

IIAB MENA Feeder Fund

Performance Report 30.11.20

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$5.54**

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

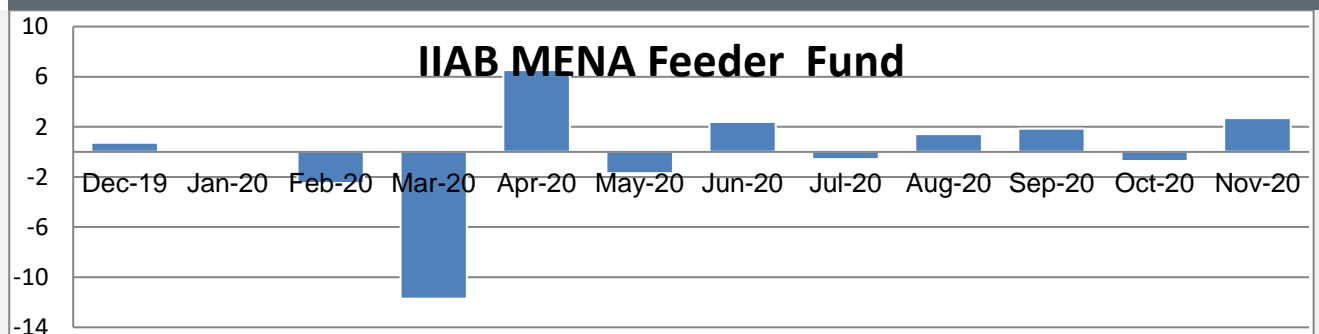
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 2,808,213	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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													
2020	0.08	-2.49	-11.71	6.53	-1.71	2.38	-0.57	1.42	1.86	-0.73	2.70		-3.29
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
2016	-8.92	4.95	2.12	2.57	-1.25	-0.04	0.41	-0.12	-1.87	-0.99	4.95	1.81	2.89
IIAB Islamic MENA Fund (Master Fund)													
2020	0.15	-2.41	-11.50	6.49	-1.63	2.40	-0.49	1.46	1.89	-0.65	2.71		-2.61
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

MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



PERFORMANCE STATISTICS (MASTER FUND)

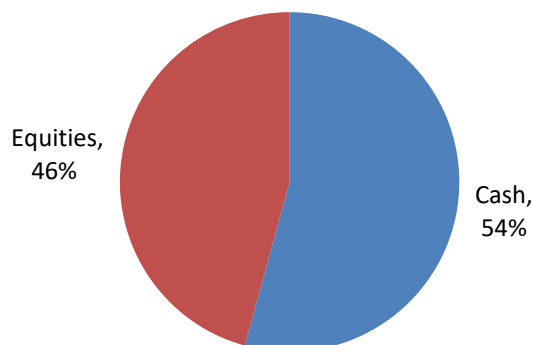
Portfolio	
Annualised return	-3.8%
Annualised volatility	13.7%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.3%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

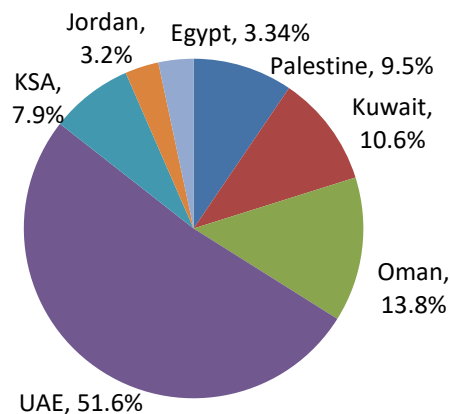
	Country	%
Dubai Islamic Bank	UAE	8.73%
Aramex	UAE	8.68%
OOREDOO OMR	Oman	6.31%
Emaar Properties Company	UAE	6.20%
Human Soft Holding Co	Kuwait	4.87%
Palestine Telecommunications Company	Palestine	4.35%
Saudi Airlines Catering	KSA	3.60%
Arab Pesticide and Veterinar	Jordan	1.47%
Cairo Poultry Company	Egypt	0.82%
Cairo Investment & Real Estate Development	Egypt	0.71%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

Buoyed by lower coronavirus infection numbers and breakthroughs on several COVID-19 vaccines, MENA equity markets enjoyed a stellar November. Mirroring the performance of global equity markets which also rallied on the back of vaccine news, the S&P Pan Arab Investable Index surged 7.11% (YTD -4.62%), and the Dow Jones MENA Index shot up by 6.76% (YTD -5.00%). Consequently, the Arab Bank MENA Fund gained 3.68% (YTD -3.83%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index emulated its conventional brethren by surging 6.84% (YTD 1.45%) to turn positive for the year. As a result, the IIAB MENA Fund gained 2.71% (YTD -2.61%). Consequently, the IIAB MENA Feeder Fund was up by 2.70% (YTD -3.29%).

All of the region's capital markets recorded gains during the month. The Saudi Arabian TASI index led the charge by gaining an incredible 10.61% (YTD 4.27%) to turn positive for the year, followed closely by The Dubai Financial Market which surged by 10.59% (YTD -12.49%). The top two were then followed by the Abu Dhabi Stock Exchange, Doha Stock Exchange and the Egyptian Stock Exchange which gained 6.54% (YTD -2.18%), 5.89% (YTD -1.57%) and 4.07% (YTD -21.62%) respectively. The list was rounded up by the Bahraini Market which was up by 3.53% (YTD -8.24%), the Omani Capital Market which rose by 2.41% (YTD -8.48%), the Jordanian Stock Exchange which gained 1.42% (YTD -13.32%) and the Kuwait Premier Market which edged up by 0.08% (-13.87%). Global capital markets set a similar during this breakout month. In the U.S. the S&P 500 Index recorded stellar gains of 10.75% (YTD 12.10%), and the Dow Jones surged by 11.84% (YTD 3.86%) to turn positive for the year. Meanwhile, exchanges in Europe saw outstanding advances despite fresh lockdowns brought on by increasing coronavirus cases. The French CAC 40 Index recorded month on month gains of an incredible 20.12% (YTD -7.69%), and the German DAX similarly went up by 15.01% (YTD 0.32%). The FTSE 100 also shot up by 12.35% (YTD -16.92%). In Asia, the Hang Seng advanced by 9.27% (YTD -6.56%), and the Shanghai Composite was up by 5.19% (YTD 11.20%). Finally the Nikkei was up by 15.04% (YTD 11.74%) smashing through the positive territory.

November saw a raft of government policies introduced in the GCC to harbor a more competitive investment and labor infrastructure. The United Arab Emirates abolished the need for companies to have Emirati shareholders in a major shake-up of foreign ownership laws aimed at attracting investment into an economy reeling from the coronavirus and a decline in oil prices. The amendments to the 2015 commercial companies' law remove key provisions requiring that a company be chaired by an Emirati national and for the board of directors to be majority Emirati. Also in the UAE, the government has embarked on one of the biggest overhauls of the legal system in years, with changes to family law and other areas affecting people's daily lives announced. The laws, effective immediately, reflect progressive measures to improve living standards and for the UAE to continue to be a destination for foreign direct investment and people from around the world. The United Arab Emirates plans to decriminalize "actions that don't harm others," potentially ending punishments for alcohol consumption or cohabitation by unwed couples in the expatriate-dominated country.

Not to be outdone by its gulf neighbor, Saudi Arabia will remove several key restrictions on foreign workers in an overhaul of the kingdom's controversial labor policies, part of a plan to attract overseas talent and increase job market mobility. Non-Saudis will no longer need their employer's permission to change jobs, travel abroad or leave the country permanently. The new rules will come into effect on March 14 of next year and apply to all foreign workers in the private sector, regardless of salary level.

In other news, MSCI, the world's largest index provider, reclassified Kuwait stock indexes to emerging markets status from frontier, a move that could funnel at least USD2 billion in passive investment flows. Seven Kuwaiti securities will be added to the benchmark MSCI Emerging Markets Index at an aggregate weight of 0.58%. Kuwait will effectively be reclassified to the Emerging Market Index after the November 30 close.



As this surreal year draws to end, we continue to position ourselves for the anticipated recovery which should occur as vaccines are rolled out and semblances of pre-COVID-19 life return. But as we see opportunities going forward we also see risks to our performance going forward; namely geopolitical risks arising from a new US administration seemingly intent on reviving the Iran nuclear deal and heightened tension between the current administration and the Persian Gulf country in addition to a still unresolved conflict in Yemen. Furthermore, the near future carries the risk of unforeseen virus repercussions on economies or setbacks regarding vaccine rollout. We therefore continue to deploy our funds prudently and conservatively.

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.

DISCLAIMER

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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.

