

# IIAB MENA Feeder Fund

Performance Report 28.08.20

A protected cell of the IIAB PCC Ltd

**NAV PER SHARE** **\$5.33**

## 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

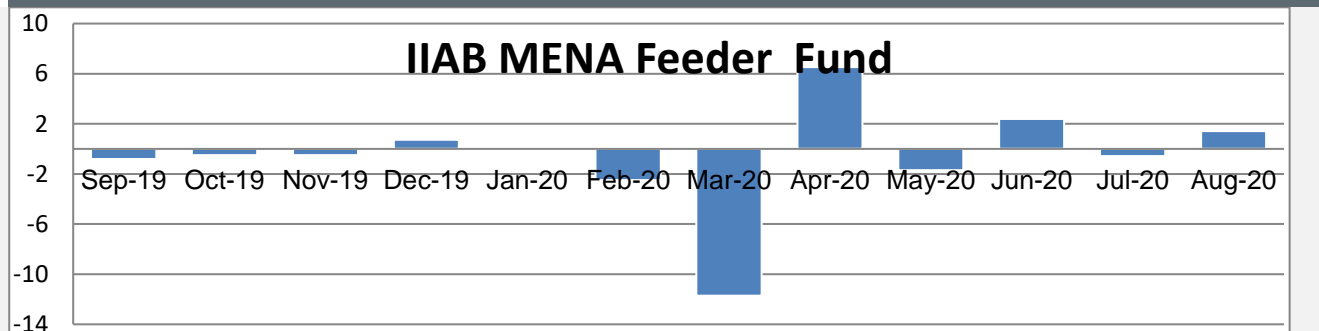
<b>Domicile</b>	Guernsey Channel Islands	<b>Valuation point</b>	Monthly, last business day of the month
<b>Reference currency</b>	USD	<b>Minimum subscription</b>	USD 25,000 & USD 1,000 thereafter
<b>Fund assets</b>	USD 2,704,255	<b>Fund manager</b>	AB Fund Managers (Guernsey) Ltd
		<b>Investment advisor</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>													
2020	0.08	-2.49	-11.71	6.53	-1.71	2.38	-0.57	1.42					-6.87
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
2016	-8.92	4.95	2.12	2.57	-1.25	-0.04	0.41	-0.12	-1.87	-0.99	4.95	1.81	2.89
<b>IIAB Islamic MENA Fund (Master Fund)</b>													
2020	0.15	-2.41	-11.50	6.49	-1.63	2.40	-0.49	1.46					-6.33
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
2016	-8.86	5.04	2.18	2.64	-1.18	0.02	0.48	-0.02	-1.81	-0.92	5.03	1.88	3.78

## MONTHLY RETURN OVER THE PREVIOUS 12 MONTHS



## PERFORMANCE STATISTICS (MASTER FUND)

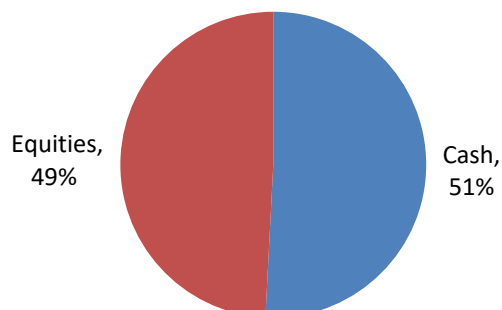
	Portfolio
Annualised return	-4.2%
Annualised volatility	13.8%
Sharpe ratio	NM
Maximum month	8.3%
Minimum month	-25.6%
% Positive months	51.0%
Worst 12 months	-72.3%
Best 12 months	94.1%

## TOP TEN HOLDINGS (MASTER FUND)

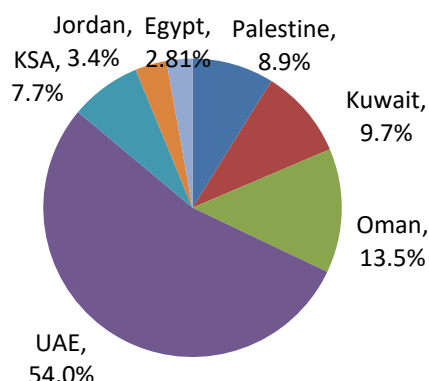
	Country	%
Aramex	UAE	11.06%
Dubai Islamic Bank	UAE	8.31%
Ooredoo	Oman	6.63%
Emaar Properties	UAE	5.84%
Human Soft Holding	Kuwait	4.79%
Palestine Telecommunication	Palestine	4.36%
Saudi Airlines Catering	KSA	3.79%
Arab Pesticide And Veterinar	Jordan	1.68%
Cairo Investment & Real estate Development	Egypt	1.38%
Abu Dhabi Islamic Bank	UAE	1.35%



### ASSET ALLOCATION (MASTER FUND)



### GEOGRAPHIC ALLOCATION (MASTER FUND :EQUITIES)



### COMMENTARY

August witnessed a surge across all regional stock indices as investor sentiment improved and the US stock market continued its upward trend. The S&P Pan Arab Investable Index was up by 5.31% (YTD -10.61%), and the Dow Jones MENA Index gained 5.59% (YTD -10.86%). Moreover, the Dow Jones Islamic Market MENA Index had also gone up by 5.14% (YTD -5.35%). On the other hand, the Arab Bank MENA Fund followed suit, going up by 3.57% (YTD -8.48%). In addition, the IIAB Islamic MENA Fund, recorded gains of 1.46% (YTD -6.33%). Meanwhile, The IIAB MENA Feeder Fund gained 1.42% (YTD -6.87%).

After months of underperformance, the Dubai Financial Market was the region's top gainer in August, jumping by 9.49% (YTD -18.79%). The Kuwaiti Premier Market Index, which went up by 8.11% (YTD -16.08%), was the second best performer. Meanwhile the Amman Stock Exchange index recorded the only retreat in the region after shedding 0.52% (YTD, -13.31%). In other regional markets, the Egyptian EGX30 surged by 7.23% (YTD -18.59%), the Bahrain index went up by 7.00% (YTD -14.24%), and the Saudi Tadawul index gained 6.45% (YTD -5.35%), as the Oman MSM30 index posted a 5.71% gain (YTD -5.26%). The Qatari index and Abu Dhabi index rounded up the regional indices with gains of 5.09% (YTD -5.57%) and 4.98% (YTD -10.96) respectively.

In other news, Saudi Arabia's Ministry of Human Resources and Social Development announced that it will begin a 70% Saudization drive for 9 activities in the wholesale and retail outlets. This announcement was swiftly followed by a decree to localize 20% of all private sector engineering jobs.

Meanwhile, the Arab Monetary Fund issued its Arab Economic Outlook Report in which it predicted a 4.7% contraction in the economies of Arab oil-exporting countries in 2020. The contraction is a result of COVID-19 lockdown measures and the substantially lower oil prices witnessed.

In the U.S., major indices have gone up for another month driven by a rally in technology stocks despite the country's continued rise in COVID-19 cases and deaths which lead the world. The S&P 500 surged by 7.01% (YTD 8.34%) while the Dow Jones also jumped by 7.57% (YTD -0.38%) to turn nearly flat for the year. Meanwhile in Europe, indices were unanimously up with the German DAX leading the way, going up by 5.13% (YTD -2.29%) while the French CAC 40 and the FTSE 100 followed suit by gaining 3.42% (YTD -17.24%) and 1.12% (YTD -20.93%) respectively. In the Far East, the Nikkei Index gained 6.59% (YTD -2.18%), while the Shanghai Composite Index was up 2.59% (YTD 11.22%) and the Hang Seng shot up by 2.37% (YTD -10.69%).

Similar to populations' attitude to imposed lockdowns and restrictions, it seems investors are also suffering from COVID-19 related fatigue as its developments no longer dominate market movements. Instead, investors have turned to other news to dictate their market movements going into 2021. We have accordingly been looking at attractively-valued names which have been beaten-down as a result of the virus which have not yet achieved their fair value. We continue to be risk-averse, fundamentally-driven and value seeking to offer the best risk-return tradeoff to our investors as we continue to navigate our portfolios in these unprecedented times.



### 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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