

IIAB MENA Feeder Fund

Performance Report 31.05.22

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$6.09**

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

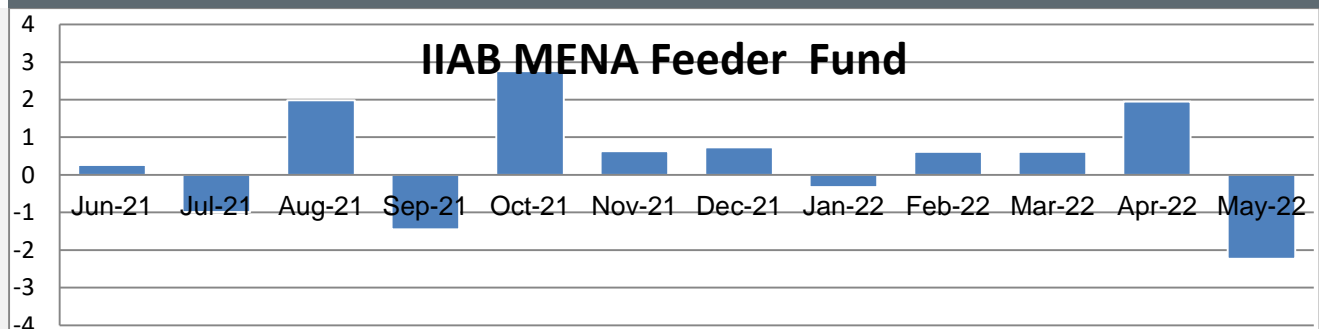
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 3,086,236	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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													
2022	-0.32	0.61	0.95	1.95	-2.23								0.92
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
IIAB Islamic MENA Fund (Master Fund)													
2022	-0.25	0.65	0.99	1.95	-2.12								1.18
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)

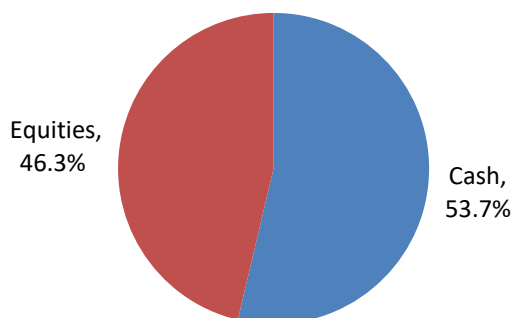
	Portfolio
Annualised return	-2.7%
Annualised volatility	13.1%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.9%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

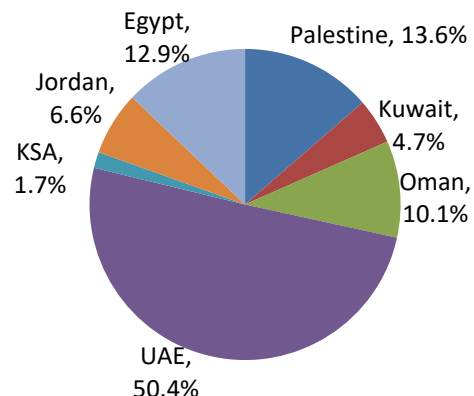
	Country	%
Dubai Islamic Bank	UAE	10.54%
Emaar Properties Company	UAE	6.74%
Palestine Telecommunications Company	Palestine	6.31%
OOREDOO OMR	Oman	4.66%
Cairo Investment & Real Estate Development	Egypt	4.30%
Aramex	UAE	3.43%
Al Yah Satellite Communications Company	UAE	2.60%
Human Soft Holding Co	Kuwait	2.20%
Jordan Islamic Bank	Jordan	2.19%
Cairo Poultry Company	Egypt	1.49%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

MENA markets came crashing down in May after 6 straight months of gains as global equity markets were rocked by historical inflation levels and the war in Ukraine. High oil prices, which kept MENA markets immune from the downturn, were no longer enough to prop up MENA indices amid global turmoil. The S&P Pan Arab Investable Index came crashing down by 6.65% (YTD 8.35%), and the Dow Jones MENA Index fell by 6.76% (YTD 8.66%). The Arab Bank MENA Fund recorded a narrower loss, falling 3.37% (YTD 2.29%). The Dow Jones Islamic Market MENA Index was also down significantly, recording the highest loss among our benchmark indices by falling 7.37% (YTD 8.50%). The IIAB MENA Fund though only shed 2.12% (YTD 1.18%). The IIAB MENA Feeder Fund consequently lost 2.23% (YTD 0.92%).

With the exception of the Jordanian ASE index, which was lifted by mining stocks and recorded a gain of 2.68% (YTD 16.70%), all MENA indices were down for the month of May. The Dubai Financial Market was the biggest loser, losing an incredible 10.01% (YTD 4.74%) followed closely by the Egyptian Stock Exchange which lost 8.13% (YTD -15.06%). The Kuwait Premier Market Index, the Bahraini Index, and the Saudi Arabian TASI came in afterwards, losing 6.79% (YTD 13.57%), 6.58% (YTD 6.87%) and 5.91% (YTD 14.54%) respectively. The list was rounded up by the Qatari Index, the Omani Stock Exchange and the Abu Dhabi index, falling by 4.94% (YTD 11.13%), 1.02% (YTD -0.33%) and 0.26% (YTD 18.45%) respectively.

Global capital markets were mostly up during the month after a brutal April downturn. In the U.S., the S&P 500 Index was largely flat, going up by 0.01% (YTD -13.30%) while the Dow Jones inched up by 0.04% (YTD -9.21%). In Europe, it was a mixed bag. The French CAC 40 Index shed 0.99% (YTD -9.57%), the German DAX gained 2.06% (YTD -9.42%) and the FTSE 100 gained 0.84% (YTD 3.02%). Asia on the other hand was unanimously up for the month. The Nikkei index was up 1.61% (YTD -5.25%), while the Hang Seng gained 1.54% (YTD -8.47%) and the Shanghai Composite surged 4.57% (YTD -12.46%).

During May, Federal Reserve officials agreed at their gathering that they need to raise interest rates in half-point steps at their next two meetings, continuing an aggressive set of moves that would leave them with flexibility to shift gears later if needed. While highlighting the strong commitment and determination of all policy makers to restore price stability, the minutes of the May 3-4 meeting showed officials attentive to financial conditions as they prepare to raise rates further. This came after the Federal Reserve raised its benchmark overnight interest rate by half a percentage point, the biggest jump in 22 years, and the US central bank's chief made an appeal to Americans struggling with high inflation to be patient while officials take the hard measures to bring it under control. In a widely expected move, the Fed set its target federal funds rate to a range between 0.75% and 1% in a unanimous decision.

In MENA, the president of the United Arab Emirates Sheikh Khalifa Bin Zayed Al Nahyan has passed away and his younger brother Sheikh Mohammed Bin Zayed has succeeded him at the helm of OPEC's third biggest oil producer. Sheikh Khalifa who steered the Arab country through the global financial crisis and oversaw its rapid economic transformation, had been in office since 2004. He was 73. Sheikh Khalifa was also ruler of Abu Dhabi, the largest and wealthiest of the seven sheikhdoms that comprise the UAE.

MENA equity markets have shown their resilience in comparison to global equity markets in the first five months of the year. While equities around the globe spiraled downwards, MENA equities were propped up by higher oil prices which lifted energy and petchem companies, in addition to broader market gains in anticipation of higher government spending due to increased revenues from oil.

We continue to be opportunistic buyers of MENA equities especially in light of recent declines. We believe the relative higher oil prices will persist supporting GCC government spending in the intermediate term. This in no doubt will have a positive effect on the broader economy of GCC countries.



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.

