

# IIAB Islamic MENA Fund

Performance Report 31.08.20

A Fund created by IIAB Islamic MENA Fund Company B.S.C. (Closed)

NAV PER SHARE

\$5.88

## OBJECTIVE OF THE FUND

The IIAB Islamic MENA Fund is an open ended mutual fund that offers investors the opportunity to invest in the capital markets of the Middle East and North Africa region (MENA), with a particular focus on listed equities, whilst adhering to the sharia' principles. The Fund aims to achieve an annual average net return in excess of 11% over a full investment cycle. The Fund aims to carry a lower volatility than that of the market, by dynamically rotating across asset classes, geographies and sectors, depending on market conditions.

## KEY FEATURES

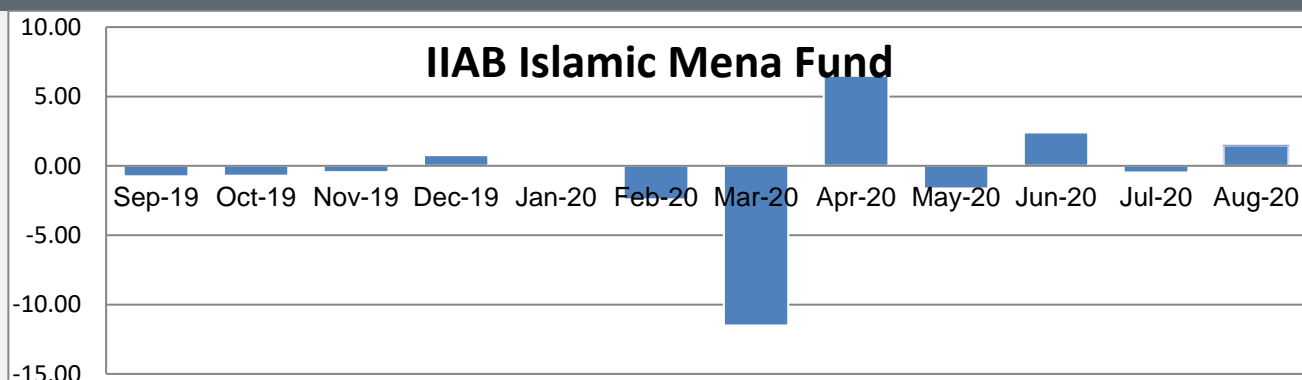
<b>Domicile</b>	Kingdom of Bahrain	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & 100 units thereafter
<b>Fund assets</b>	USD 6,044,773	<b>Investment manager</b>	Al Arabi Investment Group Co (AB Invest)
<b>Administrator</b>	Gulf Clearing Company	<b>Dealing frequency</b>	Monthly, 4 business days prior to month end
<b>Launch date</b>	28 February 2008	<b>BBG code</b>	IIABISL BI EQUITY

## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>IIAB Islamic MENA Fund</b>													
2020	0.15	-2.41	-11.50	6.49	-1.63	2.40	-0.49	1.46					-6.33
2019	2.41	1.10	0.85	2.65	-1.24	-0.67	3.57	-1.08	-0.76	-0.45	-0.45	0.77	6.76
2018	-0.96	-0.92	1.30	0.06	-0.81	-0.17	-1.94	-0.18	-1.80	-0.64	0.15	-1.31	-7.03
2017	0.16	0.07	0.48	0.74	-2.58	0.79	-0.92	-0.88	1.05	-0.22	-2.83	0.05	-4.10
2016	-8.86	5.04	2.18	2.64	-1.18	0.02	0.48	-0.02	-1.81	-0.92	5.03	1.88	3.78
2015	0.87	2.44	-3.38	5.78	-0.23	0.38	-0.08	-10.32	0.89	-2.92	0.61	-0.83	-7.39

**Important note:** The first NAV for the Fund was issued in April 08.

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## RETURN PERCENTAGES

1 month	1.46%	3 months	3.38%	Since inception	-41.18%
6 months	-4.16%	12 months	-7.17%		

## PERFORMANCE STATISTICS

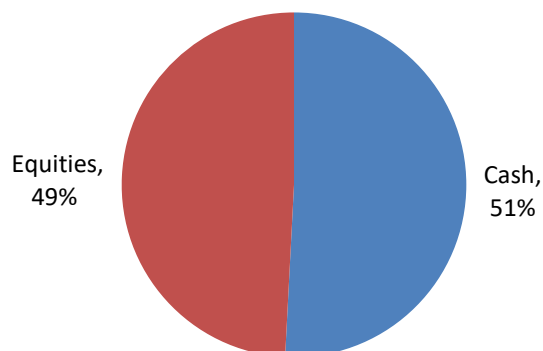
	Portfolio
Annualised return	-4.2%
Annualised volatility	13.8%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.0%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS

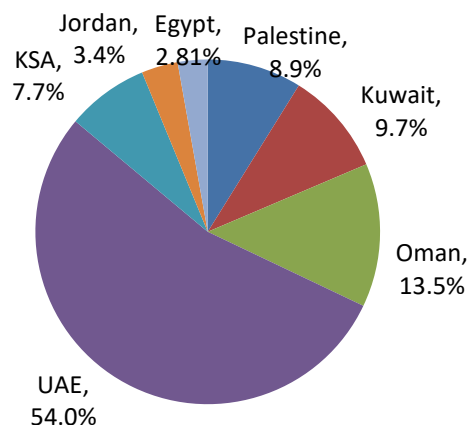
	Country	%
Aramex	UAE	11.06%
Dubai Islamic Bank	UAE	8.31%
Ooredoo	Oman	6.63%
Emaar Properties	UAE	5.84%
Human Soft Holding	Kuwait	4.79%
Palestine Telecommunication	Palestine	4.36%
Saudi Airlines Catering	KSA	3.79%
Arab Pesticide And Veterinar	Jordan	1.68%
Cairo Investment & Real Estate Development	Egypt	1.38%
Abu Dhabi Islamic Bank	UAE	1.35%



### ASSET ALLOCATION



### GEOGRAPHIC ALLOCATION (EQUITIES)



### COMMENTARY

August witnessed a surge across all regional stock indices as investor sentiment improved and the US stock market continued its upward trend. The S&P Pan Arab Investable Index was up by 5.31% (YTD -10.61%), and the Dow Jones MENA Index gained 5.59% (YTD -10.86%). Moreover, the Dow Jones Islamic Market MENA Index had also gone up by 5.14% (YTD -5.35%). On the other hand, the Arab Bank MENA Fund followed suit, going up by 3.57% (YTD -8.48%). In addition, the IIAB Islamic MENA Fund, recorded gains of 1.46% (YTD -6.33%). Meanwhile, The IIAB MENA Feeder Fund gained 1.42% (YTD -6.87%).

After months of underperformance, the Dubai Financial Market was the region's top gainer in August, jumping by 9.49% (YTD -18.79%). The Kuwaiti Premier Market Index, which went up by 8.11% (YTD -16.08%), was the second best performer. Meanwhile the Amman Stock Exchange index recorded the only retreat in the region after shedding 0.52% (YTD, -13.31%). In other regional markets, the Egyptian EGX30 surged by 7.23% (YTD -18.59%), the Bahrain index went up by 7.00% (YTD -14.24%), and the Saudi Tadawul index gained 6.45% (YTD -5.35%), as the Oman MSM30 index posted a 5.71% gain (YTD -5.26%). The Qatari index and Abu Dhabi index rounded up the regional indices with gains of 5.09% (YTD -5.57%) and 4.98% (YTD -10.96) respectively.

In other news, Saudi Arabia's Ministry of Human Resources and Social Development announced that it will begin a 70% Saudization drive for 9 activities in the wholesale and retail outlets. This announcement was swiftly followed by a decree to localize 20% of all private sector engineering jobs.

Meanwhile, the Arab Monetary Fund issued its Arab Economic Outlook Report in which it predicted a 4.7% contraction in the economies of Arab oil-exporting countries in 2020. The contraction is a result of COVID-19 lockdown measures and the substantially lower oil prices witnessed.

In the U.S., major indices have gone up for another month driven by a rally in technology stocks despite the country's continued rise in COVID-19 cases and deaths which lead the world. The S&P 500 surged by 7.01% (YTD 8.34%) while the Dow Jones also jumped by 7.57% (YTD -0.38%) to turn nearly flat for the year. Meanwhile in Europe, indices were unanimously up with the German DAX leading the way, going up by 5.13% (YTD -2.29%) while the French CAC 40 and the FTSE 100 followed suit by gaining 3.42% (YTD -17.24%) and 1.12% (YTD -20.93%) respectively. In the Far East, the Nikkei Index gained 6.59% (YTD -2.18%), while the Shanghai Composite Index was up 2.59% (YTD 11.22%) and the Hang Seng shot up by 2.37% (YTD -10.69%).

Similar to populations' attitude to imposed lockdowns and restrictions, it seems investors are also suffering from COVID-19 related fatigue as its developments no longer dominate market movements. Instead, investors have turned to other news to dictate their market movements going into 2021. We have accordingly been looking at attractively-valued names which have been beaten-down as a result of the virus which have not yet achieved their fair value. We continue to be risk-averse, fundamentally-driven and value seeking to offer the best risk-return tradeoff to our investors as we continue to navigate our portfolios in these unprecedented times.



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## INVESTMENT METHODOLOGY & EDGE

AB Invest is one of the most experienced and fastest growing MENA investment managers operating out of Jordan. AB Invest provides its clients with a number of MENA-focused investment solutions on conventional and Sharia-compliant bases. Our investment process is based on rigorous fundamental analysis with a view on delivering superior risk-adjusted returns, using a combination of top-down and bottom-up approaches. Our deep knowledge of the markets in which we invest allows us to deliver consistent returns while prudently managing risk.

## DISCLAIMER

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IIAB Islamic MENA Fund is a Fund created and sponsored by the IIAB Islamic MENA Fund Company B.S.C. (Closed) and is an open-ended investment Fund registered under the Laws of the Kingdom of Bahrain.

This fact sheet is issued by Al Arabi Investment Group Co. (AB Invest) - formerly known as Atlas Investment Group. AB Invest is a wholly-owned subsidiary of the Arab Bank Group and is an investment banking firm headquartered in Amman, Hashemite Kingdom of Jordan.

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Past performance should not be taken as a guide to the future. The value of investments can fall as well as rise.

