

# IIAB MENA Feeder Fund

Performance Report 26.02.21

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** **\$5.62**

## OBJECTIVE OF THE FUND

The IIAB MENA Feeder Fund is a long-term, medium to high risk investment vehicle that invests in the IIAB Islamic MENA Fund (Master 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

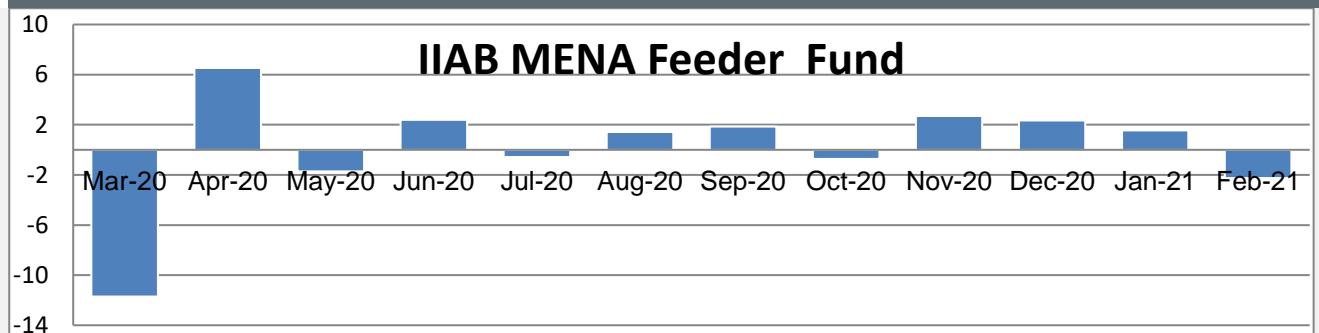
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 2,851,348	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</b>	Al Arabi Investment Group Co (AB Invest)
<b>Launch date</b>	28 February 2008	<b>Dealing frequency</b>	Monthly, 10 business days prior to month end
<b>Listing</b>	CISX	<b>BBG code</b>	IIABMEU GU Equity

**Important note:** For clarity purposes, the figures below represent the performance, asset allocation and holdings of the IIAB Islamic MENA Fund (Master Fund).

## MONTHLY PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D.
<b>IIAB MENA Feeder Fund</b>													
2021	1.51	-2.25											-0.78
2020	0.08	-2.49	-11.71	6.53	-1.71	2.38	-0.57	1.42	1.86	-0.73	2.70	2.33	-1.03
2019	2.36	1.05	0.80	2.62	-1.28	-0.72	3.56	-1.14	-0.81	-0.51	-0.50	0.72	6.18
2018	-1.05	-1.00	1.24	-0.01	-0.86	-0.24	-2.00	-0.23	-1.86	-0.69	0.10	-1.37	-7.74
2017	0.10	0.01	0.40	0.69	-2.64	0.70	-1.00	-0.95	0.98	-0.28	-2.90	-0.04	-4.91
<b>IIAB Islamic MENA Fund (Master Fund)</b>													
2021	1.54	-2.15											-0.65
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

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## PERFORMANCE STATISTICS (MASTER FUND)

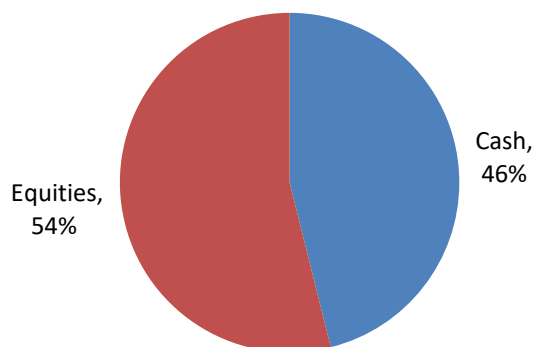
	Portfolio
Annualised return	-3.6%
Annualised volatility	13.6%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.6%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

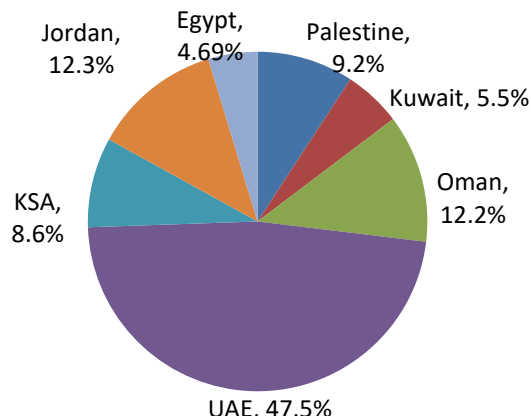
	Country	%
Aramex	UAE	9.97%
Dubai Islamic Bank	UAE	9.18%
OOREDOO OMR	Oman	6.58%
Emaar Properties Company	UAE	6.48%
Jordan Islamic Bank	Jordan	5.53%
Palestine Telecommunications Company	Palestine	4.96%
Saudi Airlines Catering	KSA	4.62%
Human Soft Holding Co	Kuwait	2.96%
Cairo Poultry Company	Egypt	1.27%
Cairo Investment & Real Estate Development	Egypt	1.26%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

Driven by a strong rise in the heavy weight Saudi market, MENA equity indices surged again in February as the momentum continued amid the vaccination drives across the region fueling the return to normal hopes. The S&P Pan Arab Investable Index gained 1.79% (YTD 4.18%), and the Dow Jones MENA Index was up by 1.74% (YTD 4.40%). On the other hand, the Arab Bank MENA Fund retreated, losing 1.63% (YTD 1.26%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index surged, gaining 2.15% (YTD 4.45%). The IIAB MENA Fund though lost 2.15% (YTD -0.65%). The IIAB MENA Feeder Fund consequently was down by 2.25% (YTD -0.78%).

The region's capital market performances were a mixed bag during the past month. The Saudi Arabian TASI recorded the best performance of any index, surging by 5.08% (YTD 5.24%) followed by the Jordanian ASE index which gained 2.00% (YTD 6.28%). The Abu Dhabi Stock Exchange and the Bahraini Index rounded the list of gainers going up by 1.25% (YTD 12.25%) and 0.26% (YTD -1.57%) respectively. On the other hand, Dubai Financial Market topped the list of losers, shedding 3.86% (YTD 2.39%) followed by the Qatari index which lost 3.13% (YTD -2.78%) and the Kuwait Premier Market which has gone down by 2.38% (YTD 1.76%). The Omani Capital Market and the Egyptian Stock Exchange followed suit by going down 1.12% (YTD -1.27%) and 0.18% (YTD 6.27%) respectively.

Global capital markets on the other hand were unanimously up during February. In the U.S., the S&P 500 Index shot up 2.61% (YTD 1.47%) while the Dow Jones was up 3.17% (YTD 1.06%). In Europe, indices also enjoyed a positive month amid a surge in vaccinations. The French CAC 40 Index surged 5.63% (YTD 2.73%), the German DAX went up by 2.63% (YTD 0.49%) and the FTSE 100 edged up 1.19% (YTD 0.35%). Asia built on January's gains during February. The Hang Seng advanced by 2.46% (YTD 6.42%), the Shanghai Composite crept up by 0.75% (YTD 1.04%) and the Nikkei index surged by 4.71% (YTD 5.55%) reaching levels not recorded in 30 years.

In February, Saudi Arabia announced its central bank is set for its most significant changes in decades as a new law comes into force this month that analysts say will formalize Crown Prince Mohammed bin Salman's efforts to divert more of the kingdom's oil wealth to back his investment plans. The reforms include adding supporting economic growth as part of the Saudi Arabian Monetary Authority's mandate which could shift the direction of investing the nation's hard currency surpluses in favor of the sovereign wealth fund chaired by the crown prince.

In global news, the US House passed President Joe Biden's USD1.9 trillion pandemic-relief plan, spanning USD1,400 stimulus checks, enhanced jobless benefits and fresh funding for vaccines and testing. The sixth relief package in less than a year is defended by Democrats as what is needed to fight the deadly coronavirus and put the economy on firm footing.

In Kuwait, the government has transferred the last of its performing assets to the country's sovereign wealth fund in exchange for cash to plug a monthly budget deficit of USD3.3 billion, a person familiar with the matter said, leaving one of the world's richest nations with few options to pay its bills. The assets include stakes in Kuwait Finance House and telecoms company Zain.

We continue to navigate our fund through a plethora of variables including the ever evolving coronavirus spread and vaccination progress, governmental decisions such as Saudi's recent decision to halt dealing with any firm that does not have its regional headquarters in the kingdom starting 2021 which has dented the UAE equity markets and geopolitical risks.

Going forward, we see an opportunity in beaten-down, oversold sectors and securities. The distribution of dividends next month may support the performance of the markets and release some liquidity to reinvest. As vaccination is rapidly ramping up in the GCC and more and more restrictions are lifted, in addition to the World Expo which set to be held in Dubai late this year. We believe improving sentiment and fundamentals are on the cards in the UAE and across the region.



### INVESTMENT METHODOLOGY & EDGE

AB Invest is one of the oldest, most experienced and fastest growing investment managers in the MENA region with more than a decade of cumulative quality experience in creating regional risk-adjusted investment solutions. Our investment process is underpinned by a focus on "value" selection, using a combination of top down and bottom up approach. Our knowledge of the constraints in the local markets allows us to adjust our approach and tailor a suitable investment process.

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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. The full documentation required to make an investment is available from AB Fund Managers (Guernsey) Ltd. at its registered address: 11 New Street, St. Peter Port, Guernsey, GY1 2PF Channel Islands.

