

In August, the benchmark EGX30 Index advanced by 2.8%, bringing its year-to-date performance to approximately 18.2%, supported by easing monetary policy expectations and increased investor risk appetite. Global equity markets also posted strong results. The MSCI Emerging Markets Index rose by 2.7%, while major U.S. indices continued their upward trend: the S&P 500 gained 1.9%, the Nasdaq Composite rose 1.6%, and the Dow Jones Industrial Average climbed 3.2%.

On the monetary front locally, The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided to cut the CBE’s overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 22.0%, 23.0%, and 22.50%, respectively. The Committee also decided to cut the discount rate to 22.50%. This decision reflects the Committee’s updated assessment of inflation dynamics and outlook since the previous MPC meeting. In terms of inflation outturn, annual headline inflation decelerated to 13.9% in July 2025, down from 14.9% in June 2025. Meanwhile, core inflation remained almost stable at 11.6% in July 2025 compared to 11.4% in June 2025.

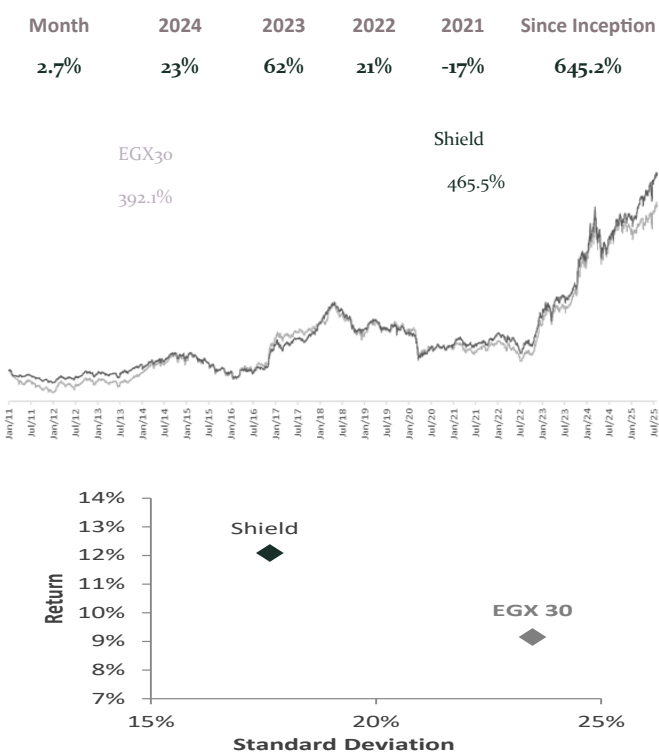
Egypt’s Purchasing Managers’ Index (PMI) slipped to 49.2 in August, down slightly from 49.5 in July, indicating a modest uptick in the pace of contraction. Despite the decline, the index remains above the long-term survey average of 48.2, according to the latest report from S&P Global. The data reflects a continued downturn in Egypt’s non-oil private sector, which saw further contraction last month. Both output and new orders declined for the sixth consecutive month, weighed down by subdued customer demand. Surveyed firms cited persistent economic challenges and heightened concerns over inflation as key factors dampening business activity.

Fund Type	Equity Fund
Fund Manager	AAIM
Launch Date	February 1998
Domicile	Egypt
Fund Currency	EGP
Administrator	Catalyst
Custodian	Banque Misr
Certificate Price*	EGP 602.88
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

* Price as of 31/8/2025 ** Sub./redemption until 12pm throughout AAIB branches. NAV is published weekly in Al Borsa Newspaper ***Hurdle rate is CBE discount rate

Performance



Meanwhile, Egypt’s banking sector posted a significant boost in net foreign assets (NFAs), which climbed 23.7% MoM in July to reach USD18.5 bn. This figure represents a 39.7% YoY increase and exceeds the previous peak of USD15.4 bn recorded in March. Commercial banks were a key driver of this growth, with their net foreign assets registering a surplus of USD7.99 bn in July, up from USD4.9 bn the previous month. Foreign assets held by commercial banks rose to USD39.4 bn, compared to USD36.2 bn in June, while foreign liabilities saw a slight uptick to USD31.5 bn, from USD31.3 bn. Further on the external front, remittances from Egyptians living abroad soared to a historic high of USD36.5 bn in FY2024/25, marking a substantial 66.2% YoY increase, according to a statement from CBE, with the final quarter alone recording USD10.0 bn, an increase of 34.2% YoY.

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