



## Fund Manager Commentary

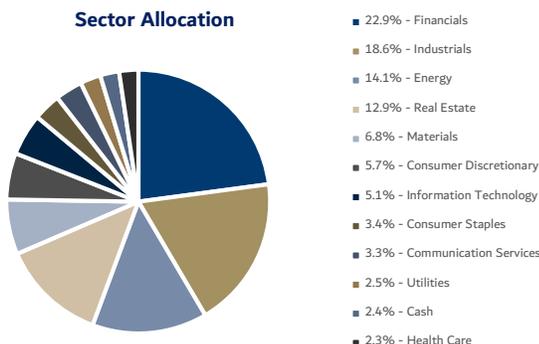
January in GCC equity markets unfolded against a cautious but broadly constructive investment backdrop, supported by policy reforms and solid macro momentum. A key highlight was Saudi Arabia's decision to open its capital market to all foreign investors from 1 February 2026, a structural step expected to enhance liquidity and broaden the investor base, particularly for large banking and industrial names. In parallel, the Saudi Insurance Authority approved a national insurance sector strategy aimed at transforming the industry. We see these reforms as structurally positive for the Kingdom's financial ecosystem, improving long-term growth visibility, capital depth, and risk retention.

The Fed held rates steady on 28 January as expected, with statement changes signalling little urgency to ease policy as growth remains solid, the labour market stable, and inflation still elevated. Markets still expect the Fed to stay on hold through the remainder of Powell's term, with a cut not fully priced until July though mixed data and political uncertainty are likely to keep rate expectations broadly stable near term.

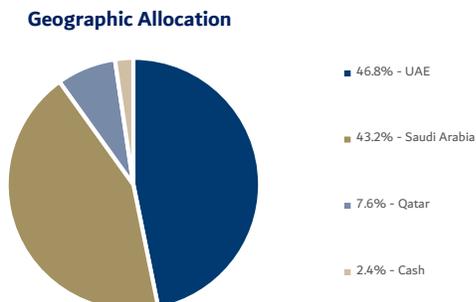
Globally, the IMF continues to characterize economic growth as resilient despite US-led trade disruptions and elevated uncertainty, with much of the support coming from the US and China. The outlook suggests that trade policy headwinds are being balanced by AI-driven investment, alongside supportive fiscal and monetary settings and adaptable private sectors. Regional economic data reinforced the constructive tone. Forecasts from the IMF and World Bank point to above-trend growth in GCC economies, with real GDP expected around 4.4–4.5% in 2026, led by non-oil sectors and ongoing diversification. This supports the view that corporate earnings expansion can be sustained even in a mixed global environment. Domestic indicators also remained firm, with non-oil PMIs in key markets such as Saudi Arabia and the UAE staying in expansionary territory, highlighting resilient underlying business activity at the start of the year.

Market performance through January reflected the balance between global sentiment and improving local fundamentals. GCC indices moved broadly in line with global equities—rising when trade tensions eased and external risk appetite improved and softening when macro concerns resurfaced. As the month progressed, investor attention increasingly shifted toward earnings expectations and positioning ahead of Saudi Arabia's market opening, supporting selective buying in financials, industrials, and reform-linked sectors.

### Sector Allocation



### Geographic Allocation



### Objective

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

Performance <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Alpha
1 Month	6.4%	7.6%	-1.2%
YTD*	6.4%	7.6%	-1.2%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	71.0%	-10.0%	81.0%

<sup>1</sup> Performance is net of fees; return is cumulative

<sup>2</sup> S&P Pan Arab Composite Index

<sup>3</sup> As of 28<sup>th</sup> January 2026

Holding	Top 5 Holdings	% of Fund
Saudi National Bank		6.2
Emaar Properties		5.6
Adnoc Gas PLC		4.9
Dubai Taxi Co. PJSC		4.9
Abu Dhabi Commercial Bank		4.8

### Fund Analysis

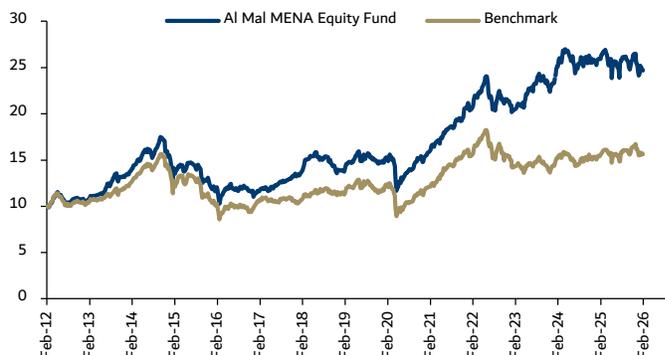
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	13.3%	11.3%
Tracking Error	6.8%	
Beta	1.0	
No. of Holdings	30	

<sup>4</sup> Calculated using 3-year weekly data

### Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 22.9 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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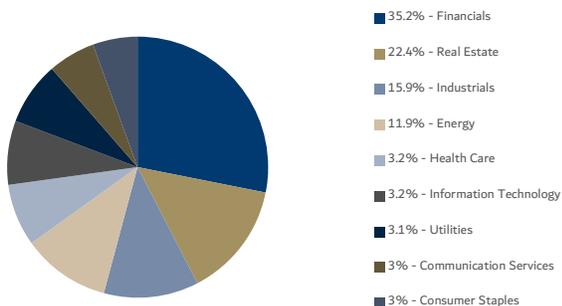
In January 2026, UAE equity markets started the year on a mixed yet resilient note, balancing solid domestic fundamentals with external risk sensitivities. Dubai's main index edged higher early in the month by around 7%, supported by broad gains in financials and real estate, while Abu Dhabi's benchmark was relatively subdued amid pressure in energy-related names. The cautious start reflected lingering regional geopolitical tensions and measured investor positioning following the holiday period.

The Fed held rates steady on 28 January as expected, with statement changes signalling little urgency to ease policy as growth remains solid, the labour market stable, and inflation still elevated. Markets still expect the Fed to stay on hold through the remainder of Powell's term, with a cut not fully priced until July though mixed data and political uncertainty are likely to keep rate expectations broadly stable near term.

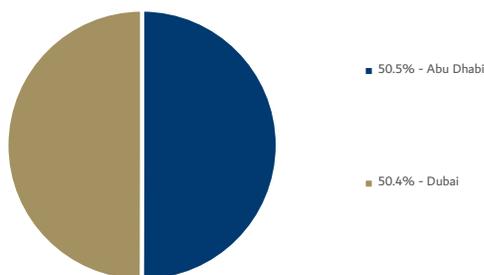
During the month, UAE equities saw both upward and downward swings driven largely by global sentiment and oil price movements. Periods of improved international risk appetite—alongside firmer oil prices—supported regional macro expectations and lifted local markets in line with major global indices. Despite short-term volatility, the UAE's structural growth story continued to anchor investor confidence. Updated projections released in late January point to overall GDP growth of around 5% in 2026, supported by rising oil output and resilient non-oil activity—placing the UAE among the faster-growing global economies. We expect real non-oil GDP growth to remain comfortably above 4% in 2026–2027, following strong 5.7% y/y expansion in 1H2025. Domestic demand also remains well supported by robust investment activity, healthy consumer spending, higher government outlays, and strong FDI inflows, with the UAE attracting over USD 45bn last year despite a global decline in FDI.

Locally, the earnings season has begun positively, particularly in the banking sector, with results exceeding expectations. Nevertheless, investor focus is increasingly shifting toward dividend announcements and full-year guidance, driving portfolio rotation and more selective positioning across UAE equities.

### 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 <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Relative Perf.
1 Month	5.9%	7.9%	-2.0%
YTD*	5.9%	7.9%	-2.0%
2025	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
Since Inc.	221.3%	4.3%	217.0%

<sup>1</sup> Performance is net of fees; return is cumulative

<sup>2</sup> S&P UAE Domestic 10% Capped Index

<sup>3</sup> As of 28<sup>th</sup> January 2026

## Top 3 Holdings

Holding	% of Fund
Emirates NBD PJSC	8.2
First Abu Dhabi Bank PJSC	8.1
Emaar Properties PJSC	8

## Fund Analysis

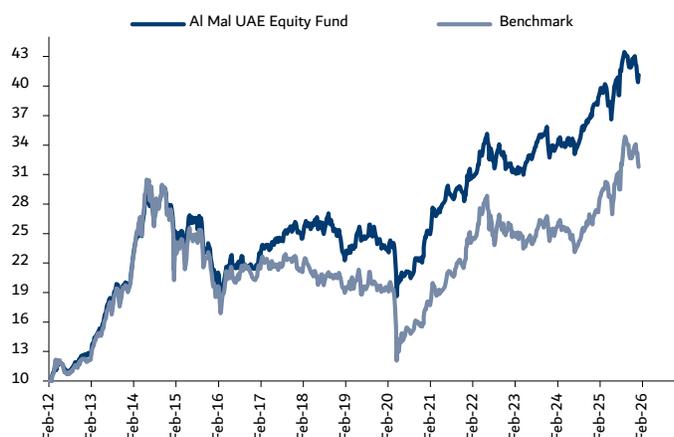
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	10.7%	13.3%
Tracking Error	5.4%	
Beta	0.7	
No. of Holdings	23	

<sup>4</sup> Calculated using 3-year weekly data

## Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 56.9 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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