

# IIAB MENA Feeder Fund

Performance Report 28.02.22

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** **\$6.05**

## OBJECTIVE OF THE FUND

The IIAB MENA Feeder Fund is a long-term, medium to high risk investment vehicle that invests in the IIAB Islamic MENA Fund (Master 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

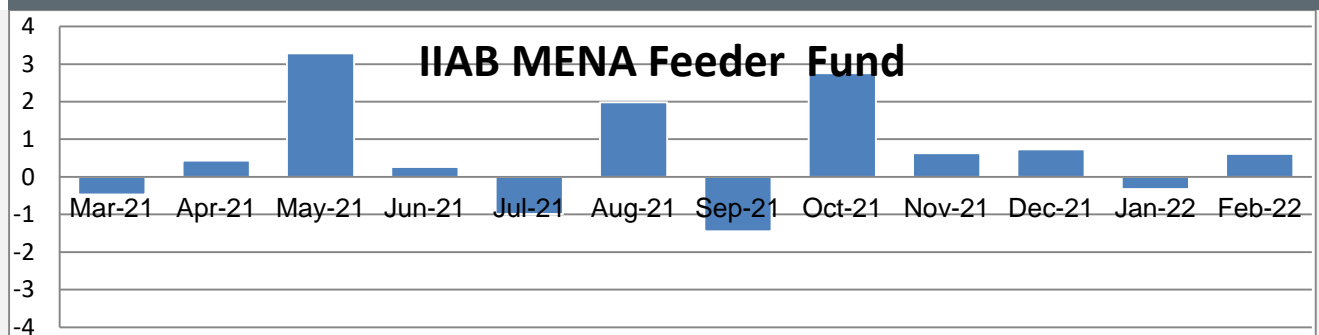
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 3,067,125	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</b>	Al Arabi Investment Group Co (AB Invest)
<b>Launch date</b>	28 February 2008	<b>Dealing frequency</b>	Monthly, 10 business days prior to month end
<b>Listing</b>	CISX	<b>BBG code</b>	IIABMEU GU Equity

**Important note:** For clarity purposes, the figures below represent the performance, asset allocation and holdings of the IIAB Islamic MENA Fund (Master Fund).

## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
<b>IIAB MENA Feeder Fund</b>													
2022	-0.32	0.61											0.29
2021	1.51	-2.25	-0.47	0.38	3.29	0.26	-0.99	1.98	-1.45	2.76	0.63	0.73	6.42
2020	0.08	-2.49	-11.71	6.53	-1.71	2.38	-0.57	1.42	1.86	-0.73	2.70	2.33	-1.03
2019	2.36	1.05	0.80	2.62	-1.28	-0.72	3.56	-1.14	-0.81	-0.51	-0.50	0.72	6.18
2018	-1.05	-1.00	1.24	-0.01	-0.86	-0.24	-2.00	-0.23	-1.86	-0.69	0.10	-1.37	-7.74
<b>IIAB Islamic MENA Fund (Master Fund)</b>													
2022	-0.25	0.65											0.40
2021	1.54	-2.15	-0.40	0.43	3.29	0.32	-0.90	2.00	-1.36	2.76	0.67	0.77	7.02
2020	0.15	-2.41	-11.50	6.49	-1.63	2.40	-0.49	1.46	1.89	-0.65	2.71	2.36	-0.32
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

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## PERFORMANCE STATISTICS (MASTER FUND)

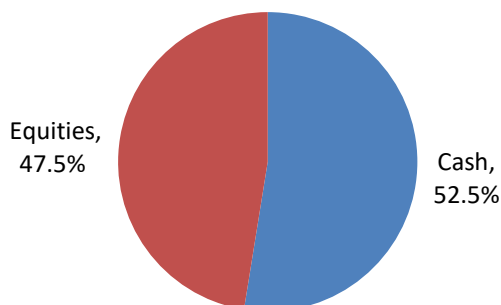
	Portfolio
Annualised return	-2.8%
Annualised volatility	13.2%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.7%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

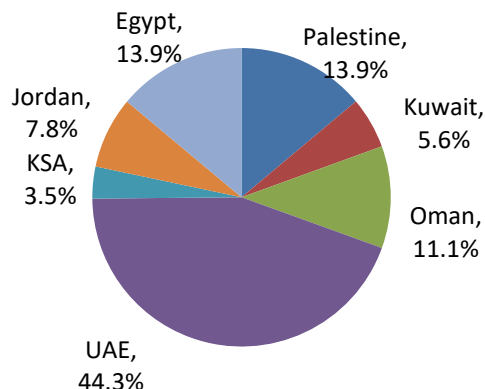
	Country	%
Dubai Islamic Bank	UAE	10.87%
Emaar Properties Company	UAE	7.56%
Palestine Telecommunications Company	Palestine	6.59%
OOREDOO OMR	Oman	5.25%
Cairo Investment & Real Estate Development	Egypt	4.63%
Jordan Islamic Bank	Jordan	2.81%
Human Soft Holding Co.	Kuwait	2.64%
Al Yah Satellite Communications Company	UAE	2.61%
Cairo Poultry Company	Egypt	1.98%
Saudi Airlines Catering	KSA	1.64%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

MENA equity markets continued their ascent in 2022, casting aside any negativity associated with the Russian-Ukrainian war which severely dented other international markets. The S&P Pan Arab Investable Index gained 2.39% (YTD 8.81%), and the Dow Jones MENA Index was up by 2.88% (YTD 9.18%). The Arab Bank MENA Fund on the other hand was up 1.46% (YTD 1.58%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has also advanced, rising by 4.00% (YTD 9.76%). The IIAB MENA Fund also finished the month in the green, gaining 0.65% (YTD 0.40%). The IIAB MENA Feeder Fund consequently gained 0.61% (YTD 0.29%).

Most of the region's capital markets recorded gains during the month buoyed by oil prices breaching the USD100/barrel for the first time since 2014. The Bahraini Index recorded the most gains of any MENA market, rising by 8.50% (YTD 9.26%), followed by the Abu Dhabi Stock Exchange which rose by 7.07% (YTD 9.79%). The Dubai Financial Market, Kuwait Premier Market and Doha Stock Exchange were next in line, gaining 4.73% (YTD 4.97%), 3.84% (YTD 8.92%) and 3.60% (YTD 11.38%) respectively. The list of gainers was rounded up by the Saudi Arabian TASI which went up by 2.59% (YTD 11.60%). On the other end, the Egyptian Stock Exchange was February's biggest loser, shedding 3.06% (YTD -6.78%), followed by the Omani Capital Market which lost 1.47% (YTD -1.79%) and the Jordanian ASE which fell by 0.77% (YTD 1.40%).

Global capital markets on the other hand continued their slide further exasperated by the Russian-Ukrainian war and the raft of sanctions imposed by the west on Russia. In the U.S., the S&P 500 Index shed 3.14% (YTD -8.23%), the Dow Jones meanwhile was down 3.53% (YTD -6.73%). In Europe, where the war is raging, indices suffered heavy losses to close the month. The French CAC 40 Index fell 4.86% (YTD -6.91%) and the German DAX was down by 6.53% (YTD -8.96%). Meanwhile the FTSE 100 shed 0.08% (YTD 1.00%). Asian markets were also mostly down, but while the Hang Seng and the Nikkei indices fell by 4.58% (YTD -2.93%) and 1.76% (YTD -7.87%) respectively, the Shanghai Composite gained 3.00% (YTD -4.88%).

In February's marquee news, President Joe Biden and other US allies in Europe and across the world imposed stiff sanctions on Russia as a result of its invasion of Ukraine as Western nations warned that Kyiv could fall, with Ukraine's foreign minister saying the capital was hit with rocket strikes, and Russian tanks, troops and aircraft pushed closer to Kyiv. Biden promised to inflict a "severe cost on the Russian economy" that will hamper its ability to do business in foreign currencies. Other sanctions imposed included limiting Russia's access to the SWIFT money transfer system in addition to freezing the assets of the central bank and numerous individuals that are close to the administration.

In regional news the United Arab Emirates and India have signed a free trade deal that is expected to double bilateral non-oil trade to USD100 billion within five years as the Gulf state ramps up its economic partnership with its second-largest trade partner. The United Arab Emirates is also working to close more trade deals with Indonesia, Israel, and Colombia as it seeks to deepen its ties with fast-growing economies and draw billions of dollars in foreign investment.

In energy news, the International Energy Agency urged OPEC and its allies to address a widening shortfall in their oil production as a volatile market sent crude prices rocketing toward USD100 a barrel. While fuel consumption is bouncing back from the pandemic, the 23-nation alliance led by Saudi Arabia and Russia is struggling to restore output it halted. Members need to fix the issue as the supply gap versus their target spirals toward 1 million barrels a day.

In only its second month in, the year 2022 threw another wrench into global equity markets by way of the Russian-Ukrainian conflict. The numerous sanctions imposed on Russia by the west led to an unprecedented increase in the prices of commodities and energy, threatening to derail the global economic growth already suffering from high inflation levels.

We continue to have a high conviction for investment in MENA equity markets, more so on our portfolio holdings, and believe the elevated prices on oil will benefit the mostly hydrocarbon-rich region and support their equity markets in the short to medium term.



## INVESTMENT METHODOLOGY & EDGE

AB Invest is one of the oldest, most experienced and fastest growing investment managers in the MENA region with more than a decade of cumulative quality experience in creating regional risk-adjusted investment solutions. Our investment process is underpinned by a focus on "value" selection, using a combination of top down and bottom up approach. Our knowledge of the constraints in the local markets allows us to adjust our approach and tailor a suitable investment process.

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