

IIAB Sukuk & Murabaha MENA Fund

Performance Report 29.10.21

A protected cell of the IIAB PCC Ltd

NAV PER SHARE

\$9.43

OBJECTIVE OF THE FUND

The IIAB Sukuk & Murabaha MENA Fund is a medium to long-term, medium-risk investment vehicle with particular focus on sukuk, murabaha and sharia' compliant cash transactions, initiated out of the Middle East & North Africa region. The Fund seeks to earn the highest level of current income, while aiming to achieve a net return exceeding three month USD LIBOR on annualized basis.

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	8,232,139	Fund Manager	AB Fund Managers (Guernsey) Ltd
		Investment Advisor	Al Arabi Investment Group Co (AB Invest)
Launch date	28 February 2008	Dealing frequency	Monthly, 7 business days prior to month end
Listing	CISX	BBG code	IIABSUK GU Equity

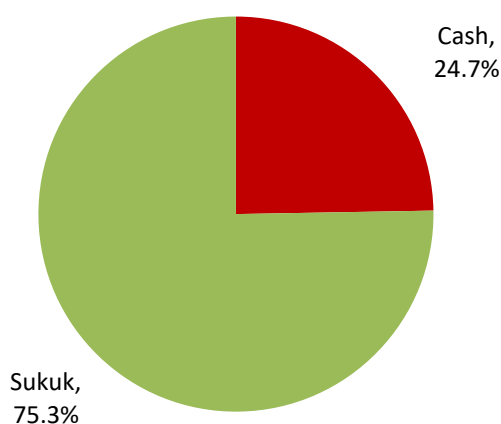
MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
2021	0.26	-0.14	-0.20	0.29	0.29	-0.06	-0.06	-0.05	-0.10	-0.05			0.17
Benchmark	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01			0.14
2020	0.52	-0.16	-4.83	1.66	1.00	1.43	0.72	0.52	0.03	0.35	0.88	0.60	2.59
2019	1.17	0.55	0.91	0.62	0.41	0.86	1.01	0.54	0.02	0.03	-0.02	0.39	6.68
2018	-0.23	-0.68	-0.30	-0.20	-0.40	0.09	0.69	0.24	0.18	-0.25	0.05	0.12	-0.68
2017	0.45	0.30	0.07	0.20	0.02	-1.04	0.60	0.21	-0.11	0.00	-0.49	0.13	0.32
2016	-1.47	1.26	0.50	0.25	0.00	0.47	0.50	0.10	-0.07	-0.12	-0.48	0.19	1.13

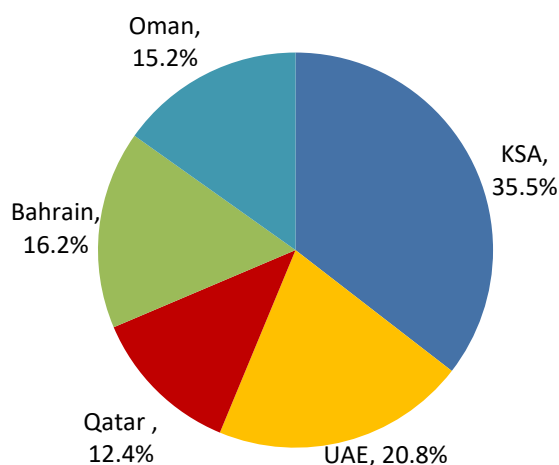
ASSET ALLOCATION (%)

	Actual
Cash	24.7%
Sukuk	75.3%

ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (SUKUK)

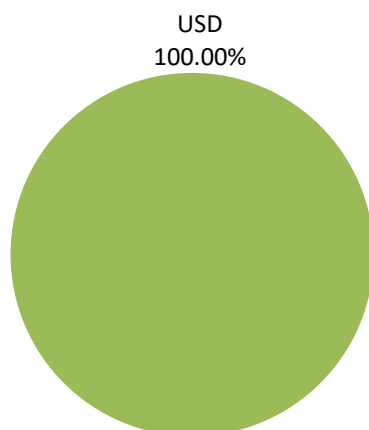


IIAB Sukuk & Murabaha MENA Fund

A protected cell of the IIAB PCC Ltd

Performance Report 29.10.21

CURRENCY ALLOCATION



TOP TEN HOLDINGS

OMAN SULTANATE	9.42%
Arabian Centres	6.31%
First Abu Dhabi Bank Sukuk	6.29%
State of Qatar Sukuk	6.26%
Dubai Islamic Bank Sukuk	6.24%
CBB International Sukuk Company	6.15%
Saudi Electric Co. Sukuk	6.15%
Kingdom of Saudi Arabia	6.13%
CBB International Sukuk Company	6.09%
KSA Sukuk Limited	5.08%

COMMENTARY

MENA Fixed income indices have suffered further losses during the month of October amid rising inflation levels and fears the US Fed will raise interest rates sooner than announced. The Dow Jones Sukuk Index fell 0.47% (YTD -1.88%), while the S&P MENA Sukuk Index shed 0.25% (YTD 1.07%). The IIAB Sukuk & Murabaha MENA Fund on the other hand ended the month down slightly by 0.05% (YTD 0.17%).

In major news for the month The Senate passed a stopgap spending bill aimed at averting a federal government shutdown on a bipartisan 65 to 35 vote. The House passed the emergency measure on to continue funding for federal government. The Senate bill passed after Democrats dropped an earlier attempt to attach a debt-ceiling suspension to the bill in face of implacable Republican opposition to that measure. In Europe, the European Central Bank renewed its pledge to conduct emergency bond-buying at a "moderately" slower pace, holding its nerve even as surging inflation prompts investors to advance unwelcome bets for interest-rate increases. The ECB Governing Council maintained prior language heralding plans to reduce monthly purchases from the roughly 75 billion euros (USD86.9 billion) deployed from March through September. They also promised to keep the 1.85 trillion- euro program, known as PEPP, running until March 2022 or later if needed.

In regional news Saudi Arabia reached an agreement with one of the world's biggest bond clearing systems to settle transactions in its debt market. The deal between the kingdom's Securities Depository Center Company, known as Edaa, and Brussels-based Euroclear Bank will give foreign investors access to the sukuk and bond market within the Saudi Exchange. Under the terms of an agreement signed at the Future Investment Initiative conference in Riyadh, the link is expected to become operational in March 2022. Moreover, FTSE Russell said it will include Saudi Arabia's local-currency debt in its emerging-market government bond index, a move likely to lure foreign investment to the Arab region's biggest economy. The kingdom's bonds will comprise 2.75% of the FTSE Emerging Markets Government Bond Index's value. The Saudi Arabian sukuk will start being added in April.

The United Arab Emirates could venture to new corners of debt markets after selling the first bond in its half-century history as a combined federation. Days after pricing USD4 billion in dollar securities, the UAE is now studying a federal bond issuance denominated in the local currency, a senior Finance Ministry official said. The government will also explore the possibility of offering green bonds in response to market demand. Moreover, Saudi Arabia has also appointed financial advisers for a planned green debt issuance but has yet to decide on the format.

In energy news, OPEC sounded a cautious note on the strength of oil demand, even after international crude prices surged above \$80 a barrel for the first time in several years. In its monthly market report, the cartel revised down its estimate for global oil consumption this year and told members to keep a close eye on the market. While the spike in natural gas prices could boost petroleum use in some areas, such as power generation, it could potentially curb demand in other areas, such as refining.

In issuance news Saudi Arabia raised SAR8.5 billion from its local Sukuk offering in the month of October. First tranche was for 3.905 billion riyals, second tranche consisted of 4.595 billion riyals. Furthermore, Emirates Islamic Bank's raised USD 500 million from sale of a 5 year USD sukuk issue. The final return was set at 2.082%.



IIAB Sukuk & Murabaha MENA Fund

Performance Report 29.10.21

A protected cell of the IIAB PCC Ltd

In rating updates Abu Dhabi's long-term issuer default rating was affirmed by Fitch at AA. Rating reflects Abu Dhabi's "strong fiscal and external metrics and high GDP per capita," Fitch said. Meanwhile, Moody's Investors Service affirmed the credit rating of Mamoura Diversified Global Holding (MDGH), a wholly-owned subsidiary of Mubadala Investment Company, citing its strong links with the Abu Dhabi government. The agency maintained Mamoura's "Aa2" long-term issuer rating, Moody's third-highest investment grade rating and on the same level as that assigned to the Abu Dhabi government.

The Fund was 75.99% invested at the end of October, with an estimated average yield to maturity of 1.17% and an estimated average maturity of 1.78 year.

INVESTMENT METHODOLOGY AND APPROACH

AB Invest is one of the most experienced and fastest growing MENA investment managers operating out of Jordan. AB Invest provides its clients with a number of MENA-focused investment solutions on conventional and Sharia-compliant bases. Our investment process is based on rigorous fundamental analysis with a view on delivering superior risk-adjusted returns, using a combination of top-down and bottom-up approaches. Our deep knowledge of the markets in which we invest allows us to deliver consistent returns while prudently managing risk.

DISCLAIMER

Whilst the information contained in this report is provided in good faith, no representation or warranty, express or implied, is made to its accuracy or completeness.

This fact sheet is issued by AB Fund Managers (Guernsey) Ltd. IIAB Sukuk & Murabaha MENA Fund is a Cell of IIAB PCC Ltd, AB Fund Managers (Guernsey) Ltd and IIAB PCC Ltd are licensed and regulated by the Guernsey Financial Services Commission. AB Fund Managers (Guernsey) Ltd is a wholly-owned subsidiary of the Arab Bank Group which is headquartered in Amman, Hashemite Kingdom of Jordan.

This Fact Sheet is not an invitation to make an investment, nor does it constitute an offer for sale. In addition, it does not constitute as an advertisement in a country where the Fund is not registered for sale.

For the purposes of FSA regulation, the fund is defined as an "Unregulated Collective Investment Scheme" and the promotion of such schemes either within the UK or from the UK is severely restricted by statute. Consequently, this report is only made available to Professional Clients and Eligible Counterparties as defined by the Financial Services Authority and to persons falling within the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001. The fund is only offered on the basis of the Offering Memorandum and any supplements thereto.

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.

