

IIAB MENA Feeder Fund

Performance Report 28.05.21

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$5.80**

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

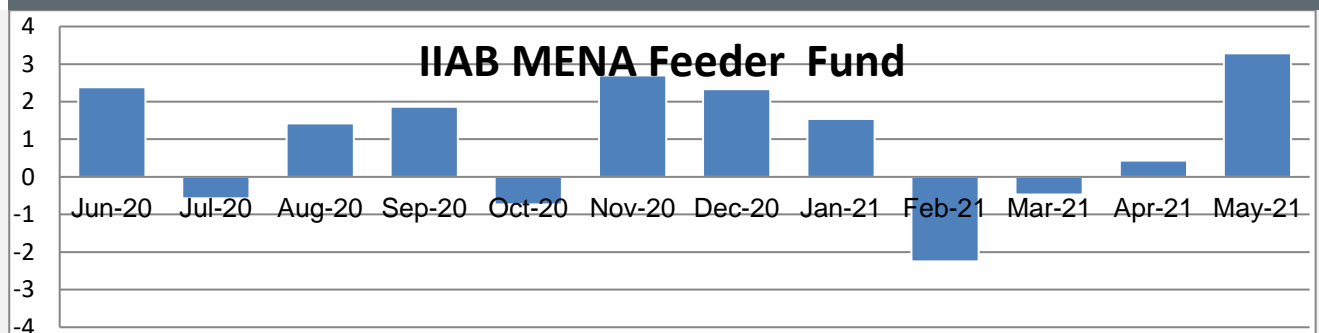
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 2,942,422	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
Launch date	28 February 2008	Dealing frequency	Monthly, 10 business days prior to month end
Listing	CISX	BBG code	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.
IIAB MENA Feeder Fund													
2021	1.51	-2.25	-0.47	0.38	3.29								2.39
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
2017	0.10	0.01	0.40	0.69	-2.64	0.70	-1.00	-0.95	0.98	-0.28	-2.90	-0.04	-4.91
IIAB Islamic MENA Fund (Master Fund)													
2021	1.54	-2.15	-0.40	0.43	3.29								2.65
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
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

MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



PERFORMANCE STATISTICS (MASTER FUND)

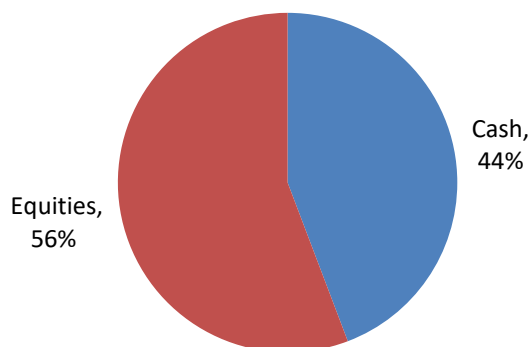
	Portfolio
Annualised return	-3.3%
Annualised volatility	13.5%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

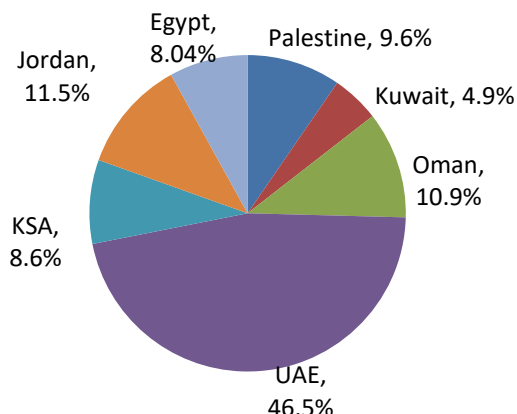
	Country	%
Aramex	UAE	10.14%
Dubai Islamic Bank	UAE	8.85%
Emaar Properties Company	UAE	6.92%
OOREDOO OMR	Oman	6.10%
Jordan Islamic Bank	Jordan	5.46%
Palestine Telecommunications Company	Palestine	5.35%
Saudi Airlines Catering	KSA	4.78%
Cairo Investment & Real Estate Development	Egypt	2.85%
Human Soft Holding Co	Kuwait	2.73%
Cairo Poultry Company	Egypt	1.64%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

The bull run perseveres for a seventh straight month. MENA equity indices continued to post gains in May as investor optimism reaches fever pitch and excellent set of numbers coming out of Dubai showing a long due recovery in the battered real estate market. The S&P Pan Arab Investable Index was up 1.53% (YTD 16.44%), and the Dow Jones MENA Index was up by 1.83% (YTD 16.21%). Due to its high exposure to Jordan and Dubai markets, the Arab Bank MENA Fund was up by 5.11% (YTD 6.43%). The Dow Jones Islamic Market MENA Index was also on the up, gaining 1.00% (YTD 15.52%). The IIAB MENA Fund though gained 3.29% (YTD 2.65%). The IIAB MENA Feeder Fund consequently was up by 3.29% (YTD 2.39%).

The region's capital markets were all up during the month save for two. The Egyptian Stock exchange and the Qatari Index which were down by 1.59% (YTD -4.94%) and 1.50% (YTD 2.99%) respectively. As for this month's gainers, they were led by the Jordanian ASE index which surged by an incredible 14.34% (YTD 23.88%), followed by the Dubai Financial Market which gained 7.37% (YTD 12.26%) and Abu Dhabi index which shot up by 8.47% (YTD 30.00%). They were followed by the Bahraini Index, the Omani Stock Exchange and the Kuwait premier market which rose by 2.88% (YTD 2.54%), 2.44% (YTD 5.30%) and 1.76% (YTD 11.39%) respectively. The list of gainers were rounded up by the Saudi Arabian TASI which was up 1.27% (YTD 21.42%).

Global capital markets continued their steady march upwards. In the U.S., the S&P 500 Index inched up by 0.55% (YTD 11.93%) while the Dow Jones gained 1.93% (YTD 12.82%). In Europe, all major indices experienced bumps due to declining Covid infection rates and a steady return to tourism. The French CAC 40 Index surged 2.83% (YTD 16.14%), the German DAX gained 1.88% (YTD 12.41%) and the FTSE 100 shot up 0.76% (YTD 8.70%). Asia was also unanimously in the green for the month of May. The Nikkei index rose by 0.16% (YTD 5.16%), while the Hang Seng gained 1.49% (YTD 7.05%) and the Shanghai Composite surged 4.89% (YTD 4.10%).

A US proposal for a global minimum corporate tax of at least 15% met an enthusiastic reception in Europe, bringing the world closer to a deal on sweeping changes to how much multinationals pay taxes, and to which governments. The latest pitch in the race for an accord between 139 countries is less than the 21% rate the US previously suggested for overseas earnings of its businesses.

In regional news, the UAE revamped the long-established relationship with its wealthy expatriate workers. The Gulf Sate started issuing permanent residencies and service passports to dozens of foreigners in recent months in a significant change from the UAE's traditional way of treating expats, who have been encouraged to leave the territory when their work ended. Now the government, boosted by the success of its Covid-19 vaccination program, hopes to convince more wealthy incomers to stay, in an effort to boost domestic spending and sustain property prices. Furthermore, the country plans to allow foreigners 100% ownership of companies starting the 1st of June. Also in the UAE, Dubai's real estate sector recorded 4,832 sales transactions worth AED10.98 billion in April 2021, the highest value in four years, specifically since March 2017. In terms of volume, April transactions were up 4.2% compared to March and 0.6% more in terms of value. This brings the year to April total to 16,577 sales transactions worth AED36.12 billion.

In Saudi Arabia, the gulf kingdom is hoping to raise about USD55 billion over the next four years as it plans to step up its nascent privatization program with the government seeking to boost revenue and narrow its budget deficit. Riyadh had identified a pipeline of 160 projects across 16 sectors, including asset sales and public-private partnerships, through to 2025.

Equity markets have continued to be the bellwether of capital markets worldwide with a bull run not witnessed in a decade. Our holdings in low-volatility fundamentally strong names is starting to bear its fruit as investors flock to them due to their attractive valuations which will reflect positively on returns for our shareholders.



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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