

IIAB MENA Feeder Fund

Performance Report 30.11.22

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$6.04**

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

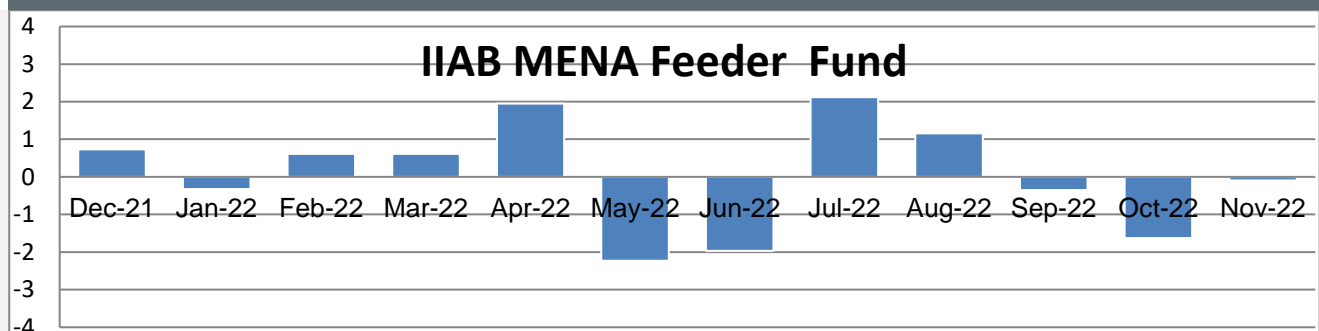
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 3,018,9222	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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	-2.23	-1.97	2.12	1.16	-0.35	-1.63	-0.09		0.09
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	-2.12	-1.87	2.29	1.27	-0.31	-1.63	-0.02		0.83
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)

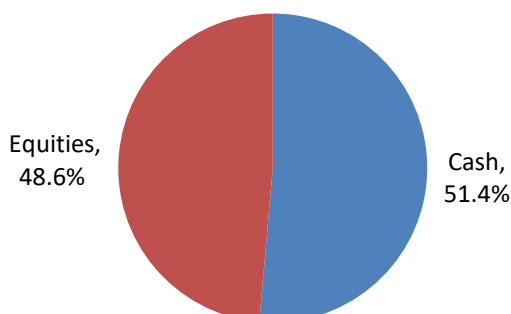
	Portfolio
Annualised return	-2.6%
Annualised volatility	12.9%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.3%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

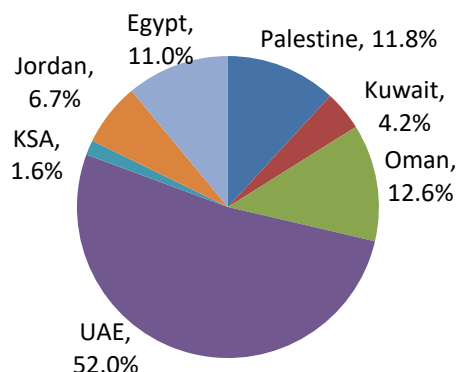
	Country	%
Dubai Islamic Bank	UAE	10.55%
Emaar Properties Company	UAE	6.27%
OOREDOO OMR	Oman	6.10%
Palestine Telecommunications Company	Palestine	5.76%
Cairo Investment & Real Estate Development	Egypt	3.78%
Aramex	UAE	3.36%
Al Yah Satellite Communications Company	UAE	2.69%
Jordan Islamic Bank	Jordan	2.51%
Dubai Electricity & Water AU	UAE	2.40%
Human Soft Holding Co	Kuwait	2.06%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

MENA equity indices have suffered from a downturn in November, as the heavyweight Saudi index plunged due to softening oil prices and weak Q3 results for the highly influential petrochemical sector. The S&P Pan Arab Investable Index declined by 2.96% (YTD -3.54%), and the Dow Jones MENA Index was down 2.56% (YTD -3.04%). The Arab Bank MENA Fund on the other hand ended the month on the up, rising by 0.64% (YTD 1.71%). The Dow Jones Islamic Market MENA Index was also down, recording losses of 2.44% (YTD -3.02%). However, the IIAB MENA Fund finished the month flat, shedding 0.02% (YTD 0.83%). The IIAB MENA Feeder Fund consequently fell 0.09% (YTD 0.09%).

The performance of the region's equity markets was mostly positive for November except for the Saudi Arabian TASI, the Qatari index and the Dubai Financial Market which were down by 6.61% (YTD -3.41%), 3.93% (YTD 2.58%) and 0.23% (YTD 4.01%) respectively. On the other hand, the Egyptian Stock Exchange spearheaded the gainers with a whopping gain of 16.59% (YTD 10.96%) on a nominal basis, followed by the Omani Stock Exchange and the Kuwait Premier Market Index which were up by 5.67% (YTD 11.72%) and 3.67% (YTD 11.16%) respectively. They were duly followed by the Jordanian ASE index, the Abu Dhabi Index and the Bahraini Index which gained 2.09% (YTD 17.66%), 1.35% (YTD 24.32%) and 0.01% (YTD 3.76%) respectively.

Global capital markets have gone in the opposite direction of MENA indices, experiencing a resurgence. All major indices, have recorded gains. The S&P 500 Index gained 5.38% (YTD -14.39%) while the Dow Jones surged 5.67% (YTD -4.81%). In Europe, the French CAC 40 Index was up by 7.53% (YTD -5.79%), the German DAX gained 8.63% (YTD -9.37%) and the FTSE 100 had gone up by 6.74% (YTD 2.55%). In Asia, the Nikkei index gained 1.38% (YTD -2.86%), while the Hang Seng jumped by 26.62% (YTD -20.52%) on easing of COVID restrictions in China. Meanwhile, the Shanghai Composite gained 8.91% (YTD -13.42%).

In November's marquee news, the International Monetary Fund said prospects for the world economy are more pessimistic than what it forecast last month as downside risks from the effects of Russia's war and persistent inflation materialize. A steady worsening in recent months for purchasing manager indexes that track Group of 20 economies "confirm that the outlook is gloomier" than outlined in the October World Economic Outlook. Moreover, Federal Reserve Chair Jerome Powell left little doubt that he is prepared to push rates as high as needed to stamp out inflation, even as the central bank eyes a downshift to a slower pace of increases. Addressing reporters after the Fed raised rates by 75 basis points for the fourth time in a row, Powell said "incoming data since our last meeting suggests that the ultimate level of interest rates will be higher than previously expected." The move lifts the Fed's benchmark to a 3.75%-4% range, from nearly zero in March.

In regional news, Saudi Arabia's economy grew an estimated 8.6% in the third quarter compared to the same period a year earlier, boosted mainly by the oil sector. The non-oil economy grew 5.6% compared to a year ago, while the oil economy grew 14.5%, according to flash estimates released by the kingdom's General Authority for Statistics. Saudi Arabia is on track to be the fastest growing major economy this year. Furthermore, the World Bank has hailed the UAE's "favorable business environment and world-class infrastructure", expecting the country's real GDP to grow by 5.9% in 2022. This came as the World Bank announced its new Gulf Economic Update (GEU) where it said higher oil receipts supplemented with a gradual non-oil recovery in the Emirates will bolster fiscal revenue resulting in a fiscal surplus to hover around 4.4% of GDP in 2022.

In other news, Jordan's growth has quickened in 2022 despite global economic turbulence, driven by strong progress in IMF-backed structural reforms that have cushioned the economy and strengthened macro-economic stability, the IMF said. Ali Abbas, who headed an IMF mission, told reporters that a post-Covid recovery continued to build momentum with expected 2022 growth revised upwards to 2.7% from a previous forecast of 2.4%. "Jordan has survived this environment better than expected," Abbas said, highlighting strong inflows from a revival of tourism, foreign worker remittances and investments from Gulf countries that have benefited from sharply higher oil prices.

As the year comes to an end and peak interest rate inch closer, we believe a major shift will happen in equity markets next year as we move from an ascending interest rate environment to a plateau mode. This should provide some stability for equity prices, and therefore cash can be deployed effectively to capitalize on better clarity of expected earnings and growth ahead.



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.

