

IIAB MENA Feeder Fund

Performance Report 29.04.22

A protected cell of the IIAB PCC Ltd

NAV PER SHARE \$6.23

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

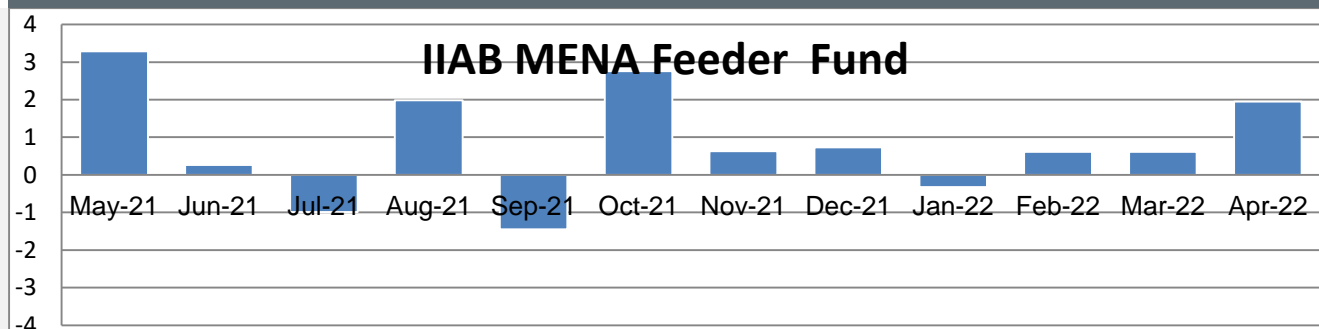
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 3,156,724	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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													
2022	-0.32	0.61	0.95	1.95									3.22
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
IIAB Islamic MENA Fund (Master Fund)													
2022	-0.25	0.65	0.99	1.95									3.36
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)

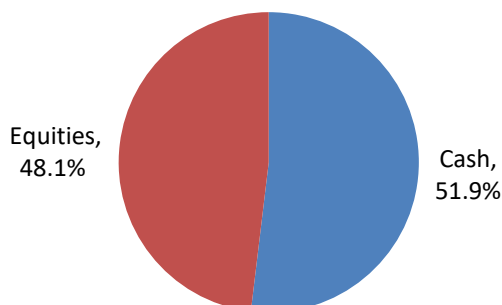
	Portfolio
Annualised return	-2.6%
Annualised volatility	13.1%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	53.0%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

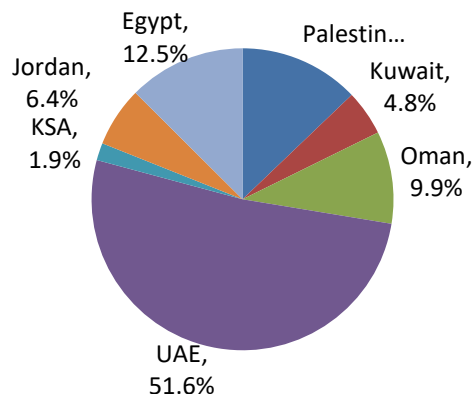
	Country	%
Dubai Islamic Bank	UAE	11.17%
Emaar Properties Company	UAE	7.45%
Palestine Telecommunications Company	Palestine	6.18%
OOREDOO OMR	Oman	4.76%
Cairo Investment & Real Estate Development	Egypt	4.16%
Aramex	UAE	3.64%
Al Yah Satellite Communications Company	UAE	2.55%
Human Soft Holding Co	Kuwait	2.33%
Jordan Islamic Bank	Jordan	2.21%
Cairo Poultry Company	Egypt	1.87%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

For the fifth straight month, MENA equity indices recorded substantial gains driven by the heavyweight Saudi index as the inflation in commodities' prices played in favor of the petro chemical heavy Tadawul index. The S&P Pan Arab Investable Index surged 2.08% (YTD 16.06%), and the Dow Jones MENA Index was up by 2.25% (YTD 16.53%). Similarly, the Arab Bank MENA Fund was up by 2.26% (YTD 5.86%). The Dow Jones Islamic Market MENA Index mimicked its conventional equivalents and even surpassed them on a YTD basis, gaining 1.74% (YTD 17.14%). The IIAB MENA Fund outperformed its benchmark this month as it gained 1.95% (YTD 3.36%). The IIAB MENA Feeder Fund consequently was up by 1.95% (YTD 3.22%).

Most of the region's capital markets were all up during the month of April. The Jordanian ASE Index was the region's top performer gaining 8.08% (YTD 13.66%) on a strong performance by the mining & extraction sector. The Saudi Arabian TASI surged by 4.92% (YTD 21.74%), but it was the Dubai Financial Market Index which led the Gulf region this month after gaining 5.47% (YTD 16.39%). Meanwhile, the Kuwait Premier Market which gained 2.72% (YTD 21.85%) and remains the region's top performer so far this year. The Abu Dhabi index was up by 1.33% (YTD 18.77%), and the Qatari Index rounded the list of gainers after rising by 0.43% (YTD 16.90%). At the other end, the Bahraini index dropped 0.84% (YTD 14.41%), and the Omani stock exchange shed 1.11% (YTD 0.70%). Meanwhile Egypt's struggles continued. The Egyptian Stock Exchange was the biggest loser this month after declining by 1.77% and remains the region's worst performing exchange after declining 7.54% so far this year.

The picture was different at the global capital markets level. In the U.S., the S&P 500 Index dropped 8.80% (YTD -13.31%) while the Dow Jones shed 4.91% (YTD -9.25%). In Europe, all major indices experienced a negative month with the exception of the FTSE 100, which gained 0.38% (YTD 2.17%). The French CAC 40 Index declined 1.89% (YTD -8.66%), and the German DAX dropped 2.20% (YTD -11.25%). Asia followed a similar path to major indices in the West. The Nikkei index shed 3.50% (YTD -6.75%), while the Hang Seng declined 4.13% (YTD -9.87%) and the Shanghai Composite slid by 6.31% (YTD -16.28%).

In April news, the International Monetary Fund slashed its world growth forecast by the most since the early months of the Covid-19 pandemic, and projected even faster inflation, after Russia invaded Ukraine and China renewed virus lockdowns. Global expansion will slow to 3.6% in 2022, down from a forecast of 4.4% in January before the war, the IMF said in an update to its World Economic Outlook. That compares with 6.1% growth in 2021. The institution also lowered its projection for 2023 to 3.6% from a prior 3.8%. The fund sees inflation for this year at 5.7% in advanced economies and 8.7% in emerging and developing countries, significantly higher than just a few months ago.

Moreover, the World Bank has also cut its forecast for global economic expansion this year on Russia's invasion of Ukraine and is planning to mobilize a funding package bigger than the Covid-19 response for nations to deal with various resulting and ongoing crises. The Washington-based institution has lowered its estimate for global growth in 2022 to 3.2% from a January prediction of 4.1%.

In the US, Federal Reserve Chair Jerome Powell outlined his most aggressive approach to taming inflation to date, potentially endorsing two or more half percentage-point interest-rate increases while describing the labor market as overheated. A rate increase in May, following the Fed's decision to lift rates from near zero by a quarter percentage point last month, would mark the first time since 2006 that the central bank increased its policy rate at back-to-back meetings. A half-point increase would be the first such move since 2000.

In regional news, the UAE's Gross Domestic Product (GDP) for 2021 has broken international economic expectations, registering the highest rate in the region of AED 1.489 trillion. The Federal Competitiveness and Statistics Centre announced that the UAE's GDP at constant prices has achieved a growth of 3.8%, exceeding the estimates and expectations of international institutions, which expected the growth of the country's GDP in 2021 to post 2.1%.



On the other hand, Dubai's main power and water company raised USD6.1 billion in the world's second biggest initial public offering this year, defying a global slowdown in listings. The government sold 9 billion shares in Dubai Electricity & Water Authority at 2.48 dirhams each, the top end of the range. That gives it a market value of USD33.8 billion and makes it one of the world's biggest utilities.

In energy news, Saudi Arabia raised oil prices for customers in all regions as Russia's invasion of Ukraine continues to reverberate through markets. State producer Saudi Aramco increased its Arab Light crude for next month's shipments to Asia to USD9.35 a barrel above the benchmark it uses. That's a jump of USD4.40 a barrel from April, when the key grade was already at a record. Oil has soared to more than USD100 a barrel in the wake of Moscow's attack, which has roiled financial markets across the world. Many buyers are avoiding cargoes from Russia, despite them being offered at steep discounts.

MENA Equity markets have continued to roll on the back of higher oil prices in spite of any headwinds including the war in Ukraine, spiraling inflation and higher projected interest rates. We continue to be bullish on MENA equities and remain opportunistic buyers of blue chip names and sellers on strength in order to monetize gains for investors in our funds.

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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Past performance should not be taken as a guide to the future. The value of investments can fall as well as rise. The full documentation required to make an investment is available from AB Fund Managers (Guernsey) Ltd. at its registered address: 11 New Street, St. Peter Port, Guernsey, GY1 2PF Channel Islands.

