

Arab Bank MENA Fund

Performance Report 29.07.21

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

NAV PER SHARE

\$9.10

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.

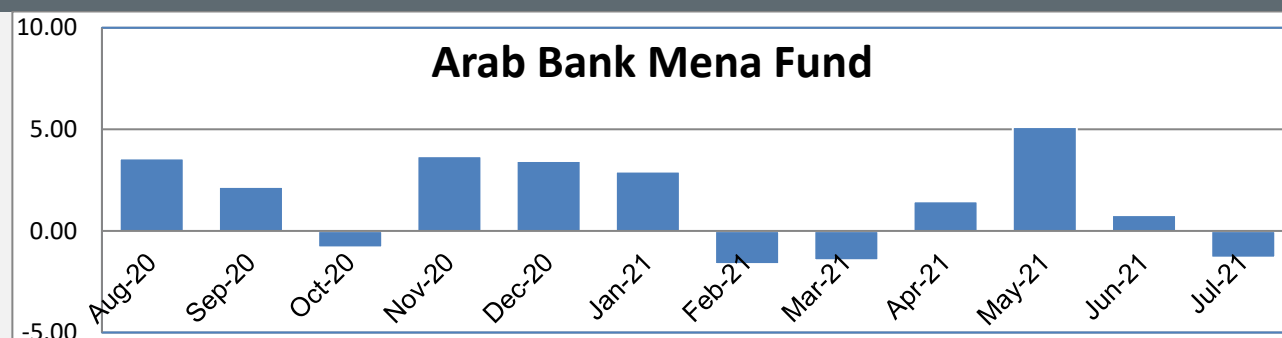
KEY FEATURES

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 13,673,618	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.
Arab Bank MENA Fund													
2021	2.93	-1.63	-1.44	1.46	5.11	0.78	-1.31						5.86
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
2017	1.01	0.32	1.39	0.78	-1.70	0.97	0.22	-1.03	0.65	-0.57	-3.49	-0.11	-1.65
2016	-10.85	6.29	1.49	2.17	-1.11	-0.06	1.35	-0.90	-1.29	-1.26	5.06	2.19	2.05

MONTHLY RETURN OVER THE PAST TWELVE MONTHS



RETURN PERCENTAGES

1 month	-1.31%	3 months	4.54%	Since inception	-8.97%
6 months	2.84%	12 months	19.17%		

PERFORMANCE STATISTICS

	The Fund
Annualized return	-0.6%
Annualized volatility	13.8%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	54.7%
Worst 12 months	-74%
Best 12 months	119.3%

TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	14.42%
Emaar Properties Company	UAE	8.91%
Aramex	UAE	8.83%
Saudi Airlines Catering	KSA	5.69%
OOREDOO OMR	Oman	5.41%
Abu Dhabi Commercial Bank	UAE	4.37%
Palestine Telecommunications Company	Palestine	4.08%
Arab Bank	Jordan	3.53%
Eastern Company for Tobacco	Egypt	2.74%
Al Tajamouat for Touristic Projects	Jordan	2.28%

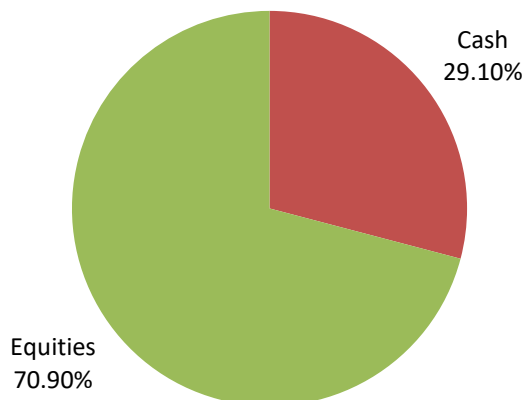


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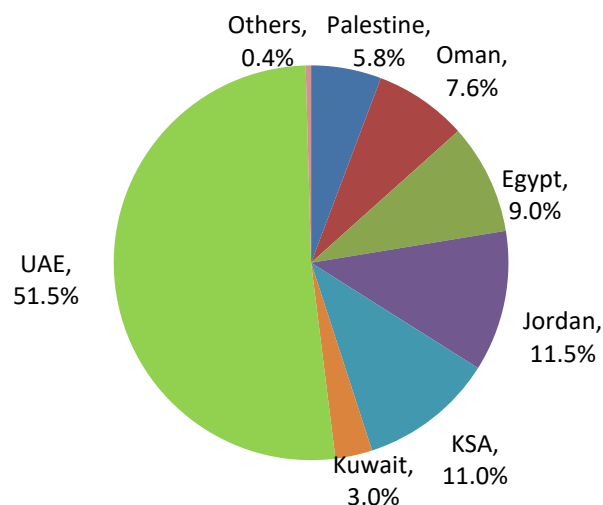
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

For the ninth straight month, MENA markets have recorded further gains in July spurred by surging oil prices. The S&P Pan Arab Investable Index was up 1.15% (YTD 19.54%), and the Dow Jones MENA Index was up by 1.43% (YTD 19.55%). The Arab Bank MENA Fund on the other hand fell by 1.31% (YTD 5.86%) due to declines in the share prices of blue-chip companies in the Dubai Financial Market. The Dow Jones Islamic Market MENA Index was also up, recording gains of 0.92% (YTD 19.24%). The IIAB MENA Fund though declined by 0.90% (YTD 2.05%). The IIAB MENA Feeder Fund consequently was down by 0.99% (YTD 1.65%).

The performance of the region's equity markets were a mixed bag during the month of July, with six markets in the green and three in the red. The Abu Dhabi index was at the forefront of all advancers, continuing its surreal run in 2021, the index has recorded gains of 7.06% (YTD 45.05%). It was followed by the Egyptian Stock Exchange and the Kuwait Premier Market index which have advanced by 4.73% (YTD -0.95%) and 3.29% (YTD 18.40%) respectively. Rounding up the month's gainers were the Bahraini Index, the Saudi Arabian TASI and the Qatari Index which were up by 0.57% (YTD 7.20%), 0.26% (YTD 26.74%) and 0.21% (YTD 3.04%). On the losing side during this month were the Dubai Financial Market index which shed 1.60% (YTD 10.98%), the Omani Stock Exchange which was down 0.81% (YTD 10.16%) and the Jordanian ASE index which fell 0.54% (YTD 25.97%).

Global capital markets also had mixed performances, with indices in the U.S. and Europe largely up while Asia's equity indices suffered from large drops as a result of China's crackdown on its own mega companies. The S&P 500 Index rose by 2.27% (YTD 17.02%) while the Dow Jones gained 1.25% (YTD 14.14%). In Europe, the French CAC 40 Index shot up 1.61% (YTD 17.12%), the German DAX inched up 0.09% (YTD 13.31%) and the FTSE 100 shed 0.08% (YTD 8.85%). Asia on the other hand was unanimously down for the second straight month. The Nikkei index fell by 5.24% (YTD -0.59%), while the Hang Seng shed an incredible 9.94% (YTD -4.66%) and the Shanghai Composite was down 5.40% (YTD -2.18%).

Financial market conditions have stabilized in recent months following a marked rise in US Treasury yields and a sharp increase in inflation expectations in the first quarter of 2021 according to Moody's. The ratings' agency expect systemic risks in financial markets to remain moderate over the coming year, supported by accommodative monetary policy in advanced economies. Nevertheless, some asset prices appear elevated, pointing to pockets of vulnerability. Unexpected signaling of tighter monetary policy would induce higher market volatility, with an uneven impact across markets.

In energy news, OPEC and its Russia-led oil-producing allies agreed to unleash millions of barrels of bottled-up crude over the next two years, committing to restore all the cuts they made at the start of the Covid-19 pandemic as many economies pick up and crude demand recovers. OPEC+ members agreed to gradually add more oil supplies to the market, ending a two-week spat between Saudi Arabia and the United Arab Emirates. The unusually public dispute that tested the unity of the cartel was resolved in a classic compromise -- with Riyadh meeting Abu Dhabi halfway in its demand for a more generous output limit.

In regional news, house prices in Dubai during 2Q accelerated at their fastest pace since the summer of 2014, according to real estate agency Knight Frank. 128 homes valued at 20 million dirhams or more were sold between January and June, the highest level since 2015 when 137 deals in that price range were done. Average transacted prices rise by almost 1% during 2Q. Average transacted price now at 1,156 dirhams per square foot. In Saudi Arabia, the government set an upper limit for domestic gasoline prices and said the state would bear any extra costs, softening an energy subsidy cut program that's drawn complaints from citizens. The ceiling for local gasoline prices will be set at June's levels. The decision was made to decrease the burden of living costs on citizens and residents and support local economic activity.



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As the second half of 2021 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 should that scenario materialize.

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.

