

# Arab Bank MENA Fund

Performance Report 29.02.24

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

NAV PER SHARE

\$10.80

## 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.

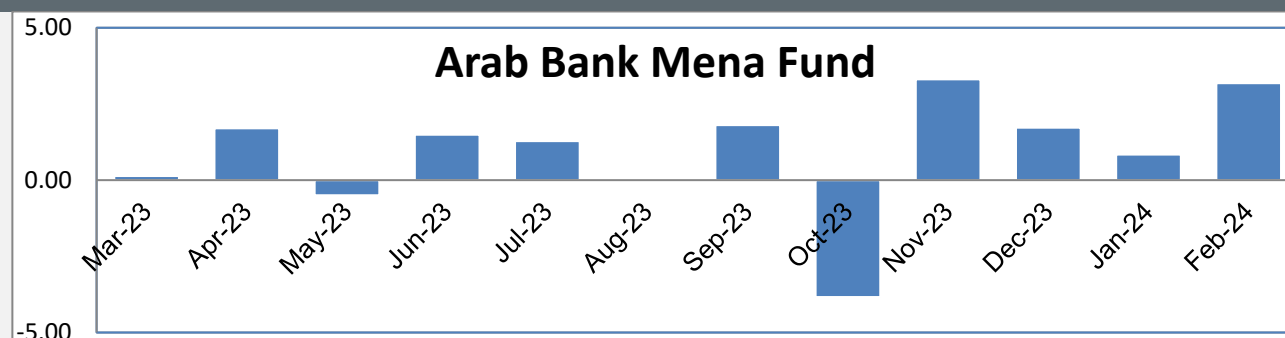
## KEY FEATURES

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 14,978,921	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>													
2024	0.84	2.32											3.18
2023	-1.36	0.68	0.14	1.70	-0.48	1.49	1.28	-0.05	1.81	-3.84	3.31	1.72	6.39
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

## MONTHLY RETURN OVER THE PAST TWELVE MONTHS



## RETURN PERCENTAGES

1 month	2.32%	3 months	4.95%	Since inception	8.00%
6 months	6.15%	12 months	10.53%		

## PERFORMANCE STATISTICS

	The Fund
Annualized return	0.4%
Annualized volatility	13%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	56.6%
Worst 12 months	-74.0%
Best 12 months	119.3%

## TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	15.80%
Emaar Properties Company	UAE	12.18%
OOREDOO OMR	Oman	4.26%
Palestine Telecommunications Company	Palestine	3.36%
Aramex	UAE	3.31%
Cairo Poultry Company	Egypt	2.80%
Arab Bank	Jordan	2.79%
Al Yah Satellite Communications	UAE	2.56%
Dubai Taxi Company	UAE	2.00%
Cairo Investment & Real Estate Development	Egypt	1.65%

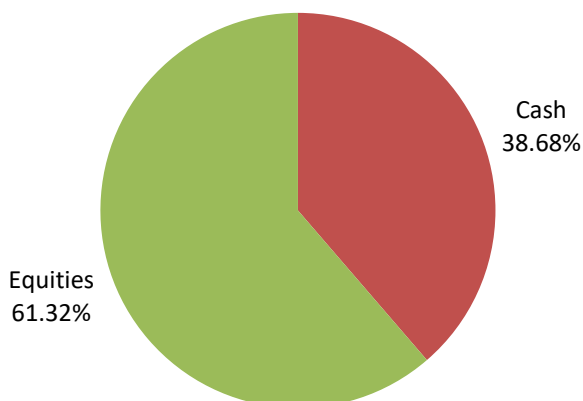


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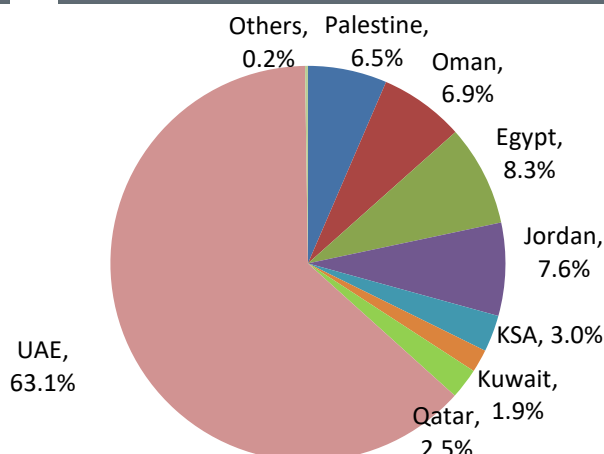
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## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION (EQUITIES)



## COMMENTARY

MENA equity markets have bounced back in the second month of 2024 led by the heavyweight Saudi market. Higher oil prices in February and renewed optimism of an impending US Fed rate cut have lifted most equity markets. The S&P Pan Arab Investable Index was up by 3.57% (YTD 3.37%), and the Dow Jones MENA Index gained 3.35% (YTD 3.21%). The Arab Bank MENA Fund on the other hand was up 2.32% (YTD 3.18%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has also finished the month in the green, going up by 3.70% (YTD 2.22%). The IIAB MENA Fund did not deviate from its benchmark, gaining 2.99% (YTD 2.88%). The IIAB MENA Feeder Fund consequently gained 2.84% (YTD 2.70%).

Most of the region's capital markets recorded gains during the month, with substantial gains made by the heavyweight Saudi Tadawul index which surged by 7.07% (YTD 5.54%). The Doha Stock Exchange followed, rising by 3.82% (YTD -3.28%) while the Dubai Financial Market trailed both, gaining 3.35% (YTD 6.13%). The list was rounded by the Kuwait Premier Market and the Egyptian Stock Exchange which were up 2.51% (YTD 9.12%) and 2.41% (YTD 16.35%) respectively. On the other end, the list of losers was spearheaded by the Bahraini Index which lost 2.99% (YTD 1.72%), followed by the Abu Dhabi Stock Exchange which shed 2.67% (YTD -3.37%). The Jordanian ASE and the Omani Capital Market rounded up the list falling by 0.54% (YTD 1.48%) and 0.15% (YTD 0.90%) respectively.

Global capital markets on the other hand were within a fraction of being unanimously up in February, as increasing bets on interest rate cuts revived the optimism around equity markets. In the U.S., the S&P 500 Index soared 5.17% (YTD 6.84%); the Dow Jones meanwhile was up 2.22% (YTD 3.47%). In Europe, the French CAC 40 Index rose 3.54% (YTD 5.09%) and the German DAX was up by 4.58% (YTD 5.53%). Meanwhile, the FTSE 100 was the sole outlier, shedding 0.01% (YTD -1.33%). Asian markets were all up significantly, the Shanghai Composite surged 8.13% (YTD 1.35%) and the Nikkei index was up by 7.94% (YTD 17.04%). The Hang Seng meanwhile gained 6.63% (YTD -3.14%).

In February's marquee news, top Federal Reserve officials hammered home the message that the US central bank is still on track to cut interest rates this year – just not anytime soon. Fed Vicechair Philip Jefferson and Governor Lisa Cook said they're optimistic inflation is still cooling despite a blip in January but made clear they want more evidence it's headed back to their 2% target before lowering borrowing costs. Federal Reserve Chair Jerome Powell said Americans may have to wait beyond March for the central bank to cut interest rates as officials look for more economic data to confirm that inflation is headed down to 2%.

In regional news, the United Arab Emirates agreed to invest USD35 billion in Egypt, a breakthrough in Cairo's efforts to end its worst foreign-exchange crisis in decades. The plans include developing a premium area on the North African nation's Mediterranean coast known as Ras El-Hekma — a project Egypt's Prime Minister Mostafa Madbouly described as the biggest deal in his country's history. Abu Dhabi wealth fund ADQ said it will purchase Ras El-Hekma development rights for \$24 billion and invest \$11 billion — which will come from the UAE's money deposited at Egypt's central bank — in additional real estate and other prime projects in the country.

Furthermore, Saudi Arabia's sovereign wealth fund is seeking to acquire a stake in the kingdom's biggest construction conglomerate as it leans on local firms to build key mega-projects and infrastructure needed to host showcase events such as the World Expo. The Public Investment Fund is working with Morgan Stanley on a potential deal to buy into Saudi Binladin Group, according to people with knowledge of the matter.



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Anticipation for a long-awaited US Fed Rate cut in addition to geopolitical turmoil from the Gaza war have failed to dent investor confidence in MENA equities as evident by the gains of February. Long term investment plans in infrastructure in Saudi and the UAE's increased attractiveness for investment coupled with historically high Oil prices have maintained the momentum going for the region's capital markets. We maintain our bullish sentiment for the region and continue to invest in companies that we believe will benefit from the above-mentioned conditions.

## 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.

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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.

