

# Sanabel Fund Monthly Factsheet June 2024

## Investment Objective

The fund aims to create an investment vehicle that invests mainly in Shariah-compliant stocks listed in the Egyptian stock exchange.

## Fund Information

<b>Investment Certificate (IC)</b>	EGP 334.97
<b>Managed By</b>	CI Asset Management
<b>Fund Manager</b>	Abdelkader Ashraf
<b>Asset Class</b>	Islamic Equity Fund
<b>Inception Date</b>	December 2006
<b>Subscription</b>	Daily up to 12:00 pm
<b>Redemption</b>	Weekly Thursday up to 12.00 pm
<b>Investment Maximum Limits</b>	Equities: 40%-95%
	Money market: 5% -50%
	Other mutual funds: 20%
	Per Stock: 15%

## Historical Returns and Risk Ratios

1 Month Return	Fund	8.80%		
	Benchmark	3.94%		
<b>Return Indicators</b>				
Period	Year-to-Date	6 Months	9 Months	12 Months
Fund Return	14.46%	14.46%	41.01%	45.91%
Benchmark (EGX30 Capped) Return	12.88%	12.88%	39.96%	59.06%
Excess Return	1.58%	1.58%	1.05%	-13.14%

## Key Market Developments

- Annual urban inflation decelerates for third consecutive month to 28.1% in May-24 from 32.5% in Apr-24 (-0.7% MoM vs. +1.1% MoM in Apr-24).
- Tourist arrivals reached 7.1mn tourists in 1H24. Overnight stays rose to 70.2mn nights from 67.6mn in the same period last year, leading to an estimated USD6.6bn in tourism revenues, up from USD6.3bn.
- Egypt reportedly to receive USD1bn loan from BRICS-affiliated New Development Bank this year.
- State IPO program is to ramp up again in October, as shares in government-owned service and fintech companies will be offered. The companies will include ones that have previously been offered to investors.
- AMIC reported a YoY slowdown of 15.7% in May-24, with 4.8k vehicles sold. However, the sales rebounded 5.71% MoM, to reach the highest volumes since Feb-24. Moreover, GBCO's market share up to 37.0%.
- President Sisi approves law allowing private hospitals to develop, manage, operate existing public healthcare facilities for a period ranging from 3–15 years. This does not constitute full privatisation of public hospitals. Instead, it involves management contracts with private health facilities aiming to improve public health entities nationwide.
- Government earmarks USD1.18bn for gas and mazut imports to resolve power crisis, and Imports to be fully delivered by 3rd week of July. The Prime Minister also announced that retail stores, excluding supermarkets, restaurants and pharmacies, are set to close from 10pm ad of 01 Jul-24 in a bid to conserve energy.
- The IMF has scheduled Egypt's third review under the EFF to be discussed by the Fund's executive board on 10 July. Subject to the Board's approval, Egypt will access USD820mn. Staff-Level agreement was reached earlier in June.
- The government has decided to postpone any hikes to electricity prices until September. The government has put off implementing the hikes until the electricity crisis is resolved.
- Egypt-EU signs the first tranche under the Macro-Financial Assistance (MFA) Mechanism worth EUR1bn as part of a total financing of EUR5bn. The first tranche of EUR1bn will be disbursed in the second half of 2024. The remaining tranches, totaling EUR4bn, are scheduled for disbursement from 2025 to 2027, featuring favorable financing terms with long repayment periods and concessional interest rates.
- The Ministry of Trade and Industry has extended the sugar export ban for the third time in a row, starting from July until the end of September, to maintain the supply in the markets and support price stability at current levels.
- Ministry of Finance starts disbursing EGP3bn rebate dues to 362 exporters on 27 Jun-24. The disbursement was made under the immediate cash settlement initiative to repay arrears owed to the Exports Development Fund for shipments till 30 Jun-23, according to the Minister of Finance. The remaining disbursements will take place on 11 Jul-24 and 8 Aug-24.
- Turkish ready-made garment maker Şirikcioglu has obtained approval from Egypt's government to establish a denim factory in Port Said with an estimated investment cost of USD700mn.

### EGX and Company related news:

- Qalaa Holdings' USD28mn debt buyback programme attracts EGP1.7bn (USD35.9mn) in subscription orders from shareholders in its second, with a subscription rate at 808%.
- CCAP to pay USD500mn of subsidiary ERC's debts by year-end. He added that ERC aims to increase its production capacity by 10% by 2028.
- ORHD announced the sale of a land plot in El Gouna at an average price of USD225/sqm and for a total of EGP1.54bn, roughly 15x its book value of EGP101mn. The payment schedule will be in line with the payment terms in El Gouna comprising a 15% down payment with the remaining to be paid over five years on equal instalments. The land will be used for real estate development, likely featuring a boutique hotel.
- EAST board approved the sale of land, buildings, and equipment not used to manufacture the company's products in its Six of October industrial complex.
- SKPC confirmed its plans to import liquefied ethane gas (US shale gas) via establishing a new company, in which it will own a 25% stake. The company's associate EthydcO and Gamma Construction Company will

each own a 25% stake in the venture, while the Egyptian Petrochemicals Holding Company will own a 15% stake and GASCO the remaining 10%. The new company will have a paid-in capital of USD663mn.

- TMGH launches SouthMed project achieving cEGP60bn in reservations during the first 12 hours of the opening of the bookings. The company has guided for total residential sales of the project of EGP1.6tn, with total investment cost set at EGP1tn. The project is set to be executed with TMGH receiving a fee, guided at 8-10% of the project's sales value, against the use of its brand and management expertise, with no equity contribution or cash flow requirements from TMG's side.
- BINV and the Sovereign Fund of Egypt (SFE) are reportedly planning to attract local institutions to buy into a planned capital increase up to EGP1bn for B Investments' healthcare arm B Healthcare Investments, the capital increase could take place within months.
- RACC announces the write-off of 13k treasury shares, bringing total number of shares outstanding to 205mn.
- SWDY's independent financial advisor, BDO, concludes fair value of the company at EGP52.38/share, slightly higher than Electra's offer at USD1.05. Elsewedy is set to continue studying whether to keep the company listed on the stock exchange, in accordance with acquisition approval and listing constraint rules.
- SWDY is setting up a copper factory in Saudi Arabia that will go live in six months' time. The company also recently inaugurated an aluminum factory in the Kingdom.
- COMI reduces the interest rate by 2% on the 3-year fixed rate CD, becoming the first bank to announce a reduction in interest rates on savings certificates, after the inflation rate declined in May to the lowest level in two years.
- Five banks including National Bank of Egypt, Banque Misr, COMI, EGBE, and HDBK increased limits on local and international credit card transactions, with the first three also reducing their FX markup fees to 5% from 10%.
- ValU, HRHO's subsidiary, signed a partnership agreement with Alameda Healthcare to provide flexible payment solutions for customers.
- ADIB's 1:5 bonus shares record date is 10 July, 2024 while distribution date is 11 July, 2024, which takes the paid in capital from EGP5.0bn to EGP6.0bn.
- AMOC's BoD approved FY24/25 budget including a CAPEX worth EGP551.8mn. The budget also included revenues of EGP42.0bn (vs. EGP28.2bn in FY23/24 budget) and a net profit of EGP660.2mn (vs. EGP603.5mn in previous year budget).

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