

Arab Bank MENA Fund

Performance Report 30.11.23

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

NAV PER SHARE

\$10.29

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.

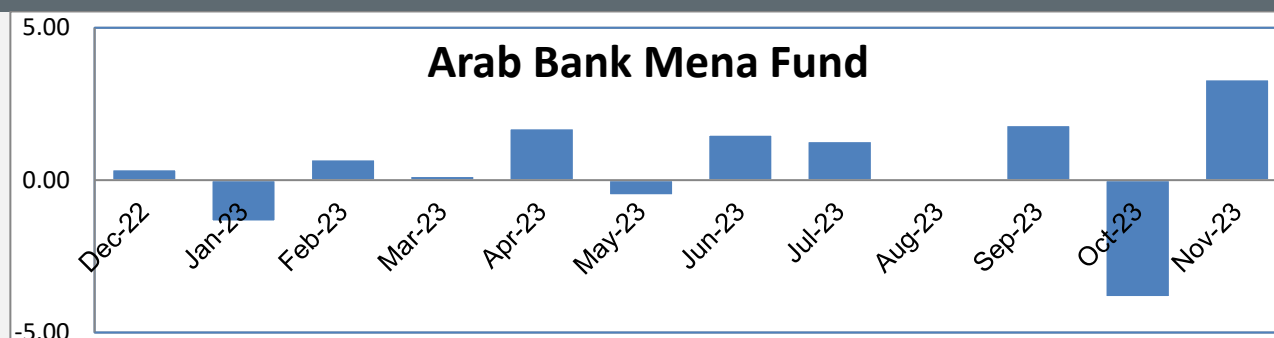
KEY FEATURES

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 14,272,117	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	3.84	3.31		4.60
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	3.31%	3 months	1.14%	Since inception	2.90%
6 months	3.91%	12 months	4.97%		

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	14.74%
Emaar Properties Company	UAE	11.95%
OOREDOO OMR	Oman	4.49%
Palestine Telecommunications Company	Palestine	3.47%
Arab Bank	Jordan	2.90%
Aramex	UAE	2.82%
Al Tajamouat For Touristic Projects	Jordan	2.66%
Cairo Poultry Company	Egypt	2.38%
Dubai Electricity & Water AU	UAE	1.81%
Cairo Investment & Real Estate Development	Egypt	1.70%

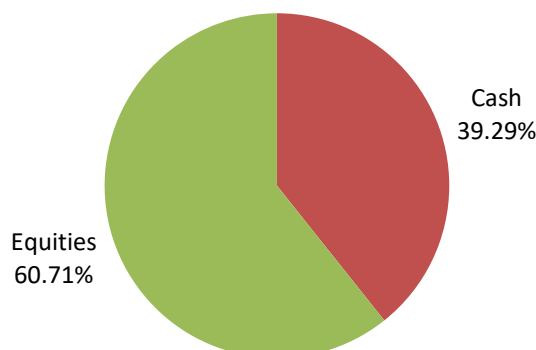


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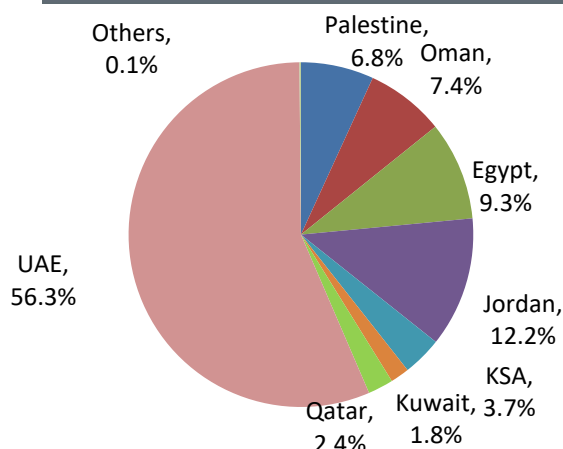
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA equity indices have rebounded in November as fears from the regional contagion of the war in Gaza have subsided in addition to better sentiment concerning US rates environment. The S&P Pan Arab Investable Index jumped by 4.58% (YTD 0.57%), and the Dow Jones MENA Index was up 4.78% (YTD -0.06%). The Arab Bank MENA Fund followed suit, rising by 3.31% (YTD 4.60%). The Dow Jones Islamic Market MENA Index also advanced, recording gains of 4.85% (YTD 1.53%). The IIAB MENA Fund also ended the month in the green, gaining 3.11% (YTD -0.64%). The IIAB MENA Feeder Fund consequently advanced by 2.95% (YTD -1.38%).

The performance of the region's equity markets was mostly positive for November except for the Jordanian ASE index which shed 0.33% (YTD -3.79%). The Egyptian Stock Exchange spearheaded the gainers with a whopping gain of 9.69% (YTD 69.44%), followed by the Qatari index and the Saudi Arabian TASI which were up by 5.44% (YTD -5.99%) and 4.56% (YTD 6.67%) respectively. The Dubai Financial Market, the Omani Stock Exchange and the Abu Dhabi Index were next, gaining 2.97% (YTD 19.67%), 2.48% (YTD -4.10%) and 2.31% (YTD -6.38%) respectively. Finally, the list is rounded up by the Kuwait Premier Market Index which was up 2.09% (YTD -10.15%) and the Bahraini Index which gained 0.54% (YTD 2.35%).

Global capital markets have also headed upwards, experiencing quite a resurgence. All major indices, have recorded gains bar one. The S&P 500 Index gained 8.92% (YTD 18.97%), while the Dow Jones surged 8.77% (YTD 8.46%). In Europe, the French CAC 40 Index was up by 6.17% (YTD 12.93%), the German DAX gained 9.49% (YTD 16.46%) and the FTSE 100 had gone up by 1.80% (YTD 0.03%). In Asia, the Nikkei index gained 8.52% (YTD 28.33%), while the Hang Seng was the only major international index to record losses for the month, shedding 0.41% (YTD -13.84%). Meanwhile, the Shanghai Composite gained 0.36% (YTD -1.93%).

In November's marquee news, the US Federal Reserve held interest rates steady as policymakers struggled to determine whether financial conditions may be tight enough already to control inflation, or whether an economy that continues to outperform expectations may need still more restraint. Fed Chair Jerome Powell said the situation remained something of a riddle, with US central bank officials willing to raise rates again if progress on inflation stalls, wary that a rise in market-based interest rates may begin to weigh on the economy in a significant way, and trying not to disrupt, any more than necessary, an ongoing dynamic of steady job and wage growth.

Moreover, the ratings' agency Moody's has changed the outlook on the Government of United States of America's (US) ratings to negative from stable and affirmed the long-term issuer and senior unsecured ratings at Aaa. The key driver of the outlook change to negative is the agency's assessment that the risks to the US' fiscal strength have increased and may no longer be fully offset by the sovereign's unique credit strengths, not to mention the context of higher interest rates, without effective fiscal policy measures to reduce government spending or increase revenue.

In regional news, Egypt's central bank kept interest rates unchanged, likely saving its next bout of monetary tightening for another currency devaluation that's widely expected to follow December's presidential elections. The Monetary Policy Committee maintained its deposit rate at 19.25% and the lending rate at 20.25%. In other news, the property boom in Dubai that pushed the number of residential transactions to a record high last year has continued into 2023, with sales surpassing those levels in the first 10 months of this year. The Middle East's tourism and financial hub recorded 93,590 transactions through to the end of October, surpassing 92,178 in all of 2022, according to CBRE Group Inc.

In energy news, Saudi Arabia is asking others in the OPEC+ coalition to reduce their oil-output quotas in a bid to shore up global markets but some members are resisting, delegates said. The OPEC+ leader has been making a largely unilateral supply cutback of 1 million barrels a day since July and is now seeking further support from across the Organization of Petroleum Exporting Countries and its partners.



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As the year comes to an end and peak interest rate seem to be here, we believe a major shift will happen in equity markets next year as we move towards a descending interest rate environment. This should prove to be a catalyst for equity prices, and therefore cash can be deployed effectively to capitalize on the opportunities that will arise.

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.

