

# IIAB MENA Feeder Fund

Performance Report 30.06.22

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** **\$5.97**

## 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

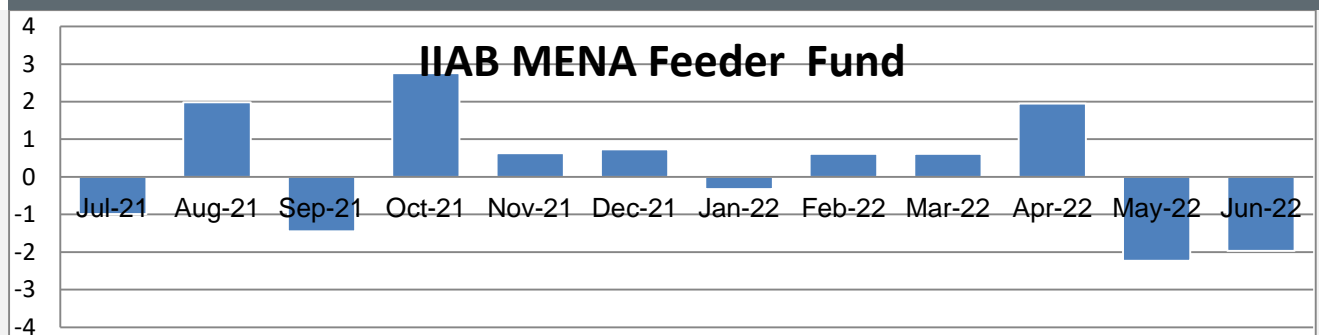
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 2,983,874	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</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	0.95	1.95	-2.23	-1.97							-1.07
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	0.99	1.95	-2.12	-1.87							-0.72
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)

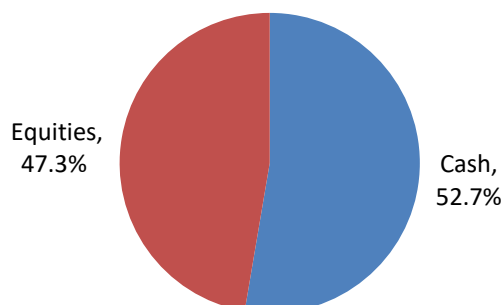
	Portfolio
Annualised return	-2.8%
Annualised volatility	13.1%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.6%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

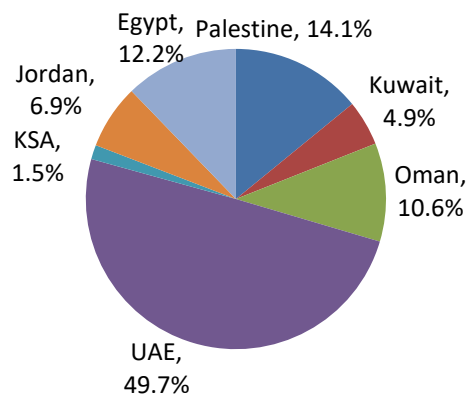
	Country	%
Dubai Islamic Bank	UAE	10.79%
Palestine Telecommunications Company	Palestine	6.67%
Emaar Properties Company	UAE	6.49%
OOREDOO OMR	Oman	5.02%
Cairo Investment & Real Estate Development	Egypt	4.11%
Aramex	UAE	3.56%
Al Yah Satellite Communications Company	UAE	2.69%
Jordan Islamic Bank	Jordan	2.36%
Human Soft Holding Co	Kuwait	2.31%
Cairo Poultry Company	Egypt	1.68%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

MENA equity markets cratered for the second straight month to erase all gains made since the beginning of the year to finish the month of June in the red YTD. The S&P Pan Arab Investable Index dived by 8.93% (YTD -1.33%). Likewise, the Dow Jones MENA Index fell by 8.78% (YTD -0.88%). The Arab Bank MENA Fund on the other hand shed 2.46% (YTD -0.23%). The Dow Jones Islamic Market MENA Index did not fare any better, shedding 9.77% (YTD -2.10%). The IIAB MENA Fund has duly dropped, though by a smaller 1.87% (YTD -0.72%). The IIAB MENA Feeder Fund consequently fell by 1.97% (YTD -1.07%).

The region's capital markets were all down during the month with the exception of the Omani Stock Exchange and the Jordanian ASE which were up by 0.16% (YTD -0.17%) and 0.14% (YTD 16.87%) respectively. On the losers' side, the Saudi Arabian TASI was at the front, shedding 10.82% (YTD 2.14%) during the month of June, followed closely by the Egyptian Stock Exchange which fell 9.11% (YTD -22.79%). Afterwards it was the Abu Dhabi index, the Qatari Index and the Kuwait Premier Market index which lost 6.76% (YTD 10.44%), 5.64% (YTD 4.86%) and 4.99% (YTD 7.91%) respectively. Finally, the list was rounded up by the Bahraini Index and the Dubai Financial Market indices which were down by 4.22% (YTD 2.36%) and 3.70% (YTD 0.86%).

Global capital markets were also mostly down as a combination of high inflation, tighter monetary policies and the Ukraine war continued to cast a dark shadow on their performances. In the U.S., the S&P 500 Index crashed by 8.39% (YTD -20.58%) while the Dow Jones fell 6.71% (YTD -15.31%). In Europe, all major indices were down. The French CAC 40 Index shed 8.44% (YTD -17.20%), the German DAX was down by 11.15% (YTD -19.52%) and the FTSE 100 lost 5.76% (YTD -2.92%). Asia on the other hand was mostly up for the month of June. The Nikkei index fell by 3.25% (YTD -8.33%), while the Hang Seng gained 2.08% (YTD -6.57%) and the Shanghai Composite was up 6.66% (YTD -6.63%).

In marquee global news during the month of June, the Federal Reserve raised interest rates by 75 basis points -- the biggest increase since 1994 -- and Chair Jerome Powell signaled another big move next month, intensifying a fight to contain rampant inflation. The Fed intensified its effort to cool prices by lifting the target range for the federal funds rate to 1.5% to 1.75%. Powell said another 75 basis-point hike, or a 50 basis-point move, was likely at the next meeting of policy makers.

Moreover, Russia defaulted on its foreign-currency sovereign debt for the first time in a century, the culmination of ever-tougher Western sanctions that shut down payment routes to overseas creditors. For months, the country found paths around the penalties imposed after the Kremlin's invasion of Ukraine. But the grace period on about USD100 million of snared interest payments due May 27 expired, a deadline considered an event of default if missed. In more upbeat news, the International Monetary Fund said the US economy is likely to slow in 2022 and 2023 but will narrowly avoid a recession as the Federal Reserve implements its rate-tightening plan to curb inflation.

In regional news, the Saudi Central Bank placed about SAR50 billion (USD13 billion) as time deposits with commercial lenders, seeking to ease the worst liquidity crunch in over a decade. The intervention started just before the US Federal Reserve's interest-rate hike this month and consisted of money provided to banks at a discount to the three-month Saudi Interbank Offered Rate.

In corporate news, Dubai business park operator Tecom Group drew orders worth USD9.63 billion for its initial public offering, the latest Middle East listing to attract strong investor demand amid a boom in regional share sales. Dubai's government sold 625 million shares at 2.67 dirhams each, raising USD454 million, according to a statement on Monday. The price implies a dividend yield of about 6%.

We continue to be prudent in our fundamentally based approach, searching for deep value in the names we acquire and holding relatively high levels of cash in order to offer our investors the best returns in the long term and downside protection instead of searching for short-term gains and enduring higher risks.



## 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.

