Al Mal MENA Equity Fact Sheet

October 2024

NAV Per Unit: USD 12.10

Fund Manager Commentary

The medium-term economic outlook is expected to exert pressure on the market in 4Q2024. The IMF's latest projections show lower growth rates for GCC countries, except for the UAE, which is projected to achieve a growth rate of 5.1% by 2025. Saudi Arabia is expected to grow at 4.6%, while Egypt's growth is projected at 4.1%. The IMF has revised its 2025 oil price estimate down by nearly 5% to USD 72.84 per barrel, reflecting increase due to OPEC+ production cuts, sustained global demand, and geopolitical tensions in the Middle East, which are countering strong supply growth from non-OPEC+ sources. Conversely, Fitch has downgraded MENA growth to 1.8% for 2024, down from 2.3% reported last August, cautioning that the region is entering 2025 "on shaky ground."

The global economy has seen remarkable resilience during the disinflationary period of the past three years, which has helped avoid a global recession. However, it also identifies increasing downside risks to growth forecasts, including regional geopolitical conflicts, prolonged monetary policy tightening, heightened financial market volatility, a significant slowdown in China, and recent protectionist measures. We believe that despite some strength in the global economy, this resilience conceals considerable performance disparities across regions and persistent vulnerabilities.

In the region, we continue to maintain a bullish outlook on UAE real estate, as Dubai's residential sales reached AED 120 billion in Q3, marking a 30% year-on-year increase, according to CBRE. Apartment prices rose by 19%, while villa prices increased by 23%. Over the first nine months of 2024, residential transactions expanded by 36% year-on-year, exceeding 125,000 transactions. Dubai is expected to receive 110,000 new residential units by the end of 2025, with 21,300 units already handed over in 2024.

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	-2.2%	-2.1%	-0.1%
YTD*	2.2%	0.1%	2.1%
2023	23.1%	9.8%	13.3%
2022	-0.9%	-5.9%	5.0%
2021	29.5%	32.0%	2.5%
Since Inc.	67.5%	-18.3%	85.8%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 30th October 2024

Holding	Top 5 Holdings	% of Fund
ELM Company		5.3
Adnoc Drilling Company		4.8
Adnoc Logistics and Services		4.2
Saudi National Bank		3.9
National Agriculture Development Company		3.9

Fund Analysis

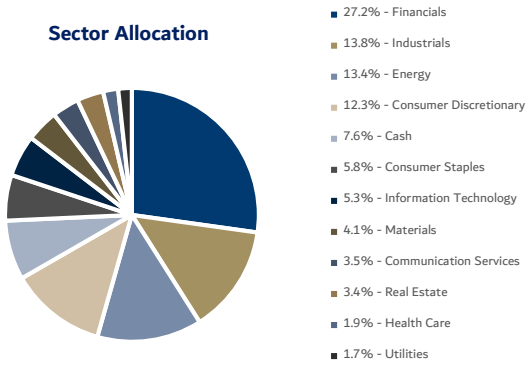
Matrix[4]	Fund	Benchmark
Standard Deviation	11.5%	12.0%
Tracking Error	5.5%	
Beta	0.8	
No. of Holdings	31	

[4] Calculated using 3-year weekly data

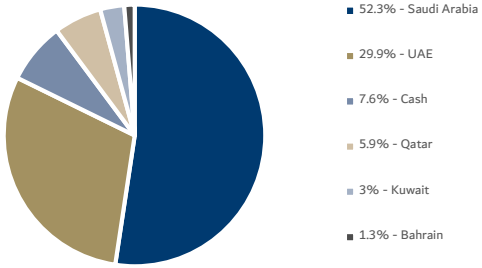
Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 24.6 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

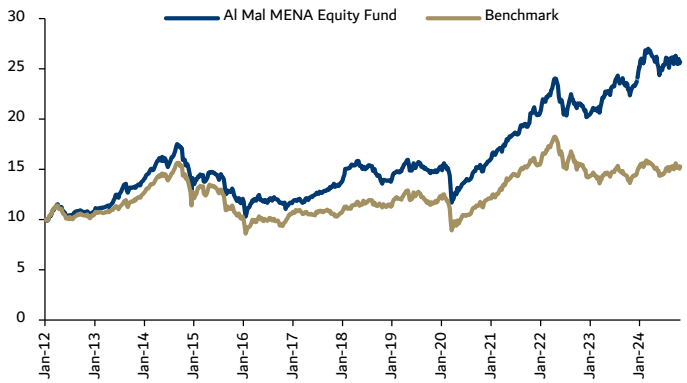
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

October 2024

NAV Per Unit: AED 1.84

Fund Manager Commentary

The medium-term economic outlook is expected to exert pressure on the market in 4Q2024. The IMF's latest projections show lower growth rates for GCC countries, except for the UAE, which is projected to achieve a growth rate of 5.1% by 2025. Saudi Arabia is expected to grow at 4.6%, while Egypt's growth is projected at 4.1%. The IMF has revised its 2025 oil price estimate down by nearly 5% to USD 72.84 per barrel, reflecting increase due to OPEC+ production cuts, sustained global demand, and geopolitical tensions in the Middle East, which are countering strong supply growth from non-OPEC+ sources. Conversely, Fitch has downgraded MENA growth to 1.8% for 2024, down from 2.3% reported last August, cautioning that the region is entering 2025 "on shaky ground."

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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	1.6%	-1.0%	2.6%
YTD*	12.2%	3.9%	8.3%
2023	14.5%	7.6%	6.9%
2022	6.2%	5.4%	0.8%
2021	32.2%	37.7%	-5.5%
Since Inc.	166.2%	-22.3%	188.5%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 30th October 2024

Top 3 Holdings

Holding	% of Fund
Adnoc Drilling Company	7.7
Adnoc Logistics and Services	7.4
Abu Dhabi Ports Company	5.3

Fund Analysis

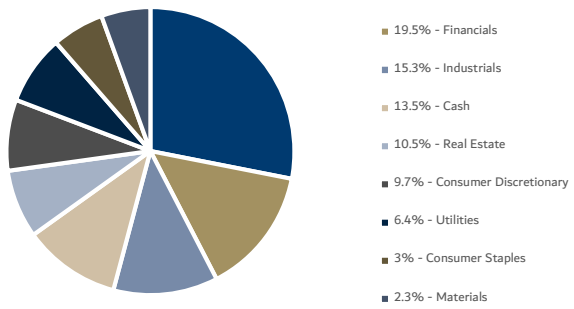
Matrix[4]	Fund	Benchmark
Standard Deviation	10.2%	14.3%
Tracking Error	6.2%	
Beta	0.7	
No. of Holdings	24	

[4] Calculated using 3-year weekly data

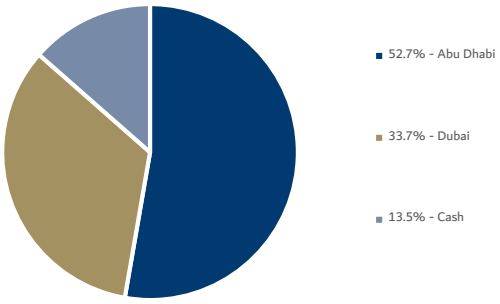
Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 52.7 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

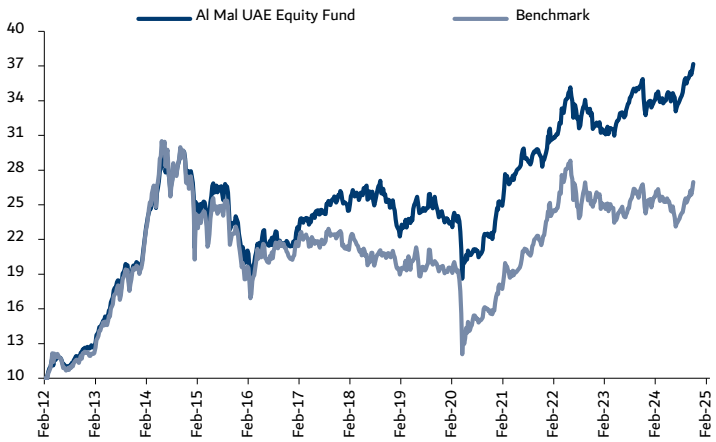
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10Y Fund Strategy Performance



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