Al Mal MENA Equity Fact Sheet

July 2024

NAV Per Unit: USD 12.77

Fund Manager Commentary

In July, the Federal Open Market Committee held the federal funds rate in a range of 5.25% to 5.5%, a level they have maintained since last July. However, it signaled central bank officials are on course to cut interest rates in September unless inflation progress stalls, citing risks of further labor-market weakening. We expect a rate cut on September and another one in December this year.

Saudi Arabia's budget deficit was 15.341 billion riyals ($4.09 billion) in the second quarter of 2024, the finance ministry said yesterday. Saudi oil revenues came in at 212.99 billion riyals in the same quarter, up 18% compared with the same quarter a year earlier, while expenditures were up 15% at 368.932 billion riyals, the ministry added. Dubai's GDP topped $31.3bln in first quarter of 2024, with its economy grew 3.2%. All vital sectors contributed to the growth with the transportation and storage sector, the financial and insurance activities sectors achieving similar growth rates of 5.6%.

In regards to one of our portfolio holdings, ADNOCLS announced that AW Shipping, its joint venture with Wanhua Chemical Group, has awarded shipbuilding contracts to Jiangnan Shipyard in China, priced at approximately $1.9 billion (AED7 billion) in total.

We believe that markets will turn back as investor look at improved valuation in quality stocks. We have raised cash levels in the fund to around 10-12% and have been actively participating in the IPOs. The fund remains well diversified with 34 names with financials accounting for 19% of the fund. The top-3 holdings constitute 12.9% of the fund. At the end of July-2024, the fund continued to outperform the market as the fund recorded a growth of YTD of 2.6% as compared to the benchmark index performance of -0.4% on YTD basis.

Objective

Achieve capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	0.8%	4.0%	-3.2%
YTD*	2.6%	-0.4%	3.0%
2023	23.1%	6.8%	16.3%
2022	-0.9%	-8.1%	7.2%
2021	29.8%	29.1%	0.7%
Since Inc.	68.0%	-18.6%	86.6%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 31st July 2024

Holding	Top 5 Holdings	% of Fund
ELM Company		5.0
Sustained Infrastructure Holding Company		4.0
Adnoc Drilling Company		3.9
Al Rajhi Bank		3.5
Abu Dhabi Ports		3.4

Fund Analysis

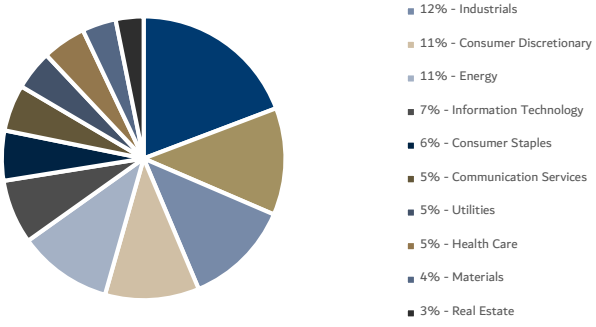
Matrix[4]	Fund	Benchmark
Standard Deviation	11%	11.7%
Tracking Error	5.4%	
Beta	0.8	
No. of Holdings	34	

[4] Calculated using 3-year weekly data

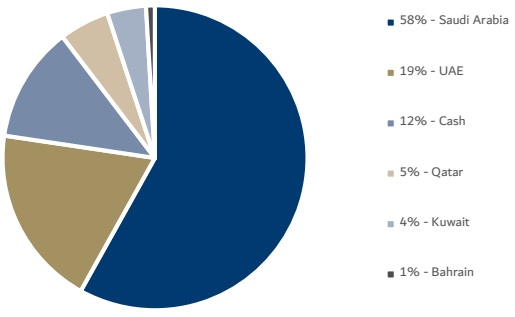
Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 25.8 million
Strategy Size	USD 250 million
Domicile	Bahrain
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 50,000
Bloomberg Code	MALMENE BI
Management Fee	1.75%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered

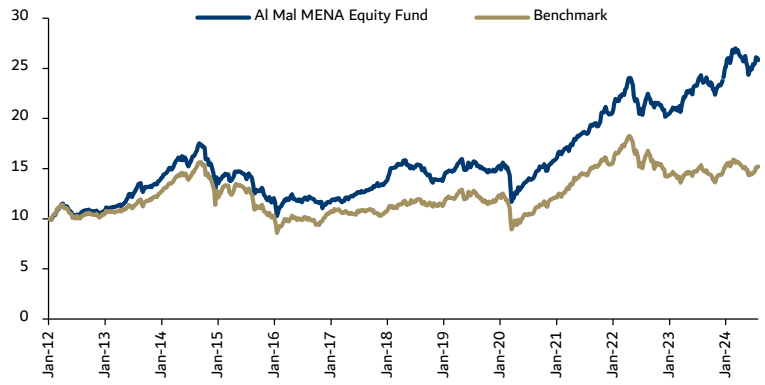
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Disclaimer

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Al Mal UAE Equity Fact Sheet

July 2024

NAV Per Unit: AED 1.84

Fund Manager Commentary

In our region, GCC equity markets witnessed broad-based gains during July-2024 backed by solid corporate earnings results that set the tone for the rest of the Q2-2024 earnings season in the region. Almost all markets in the GCC registered gains during the month, barring marginal declines in Bahrain and Oman, reflecting positive investor sentiments towards the region.

Dubai's GDP topped $31.3bln in first quarter of 2024, with its economy grew 3.2%. All vital sectors contributed to the growth with the transportation and storage sector, the financial and insurance activities sectors achieving similar growth rates of 5.6%, the trade sector logged a growth of 3%, the information and communications sector posted a growth of 3.9%, the accommodation and food services activities sector grew 3.8%, and the real estate sector achieved a growth of 3.7%. Capital Intelligence has affirmed the UAE's long term foreign and local currency ratings at AA- with a stable outlook.

ADNOCLS announced that AW Shipping, its joint venture with Wanhua Chemical Group, has awarded shipbuilding contracts to Jiangnan Shipyard in China, priced at approximately $1.9 billion (AED7 billion) in total. EMIRATES reported Q2 net income of AED 7.1bn, a strong 21% beat to Jefferies' estimates and 40% above consensus, up by 6% q/q and 14% y/y. This is the first time the bank records net profit above AED 7bn in a quarter, driven by strong results from Emirates Islamic,.

We believe that markets will turn back as investor look at improved valuation in quality stocks.. The fund remains well diversified with 27 names with financials accounting for 26% of the fund. The top-3 holdings constitute 21.5% of the fund. At the end of July-2024, the fund continued to outperform the market as the fund grew YTD 5.7% as compared to the benchmark index performance of -0.5% on YTD basis.

Objective

Achieve medium to long-term capital growth by investing primarily in equities listed on the UAE Exchange.

Fund Performance

Performance[1]	Fund	Benchmark[2]	Relative Perf.
1 Month	5.7%	6.1%	-0.4%
YTD*	6.5%	-0.5%	7.0%
2023	14.5%	3.5%	11.0%
2022	6.2%	1.8%	4.4%
2021	32.4%	37.7%	-5.3%
Since Inc.	152.6%	-25.6%	178.2%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 31st July 2024

Top 3 Holdings

Holding	% of Fund
Adnoc Drilling Company	7.9
Adnoc Logistics and Services	7.2
Abu Dhabi Ports	6.4

Fund Analysis

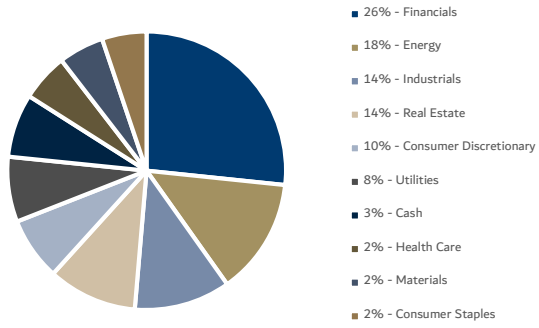
Matrix[4]	Fund	Benchmark
Standard Deviation	10.1%	14.1%
Tracking Error	6.2%	
Beta	0.7	
No. of Holdings	27	

[4] Calculated using 3-year weekly data

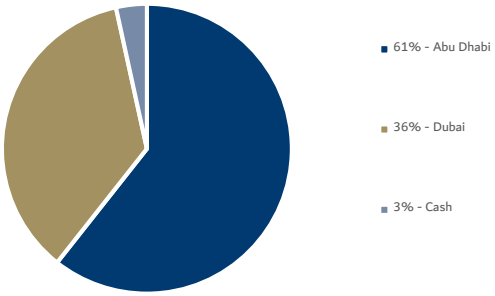
Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 52 million
Domicile	UAE
Currency	AED
Subscription & Redemption	Weekly
Min Subscription	AED 40,000
Management Fee	1.50%
Performance Fee	20% over 10% hurdle with high watermark
Financial Year End	31st December
Benchmark Index	S&P UAE Domestic 10% Capped Index
Fund Type	Open Ended
Administrator & Custodian	Standard Chartered

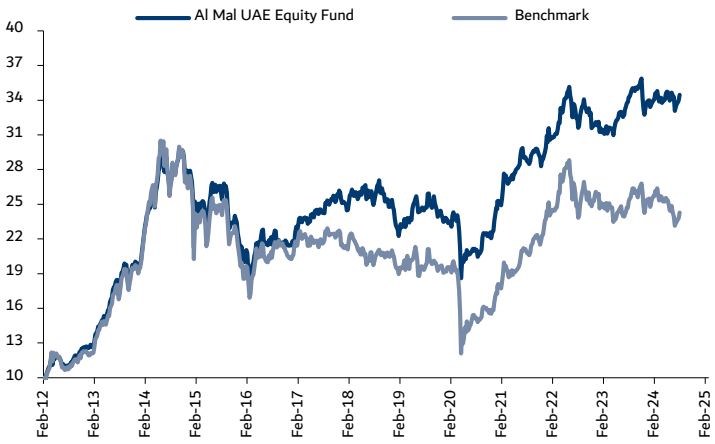
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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