\text{EGP}2.1\text{bn}$  (+69.2% YoY).
- HRHO recorded  $\text{EGP}1.5\text{mn}$  (+10.1% QoQ, +1% YoY), bringing  $\text{FY}22$  net attributable profit to  $\text{EGP} 2.59\text{mn}$  (+29% YoY).
- HRHO reportedly plans to sell 20-25% of its BNPL unit, valU, through an IPO on the EGX in  $\text{FY}25$ .
- Negotiations between SKPC and EthydcO for a merger are resumed after receiving the approval of ADQ for a share swap. The merger is expected to be finalized in  $\text{FY}25$ .
- QIA has resumed negotiations to acquire ETEL's stake in VFE. QIA and ETEL are still in negotiations on the size of the stake and are expected to reach an agreement within few weeks.
- CCAP plans to list its printing subsidiary, the National Printing Company, on the EGX in the second quarter of this year.
- CIEB BoD decided to cut its proposed cash DPS for  $\text{FY}22$  from  $\text{EGP}2.5\text{V}$  (payout of 10%) to  $\text{EGP}1.15\text{V}$  (payout of 2.8% & yielding 5.8%). Moreover, two other listed banks revised their  $\text{FY}22$  cash DPS proposal; QNBA cut its proposed cash DPS by 50% (from  $\text{EGP}1.0$  to  $\text{EGP}0.5$ ) while SAUD cancelled cash dividends.
- TALM receives cabinet approval for Memphis University file. Memphis University is Taaleem's third asset, with a total estimated capacity of 5,000 students, spanning 80k sqm in East Cairo, to be developed over two phases.
- PHAR, along with other shareholders ACDIMA and SCZone, are reportedly looking into investor offers to acquire a stake in their newly established joint subsidiary for the production of active pharma ingredients.



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