

# IIAB Islamic MENA Fund

Performance Report 28.02.22

A Fund created by IIAB Islamic MENA Fund Company B.S.C. (Closed)

NAV PER SHARE

\$6.73

## OBJECTIVE OF THE FUND

The IIAB Islamic 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, whilst adhering to the sharia' principles. The Fund aims to achieve an annual average net return in excess of 11% 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

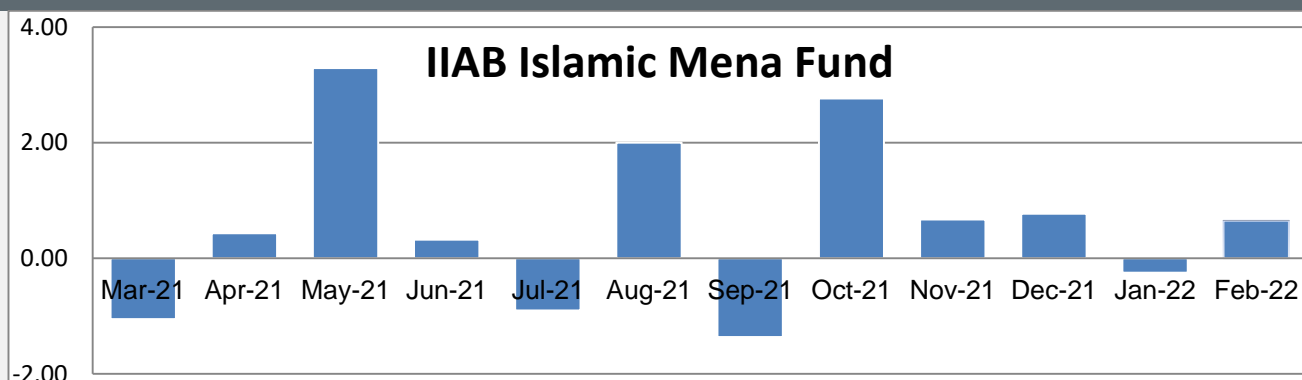
<b>Domicile</b>	Kingdom of Bahrain	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & 100 units thereafter
<b>Fund assets</b>	USD 6,862,328	<b>Investment manager</b>	Al Arabi Investment Group Co (AB Invest)
<b>Administrator</b>	Gulf Clearing Company	<b>Dealing frequency</b>	Monthly, 4 business days prior to month end
<b>Launch date</b>	28 February 2008	<b>BBG code</b>	IIABISL BI EQUITY

## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>IIAB Islamic MENA Fund</b>													
2022	-0.25	0.65											0.40
2021	1.54	-2.15	-0.40	0.43	3.29	0.32	-0.90	2.00	-1.36	2.76	0.67	0.77	7.02
2020	0.15	-2.41	-11.50	6.49	-1.63	2.40	-0.49	1.46	1.89	-0.65	2.71	2.36	-0.32
2019	2.41	1.10	0.85	2.65	-1.24	-0.67	3.57	-1.08	-0.76	-0.45	-0.45	0.77	6.76
2018	-0.96	-0.92	1.30	0.06	-0.81	-0.17	-1.94	-0.18	-1.80	-0.64	0.15	-1.31	-7.03
2017	0.16	0.07	0.48	0.74	-2.58	0.79	-0.92	-0.88	1.05	-0.22	-2.83	0.05	-4.10

**Important note:** The first NAV for the Fund was issued in April 08.

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## RETURN PERCENTAGES

1 month	0.65%	3 months	1.17%	Since inception	-32.74%
6 months	3.23%	12 months	8.15%		

## PERFORMANCE STATISTICS

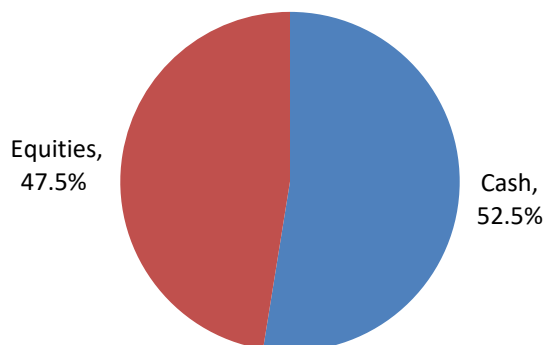
Portfolio	
Annualised return	-2.8%
Annualised volatility	13.2%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.7%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS

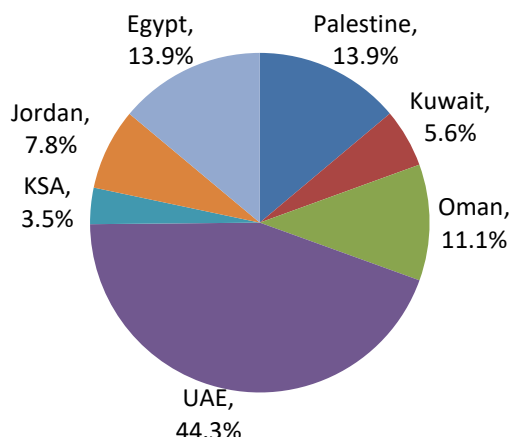
	Country	%
Dubai Islamic Bank	UAE	10.87%
Emaar Properties Company	UAE	7.56%
Palestine Telecommunications Company	Palestine	6.59%
OORED00 OMR	Oman	5.25%
Cairo Investment & Real Estate Development	Egypt	4.63%
Jordan Islamic Bank	Jordan	2.81%
Human Soft Holding Co	Kuwait	2.64%
Al Yah Satellite Communications Company	UAE	2.61%
Cairo Poultry Company	Egypt	1.98%
Saudi Airlines Catering	KSA	1.64%



### ASSET ALLOCATION



### GEOGRAPHIC ALLOCATION (EQUITIES)



### COMMENTARY

MENA equity markets continued their ascent in 2022, casting aside any negativity associated with the Russian-Ukrainian war which severely dented other international markets. The S&P Pan Arab Investable Index gained 2.39% (YTD 8.81%), and the Dow Jones MENA Index was up by 2.88% (YTD 9.18%). The Arab Bank MENA Fund on the other hand was up 1.46% (YTD 1.58%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has also advanced, rising by 4.00% (YTD 9.76%). The IIAB MENA Fund also finished the month in the green, gaining 0.65% (YTD 0.40%). The IIAB MENA Feeder Fund consequently gained 0.61% (YTD 0.29%).

Most of the region's capital markets recorded gains during the month buoyed by oil prices breaching the USD100/barrel for the first time since 2014. The Bahraini Index recorded the most gains of any MENA market, rising by 8.50% (YTD 9.26%), followed by the Abu Dhabi Stock Exchange which rose by 7.07% (YTD 9.79%). The Dubai Financial Market, Kuwait Premier Market and Doha Stock Exchange were next in line, gaining 4.73% (YTD 4.97%), 3.84% (YTD 8.92%) and 3.60% (YTD 11.38%) respectively. The list of gainers was rounded up by the Saudi Arabian TASI which went up by 2.59% (YTD 11.60%). On the other end, the Egyptian Stock Exchange was February's biggest loser, shedding 3.06% (YTD -6.78%), followed by the Omani Capital Market which lost 1.47% (YTD -1.79%) and the Jordanian ASE which fell by 0.77% (YTD 1.40%).

Global capital markets on the other hand continued their slide further exasperated by the Russian-Ukrainian war and the raft of sanctions imposed by the west on Russia. In the U.S., the S&P 500 Index shed 3.14% (YTD -8.23%), the Dow Jones meanwhile was down 3.53% (YTD -6.73%). In Europe, where the war is raging, indices suffered heavy losses to close the month. The French CAC 40 Index fell 4.86% (YTD -6.91%) and the German DAX was down by 6.53% (YTD -8.96%). Meanwhile the FTSE 100 shed 0.08% (YTD 1.00%). Asian markets were also mostly down, but while the Hang Seng and the Nikkei indices fell by 4.58% (YTD -2.93%) and 1.76% (YTD -7.87%) respectively, the Shanghai Composite gained 3.00% (YTD -4.88%).

In February's marquee news, President Joe Biden and other US allies in Europe and across the world imposed stiff sanctions on Russia as a result of its invasion of Ukraine as Western nations warned that Kyiv could fall, with Ukraine's foreign minister saying the capital was hit with rocket strikes, and Russian tanks, troops and aircraft pushed closer to Kyiv. Biden promised to inflict a "severe cost on the Russian economy" that will hamper its ability to do business in foreign currencies. Other sanctions imposed included limiting Russia's access to the SWIFT money transfer system in addition to freezing the assets of the central bank and numerous individuals that are close to the administration.

In regional news the United Arab Emirates and India have signed a free trade deal that is expected to double bilateral non-oil trade to USD100 billion within five years as the Gulf state ramps up its economic partnership with its second-largest trade partner. The United Arab Emirates is also working to close more trade deals with Indonesia, Israel, and Colombia as it seeks to deepen its ties with fast-growing economies and draw billions of dollars in foreign investment.

In energy news, the International Energy Agency urged OPEC and its allies to address a widening shortfall in their oil production as a volatile market sent crude prices rocketing toward USD100 a barrel. While fuel consumption is bouncing back from the pandemic, the 23-nation alliance led by Saudi Arabia and Russia is struggling to restore output it halted. Members need to fix the issue as the supply gap versus their target spirals toward 1 million barrels a day.

In only its second month in, the year 2022 threw another wrench into global equity markets by way of the Russian-Ukrainian conflict. The numerous sanctions imposed on Russia by the west led to an unprecedented increase in the prices of commodities and energy, threatening to derail the global economic growth already suffering from high inflation levels.

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



### INVESTMENT METHODOLOGY & 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.

IIAB Islamic MENA Fund is a Fund created and sponsored by the IIAB Islamic 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.

