

Arab Bank MENA Fund

Performance Report 31.08.22

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

NAV PER SHARE

\$9.98

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.

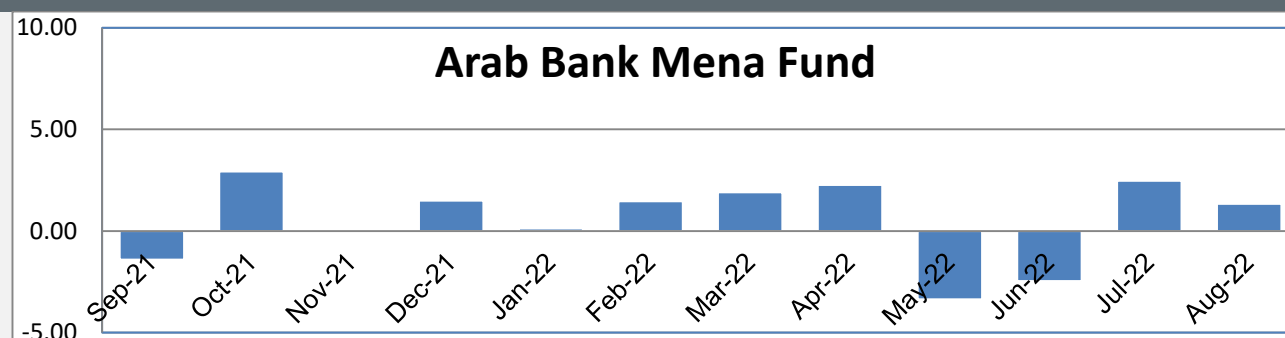
KEY FEATURES

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 14,482,678	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					3.60
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	1.33%	3 months	1.29%	Since inception	-0.15%
6 months	1.99%	12 months	6.75%		

PERFORMANCE STATISTICS

	The Fund
Annualized return	-0.1%
Annualized volatility	13.4%
Sharpe ratio	NM
Maximum month	13.7%
Minimum month	-23.5%
% Positive months	56.2%
Worst 12 months	-74.0%
Best 12 months	119.3%

TOP TEN HOLDINGS

	Country	%
Dubai Islamic Bank	UAE	15.39%
Emaar Properties Company	UAE	10.88%
OOREDOO OMR	Oman	5.16%
Palestine Telecommunications Company	Palestine	3.85%
Saudi Airlines Catering	KSA	3.48%
Aramex	UAE	3.30%
Arab Bank	Jordan	3.09%
Tecom Group	UAE	2.28%
Eastern Company for Tobacco	Egypt	2.10%
Cairo Investment & Real Estate Development	Egypt	2.02%

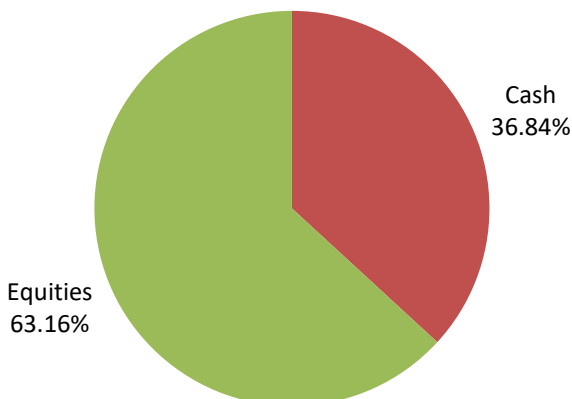


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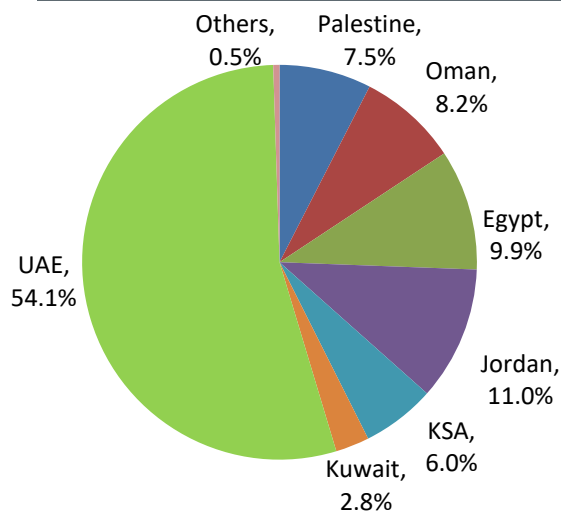
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA benchmark indices continued their rebound for the second straight month after hitting a YTD low in June supported by elevated oil prices and high budget surpluses for GCC countries in the first half of 2022. The S&P Pan Arab Investable Index was up 0.70% (YTD 4.74%), and the Dow Jones MENA Index was up by 0.34% (YTD 4.97%). The Arab Bank MENA Fund outperformed the benchmark indices, gaining 1.33% (YTD 3.60%). The Dow Jones Islamic Market MENA Index equally ended the month of August in the green, recording gains of 1.33% (YTD 3.60%). The IIAB MENA Fund tracked the benchmark's gains, rising by 1.27% (YTD 2.84%). The IIAB MENA Feeder Fund consequently gained by 1.16% (YTD 2.20%).

The performance of the region's equity markets was predominantly positive for the month of August except for two, the Jordanian ASE index and the Kuwait Premier Market index, which have declined by 2.31% (YTD 20.22%) and 0.10% (YTD 12.51%) respectively. On the gainers front, the Egyptian Stock Exchange was at the forefront, rising by 5.61% (YTD -16.32%), followed by the Dubai Financial Market index which gained 3.15% (YTD 7.73%). The Abu Dhabi index, Omani Stock Exchange and the Saudi Arabian TASI were next in line, gaining 2.18% (YTD 16.33%), 1.17% (YTD 11.04%) and 0.69% (YTD 8.88%) respectively. The list is rounded up by the Bahraini Index and the Qatari Index which have risen by 0.66% (YTD 6.72%) and 0.42% (YTD 15.48%) respectively.

Global capital markets on the other hand had a distinctly negative month. All major indices were down bar one. The S&P 500 Index fell by 4.24% (YTD -17.02%), while the Dow Jones tumbled by 4.06% (YTD -13.29%). In Europe, which is suffering the most from the aftermath of the Russian Ukrainian war, the French CAC 40 Index declined 5.02% (YTD -14.37%), the German DAX was down by 4.81% (YTD -19.20%) and the FTSE 100 fell by 1.88% (YTD -1.36%). The Nikkei index was the sole outlier among global indices, going up by 1.04% (YTD -2.43%). On the other hand, the Hang Seng index shed 1.00% (YTD -14.72%) while the Shanghai Composite went down by 1.57% (YTD -12.02%).

The event that roiled markets most in August was when the Federal Reserve Chair Jerome Powell signaled the US central bank is likely to keep raising interest rates and leave them elevated for a while to stamp out inflation, and he pushed back against any idea that the Fed would soon reverse course. He started by saying that this time his remarks will be shorter, focus narrower and message more direct. He said lowering inflation to the 2% target is the central bank's "overarching focus right now" even though consumers and businesses will feel economic pain. He reiterated that another "unusually large" increase in the benchmark lending rate could be appropriate when officials gather in September, though he stopped short of committing to one.

In energy news, OPEC nations have put on a united front after the group's biggest member said that action may be needed to stabilize world oil markets. Within 48 hours of comments from Saudi Arabian Energy Minister Prince Abdulaziz bin Salman that OPEC might have to curtail production, fellow members Iraq, Algeria, Kuwait, Equatorial Guinea, and Venezuela released statements expressing their support.

In regional news, the IMF said energy-rich Middle East states are set to reap up to USD1.3 trillion in additional oil revenues over the next four years, as they enjoy a windfall that will bolster the firepower of the region's sovereign wealth funds at a time when global asset prices have sold off. The IMF's projections underscore how high energy prices driven by Russia's war in Ukraine are buoying the Gulf states while much of the rest of the world grapples with soaring inflation and fears of recession.

In corporate news, Dubai's Emaar Properties said its sale of fashion e-commerce venture Namshi to e-commerce company Noon, will result in a net profit of AED628.7 million (USD171 million) based on the asset value recorded in Emaar's books as of June 30, 2022. Dubai's biggest developer said its board had in principle approved the sale for USD335.2 million. The buyer, Noon, is an e-commerce company backed by Dubai billionaire Mohamed Alabbar and Saudi Arabian sovereign fund the Public Investment Fund (PIF).



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We still see some room for advancement in MENA equity markets. There are many corners of the market yet to realize their fair value and are still overlooked, while the continued increase in commodity prices leads to higher valuations in other corners.

We continue to look for pockets of value and remain vigilant to any price movement in commodities that could provide us with an opportunity to invest in companies at depressed valuations.

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.

