

# Arab Bank MENA Fund

Performance Report 26.06.23

A fund of the Arab Bank MENA Fund Company B.S.C. (Closed)

NAV PER SHARE

\$10.05

## OBJECTIVES OF THE FUND

The Arab Bank 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. The Fund aims to achieve an annual average net return in the range of 10% to 15% 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.

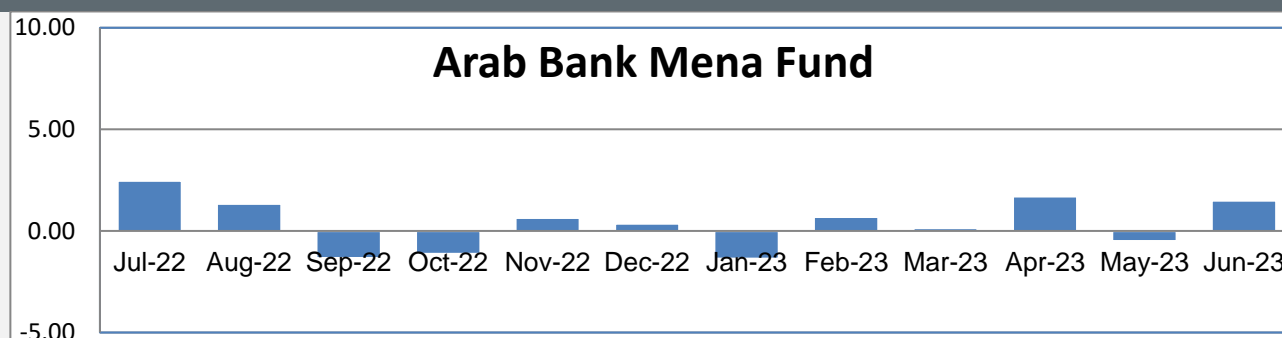
## KEY FEATURES

Domicile	Kingdom of Bahrain	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 14,251,160	Dealing frequency	Monthly, 5 business days prior to month end
Launch date	October 2005	Fund manager	Al Arabi Investment Group Co (AB Invest)
Administrator	Gulf Clearing Company	BBG code	ARABMNA BI Equity

## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
<b>Arab Bank MENA Fund</b>													
2023	-1.36	0.68	0.14	1.70	-0.48	1.49							2.16
2022	0.12	1.46	1.90	2.26	-3.37	-2.46	2.47	1.33	-1.33	-1.13	0.64	0.36	2.08
2021	2.93	-1.63	-1.44	1.46	5.11	0.78	-1.31	2.75	-1.41	2.93	0.05	1.49	12.08
2020	0.21	-3.33	-16.49	8.57	-2.27	3.59	-0.63	3.57	2.17	-0.81	3.68	3.45	-0.52
2019	2.05	0.94	1.07	2.48	-1.86	0.33	3.65	-2.17	-0.23	-0.65	-0.32	1.80	7.13
2018	0.23	-0.81	0.79	2.30	-1.19	0.37	-1.14	-0.73	-0.31	-0.31	-0.77	-0.57	-2.18

## MONTHLY RETURN OVER THE PAST TWELVE MONTHS



## RETURN PERCENTAGES

1 month	1.49%	3 months	2.72%	Since inception	0.50%
6 months	2.16%	12 months	4.52%		

## PERFORMANCE STATISTICS

	The Fund
Annualized return	0%
Annualized volatility	13.1%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	55.9%
Worst 12 months	-74.0%
Best 12 months	119.3%

## TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	14.63%
Emaar Properties Company	UAE	12.24%
OOREDOO OMR	Oman	4.86%
Palestine Telecommunications Company	Palestine	4.06%
Aramex	UAE	3.49%
Eastern Company for Tobacco	Egypt	2.90%
Arab Bank	Jordan	2.77%
Al Tajamout For Touristic Projects	Jordan	2.07%
Dubai Electricity & Water AU	UAE	1.88%
Saudi Airlines Catering	KSA	1.85%

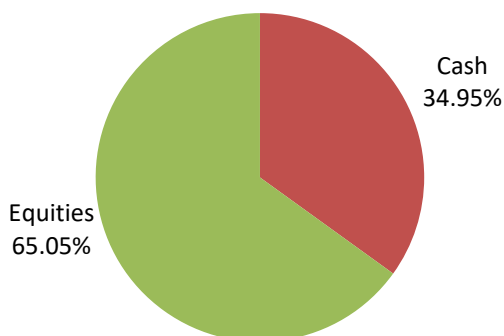


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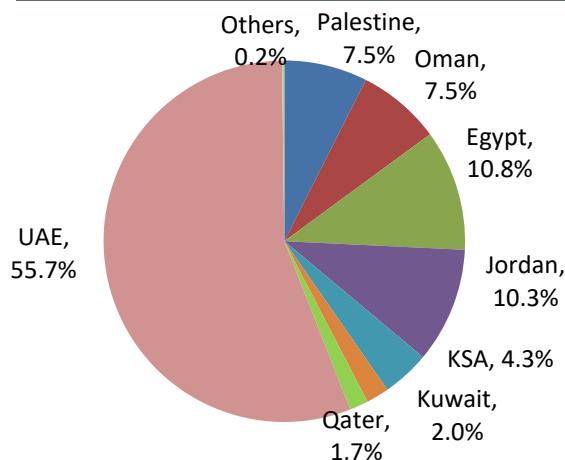
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## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION (EQUITIES)



## COMMENTARY

MENA equity markets have jumped in June turning the YTD performance into the green. The gains were spearheaded by the DFM and the heavyweight Saudi TASI indices. The S&P Pan Arab Investable Index surged by 3.01% (YTD 2.43%). Likewise, the Dow Jones MENA Index gained 2.94% (YTD 1.58%). The Arab Bank MENA Fund followed suit, rising by 1.49% (YTD 2.16%). The Dow Jones Islamic Market MENA Index was also on trend, going up by 2.95% (YTD 3.70%). The IIAB MENA Fund has duly risen, though by a smaller 0.43% (YTD -1.10%). The IIAB MENA Feeder Fund consequently gained 0.34% (YTD -1.46%).

The region's capital markets were mostly up during the month with the exception of the Qatari Index, the Jordanian ASE and the Bahraini Index which have shed 0.79% (YTD -5.68%), 0.64% (YTD -1.44%) and 0.29% (YTD 3.30%) respectively. On the advanced front, the Dubai DFM led the way with gains of 6.02% (YTD 13.67%), followed by the Kuwait Premier Market index, which gained 4.20% (YTD -3.77%). The Saudi Arabian TASI was next in line, going up by 4.04% (YTD 9.36%). The list was rounded by the Omani Stock Exchange, the Abu Dhabi index and the Egyptian Stock Exchange which were up by 3.07% (YTD -1.84%), 1.53% (YTD -6.47%) and 0.97% (YTD 21.01%) respectively.

Global capital markets were also predominantly up as a lower inflation and a rate hike pause by the US Fed have raised hopes that the interest rate hike cycle is near over. In the U.S., the S&P 500 Index rocketed by 6.47% (YTD 15.91%), while the Dow Jones surged by 4.56% (YTD 3.80%). In Europe, all major indices were up. The French CAC 40 Index gained 4.25% (YTD 14.31%), the German DAX was up by 3.09% (YTD 15.90%) and the FTSE 100 appreciated by 1.15% (YTD 1.07%). Asia on the other hand was mostly up for the month of June with the exception of one market. The Nikkei index recorded gains of 7.45% (YTD 27.19%), while the Hang Seng was up 3.74% (YTD -4.37%) and the Shanghai Composite was the sole loser, falling by a mere 0.08% (YTD 3.65%).

In marquee global news during the month of June, Federal Reserve Chair Jerome Powell said returning US inflation to 2% is crucial to support the long-term health of the US economy, and that more interest-rate increases may be needed this year. The statement was made after US policymakers voted to skip a rate hike in the June meeting on the back of a slowing rate of inflation.

On the other hand, the World Bank warned that the global economy is in a precarious situation and heading for a substantial growth slowdown as sharp interest-rate increases hit activity and stir vulnerabilities in lower-income countries, the World Bank said. Greater-than-expected resilience in the early months of 2023 is predicted to fade into more enduring weakness as tighter monetary policy compounds lingering shocks from the pandemic and Russia's invasion of Ukraine, the lender said in its latest Economic Prospects report. While stronger recent momentum led the institution to raise its world gross domestic product forecast for the year to 2.1% from the 1.7% predicted in January, it cut its outlook for 2024 to 2.4% from 2.7%.

In regional news, Saudi Arabia will make an extra 1 million barrel-a-day oil supply cut in July, taking its production to the lowest level for several years after a slide in crude prices. The bold move by the most important member of the OPEC+ coalition came at the cost of ceding ground to two key allies: Russia, which made no commitment to cut output deeper, and the United Arab Emirates, which secured a higher production quota for 2024. On the back of this news, the International Monetary Fund (IMF) revised its growth estimate for Saudi Arabia down to 2.1% in 2023 from 3.1% earlier.

Moreover, Egypt kept interest rates unchanged for a second month, waiting to secure the foreign exchange needed to manage the currency devaluation that would likely accompany its next bout of monetary tightening. The Monetary Policy Committee maintained the deposit rate at 18.25% and the lending rate at 19.25%. The latest rate pause comes despite a pick-up in inflation to 32.7% in May, the fastest since 2017.

We continue to be prudent in our fundamentally based approach, searching for deep value in the names we acquire and holding relatively high levels of cash in order to offer our investors the best returns in the long term.



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## INVESTMENT METHODOLOGY AND EDGE

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.

Arab Bank MENA Fund is a Fund created and sponsored by the Arab Bank MENA Fund Company B.S.C. (Closed) and is an open-ended investment Fund registered under the Laws of the Kingdom of Bahrain.

This fact sheet is issued by Al Arabi Investment Group Co. (AB Invest) - formerly known as Atlas Investment Group. AB Invest is a wholly-owned subsidiary of the Arab Bank Group and is an investment banking firm headquartered in Amman, Jordan.

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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.

