

IIAB Islamic MENA Fund

Performance Report 31.01.21

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

NAV PER SHARE

\$6.36

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

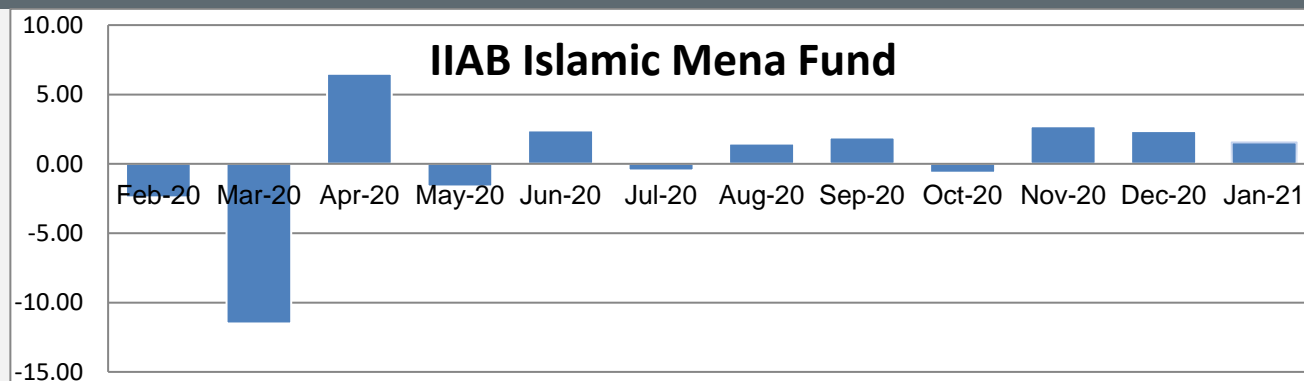
Domicile	Kingdom of Bahrain	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & 100 units thereafter
Fund assets	USD 6,531,428	Investment manager	Al Arabi Investment Group Co (AB Invest)
Administrator	Gulf Clearing Company	Dealing frequency	Monthly, 4 business days prior to month end
Launch date	28 February 2008	BBG code	IIABISL BI EQUITY

MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
IIAB Islamic MENA Fund													
2021	1.54												1.54
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	1.54%	3 months	6.75%	Since inception	-36.44%
6 months	9.62%	12 months	1.06%		

PERFORMANCE STATISTICS

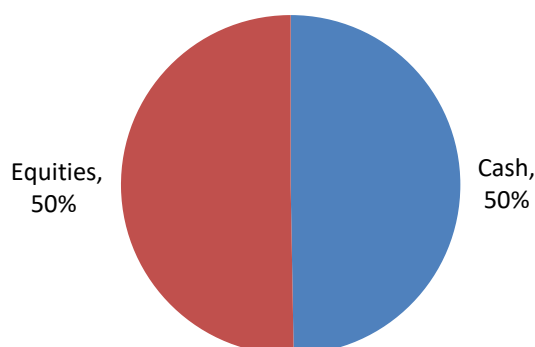
	Portfolio
Annualised return	-3.5%
Annualised volatility	13.6%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS

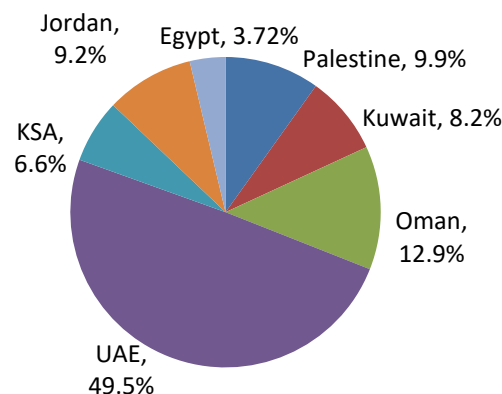
	Country	%
Dubai Islamic Bank	UAE	9.28%
Aramex	UAE	9.00%
Emaar Properties Company	UAE	6.61%
OOREDOO OMR	Oman	6.47%
Palestine Telecommunications Company	Palestine	4.97%
Human Soft Holding Co	Kuwait	4.14%
Jordan Islamic Bank	Jordan	3.34%
Saudi Airlines Catering	KSA	3.33%
Arab Pesticide and Veterinar	Jordan	1.27%
Cairo Poultry Company	Egypt	1.19%



ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

Building on the surge witnessed in December, MENA markets continued their upward trajectory starting 2021 at a high. The S&P Pan Arab Investable Index gained 2.34%, and the Dow Jones MENA Index was up by 2.61%. Likewise, the Arab Bank MENA Fund shot up, gaining 2.93%. On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has followed suit, rising by 2.25%. The IIAB MENA Fund behaved similarly, gaining 1.54%. The IIAB MENA Feeder Fund consequently was up by 1.51%.

All of the region's capital markets recorded gains during the month bar two. The Abu Dhabi Stock Exchange led the charge surging by a staggering 10.86%. Dubai Financial Market and the Egyptian Stock Exchange were distant second and third, shooting up by 6.50% and 6.46% respectively. The Kuwait Premier Market, Jordanian Stock Exchange, Doha Stock Exchange and the Saudi Arabian TASI rounded up the month's winners, going up by 4.24%, 4.20%, 0.36% and 0.15% respectively. On the other hand, the Bahraini Market and the Omani Capital Market were January's sole losers, dropping by 1.82% and 0.15%.

Global capital markets were a mixed bag, so while stock indices in the US and Europe pulled back after strong December gains, indices in Asia have continued to trend upwards. In the U.S., the S&P 500 Index shed 1.11% as it pulled back from historical highs. The Dow Jones meanwhile was also down 2.04%. In Europe, indices also witnessed losses due to renewed lockdowns to combat mutant strains of the coronavirus. The French CAC 40 Index fell 2.74%, the German DAX was down by 2.08% and the FTSE 100 shed 0.82%. Asia bucked the trend. The Hang Seng advanced by 3.87%, the Shanghai Composite crept up by 0.29% and the Nikkei index was up by 0.80%.

January's most important news revolves around the end of the three year blockade of Qatar by Saudi Arabia, the UAE, Bahrain and Egypt. As the quartet agreed to fully restore ties with embassies and land borders reopened and flights resumed. Fitch Ratings estimated that the resolution of the dispute between Qatar and its Gulf neighbors is expected to bolster prospects for the gas-rich nation's non-oil economy over the medium terms.

In oil market news, Saudi Arabia surprised the market with a large cut in crude production. The move papered over cracks in the OPEC+ coalition and was a U-turn from some recent Saudi oil-policy priorities. The kingdom pledged an additional unilateral cut of 1 million barrels a day in February and March, while most of the rest of the group kept output steady. Furthermore, Saudi Aramco will sell more shares as part of the kingdom's plan to boost the size of its sovereign wealth fund to USD1.1 trillion by 2025, according to Saudi Crown Prince Mohammed bin Salman.

In the UAE the organizers of Expo 2020 Dubai said they are committed to hosting the event which was postponed for a year due to coronavirus, but are ready for all possible scenarios amid a new global wave of the pandemic. The world fair, which had been due to run from October 2020 to April this year, was delayed last May after participating countries said they needed to focus on tackling the spread of infections.

In corporate news, Aldar Properties PJSC climbed the most in almost three months after Abu Dhabi signed off on deals worth USD12.3 billion to the developer. The company will take on management of AED30 billion (USD8.2 billion) in developments and provide oversight for projects worth AED10 billion in education, health-care and infrastructure.

The start of 2021 has been positive for our funds. The Arab Bank MENA Fund has continued its trend from 2020 by outperforming its benchmarks while the IIAB MENA Fund has also performed strongly for the month of January. With a new year comes a set of new challenges though, and as coronavirus news recede from coverage new risks and new opportunities emerge. We continue to put our clients first by being prudent, risk-averse and wary of various financial and geopolitical risks the pandemic and a new US administration might bring. While also being on the lookout for fresh opportunities or overlooked gems that will give us an upper leg on the market.



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.

