

# IIAB Islamic MENA Fund

Performance Report 30.09.21

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

NAV PER SHARE

\$6.43

## 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

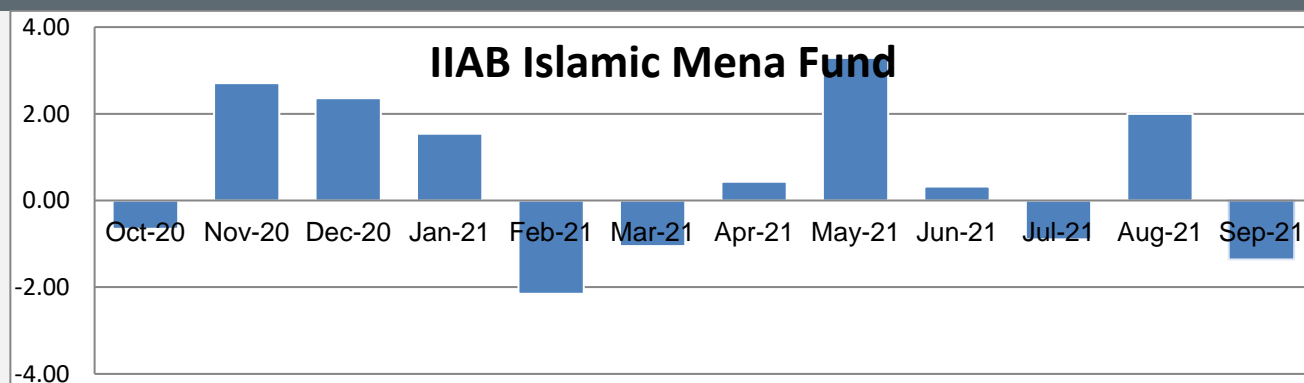
<b>Domicile</b>	Kingdom of Bahrain	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & 100 units thereafter
<b>Fund assets</b>	USD 6,604,161	<b>Investment manager</b>	Al Arabi Investment Group Co (AB Invest)
<b>Administrator</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>													
2021	1.54	-2.15	-0.40	0.43	3.29	0.32	-0.90	2.00	-1.36				2.67
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
2016	-8.86	5.04	2.18	2.64	-1.18	0.02	0.48	-0.02	-1.81	-0.92	5.03	1.88	3.78

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

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## RETURN PERCENTAGES

1 month	-1.36%	3 months	-0.30%	Since inception	-35.73%
6 months	3.75%	12 months	7.23%		

## PERFORMANCE STATISTICS

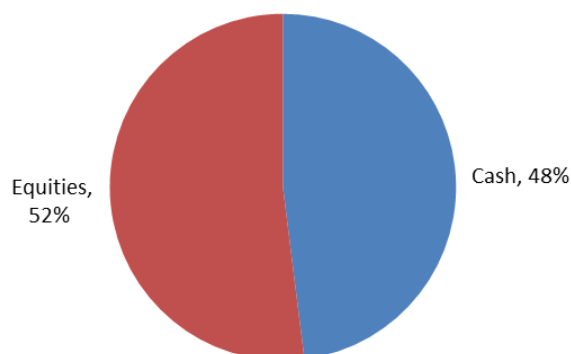
	Portfolio
Annualised return	-3.2%
Annualised volatility	13.4%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS

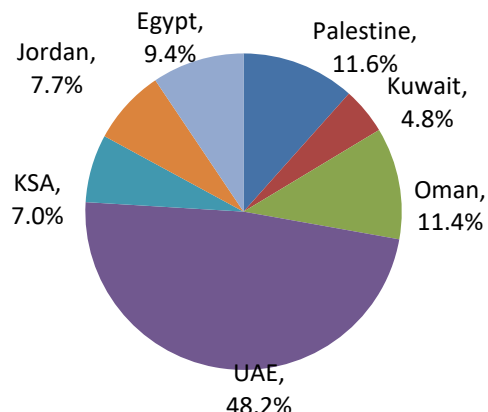
	Country	%
Dubai Islamic Bank	UAE	9.18%
Aramex	UAE	8.70%
Emaar Properties Company	UAE	7.15%
Palestine Telecommunications Company	Palestine	6.03%
OOREDOO OMR	Oman	5.94%
Saudi Airlines Catering	KSA	3.61%
Cairo Investment & Real Estate Development	Egypt	3.52%
Jordan Islamic Bank	Jordan	3.02%
Human Soft Holding Co	Kuwait	2.48%
Cairo Poultry Company	Egypt	1.38%



### ASSET ALLOCATION



### GEOGRAPHIC ALLOCATION (EQUITIES)



### COMMENTARY

It has been 11 months of gains and counting for MENA's benchmark indices as gains recorded in oil prices spilled over to oil-dependent GCC equity markets. The S&P Pan Arab Investable Index was up 1.37% (YTD 25.36%), and the Dow Jones MENA Index was up by 1.24% (YTD 25.44%). The Arab Bank MENA Fund on the other hand shed 1.41% (YTD 7.24%) due to losses suffered by the Dubai Financial Market and the Egyptian Stock Exchange. The Dow Jones Islamic Market MENA Index also ended the month of September positively, recording gains of 2.00% (YTD 25.07%). The IIAB MENA Fund headed the other way, falling by 1.36% (YTD 2.67%). The IIAB MENA Feeder Fund consequently shed 1.45% (YTD 2.16%).

The performance of the region's equity markets was mostly positive for September. The list of advancing indices was led by the Bahraini Market and the Qatari Index which have gained 3.66% (YTD 14.48%) and 3.54% (YTD 10.05%) respectively. They were followed by the Saudi Arabian TASI, the Kuwait Premier Market Index, the Jordanian ASE index and the Abu Dhabi index which gained 1.56% (YTD 32.29%), 0.87% (YTD 23.89%), 0.55% (YTD 25.09%) and 0.18% (YTD 52.59%) respectively. On the losing front were the Egyptian Stock Exchange which lost 5.29% (YTD -3.03%), the Dubai Financial Market which was down 1.98% (YTD 14.19%) and the Omani Stock Exchange which fell 0.61% (YTD 7.75%).

Global capital markets also had a rough September on the other hand, as all major indices except for two suffered losses. The S&P 500 Index bled 4.76% (YTD 14.68%) while the Dow Jones lost 4.29% (YTD 10.58%). In Europe, the French CAC 40 Index shed 2.40% (YTD 17.45%), the German DAX went down by 3.63% (YTD 11.24%) and the FTSE 100 fell by 0.47% (YTD 9.69%). Asia contained the two indices finishing in the green for the month. The Nikkei index shot up by 4.85% (YTD 7.32%), while the Hang Seng finished in the red, shedding 5.04% (YTD -9.75%) while the Shanghai Composite inched up by 0.68% (YTD 2.74%).

In major news for the month Federal Reserve Chair Jerome Powell said the U.S. central bank could begin scaling back asset purchases in November and complete the process by mid-2022, after officials revealed a growing inclination to raise interest rates next year. Powell has said that tapering could come as soon as the next meeting. That refers to the policy gathering on November 2-3, though he left the door open to waiting longer if needed and stressed that tapering was not meant to start a countdown to liftoff from zero interest rates.

In energy news, OPEC and its allies struggled again to pump enough oil in August to meet global demand as it recovers from the coronavirus pandemic, potentially adding to upward pressures on oil prices. Several OPEC+ members such as Nigeria, Angola and Kazakhstan have struggled in recent months to raise output due to years of under-investment or large maintenance work that has been delayed by the COVID-19 pandemic.

In regional news, The United Arab Emirates abolished the need for companies to have Emirati shareholders, local media reported, in a major shake-up of foreign ownership laws aimed at attracting investment into an economy reeling from the coronavirus and a decline in oil prices. As a result Dubai Chamber revealed that a total of 16,000 new companies joined in the first eight months of 2021, bringing its total membership to over 275,000, posting a year on year growth of 68.5 per cent.

In Saudi Arabia, in the first major test for the kingdom's new bankruptcy law, Ahmad Hamad Algosaibi & Brothers Co., which has been locked in legal battles and negotiations with creditors over USD7.5 billion of debt since 2009, had its proposal to restructure the obligations ratified by a Saudi court. The purposed deal will allow various asset freezes to be lifted and let the company go ahead with a plan to repay creditors about 26% of their claim values through a mixture of cash, shares and Saudi real estate.



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Where oil prices go, MENA markets will follow. An old mantra that still holds true today. We believe sharply higher oil prices will breathe new life in markets that began to run out of steam after an incredible run of gains. This is especially important as we enter the winter months and oil demand rises taking oil prices to new highs.

We are also monitoring the raft of new stock issuances in Saudi and Abu Dhabi which might provide a strong value proposition for our funds.

### 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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