

IIAB MENA Feeder Fund

Performance Report 31.10.22

A protected cell of the IIAB PCC Ltd

NAV PER SHARE **\$6.04**

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

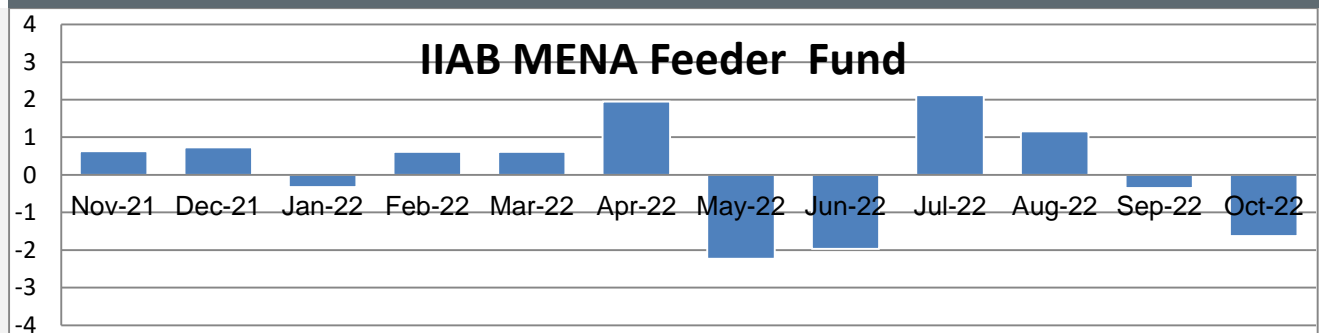
Domicile	Guernsey Channel Islands	Valuation point	Monthly, last business day of the month
Reference currency	USD	Minimum subscription	USD 25,000 & USD 1,000 thereafter
Fund assets	USD 3,021,534	Fund manager	AB Fund Managers (Guernsey) Ltd
		Investment advisor	Al Arabi Investment Group Co (AB Invest)
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	-1.97	2.12	1.16	-0.35	-1.63			0.18
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	-1.87	2.29	1.27	-0.31	-1.63			0.85
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)

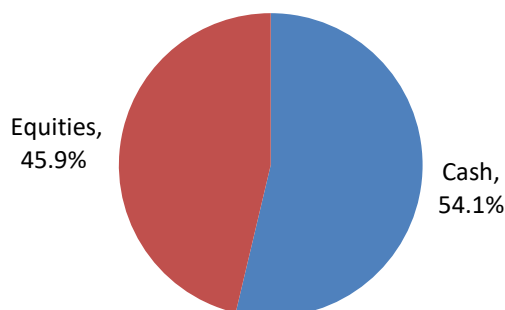
	Portfolio
Annualised return	-2.7%
Annualised volatility	12.9%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	52.6%
Worst 12 months	-72.3%
Best 12 months	94.1%

TOP TEN HOLDINGS (MASTER FUND)

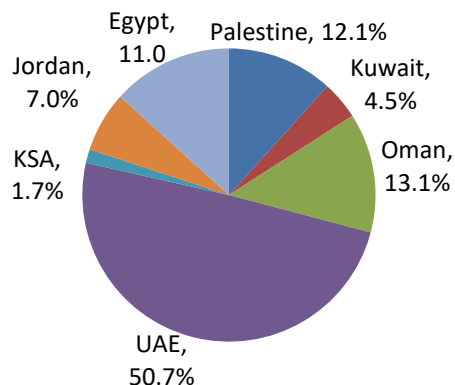
	Country	%
Dubai Islamic Bank	UAE	10.81%
Emaar Properties Company	UAE	6.25%
OOREDOO OMR	Oman	6.01%
Palestine Telecommunications Company	Palestine	5.54%
Cairo Investment & Real Estate Development	Egypt	3.59%
Aramex	UAE	3.37%
Al Yah Satellite Communications Company	UAE	2.83%
Jordan Islamic Bank	Jordan	2.48%
Human Soft Holding Co	Kuwait	2.05%
Cairo Poultry Company	Egypt	1.46%



ASSET ALLOCATION (MASTER FUND)



GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



COMMENTARY

MENA's equity markets have rebounded in October after a brutal September driven by a recovery in international markets. The S&P Pan Arab Investable Index was up by 1.89% (YTD -0.60%), and the Dow Jones MENA Index was up by 1.62% (YTD -0.49%). The Arab Bank MENA Fund however bucked the upward trend falling by 1.13% (YTD 1.07%). The Dow Jones Islamic Market MENA Index also ended the month of September positively, recording gains of 2.15% (YTD -0.60%). The IIAB MENA Fund followed its conventional brethren, losing 1.63% (YTD 0.85%). The IIAB MENA Feeder Fund consequently lost 1.63% (YTD 0.18%).

The performance of the region's equity markets was mostly negative for October. The list of advancing indices was led by the Egyptian Stock Exchange which gained 15.72% (YTD -4.82%), followed by the Abu Dhabi index 6.78% (YTD 22.67%). The only other advancing indices were the Kuwait Premier Market Index and the Saudi Arabian TASI which were up by 3.03% (YTD 7.22%) and 2.30% (YTD 3.42%) respectively. On the other front, the Omani Stock Exchange topped the list of indices ending the month in the red, the market was down by 3.59% (YTD 5.73%). It was followed by the Qatari Index and the Jordanian ASE index which have shed 2.21% (YTD 6.78%) and 1.68% (YTD 15.26%) respectively. The Bahraini Index and the Dubai Financial Market rounded the list of decliners, falling by 0.92% (YTD 3.75%) and 0.22% (YTD 4.25%).

Global capital markets experienced an excellent month in terms of gains, as all major indices, except for two, managed to record advances. The S&P 500 Index surged 7.99% (YTD -18.76%) while the Dow Jones shot up by 13.95% (YTD -9.92%). In Europe, the French CAC 40 Index was up 8.75% (YTD -12.39%), the German DAX gained 9.41% (YTD -16.56%) and the FTSE 100 had gone up by 2.91% (YTD -3.93%). Asia markets included the two indices finishing in the red for the month. The Nikkei index gained 6.36% (YTD -4.18%), while the Hang Seng finished the month down by 14.72% (YTD -37.23%) and the Shanghai Composite fell by 4.33% (YTD -20.50%) due to renewed COVID restrictions in China.

In major news for the month, International Monetary Fund chief Kristalina Georgieva said on Wednesday that central banks should keep raising interest rates further to fight inflation until they hit a "neutral" level, though in most cases they have not reached this point. The Fund's Managing Director said it would take until 2024 for the positive effect of central banks raising rates globally to be felt. This comes after the rapid rise in US consumer prices showed no signs of abating in September, prompting a sharp sell-off and then rebound on Wall Street, as investors feared the Federal Reserve will have to become even more aggressive to slow rampant inflation. The consumer price index's core measure of inflation, which strips out volatile energy and food costs, rose 6.6% on an annual basis in September, faster than the 6.3% rate in August — and its fastest pace in four decades. The increase in the overall CPI, including energy and food, rose 8.2% over a year earlier, little changed from the 8.3% annual rise recorded in August.

In regional news, Egypt agreed on a USD3 billion loan with the International Monetary Fund after sharply devaluing its currency as it seeks to shore up an economy battered by the fallout from Russia's invasion of Ukraine. The North African nation, which has faced soaring import bills and an exodus of foreign money due in part to the conflict, will also receive USD5 billion from international partners to help finance the country's external funding gap, Egyptian officials told a news conference on Thursday. A further USD1 billion from a newly created sustainability fund is also on the table, according to the IMF. In what could signal a longer-term shift in its currency policy, the central bank said earlier it was adopting a more flexible exchange-rate regime. It also raised official borrowing costs by 200 basis points at an unscheduled meeting.

Furthermore, Saudi Arabia's sovereign wealth fund plans to invest USD24 billion in Middle Eastern and North African countries as the oil-rich kingdom seeks to bolster regional economies. The Public Investment Fund plans to set up companies to invest in Bahrain, Oman, Jordan, Iraq and Sudan, according to a statement. It will channel funds into several sectors including infrastructure, healthcare, real estate and telecommunications. In August, the PIF started the Saudi Egyptian Investment Co. to invest in Egypt.



As we near peak rates on the USD, expected early next year, global equities have begun trending upwards while those in the region have begun losing momentum after an exceptional year so far. We continue to hold ample levels of cash, selling on strength in our current holdings and opportunistically buying beaten-down names to make the most of the shifting momentum in markets for our investors.

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.

