

In October, the benchmark index dropped 2.9%, trimming YTD gains to 23.2%. Both Emerging and Developed markets posted negative returns during October. The MSCI Emerging Markets Index shed roughly c3.0%, while major U.S. indices retreated with the Dow Jones, S&P 500, and Nasdaq Composite falling by 1.3%, 1.0%, and 0.5%, respectively.

As part of its ongoing subsidy reform program, the government raised fuel prices by 10%-17% in an attempt to narrow the subsidy bill. This marks the third fuel price increase of the year, further contributing to higher inflation figures. In September, annual headline inflation rose to 26.4%, a mere increase compared to 26.2% reported in August. On a monthly basis, prices increased by 2.1%. Food prices, a key contributor, climbed 2.6% during the month following a 1.8% increase recorded in August. Ongoing inflationary pressures are a consequence of fuel price hike, increase in metro fares, and recent adjustments in electricity tariffs.

Pricing pressures continued to weigh on demand, whereas the Purchasing Managers' Index (PMI) remained below the 50 threshold in October, recording 49.0, slightly up from 48.8 in September. This represents two consecutive months of declining activity, driven mainly by reductions in output and new orders, alongside persistent price pressures. Export demand, however, provided some support during the month, with export orders hitting their third-highest level on record, on the back of a weaker EGP coupled with stability and visibility in the FX rate.

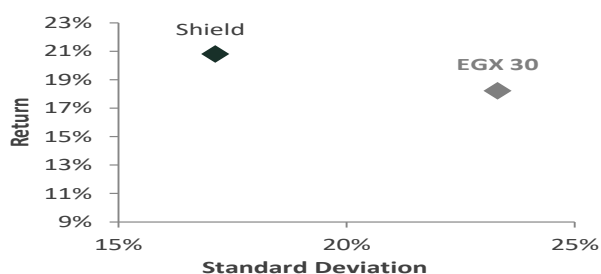
Fund Type	Equity Fund
Fund Manager	AAIM
Launch Date	February 1998
Domicile	Egypt
Fund Currency	EGP
Administrator	Nuun
Custodian	Banque Misr
Auditors	KPMG
Certificate Price*	EGP 474.47
Subscription/ Redemption**	Daily

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 31/10/2024 \*\* Sub./redemption until 12pm throughout AAIB branches. NAV is published weekly in Al Masry Al Yom Newspaper \*\*\*Hurdle rate is CBE discount rate

**Performance**

Month	2023	2022	2021	2020	Since Inception	
	-2.3%	62%	21%	-17%	-17%	486%



Meanwhile, the CBE reported a significant improvement in the balance of payments, recording a USD9.7bn surplus for FY2024, up from USD882mn the previous year. This was driven by a substantial net capital and financial account inflow of USD29.9 bn, bolstered by record foreign direct investments (FDI) of USD46.1 bn. Despite these gains, the current account deficit widened to USD20.8 bn, largely due to a 27% increase in the trade deficit and a shift in the oil trade balance from a surplus to a USD7.6 bn deficit. Tourism revenue rose by 5.5%, while Suez Canal receipts fell by 24.3%.

On the external front, Egypt's net foreign assets (NFAs) recorded a surplus of approximately USD10.31bn in September, up from USD9.72bn in August. This marks the fifth consecutive month of surplus, reflecting ongoing improvements in the country's external financial position. Additionally, Egypt's net international reserves grew to USD46.7bn at the end of September, an anemic increase compared to USD46.6bn recorded in August on the back of continued improvement in foreign currency reserves.

**DISCLAIMER & IMPORTANT CONSIDERATIONS:**

This document is provided for information purposes only. It does not constitute a solicitation, recommendation or offer to buy or sell any specific investment product or subscribe to any specific investment management or advisory service. This information, including any expression of opinion, has been obtained from or is based upon sources believed to be reliable, and is believed to be fair and not misleading. Any opinion or estimate contained in this material is subject to change without notice. Neither AAIM nor any of its directors or employees give any representation or warranty as to the reliability, accuracy, timeliness or completeness of the information, nor do they accept any responsibility arising in any way (including by negligence) for errors in or omissions from the information. This document is not for distribution to the general public but for intended recipients only and may not be published, circulated, reproduced or distributed in whole or part to any other person without the written consent of AAIM. Prospective investors in the Fund product must obtain and carefully read the Fund's most recent offering Memorandum/Prospectus, Supplement (if any), and financial statements. Historical performance is not and should not be construed as being indicative for the future or likely performance. The information contained herein does not have any regard to the specific investment objectives, financial situation or the particular needs of any person. Prospective investors should consider the investment objectives, risks, and charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. The prospectus should be read carefully before investing. You may obtain a prospectus by contacting AAIM through info@aaim.com.eg, or from AAIM website www.aaim.com.eg, or through contacting Arab African International Bank on 19555.