Al Mal MENA Equity Fact Sheet

December 2023

NAV Per Unit: USD 12.45

Fund Manager Commentary

The period of easy money that characterized the years from 2009 to 2021 seems to be over, ushering in significant changes in the global investment landscape. The economic distortions of recent years have led to massive shifts, as the massive fiscal stimulus and near-zero interest rates witnessed during the pandemic have given way to tighter monetary policies and notably higher bond yields.

Although major central banks, including the U.S. Federal Reserve, have made strides against inflation, our analysis suggests that the Fed is likely to delay rate cuts compared to market forecasts. Investors seem to be anticipating excessive easing before a recession occurs and insufficient measures once it does.

We expect economic growth in the MENA region to strengthen in 2024. OPEC+'s cautious approach to oil policy is expected to restrain economic growth in the Gulf during the first half of the next year, although a loose fiscal stance will continue to support non-oil sectors. This strain is anticipated to ease progressively throughout 2024 and into 2025, if significant declines in oil prices are avoided. We expect oil prices to hover around $75-$85 per barrel.

In the GCC region, we expect large-scale and ambitious reform programs implemented by GCC policymakers to yield benefits in the coming years. Non-oil revenues are gradually increasing in the GCC, providing a positive outlook for their economies in the short and medium term. Encouraging indicators include continuous GDP growth, improved performance in the non-oil sector, a growing workforce, stable inflation levels, and a declining unemployment rate. Saudi Arabia and the UAE appear particularly promising from economy and markets perspective, with data pointing toward continued strength ahead.

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	8.0%	6.2%	1.8%
YTD[3]	23.1%	6.8%	16.3%
1 Year	23.1%	6.8%	16.3%
3 Year	57.3%	25.8%	31.5%
5 Year	78.8%	33.7%	45.1%
Since Inc.	63.8%	-18.4%	82.2%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 31st December 2023

Holding	Top 5 Holdings	% of Fund
ELM Company		5.4
Saudi National Bank		5.2
Saudi Telecom Company		5.1
Aldrees Petroleum and Transport Services Company		4.7
Adnoc Drilling Company		4.1

Fund Analysis

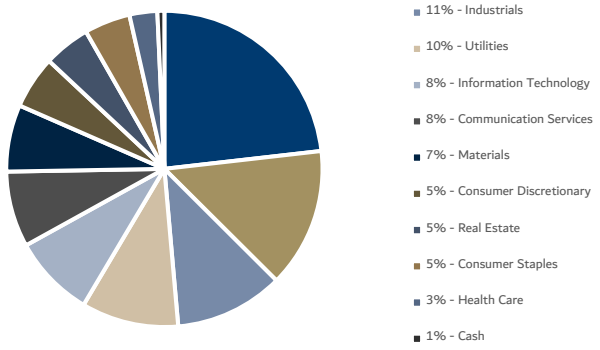
Matrix[4]	Fund	Benchmark
Standard Deviation	10.5%	11.8%
Tracking Error	4.9%	
Beta	0.8	
No. of Holdings	36	

[4] Calculated using 3-year weekly data

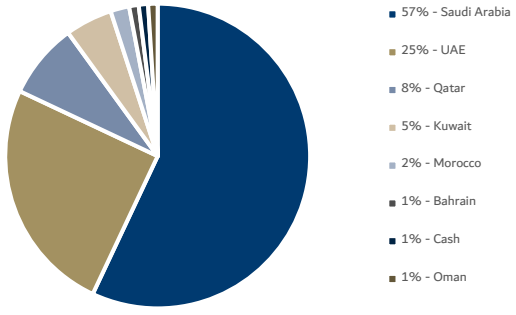
Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 24 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

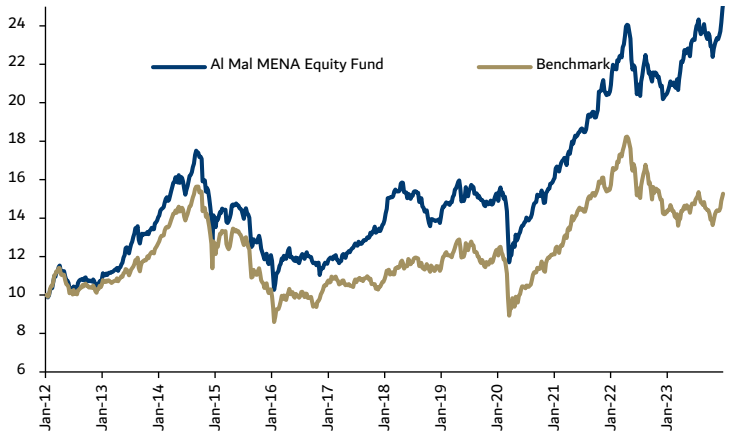
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Disclaimer

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Al Mal UAE Equity Fact Sheet

December 2023

NAV Per Unit: AED 1.73

Fund Manager Commentary

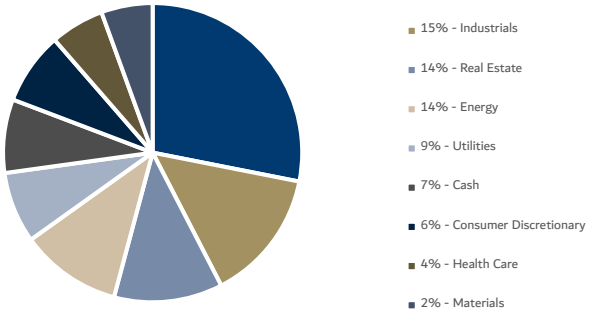
The period of easy money that characterized the years from 2009 to 2021 seems to be over, ushering in significant changes in the global investment landscape. The economic distortions of recent years have led to massive shifts, as the massive fiscal stimulus and near-zero interest rates witnessed during the pandemic have given way to tighter monetary policies and notably higher bond yields.

Although major central banks, including the U.S. Federal Reserve, have made strides against inflation, our analysis suggests that the Fed is likely to delay rate cuts compared to market forecasts. Investors seem to be anticipating excessive easing before a recession occurs and insufficient measures once it does.

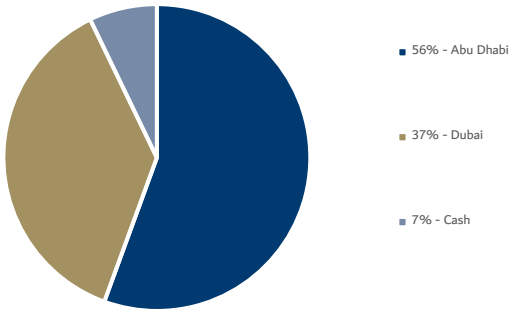
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In the GCC region, we expect large-scale and ambitious reform programs implemented by GCC policymakers to yield benefits in the coming years. Non-oil revenues are gradually increasing in the GCC, providing a positive outlook for their economies in the short and medium term. Encouraging indicators include continuous GDP growth, improved performance in the non-oil sector, a growing workforce, stable inflation levels, and a declining unemployment rate. Saudi Arabia and the UAE appear particularly promising from economy and markets perspective, with data pointing toward continued strength ahead.

Sector Allocation



Geographic Allocation



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	-0.03%	0.8%	-0.8%
YTD*	14.5%	3.5%	11.0%
1 Year	14.5%	3.5%	11.0%
3 Years	58.7%	43.4%	15.3%
5 Year	81.0%	32.1%	48.9%
Since Inc.	137.3%	-25.2%	162.5%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 31st December2023

Top 3 Holdings

Holding	% of Fund
Abu Dhabi Ports	7.2
Adnoc Drilling Company	6.4
Emirates NBD	6.3

Fund Analysis

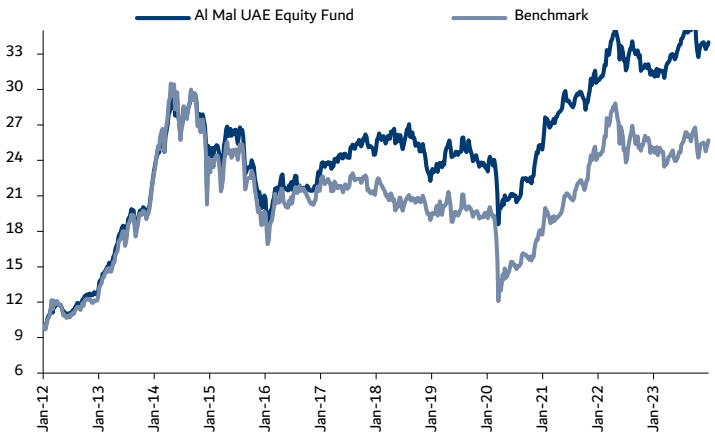
Matrix[4]	Fund	Benchmark
Standard Deviation	10.8%	14.7%
Tracking Error	6.9%	
Beta	0.7	
No. of Holdings	24	

[4] Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 49 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

10Y Fund Strategy Performance



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