

# IIAB MENA Feeder Fund

Performance Report 30.09.22

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** \$6.14

## 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

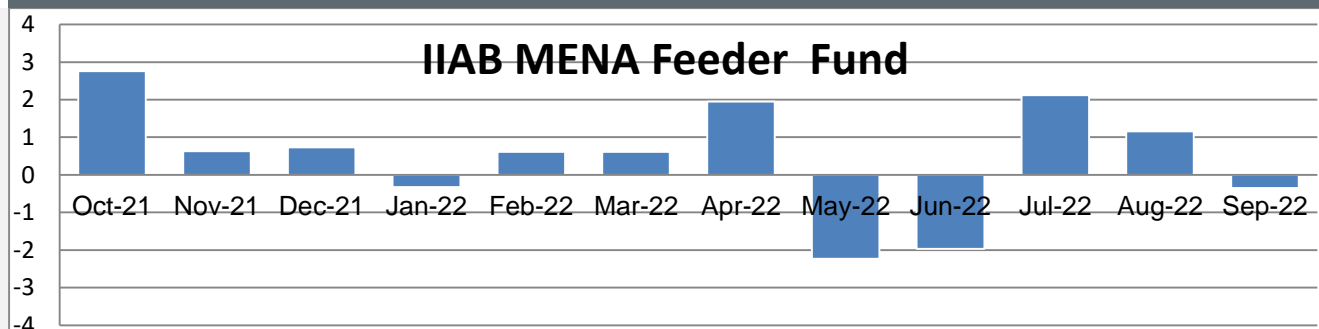
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 3,071,651	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</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>													
2022	-0.32	0.61	0.95	1.95	-2.23	-1.97	2.12	1.16	-0.35				1.84
2021	1.51	-2.25	-0.47	0.38	3.29	0.26	-0.99	1.98	-1.45	2.76	0.63	0.73	6.42
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
<b>IIAB Islamic MENA Fund (Master Fund)</b>													
2022	-0.25	0.65	0.99	1.95	-2.12	-1.87	2.29	1.27	-0.31				2.52
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

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## PERFORMANCE STATISTICS (MASTER FUND)

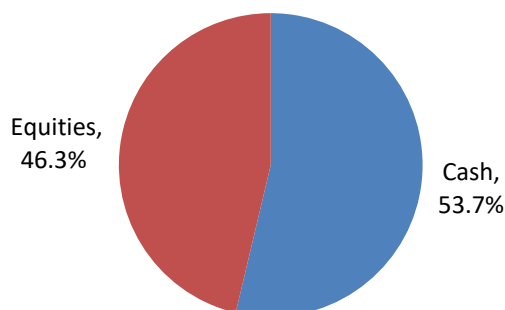
	Portfolio
Annualised return	-2.6%
Annualised volatility	13%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

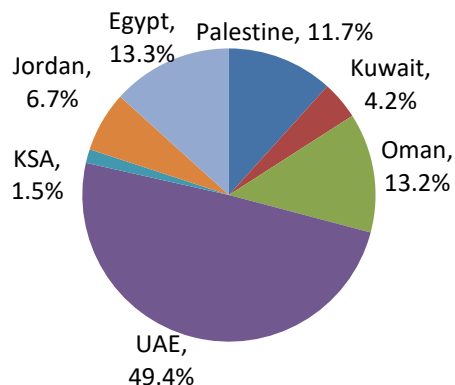
	Country	%
Dubai Islamic Bank	UAE	10.84%
OOREDOO OMR	Oman	6.11%
Emaar Properties Company	UAE	5.83%
Palestine Telecommunications Company	Palestine	5.42%
Cairo Investment & Real Estate Development	Egypt	4.33%
Aramex	UAE	3.46%
Al Yah Satellite Communications Company	UAE	2.73%
Jordan Islamic Bank	Jordan	2.36%
Human Soft Holding Co	Kuwait	1.95%
Cairo Poultry Company	Egypt	1.82%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

MENA markets were rocked during the month of September as the latest Fed interest rate hike battered equity markets across the globe. The S&P Pan Arab Investable Index has sunk by 6.85% (YTD -2.44%), and the Dow Jones MENA Index was down by 6.72% (YTD -2.08%). The Arab Bank MENA Fund on the other hand was better positioned, shedding 1.33% (YTD 2.23%). The Dow Jones Islamic Market MENA Index also ended the month of September negatively, recording losses of 6.94% (YTD -2.69%). The IIAB MENA Fund held its ground, falling by 0.31% (YTD 2.52%). The IIAB MENA Feeder Fund consequently shed 0.35% (YTD 1.84%).

The performance of the region's equity markets was unanimously negative for the month of September. The list of receding indices was spearheaded by the Kuwait Premier Market Index which fell by 7.50% (YTD 4.07%) followed by the Saudi Arabian TASI and the Qatari Index which have lost 7.15% (YTD 1.10%) and 5.44% (YTD 9.20%) respectively. They were duly followed by the Dubai Financial Market which was down 3.02% (YTD 4.48%), the Jordanian ASE index which shed 2.49% (YTD 17.23%), the Bahraini Index which lost 1.88% (YTD 4.71%). Finally, the list is rounded by the EGX30 which fell 1.71% (YTD -17.76%), the Abu Dhabi index which was down by 1.25% (YTD 14.87%) and the Omani Stock Exchange which fell 1.24% (YTD 9.66%).

Global capital markets also had a rough September, as all major indices also suffered losses. The S&P 500 Index bled 9.34% (YTD -24.77%) while the Dow Jones lost 8.84% (YTD -20.95%). In Europe, the French CAC 40 Index shed 5.92% (YTD -19.44%), the German DAX was down by 5.61% (YTD -23.74%) and the FTSE 100 fell by 5.36% (YTD -6.65%). Asian markets had not escaped the carnage either. The Nikkei index declined by 7.67% (YTD -9.91%), while the Hang Seng ended the month deep in the red, shedding 13.69% (YTD -26.39%) while the Shanghai Composite was down by 5.55% (YTD -16.91%).

After a third consecutive 0.75% rate hike Fed Chairman Powell refused to rule out a recession in the world's largest economy and published a much gloomier set of projections. Powell's downbeat commentary on the economy came as the Federal Open Market Committee lifted its benchmark interest rate to a target range of 3% to 3.25% and signaled an intention to keep monetary policy tight as it fights soaring inflation. This came after US retail sales unexpectedly rose during the month of August while jobless claims fell for a fifth straight week suggesting a healthy labor market.

In regional news, Oman's economy is witnessing a remarkable expansion this year as elevated oil prices, increased hydrocarbon production and stronger non-oil growth have provided a much needed boost to the country's GDP. The sultanate's nominal GDP – gross domestic product at current market prices – recorded a whopping 32.4% growth in the first half of 2022, the fastest economic expansion in over a decade, official data showed.

Meanwhile, the UAE economy expanded by 8.4% in the first quarter of this year, exceeding initial estimates, as higher oil prices and successful Covid-19 mitigation measures set it up for fastest annual growth since 2011. The pace of gross domestic product growth in the first quarter — significantly sharper than the 2.1% pre-pandemic GDP level — was above a previous 8.2% estimate by the Central Bank of UAE. This came as the economy rebounded strongly on the back of tourism, a buoyant property sector and higher oil prices.

Similarly, Saudi Arabia's economy expanded faster than earlier estimated in the second quarter, after a more upbeat assessment of gains in non-oil gross domestic product. GDP overall grew a revised 12.2% from a year earlier, the fastest since 2011 and up from 9.9% in the first three months, the General Authority for Statistics said. The world's largest oil exporter is on track to be this year's fastest-growing economy in the Group of 20, propelled largely by increases in its crude output and higher energy prices. The boom is now spreading beyond the oil industry, with the government starting to raise spending in the first half of the year thanks a massive budget surplus.



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Where oil prices go, MENA markets will follow. An old mantra that still holds true today. We believe sharply higher oil prices will breathe new life in markets that began to run out of steam after an incredible run of gains. This is especially important as we enter the winter months and oil demand rises taking oil prices to new highs.

### 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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