

Arab Bank MENA Fund

Performance Report 28.09.23

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

NAV PER SHARE

\$10.36

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.

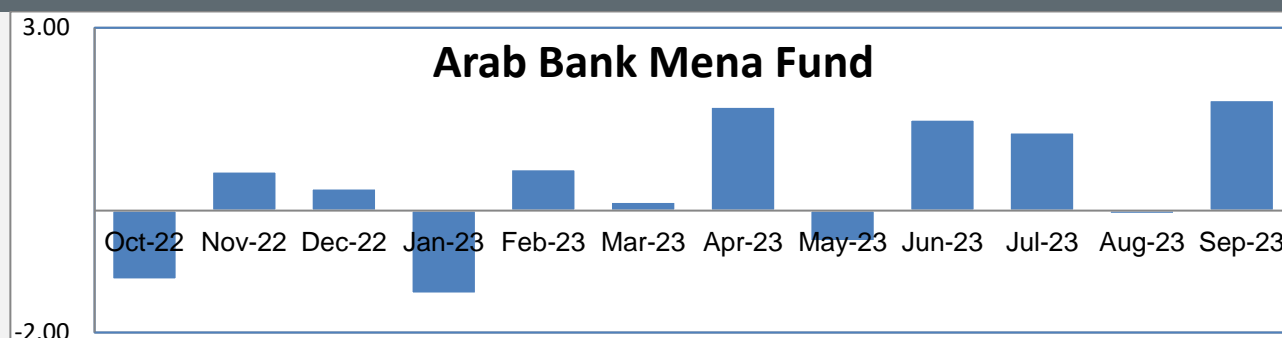
KEY FEATURES

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 14,522,267	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													
2023	-1.36	0.68	0.14	1.70	-0.48	1.49	1.28	-0.05	1.81				5.29
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	1.81%	3 months	3.07%	Since inception	3.58%
6 months	5.87%	12 months	5.14%		

PERFORMANCE STATISTICS

	The Fund
Annualized return	0.2%
Annualized volatility	13.1%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	56.0%
Worst 12 months	-74.0%
Best 12 months	119.3%

TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	15.35%
Emaar Properties Company	UAE	12.43%
OOREDOO OMR	Oman	4.88%
Palestine Telecommunications Company	Palestine	3.77%
Aramex	UAE	3.02%
Arab Bank	Jordan	2.76%
Al Tajamouat For Touristic Projects	Jordan	2.15%
Dubai Electricity & Water AU	UAE	1.80%
Cairo Amman Bank	Jordan	1.62%
Dubai Financial Market	UAE	1.49%

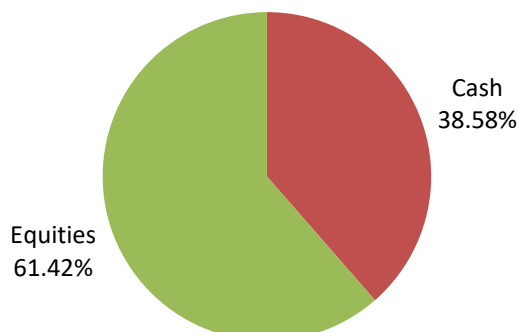


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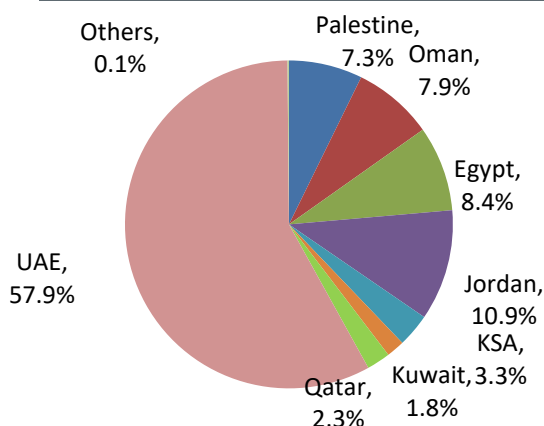
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA markets were rocked during the month of September, nearly shedding away all of their YTD gains as the heavyweight Saudi TASI suffered from another significantly negative month. The S&P Pan Arab Investable Index has sunk by 1.90% (YTD 0.74%), and the Dow Jones MENA Index was down by 1.74% (YTD -0.12%). The Arab Bank MENA Fund on the other hand was much better positioned, gaining 1.81% (YTD 5.29%). The Dow Jones Islamic Market MENA Index also ended the month of September negatively, recording losses of 1.11% (YTD 2.86%). The IIAB MENA Fund held its ground, rising by 0.30% (YTD -0.72%). The IIAB MENA Feeder Fund consequently was up by 0.24% (YTD -1.30%).

The performance of the region's equity markets was mixed for the month of September, with four indices ending the month in the green vs five indices which ended the month in the red. The list of receding indices was spearheaded by the Saudi Arabian TASI which fell by 3.79% (YTD 5.51%), followed by the Omani Stock Exchange which fell 2.52% (YTD -3.69%). The list was rounded by the Kuwait Premier Market Index, the Bahraini Index and the Abu Dhabi index which have lost 2.27% (YTD -7.33%), 0.67% (YTD 2.31%) and 0.25% (YTD -4.17%) respectively. On the gainers front, the EGX30 led the way, rising by 6.89% (YTD 38.19%), followed by the Dubai Financial Market which was up 1.98% (YTD 24.80%). They were joined by the Qatari Index which has gained 0.56% (YTD -4.02%) and the Jordanian ASE index which was up 0.22% (YTD -3.50%).

Global capital markets also had a rough September, as all major indices also suffered losses bar one. The S&P 500 Index bled 4.87% (YTD 11.68%), while the Dow Jones lost 3.50% (YTD 1.09%). In Europe, the French CAC 40 Index shed 2.48% (YTD 10.22%), the German DAX was down by 3.51% (YTD 10.51%), while the FTSE 100 was the only outlier, gaining 2.27% (YTD 2.10%). Asian markets had not escaped the carnage either. The Nikkei index declined by 2.34% (YTD 22.09%), while the Hang Seng also ended the month in the red, shedding 3.11% (YTD -9.97%), while the Shanghai Composite was down by 0.30% (YTD 0.69%).

Federal Reserve Chair Jerome Powell made clear the central bank is close to done raising interest rates, but his colleagues delivered the message that resonated: Borrowing costs must remain higher for longer amid renewed strength in the economy. After a series of rapid rate hikes over the past 18 months, the Fed can now "proceed carefully," Powell said — a sentiment he repeated at least a dozen times during a press conference that followed the central bank's decision to leave rates unchanged. On another front, rating agency Moody's said a US government shutdown would harm the country's credit, a stern warning coming one month after Fitch downgraded the U.S. by one notch on the back of a debt ceiling crisis. U.S. government services would be disrupted and hundreds of thousands of federal workers furloughed without pay if Congress fails to provide funding for the fiscal year starting October 1st. A possible shutdown would be further evidence of how political polarization in Washington is weakening fiscal policymaking at a time of rising pressures on U.S. government debt affordability because of higher interest rates

In regional news, the United Arab Emirates (UAE) saw revenue increase 31.8% in 2022, its finance minister said, supporting an overall fiscal surplus last year. One of the Gulf's most diversified economies, the UAE has been developing its non-oil sectors, focusing on areas such as trade, tourism, manufacturing and logistics and financial services. Spending increased 6.1% in 2022 on the year to stand at about 427 billion dirhams (USD 116 billion), the surplus would allow for stronger fiscal buffers to mitigate potential financial risks.

MENA markets are becoming more difficult to read as even their historical correlation is disrupted in these times. We continue to navigate the volatility by diversification and risk management to offer superior risk-adjusted returns to our investors.



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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.

