

# Arab Bank MENA Fund

Performance Report 30.04.24

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

## NAV PER SHARE

\$10.25

## 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.

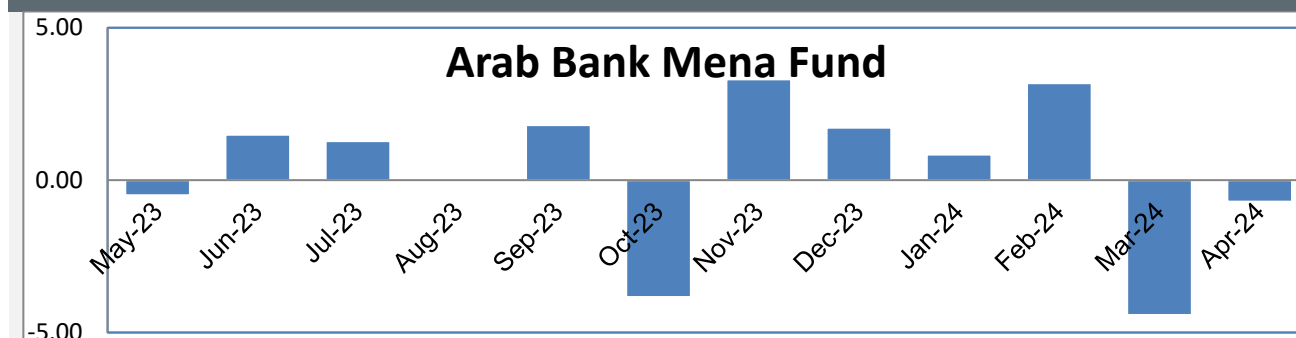
## KEY FEATURES

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 14,215,307	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	-4.42	-0.71									-2.08
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	-0.71%	3 months	-2.89%	Since inception	2.49%
6 months	2.90%	12 months	3.00%		

## PERFORMANCE STATISTICS

	The Fund
Annualized return	0.1%
Annualized volatility	13%
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	14.38%
Emaar Properties Company	UAE	12.58%
OOREDOO OMR	Oman	3.96%
Aramex	UAE	3.72%
Palestine Telecommunications Company	Palestine	3.42%
Al Yah Satellite Communications	UAE	2.87%
Arab Bank	Jordan	2.82%
Dubai Taxi Company	UAE	2.06%
Dubai Electricity & Water	UAE	1.69%
Cairo Amman Bank	Jordan	1.57%

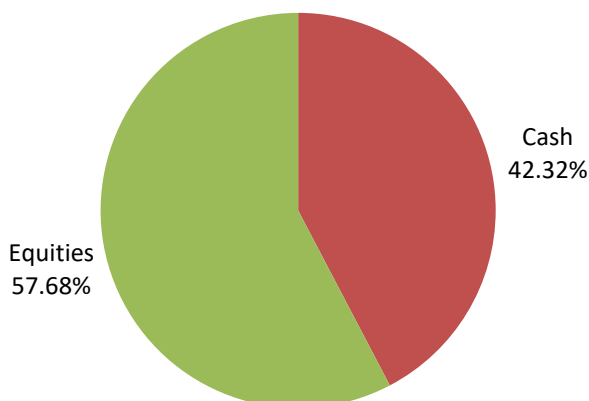


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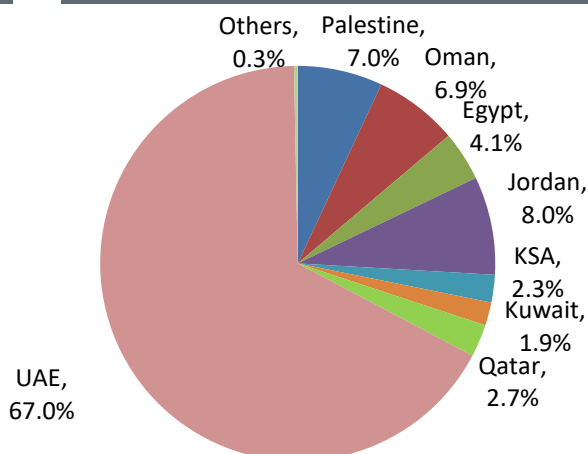
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## ASSET ALLOCATION



## GEOGRAPHIC ALLOCATION (EQUITIES)



## COMMENTARY

MENA equity indices have fallen for the second straight month in April after peaking in February. Broad declines in most markets were witnessed across the board, the fastest of which was the Egyptian market after the devaluation of the EGP. The S&P Pan Arab Investable Index fell 1.51% (YTD -1.36%), and the Dow Jones MENA Index was down by 1.84% (YTD -2.33%). Similarly, the Arab Bank MENA Fund was down by 0.71% (YTD -2.08%). The Dow Jones Islamic Market MENA Index mimicked its conventional equivalents, falling 0.81% (YTD -0.83%). The IIAB MENA Fund also ended the month in the red, losing 0.42% (YTD -3.45%). The IIAB MENA Feeder Fund consequently fell 0.47% (YTD -3.60%).

Most of the region's capital markets fell during the month. The Egyptian Stock Exchange fell the most after the devaluation of the currency, losing 9.06% (YTD -1.79%) during the month. The Kuwait Premier Market was next, falling by 4.30% (YTD 2.87%), followed by the Dubai Financial Market Index which was down 2.13% (YTD 2.36%). The Jordanian ASE Index, Abu Dhabi Stock Exchange and the Qatari Index were next, falling by 1.94% (YTD -1.67%), 1.74% (YTD -5.33%) and 1.22% (YTD -10.19%) respectively. The Bahraini index and the Saudi Arabian TASI rounded up the list, falling by 0.67% (YTD 2.92%) and 0.05% (YTD 3.57%). On the other front, the Omani stock exchange was the sole outlier, gaining 3.20% (YTD 5.98%) during April.

The picture was not much different at the global capital markets level. In the U.S., the S&P 500 Index cratered by 4.16% (YTD 5.57%), while the Dow Jones declined by 5.00% (YTD 0.34%). In Europe, all major indices experienced a negative month bar the FTSE 100, which gained 2.41% (YTD 5.31%). The French CAC 40 Index fell by 2.69% (YTD 5.86%), and the German DAX was down 3.03% (YTD 7.05%). Asia's performance also varied. The Nikkei index was down by 4.86% (YTD 14.77%), while the Hang Seng surged 7.39% (YTD 4.20%) and the Shanghai Composite rose by 2.09% (YTD 4.37%).

In April news, Federal Reserve Chair Jerome Powell signaled policymakers would wait longer than previously anticipated to cut interest rates following a series of surprisingly high inflation readings. Powell pointed to the lack of additional progress made on inflation after the rapid decline seen at the end of last year, noting it will likely take more time for officials to gain the necessary confidence that price growth is headed toward the Fed's 2% goal before lower borrowing costs. If price pressures persist, he said, the Fed can keep rates steady for "as long as needed".

On another note, the International Monetary Fund inched up its expectations for global economic growth this year, citing strength in the US and some emerging markets, while warning the outlook remains cautious amid persistent inflation and geopolitical risks. Global economic activity will expand 3.2% this year, it said in its World Economic Outlook, up 0.1 percentage point from its January estimate. The forecast for 2025 was unchanged at 3.2%.

In regional news, the United Arab Emirates revised down its economic growth projection this year on the back of lower oil production under its OPEC+ quota. Gross domestic product is now seen at 4.2% in 2024, according to the central bank's quarterly economic review, down from an earlier estimate of 5.7% in December. This is mainly due to "a slower recovery in oil production considering the OPEC+ agreement in November 2023, and a robust yet declining growth in the non-oil sector".

Egypt expects to get \$400 million in budget support from the UK over two years, the latest component of a vast global bailout for the North African country's economy which totaled USD57 billion. The sum will come in tandem with budget financing from the World Bank that's part of a previously announced \$6 billion, three-year package.

MENA Equity markets have stalled recently as a combination profit-taking selloffs, geopolitical tensions, and Egyptian currency devaluation has taken a toll on regional equities which were experiencing a positive 2024 in terms of gains.



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We continue to be firm believers in the region, our ample cash reserves will allow us to accumulate high-conviction oversold names at lower prices to provide our investors with superior risk-adjusted returns.

## 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.

