

Arab Bank MENA Fund

Performance Report 30.11.22

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

NAV PER SHARE

\$9.80

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.

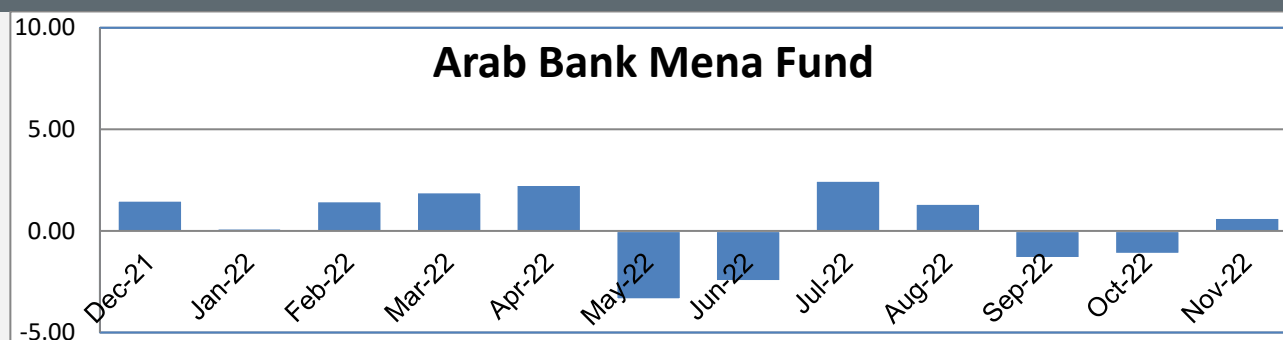
KEY FEATURES

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 14,078,873	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													
2022	0.12	1.46	1.90	2.26	-3.37	-2.46	2.47	1.33	-1.33	-1.13	0.64		1.71
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
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

MONTHLY RETURN OVER THE PAST TWELVE MONTHS



RETURN PERCENTAGES

1 month	0.64%	3 months	-1.82%	Since inception	-1.98%
6 months	-0.56%	12 months	3.23%		

PERFORMANCE STATISTICS

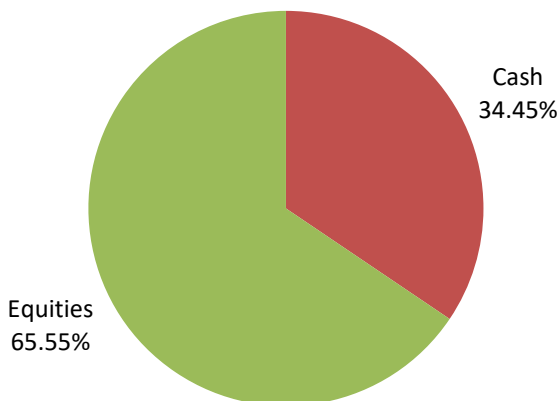
	The Fund
Annualized return	-0.1%
Annualized volatility	13.3%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	55.8%
Worst 12 months	-74.0%
Best 12 months	119.3%

TOP TEN HOLDINGS

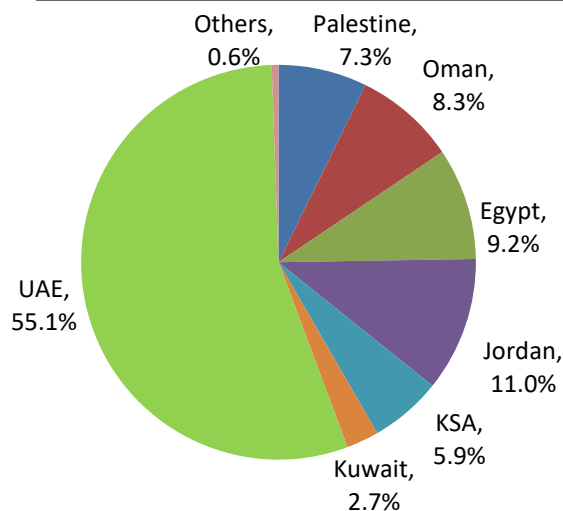
	Country	%
Dubai Islamic Bank	UAE	15.37%
Emaar Properties Company	UAE	10.87%
OOREDOO OMR	Oman	5.44%
Palestine Telecommunications Company	Palestine	4.05%
Saudi Airlines Catering	KSA	3.63%
Arab Bank	Jordan	3.27%
Aramex	UAE	3.15%
Dubai Electricity & Water AU	UAE	2.25%
Eastern Company for Tobacco	Egypt	2.24%
Tecom Group	UAE	2.22%



ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA equity indices have suffered from a downturn in November, as the heavyweight Saudi index plunged due to softening oil prices and weak Q3 results for the highly influential petrochemical sector. The S&P Pan Arab Investable Index declined by 2.96% (YTD -3.54%), and the Dow Jones MENA Index was down 2.56% (YTD -3.04%). The Arab Bank MENA Fund on the other hand ended the month on the up, rising by 0.64% (YTD 1.71%). The Dow Jones Islamic Market MENA Index was also down, recording losses of 2.44% (YTD -3.02%). However, the IIAB MENA Fund finished the month flat, shedding 0.02% (YTD 0.83%). The IIAB MENA Feeder Fund consequently fell 0.09% (YTD 0.09%).

The performance of the region's equity markets was mostly positive for November except for the Saudi Arabian TASI, the Qatari index and the Dubai Financial Market which were down by 6.61% (YTD -3.41%), 3.93% (YTD 2.58%) and 0.23% (YTD 4.01%) respectively. On the other hand, the Egyptian Stock Exchange spearheaded the gainers with a whopping gain of 16.59% (YTD 10.96%) on a nominal basis, followed by the Omani Stock Exchange and the Kuwait Premier Market Index which were up by 5.67% (YTD 11.72%) and 3.67% (YTD 11.16%) respectively. They were duly followed by the Jordanian ASE index, the Abu Dhabi Index and the Bahraini Index which gained 2.09% (YTD 17.66%), 1.35% (YTD 24.32%) and 0.01% (YTD 3.76%) respectively.

Global capital markets have gone in the opposite direction of MENA indices, experiencing a resurgence. All major indices, have recorded gains. The S&P 500 Index gained 5.38% (YTD -14.39%) while the Dow Jones surged 5.67% (YTD -4.81%). In Europe, the French CAC 40 Index was up by 7.53% (YTD -5.79%), the German DAX gained 8.63% (YTD -9.37%) and the FTSE 100 had gone up by 6.74% (YTD 2.55%). In Asia, the Nikkei index gained 1.38% (YTD -2.86%), while the Hang Seng jumped by 26.62% (YTD -20.52%) on easing of COVID restrictions in China. Meanwhile, the Shanghai Composite gained 8.91% (YTD -13.42%).

In November's marquee news, the International Monetary Fund said prospects for the world economy are more pessimistic than what it forecast last month as downside risks from the effects of Russia's war and persistent inflation materialize. A steady worsening in recent months for purchasing manager indexes that track Group of 20 economies "confirm that the outlook is gloomier" than outlined in the October World Economic Outlook. Moreover, Federal Reserve Chair Jerome Powell left little doubt that he is prepared to push rates as high as needed to stamp out inflation, even as the central bank eyes a downshift to a slower pace of increases. Addressing reporters after the Fed raised rates by 75 basis points for the fourth time in a row, Powell said "incoming data since our last meeting suggests that the ultimate level of interest rates will be higher than previously expected." The move lifts the Fed's benchmark to a 3.75%-4% range, from nearly zero in March.

In regional news, Saudi Arabia's economy grew an estimated 8.6% in the third quarter compared to the same period a year earlier, boosted mainly by the oil sector. The non-oil economy grew 5.6% compared to a year ago, while the oil economy grew 14.5%, according to flash estimates released by the kingdom's General Authority for Statistics. Saudi Arabia is on track to be the fastest growing major economy this year. Furthermore, the World Bank has hailed the UAE's "favorable business environment and world-class infrastructure", expecting the country's real GDP to grow by 5.9% in 2022. This came as the World Bank announced its new Gulf Economic Update (GEU) where it said higher oil receipts supplemented with a gradual non-oil recovery in the Emirates will bolster fiscal revenue resulting in a fiscal surplus to hover around 4.4% of GDP in 2022.



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In other news, Jordan's growth has quickened in 2022 despite global economic turbulence, driven by strong progress in IMF-backed structural reforms that have cushioned the economy and strengthened macro-economic stability, the IMF said. Ali Abbas, who headed an IMF mission, told reporters that a post-Covid recovery continued to build momentum with expected 2022 growth revised upwards to 2.7% from a previous forecast of 2.4%. "Jordan has survived this environment better than expected," Abbas said, highlighting strong inflows from a revival of tourism, foreign worker remittances and investments from Gulf countries that have benefited from sharply higher oil prices.

As the year comes to an end and peak interest rate inch closer, we believe a major shift will happen in equity markets next year as we move from an ascending interest rate environment to a plateau mode. This should provide some stability for equity prices, and therefore cash can be deployed effectively to capitalize on better clarity of expected earnings and growth ahead.

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.

