

IIAB Sukuk & Murabaha MENA Fund

A protected cell of the IIAB PCC Ltd

Performance Report 30.11.22

NAV PER SHARE

\$9.14

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	7,980,355	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

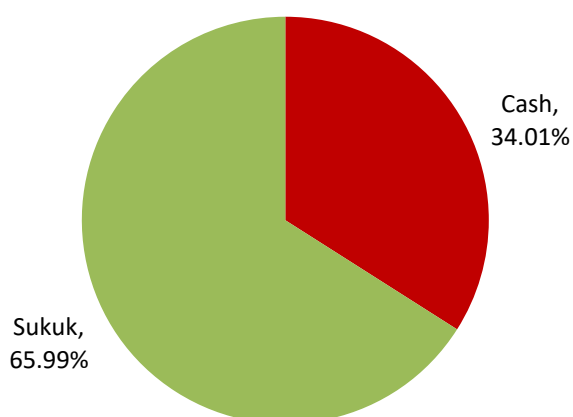
MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
2022	-0.54	-0.33	-0.59	-0.58	-0.05	-0.78	0.38	0.23	-0.96	-0.08	0.65		-2.60
Benchmark	0.02	0.03	0.04	0.08	0.11	0.13	0.19	0.23	0.26	0.31	0.37		1.79
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
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

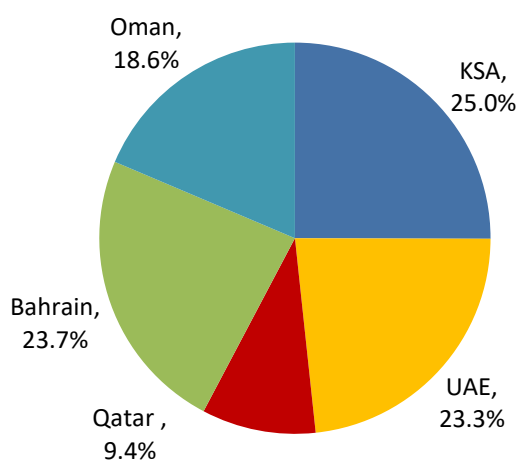
ASSET ALLOCATION (%)

	Actual
Cash	34.01%
Sukuk	65.99%

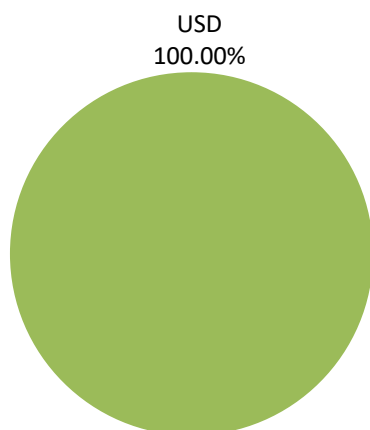
ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (SUKUK)



CURRENCY ALLOCATION



TOP TEN HOLDINGS

CBB International Sukuk Company	9.68%
OMAN SULTANATE	9.18%
State of Qatar Sukuk	6.25%
Dubai Islamic Bank Sukuk	6.24%
First Abu Dhabi Bank Sukuk	6.23%
Saudi Electric Co. Sukuk	6.09%
CBB International Sukuk Company	6.01%
Arabian Centres Sukuk	5.96%
KSA Sukuk Limited	4.55%
Oman Sovereign Sukuk	3.16%

COMMENTARY

MENA Fixed income markets bounced during the month of November as dovish statements from the US Fed officials indicating that we are almost at peak interest rates drove the prices higher. The Dow Jones Sukuk Index surged 2.19% (YTD -11.22%), while the S&P MENA Sukuk Index gained 2.22% (YTD -7.99%). The IIAB Sukuk & Murabaha MENA Fund also ended the month on a positive note, going up by 0.65% (YTD -2.60%).

In major news for the month of November, 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.

In issuance news for the month of November, Dubai Islamic Bank PJSC ("DIB"), rated A3 by Moody's and A by Fitch, has mandated several banks to arrange a fixed rate 5-year benchmark Regulation S only, USD-denominated, senior unsecured inaugural Sustainable Sukuk offering under DIB Sukuk Limited's USD 7.5bn Trust Certificate Issuance Program, subject to market conditions.

In rating updates, Jordan's long-term foreign debt rating was affirmed by Moody's at B1. Foreign Issuer Rating was affirmed by Moody's at B1. Local Issuer Rating was affirmed by Moody's at B1. Outlook changed to positive from stable.

Furthermore, Fitch Ratings downgraded its outlook for Egypt, saying weaker external liquidity and reduced prospects for access to bond markets leave the North African nation vulnerable to global shocks. The ratings agency changed its outlook to negative from stable but affirmed Egypt's B+ ranking. It also cited a decline in foreign reserves this year, saying they were now equal to just over three months of current external payments.



IIAB Sukuk & Murabaha MENA Fund

A protected cell of the IIAB PCC Ltd

Performance Report 30.11.22

Finally, Qatar's long-term foreign currency debt rating was upgraded by S&P to AA from AA-. Long-Term Local Currency Debt Rating was upgraded by S&P to AA from AA-. Outlook remains stable.

The Fund was 67.63% invested at the end of November, with an estimated average yield to maturity of 0.94% and an estimated average maturity of 1.17 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.

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.

