

In March, the benchmark index rose by 4.6%, bringing YTD gains to 7.7%. Emerging and Developed markets experienced mixed returns in March. The MSCI Emerging Markets Index advanced by 2.3%, while major U.S. indices saw a decline, with the Dow Jones, S&P 500, and Nasdaq Composite dropping by 4.2%, 5.8%, and 8.2%, respectively. It's worthy to note that April started off on a bad note, with most global markets seeing a sell-off in the wake of the global trade war started by the US imposition of tariffs.

In terms of macroeconomic indicators, Egypt's annual urban inflation dropped to 12.8% in February 2025, a significant decline from 24.0% in January. This marks the lowest inflation rate in over two years. Non-food inflation fell to 17.3%, while food inflation dropped notably to 3.7%. The monthly consumer price index rose by 1.4%.

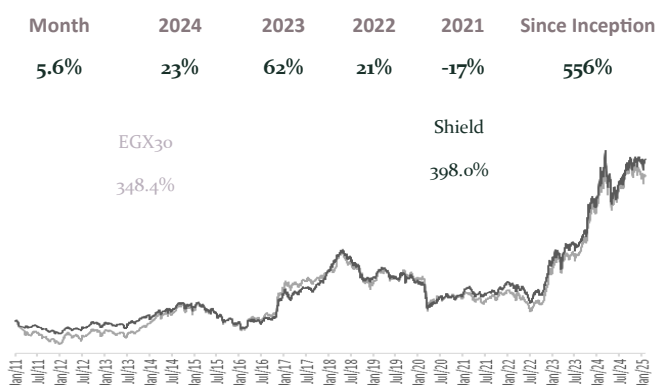
The International Monetary Fund (IMF) completed its fourth review of Egypt's Extended Fund Facility arrangement, approving a disbursement of around USD 1.2 bn. This decision acknowledges Egypt's progress in stabilizing its economy and rebuilding market confidence, even amidst a challenging global environment.

On the external front, Egypt's banking sector saw an increase in net foreign assets, rising to USD 10.18 bn (EGP 515.856 bn) in February 2025, up from USD 8.70 bn (EGP 437.261 bn) in January. This indicates an improvement in Egypt's external financial position. Additionally, Egypt's foreign reserves continued to rise, reaching USD 47.757 bn by the end of March 2025.

Fund Type	Equity Fund
Fund Manager	AAIM
Launch Date	February 1998
Domicile	Egypt
Fund Currency	EGP
Administrator	Catalyst
Custodian	Banque Misr
Certificate Price*	EGP 530.99
Subscription/ Redemption**	Daily
Performance Fee	12% over hurdle rate***
Admin. Fee	1.0%
Custodian Fee	0.25%
Subscription Fee	None
Redemption Fee	0.75%
Min. Investment	5 Certificates

* Date as of 31/3/2025 ** Sub./redemption until 12pm throughout AAIB branches. NAV is published weekly in Al Borsa Newspaper ***Hurdle rate is CBE discount rate

Performance



Egypt's Purchasing Managers' Index (PMI) dropped to 49.2, from 50.1 in February, marking the first contraction this year. This decline was largely due to weaker demand, prompting firms to reduce output, purchases, and staffing levels. Despite the overall slowdown, the construction sector showed strong growth, while the manufacturing and wholesale & retail sectors faced declines. Input costs increased at the slowest rate in almost five years, partly due to the stabilization of the Egyptian pound against the US dollar. However, employment levels saw a slight decrease, though many companies maintained stable payrolls.

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