

Istithmar Fund Monthly Factsheet (December 2020):

Fund Objective: The fund's objective is to create an investment vehicle that offers capital appreciation through moderate risk investment tools. The fund invests mainly in local stocks, and GDR's.

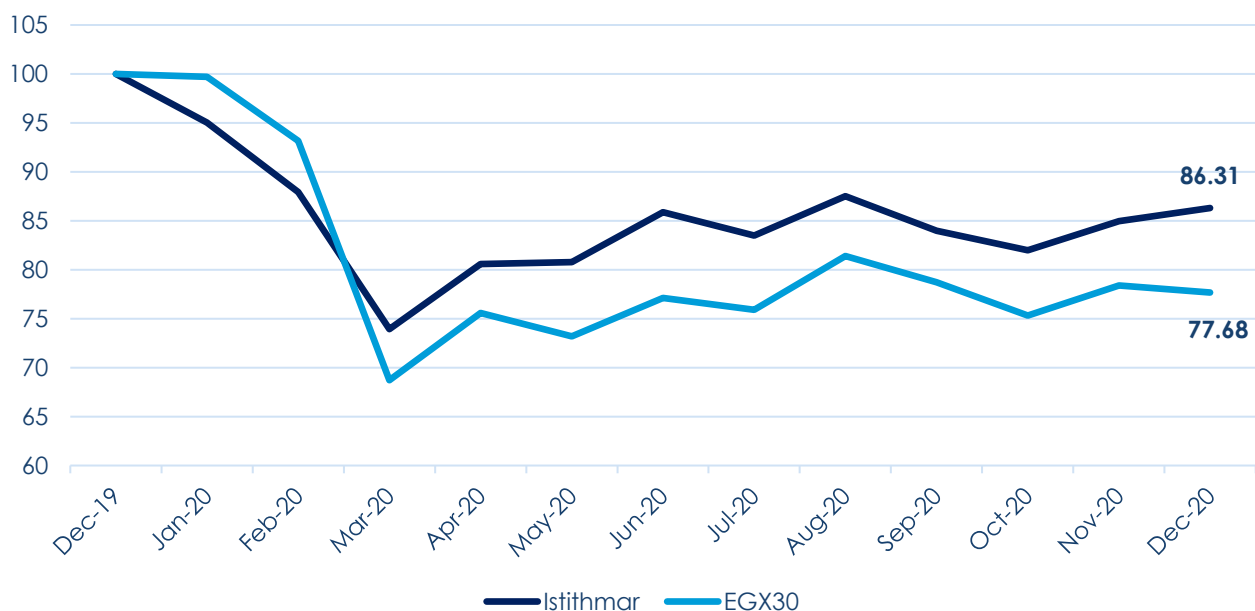
Fund Facts:

IC Price	167.74 EGP
Asset Management	CI Asset Management
Fund Manager	Abdelkader Ashraf
Type	Equity Fund
Structure	Open-Ended Egyptian Mutual Fund
Fund launch	April 2006
Initial Size	EGP 100 Million
Min. Subscription	1 Investment Certificates
Subscription/ Redemption	Daily Subscription Except Last Working Day. Weekly Redemption on The First Working Day.
Redemption Fees	0.25%

Investment Maximum Limits:

Equity: 60%-95% Fixed Income: 30% Other mutual funds: 20% Per Stock: 15% Per Sector: 40%

Istithmar Fund vs. EGX30 (YTD Growth of 100):



Performance Measures:

1 Month Return:	Istithmar:	1.56%	EGX30:	-0.90%
RETURN INDICATORS (vs EGX30):	2020	2019	2018	2017
Annual Return (Istehmar)	-13.69%	-0.81%	4.73%	44.13%
Annual Return (EGX30)	-22.32%	7.10%	-13.21%	21.66%
Excess Return	8.63%	-7.91%	17.93%	22.47%
Batting Average	41.67%	50.00%	66.67%	75.00%
RISK INDICATORS:				
Standard Deviation	23.61%	14.17%	20.01%	19.94%
Downside Deviation	18.45%	8.52%	18.54%	12.46%
Beta	0.69	0.65	0.76	1.17
R-Squared	87.28%	77.69%	77.57%	70.88%
Tracking Error	13.05%	9.50%	10.92%	11.02%
RISK-ADJUSTED RETURN:				
Jensen's alpha	-1.6%	-10.0%	11.3%	21.4%
Sharpe Ratio	-1.03	-0.98	-0.50	1.46
Treynor Ratio	-0.35	-0.21	-0.13	0.25
Sortino Ratio	-1.31	-1.64	-0.54	2.34
Information Ratio	-0.12	-1.06	1.04	1.94

Listed Corporate News:

- **EG Bank, Suez Canal Bank each plan to reportedly acquire 10% stake in recently-formed real estate JV between Talaat Moustafa Group (TMG), National Bank of Egypt (NBE), Banque Misr.**
- **Abu Qir Fertilizers' 10%-owned Abu Tartour phosphoric acid plant to be established under recently amended free-zones regulation.**
- **Juhayna BoD appoints Mohamed Bin Abdallah Bin Mohamed Al-Dogheim as Chairman**
- **Eastern Tobacco sales volumes reach record high of 6bn cigarettes in November**
- **Speed Medical (SPMD) signs MoU with Elaj Group in Saudi:** SPMD's BoD convened on 8 December, to sign a Memorandum of Understanding (MoU) between Speed Medical, its subsidiaries, and the Elaj Medical Group (Elaj) in Saudi Arabia, to complement their work inside and outside of Egypt.
- **Orascom Development Egypt (ODE) BoD approves sale of 35.2% stake in New City Housing & Development for EGP129mn.**

- **Domty foresees EGP800mn (+23.7% y-o-y) sales in 4Q20; Commences its third bakery production line in 4Q20**
- **Ghabbour-led consortium acquires New City for USD50mn:** A group of Egyptian investors, including an English investment fund and one of GB Capital units, a subsidiary of GB Auto acquired New City for Housing and Development, one of Orascom Development Egypt (ODE) companies.
- **MM Group (MTI) BoD approves increasing stake in Ebtikar by EGP15mn to EGP365mn; Acquires 49.9% stake of non banking financial services company, Basta, for EGP30mn.**
- **Telecom Egypt signs three agreements with Orange Egypt:** The first agreement signed is an amendment to their mobile-to-fixed termination agreement. The second is an annex to the current agreements, extending to 2022, governing international voice services, with the aim of improving their commercial and service quality terms, while the third is to resolve some pending commercial disputes and develop mechanisms to avoid similar obstacles in the future.
- **Vodafone Group ends talks with STC, on sale of 55% stake in Vodafone Egypt (VFE)**
- **GB Auto acquires 20% of New City Housing and Development Company via its non-banking financial arm, GB Capital**
- **Palm Hills Developments (PHD) announces termination of GDP programme, effective 22 December; Each GDR represents 20 ordinary shares, to continue to be listed, traded on EGX.**
- **B Investments reportedly exits 20% of its 7.97% stake in Total Egypt for EGP146mn.**
- **Amer Group signs contract with NUCA to acquire 56-feddan land plot in New Minya City to develop Porto El Minya.**
- **Heliopolis Housing receives LOI from five developers to partner in development of 1,400 feddans in Heliopark project.**
- **Talaat Moustafa Group (TMG) confirms talks of EGP1.2bn loan, securitization plan:** The loan will be used to partially finance the investment cost of Celia, New Capital.
- **EK Holdings EGM approves 1:10 bonus share, raising paid-in capital by USD25.6mn to USD281.7mn.**
- **Amer Group recently acquired 56-feddan land plot in New Minya priced at EGP388mn, implying cEGP1.6k/sqm.**
- **CIRA receives FRA's approval to issue seven-year tenor EGP600mn sukuk to fund its expansion plans, settle some of its loans:** The shariah-compliant sukuk will be tradeable on the EGX, subject to early redemption at the option of the borrower, and non-convertible to shares with a tenor of seven years.
- **Orascom Construction (OC) BoD approves interim DPS of USD0.21, yielding 4%:** This brings 2020 total dividends paid to USD0.42/share, or USD49mn, coming 40% ahead of our estimate, and implying a c50% payout ratio (assuming a 2020e net income of USD99mn).

Economic Highlights:

- **Minister of Finance: EGP28bn spent on export subsidy programmed in 2020 (Al-Mal: 06 Dec)**
- **CBE extends facilities for tourism sectors, workers for six months amid COVID-19 pandemic: The grace period of loans of tourism sector workers has been extended to end-2021. The first instalment will mature in Jan-22.**

- **CBE: Egyptian banks' assets, reserves abroad jump 90% to USD19.2bn in November vs. USD10.2bn in April (Egypt Today: 08 Dec)**
- **Ministry of Health: Government's occupancy rate of inpatient beds at 24%: Additionally, Egypt's ICU beds and ventilators occupancy rates stand at 56% and 30%, respectively. (Al-Mal: 08 Dec).**
- **CPI accelerates to 5.7% y-o-y in November vs. 4.5% in October: Inflation accelerated to its highest level since April, driven by the 3.6% y-o-y (2.7% m-o-m) increase in urban and rural food & beverage prices. The annual headline rate comes in line with our expectation, as it nears the CBE's target of 6-12%.**
- **November's core inflation inches up to 4.021% y-o-y vs. 3.889% in October.**
- **Sovereign Fund of Egypt (SFE)'s CEO: Fund has cEGP26bn of assets under management: Currently, the fund is marketing the sale of up to 100% of some army companies and stakes in Siemens, Elsewedy Electric, and Orascom Construction combined-cycle power plants to the private sector.**
- **Ministry of Finance: Egypt records deficit of 7.9%, EGP1.4tn in expenditure in FY19/20: Revenues rose 3.6% y-o-y to EGP975.4bn, while expenditure increased 4.7% y-o-y to EGP1.434tn. Budget deficit retreated to 2.7% in 4M20/21 vs. 3.1% in 4M19/20.**
- **1Q20/21 GDP grows 0.7% y-o-y, dragged down by 66% contraction in tourism sector.**
- **CBE keeps rates unchanged in 24 December MPC meeting; Lowers inflation target – in line with our expectation.**
- **National Bank of Egypt (NBE), Banque Misr decide, post MPC meeting, to reduce annual return on their three-year CDs by 1% to 11%. Government eyes 15% natural gas production boost in 2020/21 to 7.540 cftd vs. 6.550 cftd in 2019/20.**
- **FRA extends deadline to 30 Jun-21 for companies that filed IPO paperwork, put transactions on hold.**
- **Minister of Finance extends real estate tax returns submission deadline until end of Mar-21, from Dec-20: The action applies to all established real estate properties in various governorates, in line with pre-emptive measures taken by the government amid the second wave of COVID-19, to reduce overcrowding in tax offices and to make it easier for individuals to file tax returns.**
- **CBE to auction USD850mn in one-year USD denominated T-bills on 4 January.**

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