

IIAB Islamic MENA Fund

Performance Report 31.08.21

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

NAV PER SHARE

\$6.52

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

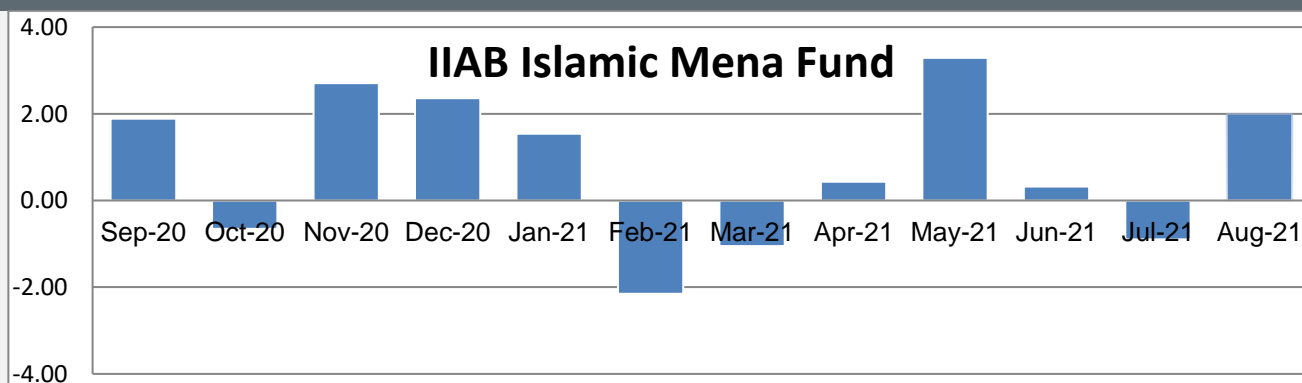
Domicile	Kingdom of Bahrain	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & 100 units thereafter
Fund assets	USD 6,695,414	Investment manager	Al Arabi Investment Group Co (AB Invest)
Administrator	Gulf Clearing Company	Dealing frequency	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	-2.15	-0.40	0.43	3.29	0.32	-0.90	2.00					4.08
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	2.00%	3 months	1.40%	Since inception	-34.84%
6 months	4.77%	12 months	10.76%		

PERFORMANCE STATISTICS

	Portfolio
Annualised return	-3.1%
Annualised volatility	13.4%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.2%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS

	Country	%
Aramex	UAE	9.79%
Dubai Islamic Bank	UAE	9.33%
Emaar Properties Company	UAE	7.26%
OOREDOO OMR	Oman	5.77%
Palestine Telecommunications Company	Palestine	5.73%
Saudi Airlines Catering	KSA	4.89%
Cairo Investment & Real Estate Development	Egypt	3.53%
Jordan Islamic Bank	Jordan	2.99%
Human Soft Holding Co	Kuwait	2.53%
Cairo Poultry Company	Egypt	1.39%

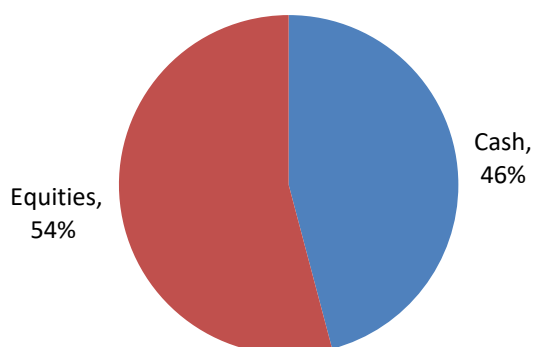


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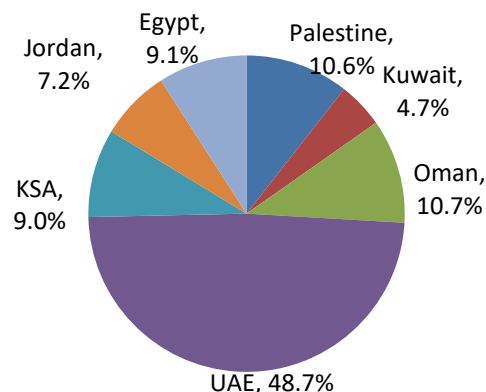
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ASSET ALLOCATION



GEOGRAPHIC ALLOCATION (EQUITIES)



COMMENTARY

Supported by gains in the heavyweight UAE and Saudi capital markets, MENA's benchmark indices recorded gains for an incredible tenth straight month. The S&P Pan Arab Investable Index was up 3.45% (YTD 23.67%), and the Dow Jones MENA Index was up by 3.64% (YTD 23.90%). The Arab Bank MENA Fund followed suit, gaining 2.75% (YTD 8.77%). The Dow Jones Islamic Market MENA Index equally ended the month of August in the green, recording gains of 2.84% (YTD 22.26%). The IIAB MENA Fund tracked the benchmark's gains, rising by 2.00% (YTD 4.08%). The IIAB MENA Feeder Fund consequently gained by 1.98% (YTD 3.66%).

The performance of the region's equity markets was predominantly positive for the month of August. The Abu Dhabi index was at the forefront of all advancers for the second straight month, the index has recorded gains of 5.01% (YTD 52.31%). It was followed by its neighbor the Dubai Financial Market index which gained 4.96% (YTD 16.49%). The Egyptian Stock Exchange and the Kuwait Premier Market index were next, recording gains of 3.74% (YTD 2.75%) and 3.73% (YTD 22.81%) respectively. The list of advancing markets were rounded up by Qatari Index, the Bahraini Index and the Saudi Arabian TASI which went up by 3.16% (YTD 6.29%), 3.03% (YTD 10.45%) and 2.78% (YTD 30.26%). On the other hand, the Omani Stock Exchange and Jordanian ASE index were this month's sole losers, falling by 1.58% (YTD 8.42%) and 1.24% (YTD 24.41%) respectively.

Global capital markets also had a positive month, all major indices were up bar one. The S&P 500 Index rose by 2.90% (YTD 20.40%) while the Dow Jones gained 1.22% (YTD 15.53%). In Europe, the French CAC 40 Index shot up 1.02% (YTD 20.33%), the German DAX surged 1.87% (YTD 15.43%) and the FTSE 100 rose 1.24% (YTD 10.20%). Asia recovered after two straight losing months. The Nikkei index shot up by 2.95% (YTD 2.35%), while the Hang Seng was the sole major global market to finish in the red, shedding 0.32% (YTD -4.97%) while the Shanghai Composite surged 4.31% (YTD 2.04%).

The highlight of the news cycle in August was the re-imposing of the US federal debt limit after Congress did not reach agreement to lift or suspend the ceiling by its 31 July statutory deadline. The US Treasury will now resort to a series of temporary accounting measures that the Treasury has used in the past to increase borrowing capacity under the debt limit, to meet its daily financing needs until Congress reaches an agreement. Although political brinkmanship may prolong negotiations, Moody's expects that the debt limit will ultimately be lifted or suspended, and that the US will continue to meet its debt-service obligations on time and in full. In the event that the debt limit is not raised, Moody's expects the Treasury to prioritize interest payments over other expenses to preserve the full faith and credit of the US government and avoid disruptions in the global financial markets.

In energy news, the International Energy Agency cut forecasts for global oil demand "sharply" for the rest of this year as the resurgent pandemic hits major consumers, and predicted a new surplus in 2022. It's a marked reversal for the Paris-based agency, which just a month ago was urging the OPEC+ alliance to open the taps or risk a damaging spike in prices. The oil cartel heeded calls to hike supply, which is now arriving just as consumption slackens.

In a report issued by Institute of International Finance (IIF), the Washington based association of global financial institutions estimated that Oil price recovery will result in big gains in terms of government revenues for key GCC countries such as Saudi Arabia, UAE, Kuwait and Qatar. GCC's aggregate current account surplus is projected to witness more than fivefold growth in 2021 to USD109 billion from USD20 billion in 2020. The IIF has projected GCC's hydrocarbon revenue to increase from USD221 billion in 2020 to USD326 billion in 2021. Non-resident capital inflows into GCC are projected to increase from USD123 billion in 2020 to USD148 billion in 2021 despite the lower financing needs by the sovereign, as the fiscal deficits narrow substantially.



We still see some room for advancement in MENA equity markets despite the incredible gains recorded year-to-date. 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 & 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.

