Al Mal MENA Equity Fact Sheet

April 2024

NAV Per Unit: USD 12.71

Fund Manager Commentary

Economic updates remain prominent, particularly with the IMF's recent adjustments to its growth forecasts for the MENA and GCC regions considering ongoing conflicts and disruptions. Despite global economic resilience and easing inflation, the IMF downgraded growth expectations, citing factors like regional conflicts and decreased oil production affecting energy-exporting nations.

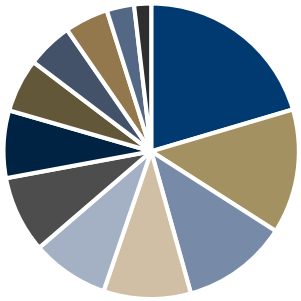
The IMF's revision includes a 1.3% reduction in the GCC's 2024 GDP growth forecast, expected to average 2.4% for the year and 4.9% in 2025. However, there's optimism for next year as uncertainties from conflicts and production cuts subside. Despite a 0.5% cut, the UAE's 2024 GDP growth is forecasted at 3.5%, while Saudi Arabia's sees a 1.4% decrease to 2.6%.

Despite regional and global challenges, GCC project awards surged by 20.3% year-over-year in Q1-2024, reaching USD 45.0 billion compared to USD 37.4 billion in Q1-2023. This consistent growth underscores GCC governments' commitment to diversification projects, supported by state funding that boosts liquidity and positively impacts markets. Notably, Saudi Arabia dominated Q1-2024 contract awards, comprising over half with USD 23.5 billion in total awards.

The markets have declined considerably this month impacting our returns which was mainly due to the negative sentiments in international markets due geo-political and interest rate uncertainties. Hence, we have raised cash allocation a bit to keep the dry powder an eye on “buying the dip” in our high conviction call as well as to make allocation in the new IPOs.

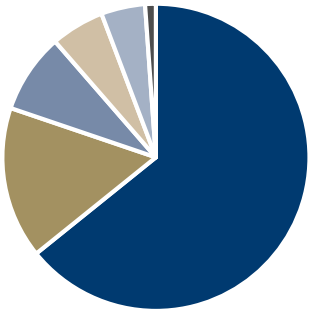
The fund remains well diversified with 31 names with financials accounting for 20% of the fund. The top-3 holdings constitute 15.1% of the fund. At the end of April-2024, the fund continued to outperform the market as the fund recorded YTD growth of 2.1% as compared to the benchmark index performance of -1.6% on YTD basis.

Sector Allocation



- 20% - Financials
- 14% - Industrials
- 12% - Energy
- 10% - Utilities
- 8% - Information Technology
- 8% - Cash
- 7% - Consumer Staples
- 6% - Communication Services
- 5% - Materials
- 5% - Consumer Discretionary
- 3% - Real Estate
- 2% - Health Care

Geographic Allocation



- 64% - Saudi Arabia
- 16% - UAE
- 8% - Cash
- 6% - Kuwait
- 5% - Qatar
- 1% - Bahrain

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	-3.0%	-3.3%	0.3%
YTD[3]	2.1%	-1.6%	3.7%
1 Year	15.3%	3.6%	11.7%
3 Year	48.2%	12.2%	36.0%
5 Year	63.5%	17.5%	46.0%
Since Inc.	67.3%	-19.6%	86.9%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 24th April 2024

Holding	Top 5 Holdings	% of Fund
ELM Company		5.6
Sustained Infrastructure Holding Company		5.0
Saudi National Bank		4.2
Saudi Electricity Company		4.1
Al Khorayef Water and Power Technologies Company		4.0

Fund Analysis

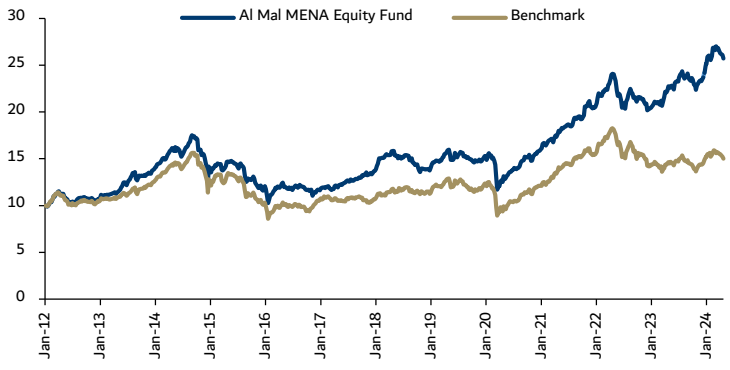
Matrix[4]	Fund	Benchmark
Standard Deviation	10.8%	11.9%
Tracking Error	5.4%	
Beta	0.8	
No. of Holdings	31	

[4] Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 26 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

10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

April 2024

NAV Per Unit: AED 1.73

Fund Manager Commentary

Economic updates remain prominent, particularly with the IMF's recent adjustments to its growth forecasts for the MENA and GCC regions considering ongoing conflicts and disruptions. Despite global economic resilience and easing inflation, the IMF downgraded growth expectations, citing factors like regional conflicts and decreased oil production affecting energy-exporting nations.

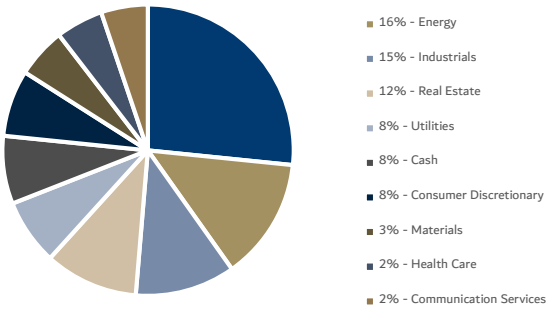
The IMF's revision includes a 1.3% reduction in the GCC's 2024 GDP growth forecast, expected to average 2.4% for the year and 4.9% in 2025. However, there's optimism for next year as uncertainties from conflicts and production cuts subside. Despite a 0.5% cut, the UAE's 2024 GDP growth is forecasted at 3.5%, while Saudi Arabia's sees a 1.4% decrease to 2.6%.

Despite regional and global challenges, GCC project awards surged by 20.3% year-over-year in Q1-2024, reaching USD 45.0 billion compared to USD 37.4 billion in Q1-2023. This consistent growth underscores GCC governments' commitment to diversification projects, supported by state funding that boosts liquidity and positively impacts markets.

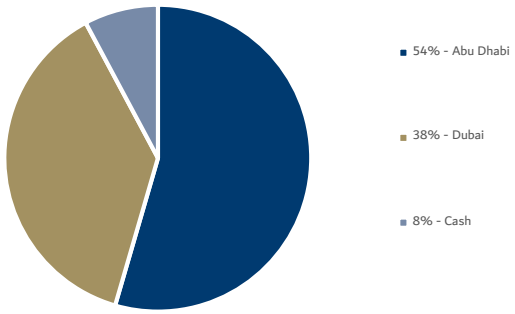
The markets have declined considerably this month impacting our returns which was mainly due to the negative sentiments in international markets due geo-political and interest rate uncertainties. Hence, we have raised cash allocation a bit to keep the dry powder an eye on “buying the dip” in our high conviction call as well as to make allocation in the new IPOs.

The fund remains well diversified with 25 names with financials accounting for 26% of the fund. The top-3 holdings constitute 21.7% of the fund. At the end of April-2024, the fund continued to outperform the market as the fund recorded YTD decline of -0.1% as compared to the benchmark index performance of -4.8% on YTD basis.

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	-2.48%	-3.5%	1.0%
YTD*	-0.1%	-4.8%	4.7%
1 Year	9.4%	0.5%	8.9%
3 Years	40.7%	27.4%	13.3%
5 Year	66.0%	17.4%	48.6%
Since Inc.	137.0%	-28.8%	165.8%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 24th April 2024

Top 3 Holdings

Holding	% of Fund
Adnoc Drilling Company	7.7
Abu Dhabi Ports	7.0
Dubai Islamic Bank	7.0

Fund Analysis

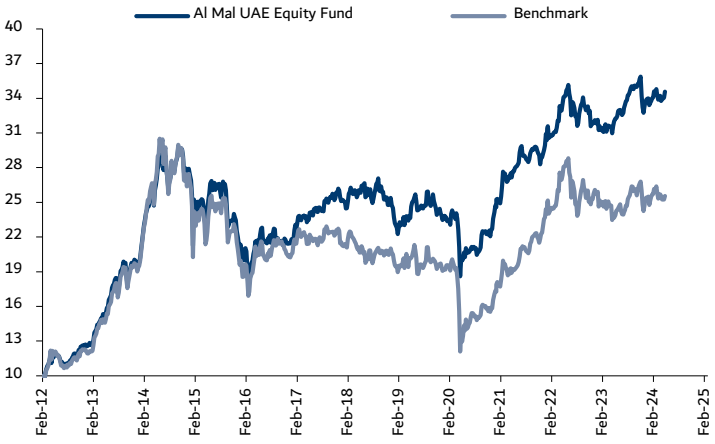
Matrix[4]	Fund	Benchmark
Standard Deviation	10.1%	14%
Tracking Error	6.6%	
Beta	0.6	
No. of Holdings	25	

[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



Disclaimer

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