

IIAB MENA Feeder Fund

Performance Report 29.10.21

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$5.95**

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

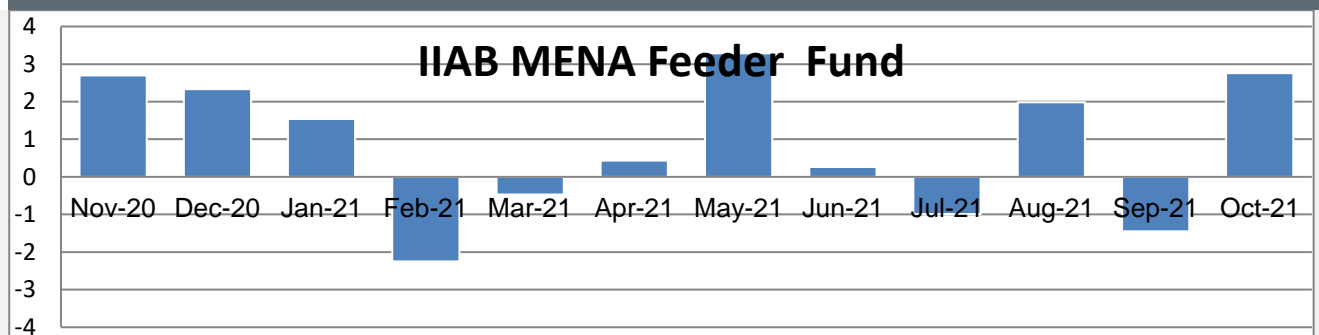
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 3,017,010	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
Launch date	28 February 2008	Dealing frequency	Monthly, 10 business days prior to month end
Listing	CISX	BBG code	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.
IIAB MENA Feeder Fund													
2021	1.51	-2.25	-0.47	0.38	3.29	0.26	-0.99	1.98	-1.45	2.76			4.99
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
IIAB Islamic MENA Fund (Master Fund)													
2021	1.54	-2.15	-0.40	0.43	3.29	0.32	-0.90	2.00	-1.36	2.76			5.50
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)

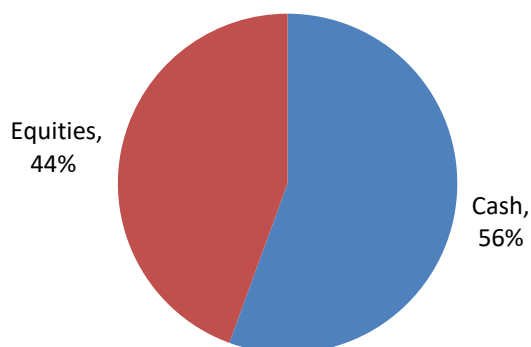
	Portfolio
Annualised return	-3.0%
Annualised volatility	13.3%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.1%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

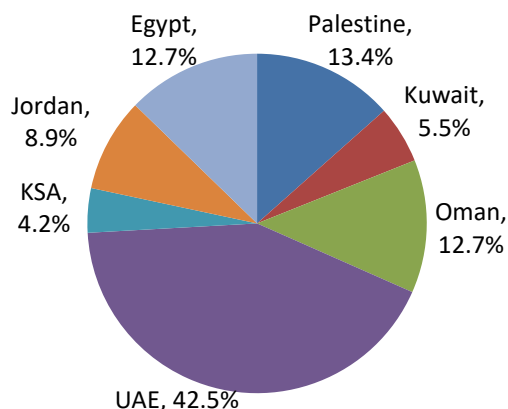
	Country	%
Dubai Islamic Bank	UAE	9.23%
Emaar Properties Company	UAE	6.89%
Palestine Telecommunications Company	Palestine	5.97%
OOREDOO OMR	Oman	5.64%
Cairo Investment & Real Estate Development	Egypt	3.69%
Jordan Islamic Bank	Jordan	3.03%
Al Yah Satellite Communications Company	UAE	2.76%
Human Soft Holding Co	Kuwait	2.44%
Cairo Poultry Company	Egypt	1.97%
Saudi Airlines Catering	KSA	1.88%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

MENA's equity markets have continued their hot streak for a 12th straight month in October, supported by higher oil prices and record low interest rates. The S&P Pan Arab Investable Index was up 2.20% (YTD 28.12%), and the Dow Jones MENA Index was up by 2.65% (YTD 28.76%). The Arab Bank MENA Fund followed the upward trend rising by 2.93% (YTD 10.38%). The Dow Jones Islamic Market MENA Index also ended the month of September positively, recording gains of 1.72% (YTD 27.21%). The IIAB MENA Fund has also finished the month in the green, gaining 2.76% (YTD 5.50%). The IIAB MENA Feeder Fund consequently gained 2.76% (YTD 4.99%).

The performance of the region's equity markets was unanimously positive for October. The list of advancing indices was led by the Egyptian Stock Exchange which gained 8.59% (YTD 5.30%), followed by the Omani Stock Exchange which went up by 3.36% (YTD 11.38%). They were followed by the Kuwait Premier Market Index, the Qatari Index, and the Jordanian ASE index which have gained 2.62% (YTD 27.13%), 2.43% (YTD 12.73%) and 2.31% (YTD 27.98%) respectively. The list was rounded up by the Abu Dhabi index which gained 2.16% (YTD 55.89%), the Saudi Arabian TASI which gained 1.81% (YTD 34.69%) and the Dubai Financial Market which was up 0.66% (YTD 14.94%).

Global capital markets also experienced a brilliant month in terms of gains, as all major indices, except for two, managed to record advances. The S&P 500 Index surged 6.91% (YTD 22.61%) while the Dow Jones shot up 5.84% (YTD 17.03%). In Europe, the French CAC 40 Index was up 4.76% (YTD 23.04%), the German DAX gained 2.81% (YTD 14.36%) and the FTSE 100 had gone up by 2.13% (YTD 12.03%). Asia markets included the two indices finishing in the red for the month. The Nikkei index shed 1.90% (YTD 5.28%), while the Hang Seng finished in the green, rising by 3.26% (YTD -6.81%) while the Shanghai Composite fell by 0.58% (YTD 2.14%).

In major news for the month, the Senate passed a stopgap spending bill aimed at averting a federal government shutdown on a bipartisan 65 to 35 vote. The House passed the emergency measure on to continue funding for federal government. The Senate bill passed after Democrats dropped an earlier attempt to attach a debt-ceiling suspension to the bill in face of implacable Republican opposition to that measure. In Europe, the European Central Bank renewed its pledge to conduct emergency bond-buying at a "moderately" slower pace, holding its nerve even as surging inflation prompts investors to advance unwelcome bets for interest-rate increases. The ECB Governing Council maintained prior language heralding plans to reduce monthly purchases from the roughly 75 billion euros (USD86.9 billion) deployed from March through September. They also promised to keep the 1.85 trillion- euro program, known as PEPP, running until March 2022 or later if needed.

In regional news, Saudi Arabia recorded its first quarterly budget surplus in more than two years as higher crude prices boosted the kingdom's finances. The Gulf nation's surplus during the third quarter was about 6.7 billion riyals (USD1.8 billion), trimming the year-to-date deficit to 5.4 billion riyals, according to a report published by the Ministry of Finance.

In the UAE, the government approved its federal budget to 2026 and focused most of next year's spending on social benefits and development. The Gulf country approved a total of 58.9 billion dirhams (USD16 billion) of spending in 2022, nearly the same as last year. Most of the spending is going to development and social benefits, according to the state-run WAM news agency. The total budget allocation for 2022-2026 is 290 billion dirhams.

Higher oil prices, record highs reached in international capital markets and gains in previously lagging indices have pushed MENA markets higher in October, a trend we see continuing for the remainder of the year. Our holdings of underperforming names have sprung back to life as investors belatedly comprehended the value they provide, pushing the fund's performance higher.

Our elevated cash levels stemming from realizing some of those gains allows us to capitalize on any downturn the market suffers from to provide the best value for our investors.



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.

