

Arab Bank MENA Fund

Performance Report 31.05.23

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

NAV PER SHARE

\$9.90

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.

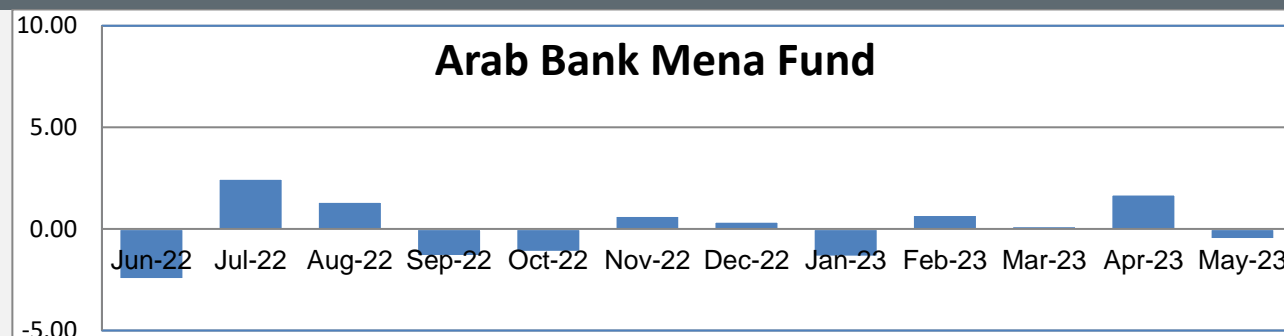
KEY FEATURES

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 14,173,141	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								0.66
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	-0.48	3 months	1.35%	Since inception	-0.97%
6 months	1.03%	12 months	0.46%		

PERFORMANCE STATISTICS

	The Fund
Annualized return	-0.1%
Annualized volatility	13.2%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	55.7%
Worst 12 months	-74.0%
Best 12 months	119.3%

TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	14.14%
Emaar Properties Company	UAE	12.55%
OOREDOO OMR	Oman	4.65%
Palestine Telecommunications Company	Palestine	4.09%
Aramex	UAE	3.50%
Arab Bank	Jordan	2.88%
Eastern Company for Tobacco	Egypt	2.61%
Dubai Electricity & Water AU	UAE	2.38%
Al Tajamouat For Touristic Projects	Jordan	2.08%
Saudi Airlines Catering	KSA	2.06%

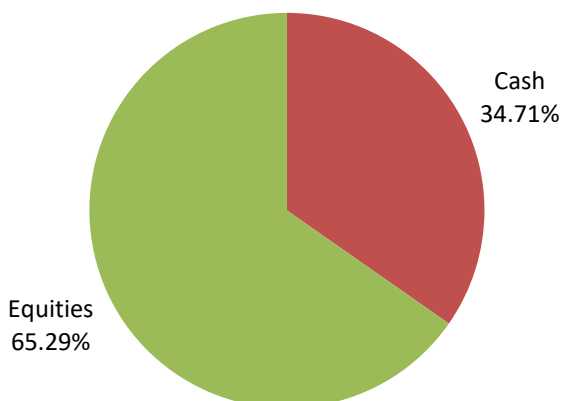


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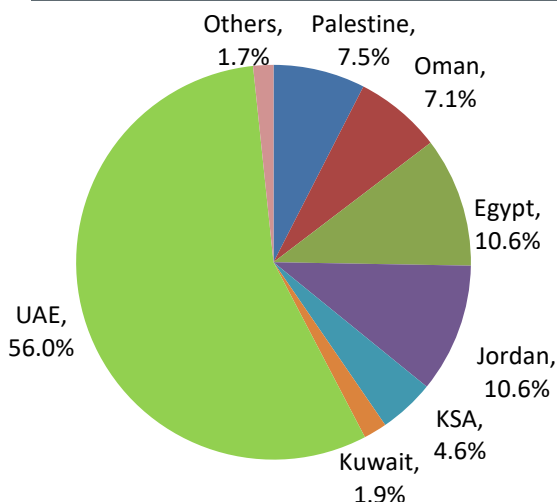
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA markets came crashing down in May after two straight months of gains as oil prices softened amid demand worries and weakness in China. The S&P Pan Arab Investable Index declined by 2.79% (YTD -0.56%), and the Dow Jones MENA Index fell by 3.03% (YTD -1.32%). The Arab Bank MENA Fund recorded a narrower loss, falling by 0.48% (YTD 0.66%). The Dow Jones Islamic Market MENA Index was also down significantly, recording the highest loss among our benchmark indices by falling 3.67% (YTD 0.72%). The IAB MENA Fund though only shed 0.50% (YTD -1.52%). The IAB MENA Feeder Fund consequently lost 0.55% (YTD -1.79%).

MENA indices' performance was mixed for the month of May, with four gaining and five falling. Leading the list of advancers, the Bahraini Index had gone up by 3.64% (YTD 3.60%), followed by the Dubai Financial Market, which gained 0.90% (YTD 7.21%). The Jordanian ASE index and the Qatari Index rounded up the list, advancing by 0.81% (YTD -0.81%) and 0.09% (YTD -4.93%) respectively. On the losing front the Kuwait Premier Market Index suffered from the biggest loss, shedding 5.61% (YTD -7.65%), followed by the Abu Dhabi index, falling by 3.91% (YTD -7.88%), the Saudi Arabian TASI which was down by 2.28% (YTD 5.11%) and the Omani Stock Exchange which was also down by 2.28% (YTD -4.76%). Finally, the Egyptian Stock Exchange was down the least for the month, falling by 1.69% (YTD 19.85%).

Global capital markets on the other hand were mostly down during the month. In the U.S., the S&P 500 Index squeezed a small gain, going up by 0.25% (YTD 8.86%), while the Dow Jones index crashed by 3.49% (YTD -0.72%). In Europe, it was a bloodbath. The French CAC 40 Index shed 5.24% (YTD 9.65%), the German DAX fell 1.62% (YTD 12.50%) and the FTSE 100 lost 5.39% (YTD -0.08%). In Asia, things were more interesting. The Nikkei index was up 7.04% (YTD 18.37%), while the Hang Seng shed -8.35% (YTD -7.82%) and the Shanghai Composite fell by 3.57% (YTD 3.73%).

During May, a debt-limit deal struck by President Joe Biden and Speaker Kevin McCarthy was heading toward a vote in the House of Representatives after clearing a crucial procedural hurdle with just days remaining to avoid a US default. The House Rules Committee advanced legislation to suspend the US borrowing ceiling and cap federal spending. The bill would set the course for federal spending for the next two years and suspend the debt ceiling until Jan. 1, 2025 — postponing another clash over borrowing until after the presidential election.

Also during the month, the US Federal Reserve raised interest rates by a quarter-percentage point and hinted it may be the final move in the most aggressive tightening campaign since the 1980s as economic risks mount.

In MENA, the World Bank will dispatch \$300 million in additional financing for the most vulnerable families in Lebanon, a country mired in what the lender called one of the worst economic and financial crises in history. The package will expand and extend cash transfers to 160,000 poor households for 24 months and support the development of a unified social safety net delivery system in Lebanon. Meanwhile, Iraq launched a USD 17 billion project on Saturday to link a major commodities port on its southern coast by rail and roads to the border with Turkey, in a move designed to transform the country's economy after decades of war and crises. The Development Road aims to tie the Grand Faw Port in Iraq's oil-rich south to Turkey, turning the country into a transit hub by shortening travel time between Asia and Europe in a bid to rival the Suez Canal.

In Oil news, Saudi Arabia's Energy Minister Prince Abdulaziz bin Salman said on Tuesday he would inflict more pain on short sellers and told them to watch out just days before a planned OPEC+ meeting to decide on future oil policy.



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As we stand at the cusp of the end of the interest rate increase cycle, which would spur stagnant equity markets, we believe that new opportunities for us to take advantage of will be unveiled. We remain cash rich to be able to do so and on the lookout for any opportunistic buying chances.

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.

