

IIAB MENA Feeder Fund

Performance Report 30.07.21

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$5.76**

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

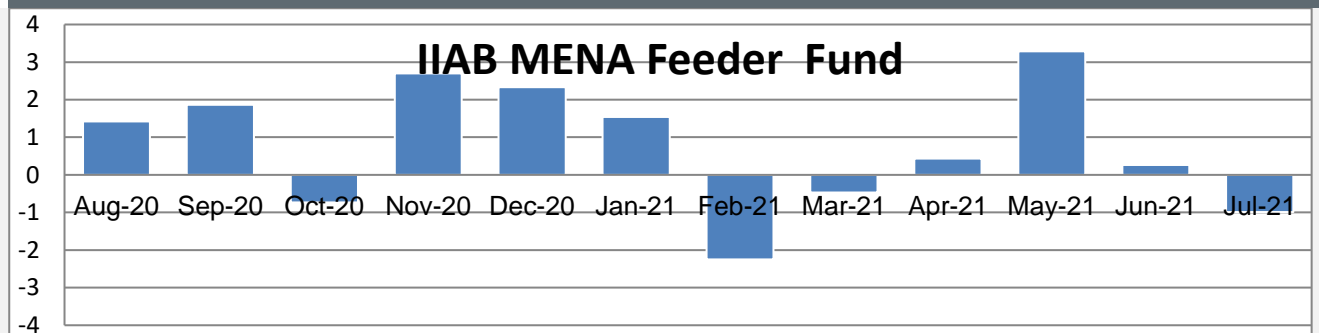
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 2,921,013	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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						1.65
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						2.05
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)

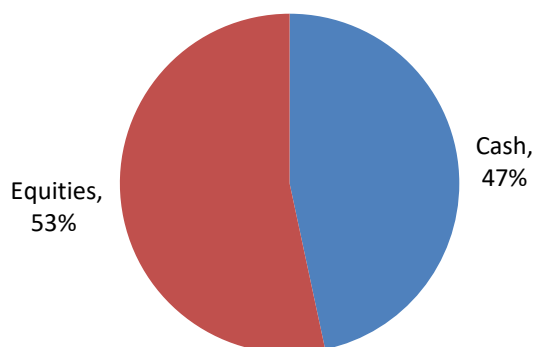
	Portfolio
Annualised return	-3.3%
Annualised volatility	13.4%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

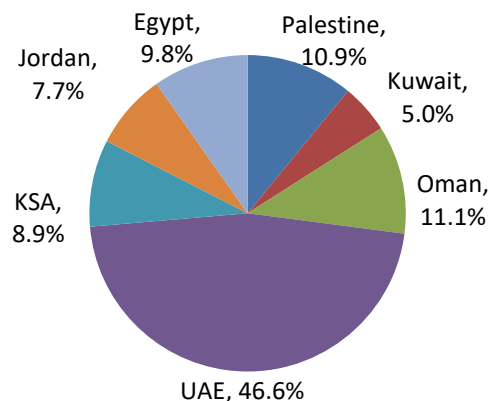
	Country	%
Dubai Islamic Bank	UAE	9.01%
Aramex	UAE	8.83%
Emaar Properties Company	UAE	7.01%
OOREDOO OMR	Oman	5.92%
Palestine Telecommunications Company	Palestine	5.84%
Saudi Airlines Catering	KSA	4.74%
Cairo Investment & Real Estate Development	Egypt	3.34%
Jordan Islamic Bank	Jordan	3.10%
Human Soft Holding Co	Kuwait	2.68%
Cairo Poultry Company	Egypt	1.87%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

For the ninth straight month, MENA markets have recorded further gains in July spurred by surging oil prices. The S&P Pan Arab Investable Index was up 1.15% (YTD 19.54%), and the Dow Jones MENA Index was up by 1.43% (YTD 19.55%). The Arab Bank MENA Fund on the other hand fell by 1.31% (YTD 5.86%) due to declines in the share prices of blue-chip companies in the Dubai Financial Market. The Dow Jones Islamic Market MENA Index was also up, recording gains of 0.92% (YTD 19.24%). The IIAB MENA Fund though declined by 0.90% (YTD 2.05%). The IIAB MENA Feeder Fund consequently was down by 0.99% (YTD 1.65%).

The performance of the region's equity markets were a mixed bag during the month of July, with six markets in the green and three in the red. The Abu Dhabi index was at the forefront of all advancers, continuing its surreal run in 2021, the index has recorded gains of 7.06% (YTD 45.05%). It was followed by the Egyptian Stock Exchange and the Kuwait Premier Market index which have advanced by 4.73% (YTD -0.95%) and 3.29% (YTD 18.40%) respectively. Rounding up the month's gainers were the Bahraini Index, the Saudi Arabian TASI and the Qatari Index which were up by 0.57% (YTD 7.20%), 0.26% (YTD 26.74%) and 0.21% (YTD 3.04%). On the losing side during this month were the Dubai Financial Market index which shed 1.60% (YTD 10.98%), the Omani Stock Exchange which was down 0.81% (YTD 10.16%) and the Jordanian ASE index which fell 0.54% (YTD 25.97%).

Global capital markets also had mixed performances, with indices in the U.S. and Europe largely up while Asia's equity indices suffered from large drops as a result of China's crackdown on its own mega companies. The S&P 500 Index rose by 2.27% (YTD 17.02%) while the Dow Jones gained 1.25% (YTD 14.14%). In Europe, the French CAC 40 Index shot up 1.61% (YTD 17.12%), the German DAX inched up 0.09% (YTD 13.31%) and the FTSE 100 shed 0.08% (YTD 8.85%). Asia on the other hand was unanimously down for the second straight month. The Nikkei index fell by 5.24% (YTD -0.59%), while the Hang Seng shed an incredible 9.94% (YTD -4.66%) and the Shanghai Composite was down 5.40% (YTD -2.18%).

Financial market conditions have stabilized in recent months following a marked rise in US Treasury yields and a sharp increase in inflation expectations in the first quarter of 2021 according to Moody's. The ratings' agency expect systemic risks in financial markets to remain moderate over the coming year, supported by accommodative monetary policy in advanced economies. Nevertheless, some asset prices appear elevated, pointing to pockets of vulnerability. Unexpected signaling of tighter monetary policy would induce higher market volatility, with an uneven impact across markets.

In energy news, OPEC and its Russia-led oil-producing allies agreed to unleash millions of barrels of bottled-up crude over the next two years, committing to restore all the cuts they made at the start of the Covid-19 pandemic as many economies pick up and crude demand recovers. OPEC+ members agreed to gradually add more oil supplies to the market, ending a two-week spat between Saudi Arabia and the United Arab Emirates. The unusually public dispute that tested the unity of the cartel was resolved in a classic compromise -- with Riyadh meeting Abu Dhabi halfway in its demand for a more generous output limit.

In regional news, house prices in Dubai during 2Q accelerated at their fastest pace since the summer of 2014, according to real estate agency Knight Frank. 128 homes valued at 20 million dirhams or more were sold between January and June, the highest level since 2015 when 137 deals in that price range were done. Average transacted prices rise by almost 1% during 2Q. Average transacted price now at 1,156 dirhams per square foot. In Saudi Arabia, the government set an upper limit for domestic gasoline prices and said the state would bear any extra costs, softening an energy subsidy cut program that's drawn complaints from citizens. The ceiling for local gasoline prices will be set at June's levels. The decision was made to decrease the burden of living costs on citizens and residents and support local economic activity.

As the second half of 2021 officially begins, we continue to monitor our holdings to benefit from selling opportunities for the names with limited upside and buying opportunities for the names still trading below their intrinsic value. Our elevated cash levels should cushion any blow resulting from an unexpected downturn in markets and allow us to pick up stocks at attractive valuations should that scenario materialize.



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.

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.

This fact sheet is issued by AB Fund Managers (Guernsey) Ltd. IIAB MENA Feeder Fund is a Cell of IIAB PCC Ltd, AB Fund Managers (Guernsey) Ltd and IIAB PCC Ltd are licensed and regulated by the Guernsey Financial Services Commission. AB Fund Managers (Guernsey) Ltd is a wholly-owned subsidiary of the Arab Bank Group which is headquartered in Amman, Hashemite Kingdom of Jordan. This Fact Sheet is not an invitation to make an investment, nor does it constitute an offer for sale. In addition, it does not constitute as an advertisement in a country where the Fund is not registered for sale.

For the purposes of FSA regulation, the fund is defined as an "Unregulated Collective Investment Scheme" and the promotion of such schemes either within the UK or from the UK is severely restricted by statute. Consequently, this report is only made available to Professional Clients and Eligible Counterparties as defined by the Financial Services Authority and to persons falling within the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001. The fund is only offered on the basis of the Offering Memorandum and any supplements thereto.

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.

