

# Arab Bank MENA Fund

Performance Report 27.07.23

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

NAV PER SHARE

\$10.18

## 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.

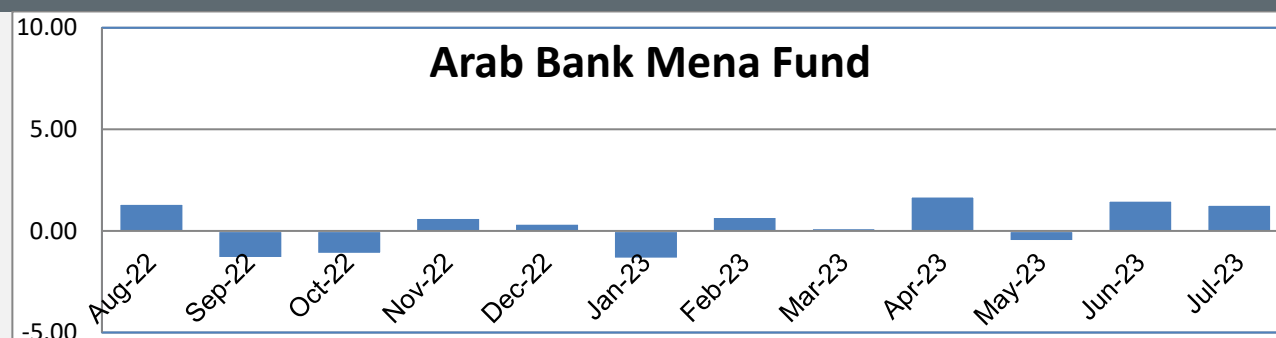
## KEY FEATURES

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 14,433,258	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	1.28						3.46
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	1.28%	3 months	2.29%	Since inception	1.79%
6 months	4.89%	12 months	3.30%		

## PERFORMANCE STATISTICS

	The Fund
Annualized return	0.1%
Annualized volatility	13.1%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	56.1%
Worst 12 months	-74.0%
Best 12 months	119.3%

## TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	15.08%
Emaar Properties Company	UAE	12.65%
OOREDOO OMR	Oman	4.79%
Palestine Telecommunications Company	Palestine	3.96%
Aramex	UAE	3.65%
Arab Bank	Jordan	2.83%
Eastern Company for Tobacco	Egypt	2.33%
Al Tajamout For Touristic Projects	Jordan	1.99%
Dubai Electricity & Water AU	UAE	1.87%
Saudi Airlines Catering	KSA	1.67%

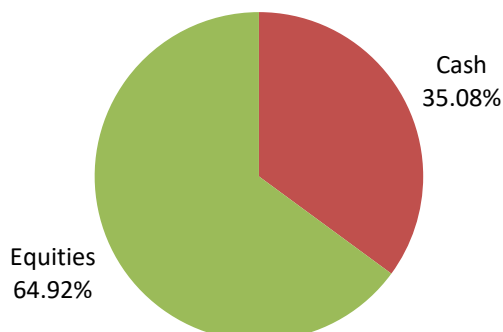


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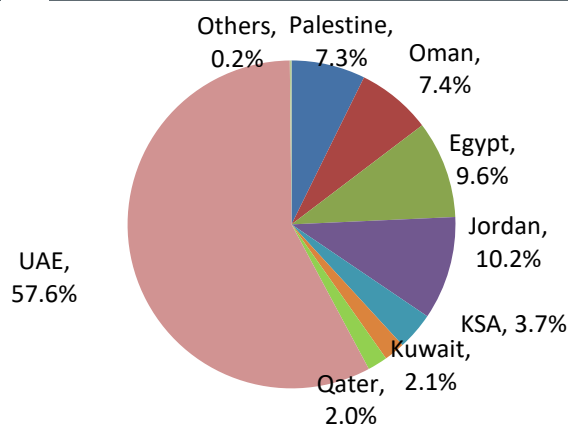
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## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION (EQUITIES)



## COMMENTARY

During the month of July (closing as of 27th July), MENA markets bounced back strongly to recording gain due to a combination of strong Q2 earnings and high oil prices. The S&P Pan Arab Investable Index was up 4.22% (YTD 6.75%), and the Dow Jones MENA Index was up by 4.25% (YTD 5.90%). The Arab Bank MENA Fund has also gone up, rising by 1.28% (YTD 3.46%). The Dow Jones Islamic Market MENA Index followed suit, recording gains of 4.00% (YTD 7.84%). The IIAB Islamic MENA Fund was up by 0.87% (YTD -0.24%) leading the IIAB MENA Feeder Fund to a gain of 0.74% (YTD -0.73%).

Most of the MENA region's equity markets ended the month of July in the green. The Qatari Index was at the forefront of all advancers, recording gains of 8.82% (YTD 2.64%), followed closely by the Dubai Financial Market index which has advanced by 7.05% (YTD 21.68%). The Kuwait Premier Market index and the Abu Dhabi market were next, going up 3.22% (YTD -0.68%) and 2.48% (YTD -4.15%). Rounding up the list of advancers were the Saudi Arabian TASI, the Bahraini Index and the Omani Stock Exchange which have gained 2.04% (YTD 11.58%), 1.76% (YTD 5.13%) and 0.17% (YTD -1.67%) respectively. On the losing front, there were only two markets, the Jordanian ASE index and the Egyptian Stock Exchange which went down by 0.80% (YTD -2.23%) and 0.39% (YTD 20.53%) respectively.

Global capital markets also recorded positive performances predominantly, with indices in the U.S. and Europe largely up, as well as most Asian markets. The S&P 500 Index rose by 3.11% (YTD 19.52%), while the Dow Jones index gained 3.35% (YTD 7.28%). In Europe, the French CAC 40 Index was up 1.32% (YTD 15.82%), the German DAX rose 1.85% (YTD 18.12%) and the FTSE 100 gained 2.23% (YTD 3.32%). Asia was also mostly positive. The Nikkei index was the sole exception, shedding 0.05% (YTD 27.12%), while the Hang Seng surged by a substantial 6.15% (YTD 1.50%) and the Shanghai Composite was up 2.78% (YTD 6.53%).

In July's marquee news, the Federal Reserve resumed raising interest rates and Chair Jerome Powell left open the possibility of further hikes, which he emphasized, will depend on incoming data that has recently signaled a resilient US economy. After pausing rate increases in June, policymakers lifted borrowing costs again at their policy meeting for the 11th time since March 2022 to curb inflation. The quarter percentage-point hike, a unanimous decision, boosted the target range for the Fed's benchmark federal funds rate to a range of 5.25% to 5.5%, the highest level in 22 years. On the other hand, the US economy will muster enough strength to avoid slipping into a recession even as higher interest rates and a pickup in unemployment weigh on consumers, fresh Congressional Budget Office estimates show. Gross domestic product is projected to rise at a 0.4% annual rate in the second half of this year, before steadily improving in 2024 and into the following year, according to the CBO.

In regional news, Kuwait plans to launch a new sovereign investment vehicle to invest in the local market and boost economic growth, according to the government's latest work program. The Ciyada Development Fund, as the new vehicle is called, aims at accelerating growth of the Kuwaiti economy and improving quality of life, and enhancing advancement in different fields of development, through strategic planning and effective execution of mega development projects. Moreover, Egypt said it had agreed to sell \$1.9 billion of state assets to local firms and a United Arab Emirates wealth fund, as it looks to send a clear signal of progress in efforts to revive an economy crippled by a foreign-currency crunch. The divestments mark the most significant step forward on a broad plan announced in February to raise billions of dollars by listing whole or parts of companies, or offering them to strategic investors.

In energy news, Saudi Arabia's receipts from oil sales abroad declined by more than a third to the lowest since September 2021, amid a spluttering recovery in energy markets. The Kingdom's oil exports dropped to just over USD19 billion during May, according to data from the General Authority for Statistics that includes both crude and refined products. The share of oil sales in total exports fell to 74% from nearly 81% a year ago.

As the second half of 2023 officially begins, we continue to monitor our holdings to benefit from selling opportunities for the names with limited upside and buying opportunities for the names still trading below their intrinsic value. Our elevated cash levels should cushion any blow resulting from an unexpected downturn in markets and allow us to pick up stocks at attractive valuations.



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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.

