

IIAB MENA Feeder Fund

Performance Report 31.03.21

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$5.60**

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

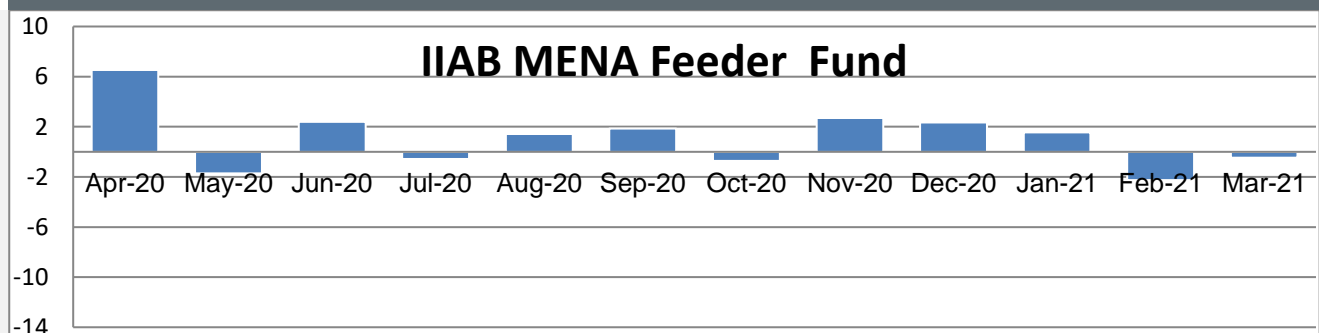
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 2,837,894	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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										-1.25
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										-1.05
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)

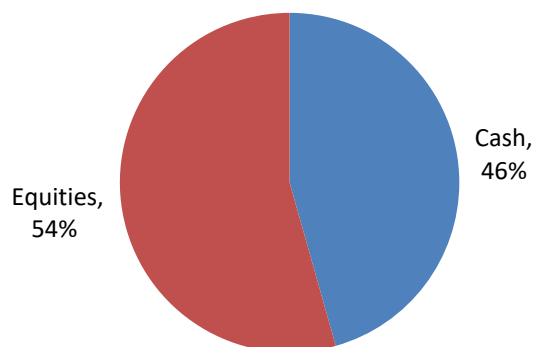
	Portfolio
Annualised return	-3.6%
Annualised volatility	13.6%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.3%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

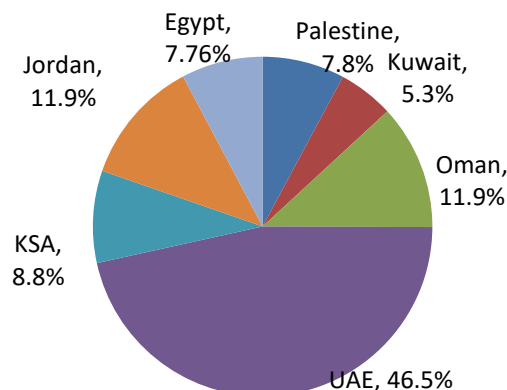
	Country	%
Aramex	UAE	10.09%
Dubai Islamic Bank	UAE	8.76%
OOREDOO OMR	Oman	6.48%
Emaar Properties Company	UAE	6.44%
Jordan Islamic Bank	Jordan	5.50%
Saudi Airlines Catering	KSA	4.77%
Palestine Telecommunications Company	Palestine	4.26%
Human Soft Holding Co	Kuwait	2.88%
Cairo Investment & Real Estate Development	Egypt	2.84%
Cairo Poultry Company	Egypt	1.39%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

MENA equity indices continued their relentless move upwards, surging again in March for the fifth straight month as recovery hopes heightened and the fiscal stimulus measures continued to inflate asset prices. The S&P Pan Arab Investable Index gained a whopping 5.72% (YTD 10.13%), and the Dow Jones MENA Index was up by 5.12% (YTD 9.74%). On the other hand, the Arab Bank MENA Fund shed 1.44% (YTD -0.20%). On the Sharia-compliant front, the Dow Jones Islamic Market MENA Index surged as well, gaining 5.39% (YTD 10.08%). The IIAB MENA Fund though lost 0.40% (YTD -1.05%). The IIAB MENA Feeder Fund consequently was down by 0.47% (YTD -1.25%).

The region's capital market performances varied during the month with extreme movements at either end. The Saudi Arabian TASI recorded the best performance of any index, surging by an incredible 8.34% (YTD 14.02%) followed by the Abu Dhabi Stock Exchange which was up by 4.40% (YTD 17.19%). The Kuwait Premier Market, the Omani Capital Market, the Qatari index and the Jordanian ASE index rounded up the month's gainers, going up by 2.71% (YTD 4.52%), 2.67% (YTD 1.36%), 2.52% (YTD -0.33%) and 0.62% (YTD 6.94%) respectively. On the other hand the Egyptian Stock Exchange was this month's biggest loser, shedding an incredible 8.30% (YTD -2.55%) with the Bahraini Index coming in at a distant second with a loss of 0.57% (YTD -2.13%) while the Dubai Financial Market shed 0.05% (YTD 2.34%).

Global capital markets were also predominantly up during March. In the U.S., the S&P 500 Index shot up by 4.24% (YTD 5.77%) while the Dow Jones surged 6.62% (YTD 7.76%). In Europe, indices also enjoyed a very strong month. The French CAC 40 Index surged 6.38% (YTD 9.29%), the German DAX went up by 8.86% (YTD 9.40%) and the FTSE 100 shot up 3.55% (YTD 3.92%). Asia on the other hand was the exception to the rule, so while the Nikkei index continued its momentum upwards by rising 1.44% (YTD 7.07%), the Hang Seng shed 2.08% (YTD 4.21%) and the Shanghai Composite lost 2.08% (YTD -0.90%).

March witnessed a number of market-supporting events, most important of which was President Joe Biden signing the USD1.9 trillion pandemic-relief bill into law, capping his first major legislative achievement and allowing aid to flow to tens of millions of individuals, businesses and state and local governments. Also in the US, Federal Reserve Chair Jerome Powell said current monetary policy is appropriate and there's no reason to push back against a surge in Treasury yields over the past month. The increase in yields had triggered a debate on whether the central bank would push back against the move which could be a prelude to Fed intervention, much to the relief of equities' investors.

In regional news, Oman will start implementing 5% value-added tax (VAT) from April 16, Oman News Agency reported. It is estimated that VAT will contribute 1.5% towards the country's gross domestic product (GDP) and raise around OMR400 million (USD1 billion) per year for the country's exchequer. The implementation of VAT comes in line with the GCC framework that was agreed between the six nation bloc.

In Dubai, ready property sales transactions surged to a three-year high in February, as more buyers snapped up ready units, the latest official data showed. Deals in the secondary market made up the biggest chunk (67%) of the total 3,787 transactions recorded for the month, valued at approximately AED7.43 billion (USD2 billion),

In energy news, Abu Dhabi began selling futures contracts for its oil and then shipping the barrels from Fujairah, this will mark an aggressive shift by Abu Dhabi. It hopes to change the way nearly one-fifth of the world's crude is priced. Persian Gulf states pump nearly 20 million barrels of oil a day and Abu Dhabi wants the futures for its flagship Murban grade to become the region's main benchmark. The region has traditionally priced its barrels based on benchmarks from other regions.

The appetite for investment in equities is at historical levels, pushing up asset prices and making it more difficult to separate the wheat from the chaff. We continue to stick to our strategy of investing in fundamentally sound names on the basis of value. We believe this will offer our investors the best risk-return payoffs for the foreseeable future as the appetite for risk tapers off and the economies regain some semblances of normality after the coronavirus crisis eases with vaccinations.



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

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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.

