Al Mal MENA Equity Fact Sheet

July 2026

NAV Per Unit: USD 10.71

Fund Manager Commentary

MENA equity markets delivered a mixed performance in July amidst renewed geopolitical tensions as efforts of a ceasefire between the US and Iran failed to hold and escalated during the month. Passage of vessels in the Strait of Hormuz remained under pressure, and there was also disruption to flows in the Red Sea and the Bab-al-Mandeb Strait as the Houthi group declared a maritime blockade of Saudi-related shipping. In response, Brent crude prices briefly surged above $100/bbl during the month and ended higher by 22%+. Overall, MENA markets were driven by geopolitical developments in the region, consistent with the theme since March 2026.

Saudi Arabia's TASI fell in July (-1.9%) pressured by developments around the Red Sea and the ensuing impact on costs per barrel of oil due to rerouting measures, and a weaker loan growth outlook by Al Rajhi Bank following its 2Q26 earnings call. Abu Dhabi's ADX rose +1.1% in July, supported by strong Banks and Energy earnings (e.g. FAB's record H1 profit). Dubai's DFM, however, ended lower by 2.7% in July as the regional conflict continued to weigh on the outlook for real estate and tourism demand. Kuwait was the best performing market (+1.5%) as investors looked through escalations related to damage on its oil facility and one of the power generation and water desalination plants. Elsewhere in the region, Oman (-3.1%), Qatar (-3.1%) and Bahrain (-4.2%) underperformed the S&P Pan Arab Composite Index (-1.4%).

On the macro front, PMI data for June was mixed. The UAE's PMI fell to 50.8 (from 52.6 in May) with non-oil private sector recording its weakest June in over five years and weak employment and other operating metrics. In KSA, the PMI rose to 53.3 in June (from 52.8 in May), marking the highest reading in four months. Output growth held broadly steady and non-oil private sector strengthened its expansion supported by a sharp pick up in new business growth. Moreover, Fitch Ratings affirmed Saudi Arabia's 'A+' sovereign credit rating with a stable outlook, citing strong fiscal buffers and external finances despite the regional conflict and temporary trade disruptions. In Egypt, the current account deficit (CAD) narrowed 18% Q-o-Q to USD 5.1bn in 1Q26, driven by a narrowing trade deficit and strong growth in remittances. Globally, the US Federal Reserve left interest rates unchanged at the July meeting and US PCE inflation for June was broadly in-line with market expectations at 3.3% YoY in June.

Corporate earnings for 2Q26 provided further clues into the state of businesses. In Banking, results broadly better-than-expected across the region. Thematically, KSA saw improvement in overall deposit-to-loans, however, Al Rajhi's lower guidance for loan growth weighed on the sector. In the UAE, most banks exceeded expectations. Petchem companies faced higher cost challenges owing to supply chain pressures and higher feedstock costs. In Industrials, logistics companies (for example SAL) saw good demand; in Healthcare, hospitals benefited from a revival in patient volumes; but Insurance companies were impacted by higher claims especially from the Energy sector exposure. August will provide a clearer picture as majority of the companies in the region are expected to report over the next few weeks.

Heading into August, the overhang of the Middle East conflict is likely to remain the primary driver for the markets. Upside risk to oil/energy prices persists if hostilities flare further, whereas any broader ceasefire or easing in tensions could quickly deflate the premium. That said, the region's deep FX reserves and sovereign buffers provide resilience, but market volatility is likely to stay above normal until geopolitical clarity returns (further exacerbated by seasonally low trading volumes).

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	-2.7%	-1.7%	-1.0%
YTD*	-3.1%	-1.4%	-1.7%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	55.7%	-17.6%	73.3%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 29th July 2026

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	7.2
Al Rajhi Bank	6.6
Adnoc Gas PLC	6.1
Emaar Properties	5.2
Adnoc Logistics and Services	4.8

Fund Analysis

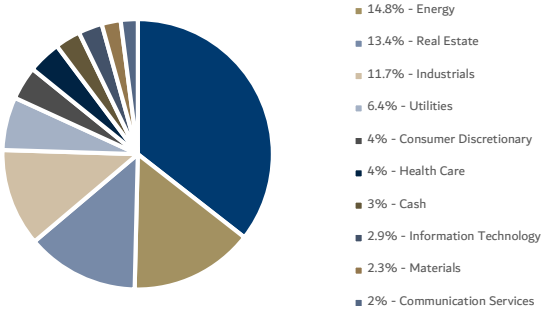
Matrix[4]	Fund	Benchmark
Standard Deviation	13.9%	11.4%
Tracking Error	7.0%	
Beta	1.0	
No. of Holdings	29	

[4] Calculated using 3-year weekly data

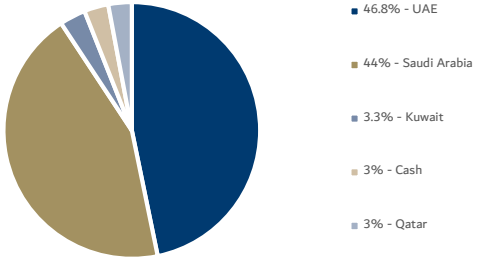
Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 21.8 million
Strategy Size	USD 250 million
Domicile	Bahrain
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 50,000
Bloomberg Code	MALMENE BI
ISIN Code	BH0003764U21
Management Fee	1.75%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered

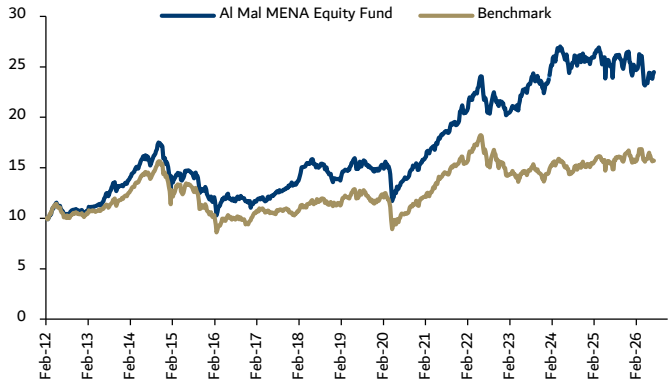
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

July 2026

NAV Per Unit: AED 1.96

Fund Manager Commentary

UAE equity markets recorded mixed performance in July 2026 as strong corporate earnings were offset by continuing US-Iran tensions and uncertainty over regional shipping. The FTSE ADX General Index recorded a modest monthly gain of around 1.15% while the DFM General Index declined approximately 2.70% from its June closing level. On a year-to-date basis, the ADX is down 0.80%, while the DFM General Index is down around 4.2%.

The Federal Reserve maintained its benchmark interest rate at 3.50%–3.75%, marking the fifth consecutive freeze. The decision was approved by a 9–3 vote, with three policymakers supporting an immediate 25-basis-point increase. Fed Chair Kevin Warsh reiterated the Fed's commitment to returning inflation to its 2% target while keeping the possibility of a September hike open. The decision can therefore be described as a "hawkish hold", as rates remained unchanged but internal support for further tightening increased. Following the Fed's decision, the Central Bank of the UAE maintained its Base Rate at 3.65%.

UAE non- oil foreign trade has shown robust improvement with figures reaching around AED 2trillion in six months with an annual growth of around 13%. UAE non-oil export also recorded historic numbers reaching around AED 453 billion. UAE banks delivered generally strong Q2 2026 results despite the effects of the Iran conflict on regional travel, trade, and business confidence. These results demonstrate continued credit growth and earnings resilience, although deposit competition, funding costs and geopolitical risks remain important concerns. The UAE real-estate sector remained supported by population growth, infrastructure investment, and a substantial backlog of previously sold developments. However, listed developers experienced share-price volatility as investors balanced strong operating fundamentals against geopolitical uncertainty, higher borrowing costs and affordability concerns.

Internationally, indirect talks between Iran and the United States remained a major influence on UAE equities, oil prices, and shipping activity. Discussions focused on the Strait of Hormuz, maritime access and the release of frozen Iranian assets but did not produce a comprehensive settlement. Maritime conditions also remained fragile and diplomatic efforts continue through regional mediators, but the situation remains volatile, affecting the markets.

We believe UAE equities should remain supported by resilient bank profitability, healthy property demand, and government-led infrastructure investment. Nevertheless, higher-for-longer interest rates could increase funding costs and moderate property demand, while the outlook will remain sensitive to US-Iran negotiations, oil-price movements, and shipping security. Within this environment, companies with strong balance sheets, visible revenue backlogs and sustainable dividend capacity are likely to remain better positioned.

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	-0.3%	-0.5%	0.2%
YTD*	-1.9%	-2.9%	1.0%
2025	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
Since Inc.	197.8%	-6.2%	204.0%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 29th July 2026

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank PJSC	10.0
Emirates NBD PJSC	9.2
Emaar Properties PJSC	8.1

Fund Analysis

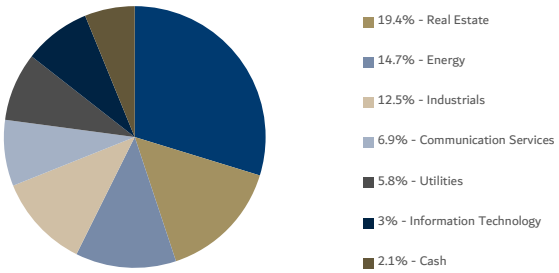
Matrix[4]	Fund	Benchmark
Standard Deviation	13.9%	15.8%
Tracking Error	5.0%	
Beta	0.8	
No. of Holdings	20	

[4] Calculated using 3-year weekly data

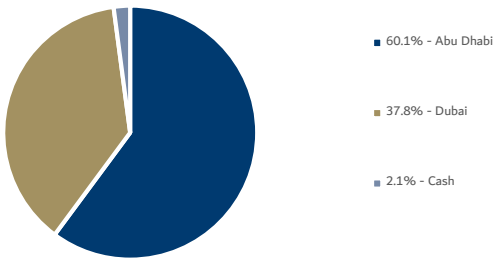
Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 56 million
Domicile	UAE
Currency	AED
Subscription & Redemption	Weekly
Min Subscription	AED 40,000
ISIN Code	AEA003630026
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

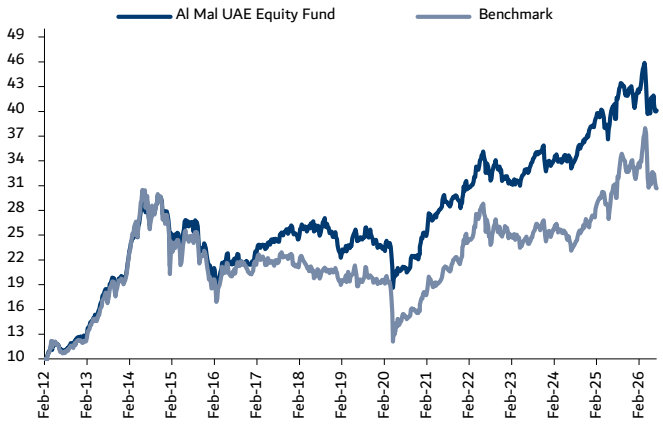
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