

# IIAB MENA Feeder Fund

Performance Report 31.03.23

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** **\$5.97**

## 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

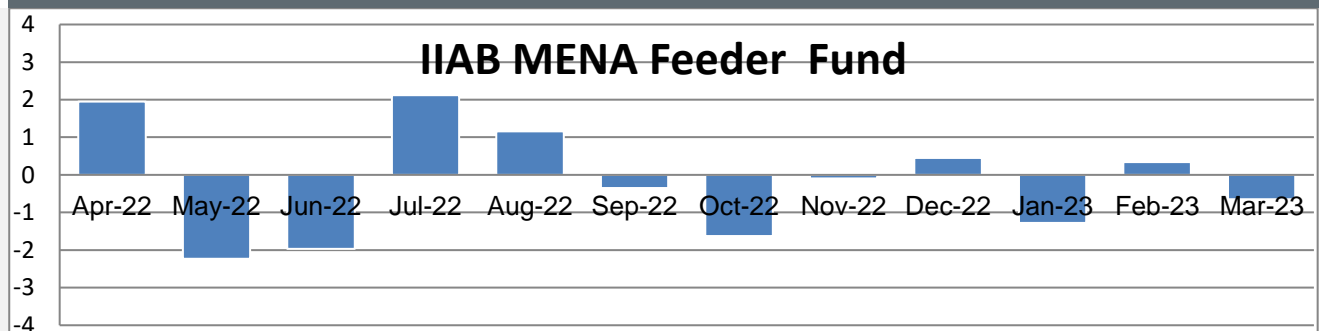
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 2,984,043	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</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>													
2023	-1.28	0.34	-0.65										-1.59
2022	-0.32	0.61	0.95	1.95	-2.23	-1.97	2.12	1.16	-0.35	-1.63	-0.09	0.45	0.54
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
<b>IIAB Islamic MENA Fund (Master Fund)</b>													
2023	-1.26	0.42	0.60										-1.44
2022	-0.25	0.65	0.99	1.95	-2.12	-1.87	2.29	1.27	-0.31	-1.63	-0.02	0.54	1.37
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

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## PERFORMANCE STATISTICS (MASTER FUND)

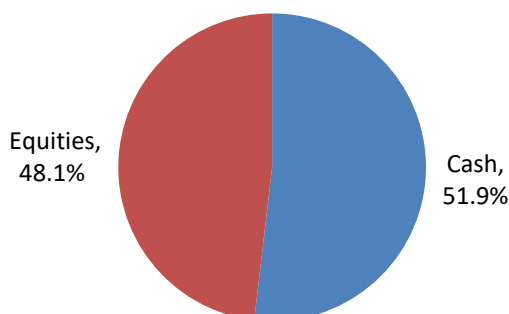
	Portfolio
Annualised return	-2.6%
Annualised volatility	12.8%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.2%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

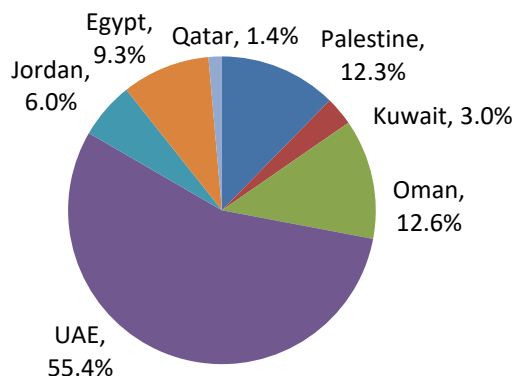
	Country	%
Dubai Islamic Bank	UAE	10.05%
Emaar Properties Company	UAE	7.15%
OOREDOO OMR	Oman	6.07%
Palestine Telecommunications Company	Palestine	5.94%
Aramex	UAE	3.42%
Al Yah Satellite Communications Company	UAE	2.77%
Dubai Electricity & Water AU	UAE	2.61%
Cairo Investment & Real Estate Development	Egypt	2.42%
Jordan Islamic Bank	Jordan	2.20%
Cairo Poultry Company	Egypt	2.04%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

MENA markets have barely moved during the month of March as the holy month of Ramadan kicked in and with it the trading activity subdued. The S&P Pan Arab Investable Index inched up 0.08% (YTD -2.09%), and the Dow Jones MENA Index was flat, recording 0.00% (YTD -2.33%). On the other hand, the Arab Bank MENA Fund rose 0.14% (YTD -0.54%). The Dow Jones Islamic Market MENA Index on the other hand was slightly down, losing -0.20% (YTD 0.13%). The IIAB MENA Fund also lost 0.60% (YTD -1.44%). The IIAB MENA Feeder Fund consequently was down by 0.65% (YTD -1.59%).

The region's capital markets were mostly down during the month of March except for two. The Saudi Arabian TASI was the region's top performer, going up by 4.82% (YTD 1.03%), followed by the only other market to end the month on a positive note, the Omani stock exchange which was up 2.31% (YTD 0.12%). On the losing front, the Abu Dhabi index led all markets, dropping by 4.21% (YTD -7.65%), followed closely by the Egyptian Stock Exchange and the Qatari index which were down by 3.43% (YTD 12.47%) and 3.39% (YTD -4.39%) respectively. The list was rounded up by the Kuwait Premier Market Index which was down by 3.07% (YTD -3.62%), the Bahraini index which dropped 2.34% (YTD -0.46%), the Jordanian ASE index which fell by 2.03% (YTD 3.98%) and the Dubai Financial Market which dropped by 0.90% (YTD 2.12%).

Global capital markets on the other hand were mostly up as expectations grew that the interest rate increase cycle is nearing to an end. In the U.S., the S&P 500 Index surged by 3.51% (YTD 7.03%), while the Dow Jones gained 1.89% (YTD 0.38%). In Europe, there was a disparity in the performance of major indices. The French CAC 40 Index has gone up by 0.75% (YTD 13.11%), the German DAX gained 1.72% (YTD 12.25%), while the FTSE 100 plunged by 3.10% (YTD 2.42%). In Asia, indices were largely positive, with the Hang Seng gaining 3.10% (YTD 3.13%), and the Shanghai Composite shedding 0.21% (YTD -5.94%). Meanwhile, the Nikkei index was also up by 2.17% (YTD 7.46%).

In major news for the month of March, the Federal Reserve raised interest rates by a quarter percentage point, though wording has departed from previous statements signaling "ongoing increases", in a sign we are nearing the end of the rate hike cycle. This was perhaps prompted by the banking crisis witnessed in March which saw the collapse of SVB Bank and two other regional banks leading to a bank run on customer deposits. In a speech aimed at calming nerves, US Treasury Secretary Janet Yellen told bankers that she is prepared to intervene to protect depositors in smaller U.S. banks suffering deposit runs that threaten more contagion amid the worst financial system turmoil in more than a decade.

In regional news, Iran and Saudi Arabia will restore diplomatic ties, easing a geopolitical rivalry in the Persian Gulf that has unnerved oil markets. The countries have been reaching out to each other for at least the past two years, first secretly and gradually more publicly. It's part of a broader regional realignment that's seen several old foes reestablish or forge new ties. The deal to restore relations, which includes commitments to reopen embassies, was signed in China after days of negotiations between secretary of Iran's Supreme National Security Council Ali Shamkhani and his Saudi counterpart.

Meanwhile, ratings' agency Moody's has said that closures of Signature Bank and Silicon Valley Bank (SVB) have shaken investor confidence and will likely lead to tightening liquidity across global debt markets. But for most rated banks in GCC countries the effect will likely be limited due to structural features including their broad franchises and large government presence across the banks' balance sheets. Also, GCC banks are not materially exposed to the failed US banks and are not as susceptible to large losses from held-to-maturity debt securities.

Finally, Bahrain's economy grew at the fastest pace since 2013 last year, fueled by an acceleration in non-oil growth, according to preliminary government data. Overall economic output grew nearly 5%, driven by 6.2% growth in the non-oil sector, higher than anticipated by the government's recovery plan launched in 2021 in response to the coronavirus pandemic. Hotels and restaurants led growth in the non-oil sector, followed by government services and then real estate.



Equity markets in MENA will be driven next month by corporate earnings' announcement and dividend distribution. We believe positive results are in store after strong economic growth in GCC economies last year and elevated oil prices.

We continue to selectively sell on strength and reallocate into overbeaten markets, and maintain healthy cash positions in anticipation of the cooling off cycle at which point we will begin to build positions at reasonable levels. This is expected to provide our investors with the optimal long term returns for their investment.

### 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 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.

