

# IIAB Sukuk & Murabaha MENA Fund

A protected cell of the IIAB PCC Ltd

Performance Report 30.04.24

NAV PER SHARE

\$9.30

## 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

<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>	8,114,936	<b>Fund Manager</b>	AB Fund Managers (Guernsey) Ltd
<b>Launch date</b>	28 February 2008	<b>Investment Advisor</b>	Al Arabi Investment Group Co (AB Invest)
<b>Listing</b>	CISX	<b>Dealing frequency</b>	Monthly, 7 business days prior to month end
		<b>BBG code</b>	IIABSUK GU Equity

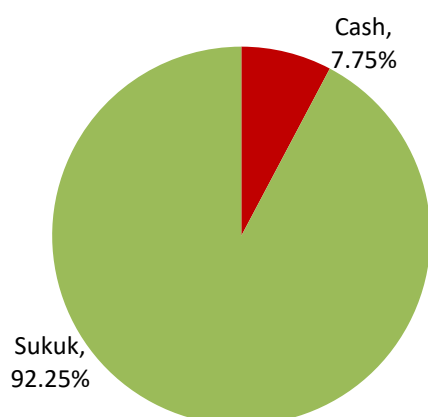
## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
2024	0.12	0.05	0.50	-0.84									-0.18
2023	0.64	-0.22	0.18	0.10	-0.52	-0.14	0.13	-0.09	-0.66	-0.95	1.82	1.52	1.79
2022	-0.54	-0.33	-0.59	-0.58	-0.05	-0.78	0.38	0.23	-0.96	-0.08	0.65	0.07	-2.53
2021	0.26	-0.14	-0.20	0.29	0.29	-0.06	-0.06	-0.05	-0.10	-0.05	-0.65	0.19	-0.30
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

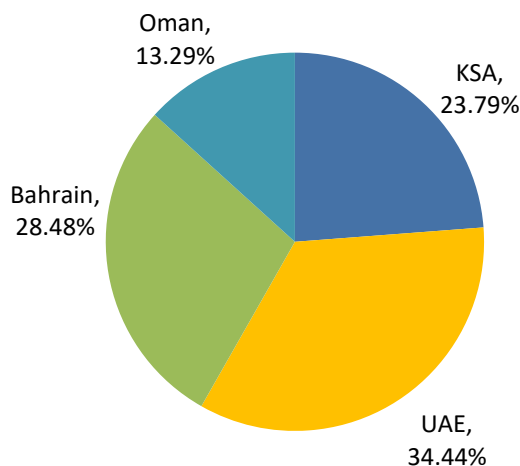
## ASSET ALLOCATION (%)

	Actual
Cash	7.75%
Sukuk	92.25%

## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION (SUKUK)

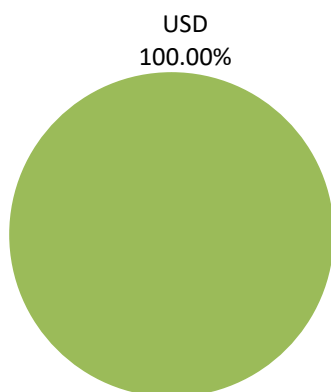


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## CURRENCY ALLOCATION



## TOP TEN HOLDINGS

CBB International Sukuk Company	9.40%
Oman Sultanate	9.21%
KSA Sukuk LTD	8.81%
Mumtalakat Sukuk	8.68%
DP World Cresnet Limited	5.95%
MAF Sukuk LTD	5.91%
Sharjah Sukuk	5.82%
EMAAR SUKUK LTD	5.66%
DIB TIER SUKUK	5.59%
CBB International Sukuk Company	5.50%

## COMMENTARY

Fixed income assets have suffered from a brutal April as unexpected spikes in US inflation have dented expectations of an imminent interest rate cut. The Dow Jones Sukuk Index shed 1.59% (YTD -2.53%); while the S&P MENA Sukuk Index has fallen by 1.19% (YTD -1.02%). The IIAB Sukuk & Murabaha MENA Fund was not spared from the fall and followed the direction of its benchmarks, falling by 0.84% (YTD -0.18%) and erasing its year-to-date gains in 2024.

In April news, Federal Reserve Chair Jerome Powell signaled policymakers will wait longer than previously anticipated to cut interest rates following a series of surprisingly high inflation readings. Powell pointed to the lack of additional progress made on inflation after the rapid decline seen at the end of last year, noting it will likely take more time for officials to gain the necessary confidence that price growth is headed toward the Fed's 2% goal before lower borrowing costs. If price pressures persist, he said, the Fed can keep rates steady for "as long as needed".

On another note, the International Monetary Fund inched up its expectations for global economic growth this year, citing strength in the US and some emerging markets, while warning the outlook remains cautious amid persistent inflation and geopolitical risks. Global economic activity will expand 3.2% this year, it said in its World Economic Outlook, up 0.1 percentage point from its January estimate. The forecast for 2025 was unchanged at 3.2%.

In regional news, the United Arab Emirates revised down its economic growth projection this year on the back of lower oil production under its OPEC+ quota. Gross domestic product is now seen expanding at 4.2% in 2024, according to the central bank's quarterly economic review, down from an earlier estimate of 5.7% in December. This is mainly due to "a slower recovery in oil production considering the OPEC+ agreement in November 2023, and a robust yet declining growth in the non-oil sector".

Egypt expects to get \$400 million in budget support from the UK over two years, the latest component of a vast global bailout for the North African country's economy which totaled USD57 billion. The sum will come in tandem with budget financing from the World Bank that's part of a previously announced \$6 billion, three-year package.

The Fund was 92.25% invested at the end of the month of April. It was positioned with an average yield to maturity of 6.10% and an average maturity of 3.22 years.

## 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.



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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.

