

ARAB BANK MENA FUND
MANAMA
KINGDOM OF BAHRAIN

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
MARCH 31, 2014

ARAB BANK MENA FUND
MANAMA – KINGDOM OF BAHRAIN

<u>Directors</u>	Mr. Abdul Kader A. Askalan Mr. Guy Khouri Mr. Adel Kasaji Mr. Qutaiba M. Hawamdeh Mr. Samer S. Tamimi
<u>Registered Office</u>	P. O. Box 2400, Manama, Kingdom of Bahrain.
<u>Fund Company</u>	Arab Bank MENA Fund Company B.S.C. (c) P. O. Box 2400, Manama, Kingdom of Bahrain.
<u>Investment Manager, Operator and Placement Agent</u>	Al Arabi Investment Group P. O. Box 143156, Amman 11814, Hashemite Kingdom of Jordan.
<u>Administrator, Custodian and Registrar</u>	Gulf Custody Company B.S.C. (c) P. O. Box 2400, Manama, Kingdom of Bahrain.
<u>Principal Banker</u>	Arab Bank Plc National Bank of Kuwait Mashreqbank, Dubai Commercial Bank of Qatar
<u>Auditor</u>	Deloitte & Touche, P.O. Box 421, Manama, Kingdom of Bahrain. Engagement Partner: Mr. Rushdi Kikhia

ARAB BANK MENA FUND
MANAMA – KINGDOM OF BAHRAIN

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REVIEW REPORT TO THE UNITHOLDERS

Arab Bank MENA Fund,
Manama,
Kingdom of Bahrain.

Introduction

We have reviewed the accompanying condensed statement of financial position of Arab Bank MENA Fund (“the Fund”), as at March 31, 2014, and the related condensed statement of profit or loss and other comprehensive income, condensed statement of changes in net assets and condensed statement of cash flows for the six-month period then ended. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Manama – Kingdom of Bahrain
July 14, 2014


Deloitte & Touche

ARAB BANK MENA FUND
MANAMA – KINGDOM OF BAHRAIN

CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2014

		March 31, 2014	September 30, 2013
	Notes	USD	USD (Audited)
Assets			
Current assets			
Cash at banks	6 & 8	4,224,532	14,142,625
Dividend receivable		469,127	5,661
Interest receivable		71,236	67,211
Investments at fair value through profit or loss	7.1	29,660,128	16,327,650
Available-for-sale investments	7.2	2,219,899	1,835,825
Due from brokers		1,383,089	1,100,084
Total assets		38,028,011	33,479,056
Liabilities			
Current liabilities			
Due to a related party	8	136,084	127,241
Due to brokers		255,141	-
Other payables		45,357	43,705
Total liabilities		436,582	170,946
Net assets attributable to holders of redeemable units		37,591,429	33,308,110
Analysis of net assets			
Unit capital	9	38,896,440	38,762,560
Unit surplus		7,181,513	7,158,865
Accumulated losses		(8,582,095)	(12,679,223)
Fair value reserve for available-for-sale investments	7.2	95,571	65,908
Net assets		37,591,429	33,308,110
Number of units outstanding	9	3,889,644	3,876,256
Net asset value per unit		9.664	8.593

The condensed interim financial information was approved and authorised for issue by the Directors on JULY 14, 2014 and signed on their behalf by:

Mr. Guy Khouri
 Director

Mr. Qutaiba M. Hawamdeh
 Director

The accompanying notes form part of this condensed interim financial information.

ARAB BANK MENA FUND
MANAMA – KINGDOM OF BAHRAIN

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	Notes	Six-Month Period Ended March 31,	
		2014 USD	2013 USD
Revenue			
Dividend income		763,947	577,517
Interest income – available-for-sale investments		46,142	48,465
Interest income – bank accounts		8,259	17,038
Net realised gain on investments at fair value through profit or loss	7.1	2,615,725	673,405
Net unrealised gain on investments at fair value through profit or loss	7.1	1,131,673	948,052
Net realised gain on available-for-sale investments		9,387	-
Net foreign exchange loss		(4,996)	(18,688)
Other income		663	-
Total operating income		4,570,800	2,245,789
Expenses			
Management fees	8	(265,441)	(244,323)
Custody and administration fees		(23,924)	(21,395)
Registrar fees		(5,838)	(6,166)
Professional fees		(10,713)	(10,515)
Bank charges		(2,585)	(1,342)
Other expenses		(165,171)	(31,056)
Total operating expenses		(473,672)	(314,797)
Profit for the period		4,097,128	1,930,992
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net gain / (loss) arising on revaluation of available- for-sale investments		39,050	(930)
Reclassification adjustment relating to of available- for-sale investments disposed of in the year		(9,387)	-
Total comprehensive income for the period		4,126,791	1,930,062
Increase in net assets attributable to holders of redeemable units		4,126,791	1,930,062

The accompanying notes form part of this condensed interim financial information.

ARAB BANK MENA FUND
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	<u>Number of units</u>	<u>Unit capital USD</u>	<u>Unit surplus USD</u>	<u>Accumulated losses USD</u>	<u>Fair value reserve USD</u>	<u>Total USD</u>
Balance at September 30, 2012 (Audited)	4,216,926	42,169,260	6,537,920	(16,151,618)	49,838	32,605,400
Subscriptions of units	3,049	30,490	(5,537)	-	-	24,953
Redemptions of redeemable units	(167,942)	(1,679,420)	368,296	-	-	(1,311,124)
Increase in net assets attributable to holders of redeemable units	-	-	-	1,930,992	-	1,930,992
Net loss on revaluation	-	-	-	-	(930)	(930)
Balance at March 31, 2013	<u>4,052,033</u>	<u>40,520,330</u>	<u>6,900,679</u>	<u>(14,220,626)</u>	<u>48,908</u>	<u>33,249,291</u>
Balance at September 30, 2013 (Audited)	3,876,256	38,762,560	7,158,865	(12,679,223)	65,908	33,308,110
Subscriptions of units	88,665	886,650	(56,839)	-	-	829,811
Redemptions of redeemable units	(75,277)	(752,770)	79,487	-	-	(673,283)
Increase in net assets attributable to holders of redeemable units	-	-	-	4,097,128	-	4,097,128
Net gain on revaluation	-	-	-	-	29,663	29,663
Balance at March 31, 2014	<u>3,889,644</u>	<u>38,896,440</u>	<u>7,181,513</u>	<u>(8,582,095)</u>	<u>95,571</u>	<u>37,591,429</u>

The accompanying notes form part of this condensed interim financial information.

ARAB BANK MENA FUND
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CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

	<u>Six Month Period</u>	
	<u>Ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>
Cash flows from operating activities		
Profit for the period	4,097,128	1,930,992
Adjustments for:		
Dividend income	(763,947)	(577,517)
Interest income	(54,401)	(65,503)
Net gain on investments at fair value through profit or loss	(3,747,398)	(1,621,457)
Net realised gain on available-for-sale investments	(9,387)	-
	-----	-----
	(478,005)	(333,485)
Changes in operating assets and liabilities:		
(Increase) / decrease in other assets	(283,005)	81,824
Increase / (decrease) in due to a related party	8,843	(3,740)
Increase in due to brokers	255,141	-
Increase / (decrease) in other payables	1,652	(1,526)
	-----	-----
	(495,374)	(256,927)
Payments for purchase of investments at fair value through profit or loss	(31,450,571)	(2,221,388)
Payments for purchase of available-for-sale investments	(604,739)	-
Proceeds from disposal of investments at fair value through profit or loss	21,865,491	4,037,752
Proceeds from disposal of available-for-sale investments	259,715	-
Dividend received	300,481	326,193
Interest received	50,376	65,577
	-----	-----
Net cash (used in) / from operating activities	(10,074,621)	1,951,207
	-----	-----
Cash flows from financing activities		
Proceeds from issue of redeemable units	829,811	24,953
Payments on redemption of redeemable units	(673,283)	(1,311,124)
	-----	-----
Net cash from / (used in) financing activities	156,528	(1,286,171)
	-----	-----
Net (decrease) / increase in cash and cash equivalents	(9,918,093)	665,036
Cash and cash equivalents at the beginning of the period	14,142,625	10,820,497
	-----	-----
Cash and cash equivalent at the end of the period	4,224,532	11,485,533
	=====	=====
Comprising:		
Cash at banks	4,224,532	11,485,533
	=====	=====

The accompanying notes form part of this condensed interim financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

1. FORMATION AND OBJECTIVE OF THE FUND:

Arab Bank MENA Fund (“the Fund”) is an open-ended investment fund established by Arab Bank MENA Fund Company B.S.C. (c) (“the Fund Company”). The Fund is an Expert Fund under the collective investment undertakings regulations issued by the Central Bank of Bahrain (“the CBB”) as contained in Volume 7 of the CBB Rulebook. The Fund Company has been registered at the Ministry of Industry & Commerce on March 22, 2005. The Fund was launched on May 23, 2005.

The Fund is managed by Al Arabi Investment Group (“the Investment Manager”) who manages the Fund as a fiduciary patrimony on a discretionary basis authorise to the provisions of the Fund’s by-laws and the provisions of law that regulates fiduciary activities. Gulf Custody Company B.S.C. (c) is the custodian and administrator (referred to as “the Custodian” or “the Administrator”) of the Fund.

The objective of the Fund is to provide income primarily from investments in equities with possible investment in bonds aiming to preserve capital during period of weak equity market performance and maximising capital growth during period of strong equity market performance. The Fund may distribute dividends on an annual basis, upon the sole discretion of the Investment Manager.

The condensed interim financial information represents the assets, liabilities and operations of the Fund only. The Fund does not have any employees and utilises the services of the Investment Manager, Administrator and Custodian to operate the Fund.

2. BASIS OF PREPARATION:

The condensed interim financial information has been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 - ‘Interim Financial Reporting’ (“IAS34”).

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. For more details, please refer to the audited financial statements for the year ended September 30, 2013.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending September 30, 2014.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

3. **SIGNIFICANT ACCOUNTING POLICIES:**

The condensed interim financial information has been prepared under the historical cost convention except for the valuation of investments designated at fair value through profit or loss and available-for-sale investments.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Fund's financial statements for the year ended September 30, 2013, except for the impact of the adoption of the Standards and Interpretations described below:

Standards affecting the disclosures and presentation in the current period

None of the new and revised Standards that have been adopted in the current period which are effective for annual periods beginning on October 1, 2013 have affected the disclosures and presentations in the financial information, except International Financial Reporting Standard 13 - Fair Value Measurement and amendments to International Financial Reporting Standard 7 - Financial Instruments: Disclosures, which required some additional disclosures surrounding fair value of financial instruments.

4. **JUDGEMENTS AND ESTIMATES:**

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended September 30, 2013.

5. **FEES:**

(a) **Management Fee**

Under the Investment Management agreement, the Fund has to pay the Investment Manager for its on-going services a fee accruing on each Valuation Day at the annual rate of 1.5% of the NAV of the Fund, prior to the accrual of performance fees. Management fees accrue monthly and are payable quarterly in arrears by the Fund.

(b) **Administration and Custody Fee**

Under the Administration and Custody agreement, the Fund has agreed to pay the Administrator and Custodian as remuneration for its on-going services a fee accruing on each Valuation Day. The administration and custody fee is payable quarterly in arrears within seven (7) business days following the last day of each quarter and are calculated as follows:

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5. **FEES: (CONTINUED)**

(b) **Administration and Custody Fee (Continued)**

- Investments that are made in the Gulf Cooperation Council (GCC) Countries: The Fund will be charged an annual custody and administration fee of 0.125% of the NAV that is held under custody in these countries, subject to a minimum annual fee of USD 25,000; and
- Investments that are made in Levant and North African Countries: The Fund is charged an annual fee of 0.175% of the NAV that is held under the custody in these countries, subject to a minimum annual fee of USD 30,000.

(c) **Registrar Fee**

Under the Registrar and Transfer Agent agreement, the Registrar and Transfer Agent's fee is being paid at USD 4,000 per annum up to 50 unitholders and additional charge of USD 50 per annum for every additional unitholder. The registrar fee will be accrued on each Valuation Day and will be payable quarterly in arrears within seven business day following the last revaluation day of each quarter.

6. **CASH AT BANKS:**

Cash at banks represents balances in current accounts and time deposits held at banks.

	<u>March 31,</u> <u>2014</u> <u>USD</u>	<u>September 30,</u> <u>2013</u> <u>USD</u> <u>(Audited)</u>
Current accounts	4,207,395	14,124,464
Time deposits	17,137	18,161
	----- 4,224,532 =====	----- 14,142,625 =====

Time deposits carry interest rate of 1% and 7% per annum (2013: 1% and 7% per annum) and have original maturities of less than three months.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

7. INVESTMENT SECURITIES:

This caption is composed of the following:

	<u>March 31,</u> <u>2014</u> <u>USD</u>	<u>September 30,</u> <u>2013</u> <u>USD</u> <u>(Audited)</u>
Investments at fair value through profit or loss (Note 7.1)	29,660,128	16,327,650
Available-for-sale investments (Note 7.2)	2,219,899	1,835,825
	----- 31,880,027 =====	----- 18,163,475 =====

7.1 Investments at fair value through profit or loss:

Investments at fair value through profit or loss represent investments in securities quoted on various GCC and MENA stock exchanges.

	<u>March 31,</u> <u>2014</u> <u>USD</u>	<u>September 30,</u> <u>2013</u> <u>USD</u> <u>(Audited)</u>
Financial assets at fair value through profit or loss at beginning of the period / year	16,327,650	19,986,752
Purchases during the period / year	31,450,571	4,348,580
Proceeds from sales during the period / year	(21,865,491)	(11,135,713)
Net realised gain on disposal of investments at fair value through profit or loss	2,615,725	1,973,500
Increase in fair value of investments at fair value through profit or loss	1,131,673	1,154,531
	-----	-----
Investments at fair value through profit or loss at end of the period / year	29,660,128 =====	16,327,650 =====

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

7. **INVESTMENT SECURITIES: (CONTINUED)**

7.2 **Available-for-sale investments:**

The analysis of listed bonds is as follows:

			<u>March 31, 2014</u>		
	<u>Maturity</u>	<u>Coupon rate %</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>Fair Value Reserve USD</u>
Bank Muscat non-guaranteed bonds	June 30, 2014	6.25%	579,589	579,231	(358)
Bank Muscat convertible bonds	March 20, 2017	4.5%	-	33,491	33,491
Renaissance bonds	July 25, 2017	3.75%	99,739	99,752	13
HKJ Euro bonds	November 12, 2015	3.875%	1,445,000	1,507,425	62,425
			----- 2,124,328 =====	----- 2,219,899 =====	----- 95,571 =====

The analysis of listed bonds is as follows:

			<u>September 30, 2013</u> (Audited)		
	<u>Maturity</u>	<u>Coupon rate %</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>Fair Value Reserve USD</u>
Bank Muscat non-guaranteed bonds	June 30, 2014	6.25%	579,589	577,967	(1,622)
Lebanese Republic – non-guaranteed bonds	December 17, 2017	7.90%	250,328	257,838	7,510
HKJ Euro bonds	November 12, 2015	3.875%	940,000	1,000,020	60,020
			----- 1,769,917 =====	----- 1,835,825 =====	----- 65,908 =====

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

8. **RELATED PARTY DISCLOSURES**

Arab Bank MENA Fund Company B.S.C. (c) is a related party as it was incorporated to create the Fund.

Arab Bank Mena Fund is a related party as it is the principal shareholder of the Fund Company.

Arab Bank Plc is a related party as it is the ultimate parent of the Fund Company, correspondingly all branches of Arab Bank Plc are also considered as related parties. Oman Arab Bank is an affiliate of Arab Bank Plc.

The following are the transactions and balances between the Fund and its related party:

<u>Related Party</u>	<u>Nature of Transaction</u>	<u>Amount incurred</u>		<u>Payable as at March 31, 2014</u> <u>USD</u>	<u>Payable as at September 30, 2013</u> <u>USD</u> <u>(Audited)</u>
		<u>Six-month period ended March 31,</u>			
		<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>		
Al Arabi Investment Group	Management fees	265,441	244,323	136,084	127,241

- The following related parties owned units in the Fund:

<u>Related Party</u>	<u>Nature of Relationship</u>	<u>Number of units held as at</u>	
		<u>March 31, 2014</u>	<u>September 30, 2013</u> <u>(Audited)</u>
- Arab Bank (Switzerland)	Subsidiary of Arab Bank Plc, Jordan	541,617	567,181
- Arab Bank plc, Wholesale Bank, Bahrain	Branch of Arab Bank Plc, Jordan	500,000	500,000
- Oman Arab Bank S.A.O.C.	Affiliate of Arab Bank Plc, Jordan	50,000	50,000

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

8. **RELATED PARTY DISCLOSURES: (CONTINUED)**

- The Fund has the following bank balances and has invested in equity shares of the following:

<u>Related Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Fair Value</u>	
			<u>March 31, 2014</u> <u>USD</u>	<u>September 30, 2013</u> <u>USD</u> <u>(Audited)</u>
Arab Bank Plc – Wholesale Bank, Bahrain	Current account	Branch of Arab Bank Plc, Jordan	45,006	32,552
Arab Bank Plc – Retail Bank, Bahrain	Current account	Branch of Arab Bank Plc, Jordan	72,293	19,717
Arab Bank Plc, Jordan	Equity shares (March 2014: 55,200 shares) (September 30, 2013: 55,200 shares)	Ultimate Parent of the Fund Company	707,932	546,535
Arab Bank Plc, Jordan	Current account	Ultimate Parent of the Fund Company	9,609	85,266
Arab Bank Plc, Palestine	Current account	Branch of Arab Bank Plc, Jordan	606	368
Oman Arab Bank S.A.O.C.	Current account	Affiliate of Arab Bank Plc, Jordan	2,002,820	5,392,381
Arab Bank Plc, Dubai	Current account	Affiliate of Arab Bank Plc, Jordan	7,103	5,524,220

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

8. **RELATED PARTY DISCLOSURES: (CONTINUED)**

- The Fund has the following bank balances and has invested in equity shares of the following:
(Continued)

<u>Related Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Fair Value</u>	
			<u>March 31,</u> <u>2014</u> <u>USD</u>	<u>September 30,</u> <u>2013</u> <u>USD</u> <u>(Audited)</u>
Arab Bank, Syria	Current account	Affiliate of Arab Bank Plc, Jordan	26,865	18,772
Arab Bank, Syria	Time deposits	Affiliate of Arab Bank Plc, Jordan	17,137	18,161
Arab Bank, Cairo	Current account	Affiliate of Arab Bank Plc, Jordan	719,312	272,826

9. **UNIT CAPITAL:**

The unit capital of the Fund consists of redeemable units with a par value of USD 10 per unit, which do not carry voting rights. They are entitled to dividends and to a proportionate share of the Fund's net assets attributable to holders of redeemable units.

All issued redeemable units are fully paid. The Fund's capital is represented by these redeemable units. Quantitative information about the Fund's capital is provided in the statement of changes in net assets attributable to holders of redeemable units.

Each unit issued confers upon the unitholders an equal interest in the Fund, and is of equal value. A unit does not confer any interests in any particular asset or investment of the Fund.

10. **FAIR VALUE OF FINANCIAL INSTRUMENTS:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying values and the fair value estimates.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities is determined by using prices from observable current market transactions and dealer quotes for similar instruments.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

10. **FAIR VALUE OF FINANCIAL INSTRUMENTS: (CONTINUED)**

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>March 31, 2014 (Unaudited)</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Investments designated at FVTPL	29,660,128	-	-	29,660,128
Available-for-sale investments	2,219,899	-	-	2,219,899
	-----	-----	-----	-----
	31,880,027	-	-	31,880,027
	=====	=====	=====	=====
	<u>September 30, 2013 (Audited)</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Investments designated at FVTPL	16,327,650	-	-	16,327,650
Available-for-sale investments	1,835,825	-	-	1,835,825
	-----	-----	-----	-----
	18,163,475	-	-	18,163,475
	=====	=====	=====	=====

There are no financial liabilities at FVTPL at the reporting date.

ARAB BANK MENA FUND
MANAMA – KINGDOM OF BAHRAIN

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

11. **FAIR VALUE OF FINANCIAL INSTRUMENTS: (CONTINUED)**

Fund's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

<u>Financial assets</u>	<u>Fair value as at</u>		<u>Fair value hierarchy</u>	<u>Valuation technique and key inputs</u>
	<u>March 31, 2014</u> <u>USD</u> <u>(Unaudited)</u>	<u>September 30, 2013</u> <u>USD</u> <u>(Audited)</u>		
Designated at fair value through profit or loss				Quoted bid prices in an active market
- Financial Institutions	9,689,203	5,011,92	Level 1	
- Telecommunication	4,135,359	4,729,556	Level 1	
- Manufacturing	4,346,506	2,210,498	Level 1	
- Services	5,793,287	-	Level 1	
- Industries	3,668,007	3,985,807	Level 1	
- Others	2,027,766	389,837	Level 1	
	----- 29,660,128 =====	----- 16,327,650 =====		
Available-for-sale investments				Quoted bid prices in an active market
- Financial Institutions	612,722	577,967	Level 1	
- Government	1,507,425	1,257,858	Level 1	
- Others	99,752	-	Level 1	
	----- 2,219,899 =====	----- 1,835,825 =====		