

Arab Bank MENA Fund

Performance Report 31.01.23

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

NAV PER SHARE

\$9.70

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.

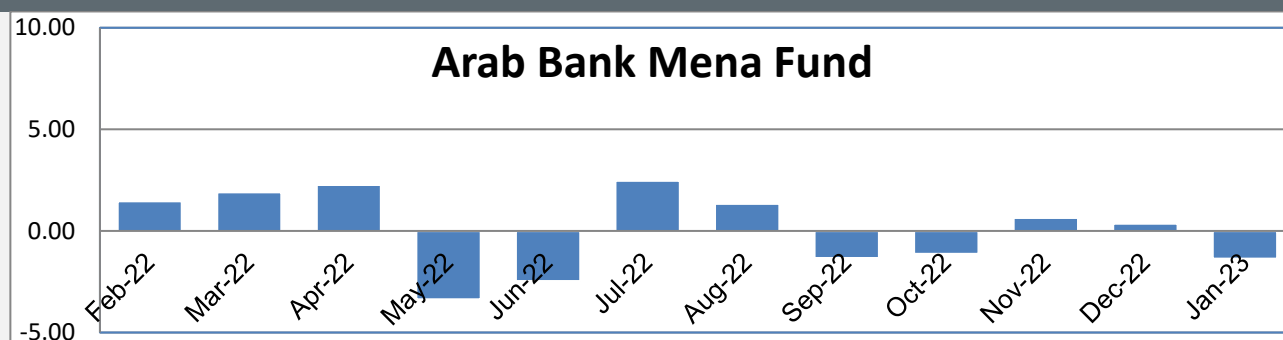
KEY FEATURES

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 13,938,244	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												-1.36
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	-1.36%	3 months	-0.37%	Since inception	-2.95%
6 months	-1.51%	12 months	0.58%		

PERFORMANCE STATISTICS

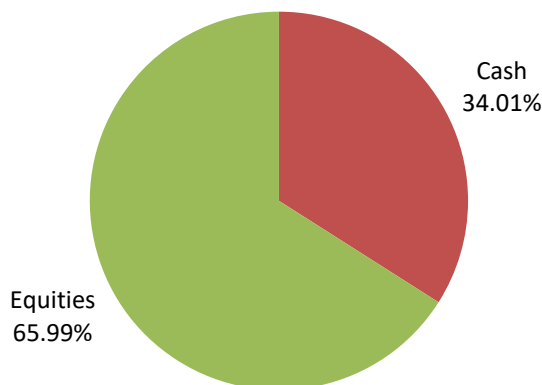
	The Fund
Annualized return	-0.2%
Annualized volatility	13.3%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	55.8%
Worst 12 months	-74.0%
Best 12 months	119.3%

TOP TEN HOLDINGS

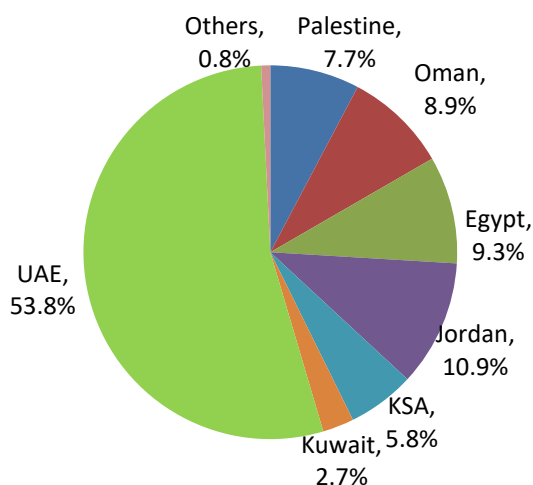
	Country	%
Dubai Islamic Bank	UAE	15.17%
Emaar Properties Company	UAE	10.04%
OOREDOO OMR	Oman	5.89%
Palestine Telecommunications Company	Palestine	4.39%
Saudi Airlines Catering	KSA	3.61%
Aramex	UAE	3.53%
Arab Bank	Jordan	3.24%
Eastern Company for Tobacco	Egypt	2.55%
Dubai Electricity & Water AU	UAE	2.31%
Tecom Group	UAE	2.28%



ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA equity markets began 2023 on a high, buoyed by multi-year high levels of oil prices and an easing in inflation which signals the end of the interest rate raises cycle. The S&P Pan Arab Investable Index gained 1.07%, and the Dow Jones MENA Index was up by 1.16%. The Arab Bank MENA Fund on the other hand was down 1.36% due to the devaluation of the Egyptian pound. On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has also shot up, rising by 3.52%. The IAB MENA Fund though shed 1.26%. The IAB MENA Feeder Fund consequently fell by 1.28%.

Most of the region's capital markets recorded gains during the month. The Egyptian Stock Exchange led the charge, surging by 12.66% as the EGP's devaluation buoyed the market. It was followed by the Jordanian ASE which shot up 6.99%, while the Saudi Arabian TASI came in third place, gaining 3.00%. The Doha Stock Exchange and the Bahraini Index rounded the list of advancing indices, going up by 2.35% and 1.74% respectively. On the other end, the Abu Dhabi Stock Exchange, the Omani Capital Market, the Dubai Financial Market and the Kuwait Premier Market have ended the month in the red, falling by 3.91%, 3.17%, 0.98% and 0.37% respectively.

Global capital markets on the other hand were unanimously up in January, as the shadow of interest rate hikes in the US slowly recedes, jumpstarting equity capital markets around the globe. In the U.S., the S&P 500 Index surged 6.18%. The Dow Jones meanwhile was also up 2.83%. In Europe, indices were also positive to close the month. The French CAC 40 Index jumped 9.40% and the German DAX was up by 8.65%, while the FTSE 100 gained 4.29%. Asian market also gained spurred by the cancellation of COVID restrictions by China. The Hang Seng advanced by 10.42%, while the Shanghai Composite gained 5.39% and the Nikkei index went up by 4.72%.

In January's top news, the International Monetary Fund raised its global economic growth outlook for the first time in a year, with resilient US spending and China's reopening buttressing demand against a litany of risks. Gross domestic product will likely expand 2.9% in 2023, 0.2% more than forecast in October. In the US, inflation continued to slow in December, adding to evidence price pressures have peaked and putting the Federal Reserve on track to again slow the pace of interest-rate hikes. The overall consumer price index fell 0.1% from the prior month, with cheaper energy costs fueling the first decline in 2 1/2 years, according to a Labor Department report.

In MENA, the Egyptian pound plunged to a record low on as authorities navigate the country's worst foreign-exchange crunch in half a decade. The currency headed for its biggest slump since a devaluation in October with a slide of as much as 7% to about 26.5 per dollar in the offshore market, before trimming some losses. However, Egypt saw more than USD925 million in foreign-exchange inflows since January 11, the central bank said, spotlighting what it called a series of "positive indicators" in the wake of the North African nation's third devaluation in a year. Interbank trading activity was more than 20 times the recent daily average, the central bank said.

In the GCC, the World Bank has revised upward the UAE's growth forecast for 2022 and 2023 by 1.2% and 0.7%, respectively, from its previous forecast. According to the World Bank's latest Global Economic Prospects report, the UAE GDP is estimated to expand by 5.9% in 2022 and 4.1% this year on the back of the expansion of the non-oil sector. Data showed all the Gulf Cooperation Council (GCC) economies to see slower growth this year with UAE being the fastest-growing economy in the Gulf region in 2023. Furthermore, Oman's approved 2023 budget will likely lead to another fiscal surplus, albeit smaller than in 2022, if oil prices remain elevated, averaging USD90-95/barrel in 2023, Moody's Investors Service said in a report.

The year 2023 presents a new set of challenges that need to be navigated. Mainly the interest rate direction in the face of uncertain inflation rates and finally the ongoing war in Eastern Europe which has impacted food and energy prices.

We continue to have a high conviction for investment in MENA equity markets, more so on our portfolio holdings, and believe the elevated prices for oil will benefit the mostly hydrocarbon-rich region and support their equity markets in the short to medium term.



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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.

