



Fund Manager Commentary

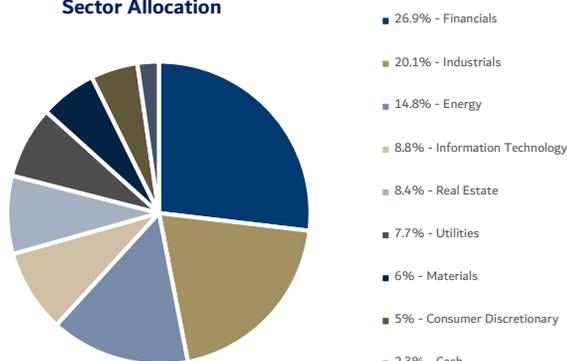
The year 2025 proved to be one of transition and surprise, marked by a new U.S. administration, the resumption of the Fed's rate-cutting cycle, and resilient global growth. Accommodative monetary policy and front-loaded exports supported activity, while consumers remained more resilient than expected. Although disinflation has slowed, most central banks are nearing the end of easing cycles to maintain rate differentials with the Fed. Despite tariff rhetoric, markets absorbed early shocks, and the path of negotiations now appears clearer, with risks skewed modestly to the upside.

Looking ahead to 2026, we remain cautiously optimistic amid an evolving policy backdrop and the lagged effects of earlier decisions. Our base case—that tariffs would neither trigger a recession nor reignite inflation—has largely played out. Global growth is expected to remain steady at 3.4%, unchanged from 2025. The year ahead should see a shift from monetary to fiscal support and from export-led growth toward stronger domestic, investment-driven activity, placing fiscal policy firmly at the forefront.

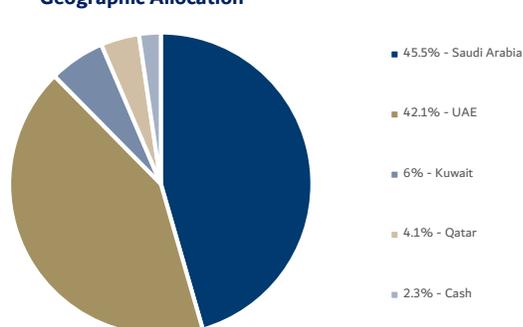
In regional equities, falling long-term rates have made dividend yields increasingly attractive, while easing regional tensions should support trade and manufacturing activity. Greater localization, diversification away from oil, and higher tariffs on Chinese imports are likely to further lift industrial activity. Attention is likely to focus on Saudi Arabia's plans to gradually raise foreign ownership limits beyond the current 49% cap, with a phased approach expected to manage capital inflows.

The UAE continues to offer the strongest macro backdrop, supported by private-sector growth and sustained investment in oil and gas. Kuwait has seen improved policymaking and more targeted spending, while selective opportunities remain in Qatar as liquidity improves and LNG expansion advances. Oman continues to benefit from its emerging market inclusion trajectory toward 2028.

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 ¹	Fund	Benchmark ²	Alpha
1 Month	2.2%	0.8%	1.4%
YTD*	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
2022	-0.9%	-5.9%	5.0%
Since Inc.	60.7%	-16.4%	77.1%

¹ Performance is net of fees; return is cumulative

² S&P Pan Arab Composite Index

³ As of 31st December 2025

Holding	Top 5 Holdings	% of Fund
Adnoc Gas PLC		6.7
Al Masane Al Kobra Mining Company		6.0
Saudi National Bank		5.8
Emaar Properties		4.3
Emirates NBD		4.3

Fund Analysis

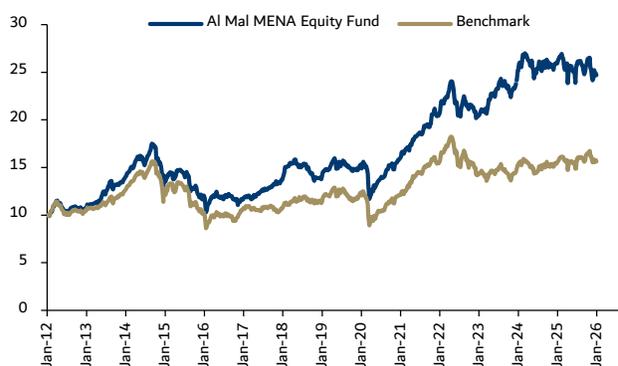
Matrix ⁴	Fund	Benchmark
Standard Deviation	13.2%	11.4%
Tracking Error	6.6%	
Beta	1.0	
No. of Holdings	29	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 21.6 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

10Y Fund Strategy Performance



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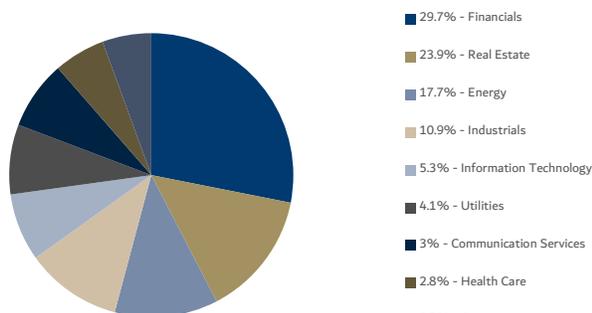
The year 2025 proved to be one of transition and surprise, marked by a new U.S. administration, the resumption of the Fed's rate-cutting cycle, and resilient global growth. Accommodative monetary policy and front-loaded exports supported activity, while consumers remained more resilient than expected. Although disinflation has slowed, most central banks are nearing the end of easing cycles to maintain rate differentials with the Fed. Despite tariff rhetoric, markets absorbed early shocks, and the path of negotiations now appears clearer, with risks skewed modestly to the upside.

Looking ahead to 2026, we remain cautiously optimistic amid an evolving policy backdrop and the lagged effects of earlier decisions. Our base case—that tariffs would neither trigger a recession nor reignite inflation—has largely played out. Global growth is expected to remain steady at 3.4%, unchanged from 2025. The year ahead should see a shift from monetary to fiscal support and from export-led growth toward stronger domestic, investment-driven activity, placing fiscal policy firmly at the forefront.

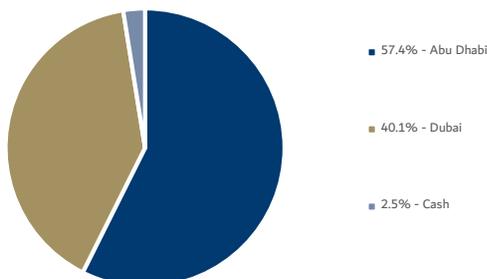
The UAE economy is expected to grow close to potential for a second consecutive year, despite relatively low oil prices. Our outlook assumes higher oil output in 2026 alongside robust non-oil growth of around 4.7%, now accounting for roughly three-quarters of real GDP. Trade realignments and supply-chain shifts should strengthen the UAE-Asia corridor, while investment in technology and AI remains a key priority. Strong domestic demand, favourable demographics, and the ongoing property upcycle should support continued twin surpluses, reinforced by Dubai's record 2026 budget.

Lower long-term interest rates have increased the appeal of dividend yields, while easing regional tensions should support trade and manufacturing. Greater localization, economic diversification, and higher tariffs on Chinese imports are likely to lift industrial activity. UAE equity capital markets are positioning for a more active 2026, with renewed IPO and follow-on issuance expected across the UAE. While uncertainty remains a constant, we believe our disciplined analytical framework and time-tested asset allocation principles position investors well for 2026 and beyond. We expect portfolios to generate solid returns, even as market scepticism and elevated uncertainty call for prudence.

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	5.6%	4.5%	1.1%
YTD*	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
2022	6.2%	5.4%	0.8%
Since Inc.	203.5%	-3.3%	206.8%

¹ Performance is net of fees; return is cumulative
² S&P UAE Domestic 10% Capped Index
³ As of 31st December 2025

Top 3 Holdings

Holding	% of Fund
Adnoc Gas PLC	7.4
Al Dar Properties PJSC	6.6
First Abu Dhabi Bank PJSC	6.6

Fund Analysis

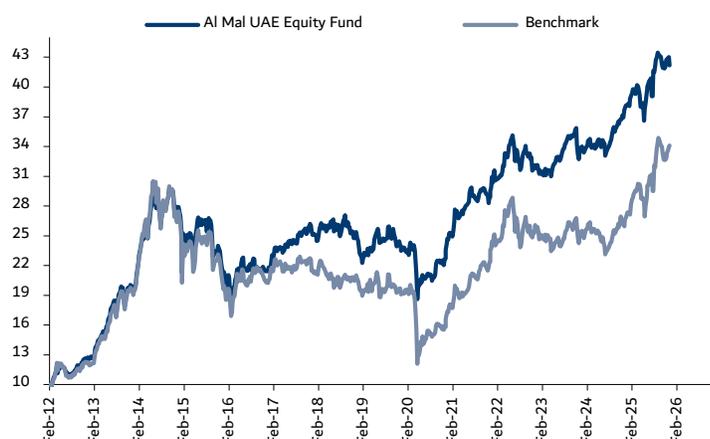
Matrix ⁴	Fund	Benchmark
Standard Deviation	10.7%	13.1%
Tracking Error	5.4%	
Beta	0.7	
No. of Holdings	20	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 53.7 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

10Y Fund Strategy Performance



Disclaimer

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