

IIAB Islamic MENA Fund

Performance Report 31.01.22

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

NAV PER SHARE

\$6.68

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

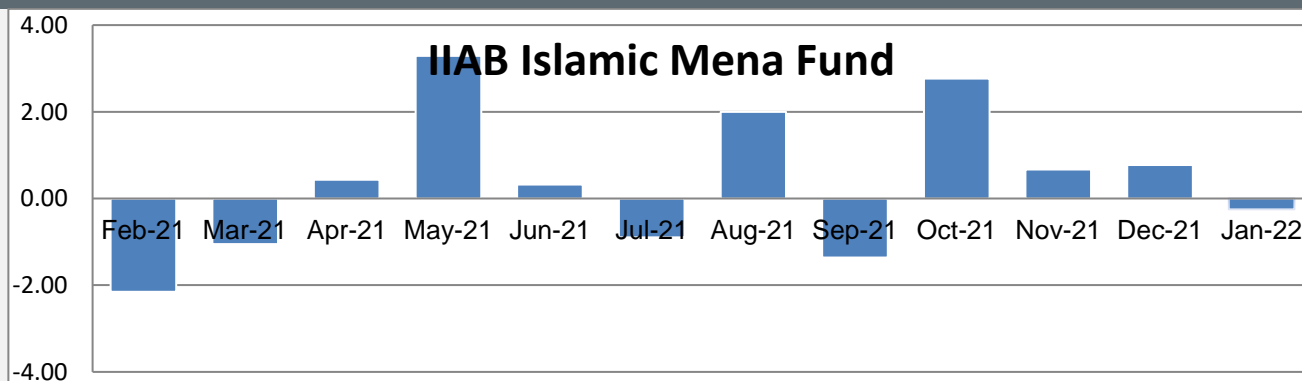
Domicile	Kingdom of Bahrain	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & 100 units thereafter
Fund assets	USD 6,818,061	Investment manager	Al Arabi Investment Group Co (AB Invest)
Administrator	Gulf Clearing Company	Dealing frequency	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													
2022	-0.25												-0.25
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	-0.25%	3 months	1.19%	Since inception	-33.18%
6 months	4.61%	12 months	5.14%		

PERFORMANCE STATISTICS

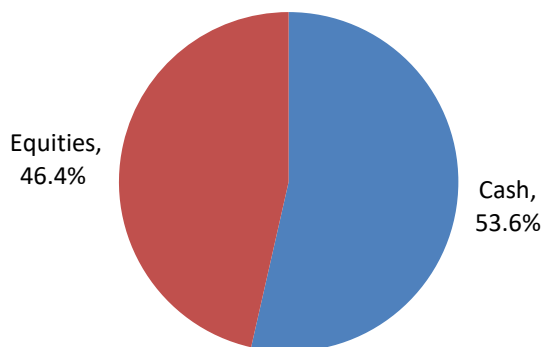
Portfolio	
Annualised return	-2.9%
Annualised volatility	13.2%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.4%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS

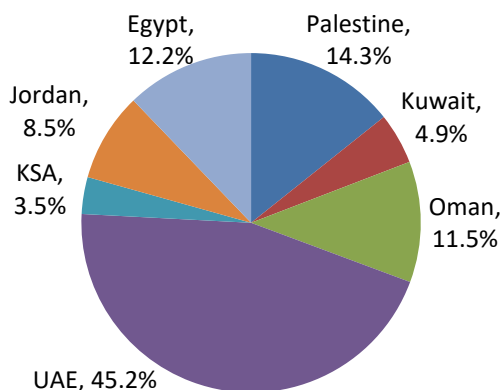
	Country	%
Dubai Islamic Bank	UAE	10.98%
Emaar Properties Company	UAE	7.28%
Palestine Telecommunications Company	Palestine	6.63%
OORED00 OMR	Oman	5.34%
Cairo Investment & Real Estate Development	Egypt	3.68%
Jordan Islamic Bank	Jordan	3.01%
Al Yah Satellite Communications Company	UAE	2.69%
Human Soft Holding Co	Kuwait	2.26%
Cairo Poultry Company	Egypt	1.98%
Saudi Airlines Catering	KSA	1.63%



ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

MENA equity markets began 2022 on a high, buoyed by multi-year high levels of oil prices and new government measures aimed at improving the business climate. The S&P Pan Arab Investable Index gained 6.27%, and the Dow Jones MENA Index was up by 6.12%.

The Arab Bank MENA Fund on the other hand was up 0.12%. On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index has followed suit, rising by 5.54%. The IIAB MENA Fund though shed 0.25%. The IIAB MENA Feeder Fund consequently fell by 0.32%.

All of the region's capital markets recorded gains during the month bar two. The Saudi Arabian TASI led the charge surging by 8.78%, followed closely by the Doha Stock Exchange which shot up 7.50%, while the Kuwait Premier Market came in third place, gaining 4.89%.

The Abu Dhabi Stock Exchange, Jordanian ASE, Bahraini Index and Dubai Financial Market rounded the list of advancing indices, going up by 2.54%, 2.18%, 0.70% and 0.22% respectively. On the other end, the Egyptian Stock Exchange and the Omani Capital Market have both ended the month in the red, falling by 3.84% and 0.33% respectively.

Global capital markets on the other hand were hit hard in January, as the shadow of looming consecutive interest rate hikes in the US hammered equity capital markets around the globe. In the U.S., the S&P 500 Index shed 5.26%. The Dow Jones meanwhile was also down 3.32%. In Europe, indices were also mostly negative to close the month. The French CAC 40 Index fell 2.15% and the German DAX was down by 2.60%, while the FTSE 100 bucked the trend, gaining 1.08%. Asian market were a mixed bag. The Hang Seng advanced by 1.73%, while the Shanghai Composite shed a whopping 7.65% and the Nikkei index fell by 6.22%.

The United Arab Emirates (UAE) said it would introduce a federal corporate tax on business profits for the first time starting from June 1, 2023, although it kept the rate low, at 9%, to maintain its attractiveness for businesses. The Gulf Arab oil exporter, a magnet for the globe's ultra-rich, has long benefited from its tax-free status to carve out a role as an international commercial, energy and tourism hub. Much of this tax-free regime, including no personal income tax, remains. But the Finance Ministry said it was launching corporate tax to align with international efforts to combat tax avoidance, as well as to address challenges arising from the digitalization of the global economy.

US consumer prices soared last year by the most in nearly four decades, sapping the purchasing power of American families and setting the stage for the Federal Reserve to begin hiking interest rates as soon as March. The consumer price index climbed 7% in 2021, the largest 12-month gain since June 1982, according to Labor Department data. The widely followed inflation gauge rose 0.5% from November, exceeding forecasts.

In energy news global oil demand has proven stronger than expected as the latest coronavirus variant inflicts a softer hit to the economy than anticipated, the International Energy Agency said. Crude prices have rallied this year, as fuel use proves resilient while supplies suffer a range of setbacks from North America to Libya and Kazakhstan.

The year 2022 comes with a number of uncertainties. Chief among them are high inflation rates across the globe and the imminent interest rate hikes by central banks to combat them, the supply chain issues which plague global trade and the state of the coronavirus' spread and measures to combat it. This is why we remain cautious and remain holders of high cash levels in our portfolios.

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.

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, Hashemite Kingdom of 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.

