# Al Baraka Bank Egypt Money Market Mutual Fund Compliant with Islamic Sharia Principles

**Quarterly Report**
**Q3 2026**

## Investment Objective

The principal investment objective of the fund is providing investors with daily liquidity while aiming to achieve the highest possible returns through offering a Shariah-compliant investment vehicle, in accordance with the guidelines approved by the Shariah Supervisory Committee, and by investing all of its assets in short-term liquid investments.

## Investment Universe

The fund mainly invests in Treasury bills, government sukuk, and corporate sukuk.

All investments are subject to approval by the Shariah Supervisory Committee.

Maximum maturity of any investment held by the fund is 13 months.

## Subscription/Redemption

The fund offers daily subscription/ redemption giving clients access to daily liquidity.

The valuation day for the fund is daily.

## Fund Details

| | |
|---|---|
| Type of Scheme | Open Ended |
| Inception date | September 2019 |
| IC price | 265.93 EGP |
| Dividends Since Inception | 0.00 EGP |
| Duration | 98.24 days |
| Fund Size | EGP 734.34 million |
| Reuters Lipper Code | 68576623 |

## Fund Manager

| | |
|---|---|
| Management Company | Hermes Fund Management |
| Fund Manager | Yehya Abdel Latif |
| Assistant Fund Manager | Aly Sallam |

## Contact Details

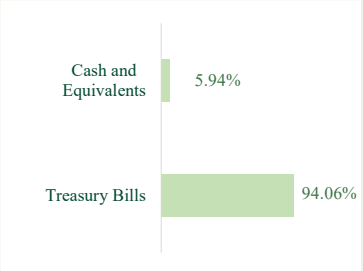
| | |
|---|---|
| Al Baraka Bank Egypt | |
| Telephone | 19373 |
| FAX | +202-337611453 |
| Website | https://www.albaraka.com.eg/ |

## Portfolio

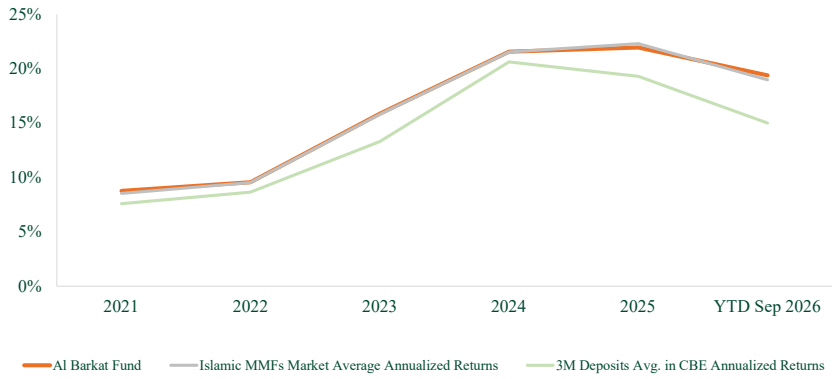
### Performance Figures

| Date | Return |
|---|---|
| Q3 2026 | 18.32% |
| YTD | 19.39% |
| 2025 | 21.95% |
| 2024 | 21.56% |
| 2023 | 15.85% |
| 2022 | 9.57% |
| 2021 | 8.78% |

### Asset Allocation




### Relative Performance




## Market Outlook

**Market Commentary**

- The US/Israel war on Iran re-escalated in Q3-2026, with renewed strikes around the Strait of Hormuz in early September. Brent rose from the low-to-mid USD 80s/bbl in July to a peak of around USD 109/bbl, ending the quarter near USD 102/bbl. Late-September diplomacy and a recovery in crude export flows eased prices from the highs, but geopolitical risks remain highly uncertain.
- EGP gave back part of its Q2-2026 gains, moving from a low of EGP 48.81/USD in early July to around EGP 52.3/USD by quarter-end, as foreign investors turned net sellers of T-bills in September.
- Although the CBE had 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. The CBE has held its rates unchanged for the fifth consecutive meeting in September and is expected 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 14.50% in August 2026, down from 14.90% in July 2026, leaving real interest rates around 5.00%. Core inflation remained slightly increased to 14.90% in August from 14.70% in July.
- Remittances from Egyptians working abroad climbed 28% Y-o-Y to USD 29.7bn in 7M2026, according to the Central Bank of Egypt (CBE). In July, flows jumped 20% Y-o-Y to USD4.5bn.
- GDP grew by 4.95% in 1Q26 vs 4.75% 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%.
- Egypt's Net foreign reserves continued its upward trend to reach USD 57.215bn in August, up from USD 56.294bn in July.
- Average T-Bills Net rate Q3 2026:
  - 3 months: 19.561%
  - 6 months: 20.431%
  - 9 months: 20.552%
  - 12 months: 20.068%

**Strategy**

- Geopolitical risks remain highly uncertain; therefore, the fund manager will maintain the current duration of 100 days +/- 10 days while continuing to closely monitor inflation dynamics and other macroeconomic developments that may warrant a reassessment of the strategy.