Al Mal MENA Equity Fact Sheet

May 2026

NAV Per Unit: USD 10.67

Fund Manager Commentary

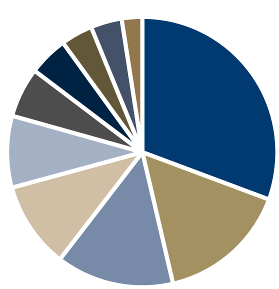
GCC equity markets staged a broad recovery during May 2026 after experiencing significant volatility in the preceding months amid heightened geopolitical tensions in the region. Investor sentiment improved as concerns over a prolonged disruption to energy exports eased somewhat, while diplomatic efforts surrounding the U.S.-Iran conflict helped stabilize risk appetite. Oman witnessed the biggest monthly decline of 7.3% during the month on profit booking (still up 32.2% on YTD basis), followed by Saudi Arabia and Abu Dhabi with declines of 1.0% and 0.8%, respectively. Saudi market is up 5.6% on YTD basis till May-2026 while Dubai was down 4.8% for the same period.

Activity data pointed to an uneven recovery across the region. The UAE's non-oil PMI stood at 52.1 in April, remaining in expansionary territory but at its lowest level in over five years, as new business growth slowed and export orders saw one of their sharpest declines on record outside the pandemic. Saudi Arabia's PMI rebounded more firmly to 51.5 in April from 48.8 in March, driven by domestic orders and ongoing Vision 2030 project execution, though export demand continued to weaken. Kuwait remained more challenged, with new orders falling at the fastest pace since 2021. Bahrain and Qatar remained sensitive to energy export disruptions, given their lack of viable alternatives to Strait of Hormuz transit. Fitch projects GCC non-oil GDP growth of 3.7% in 2026, a moderation from earlier forecasts, with non-energy sectors continuing to benefit from state-backed investment programs.

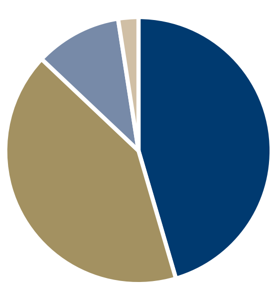
Oil prices remained elevated throughout May, generally trading above USD 90/bbl, underpinned by ongoing supply security concerns. While higher energy revenues supported fiscal balances across the region, Saudi Arabia nonetheless recorded a marked widening of its fiscal deficit in Q1 2026 on significantly higher government spending — the Q1 shortfall equivalent to 76% of the full-year 2026 budget forecast. Sector performance was mixed: banking stocks held firm on strong profitability and capital positions, energy and petrochemical companies benefited from commodity tailwinds, and real estate performance varied, with the UAE showing early signs of recovery while other markets remained more subdued.

Valuations across GCC markets have become increasingly attractive following the correction earlier this year, and dividend yields remain compelling relative to global peers. We remain cautiously optimistic on the region, favoring high-quality companies with strong balance sheets, visible earnings growth, and sustainable dividend policies. While near-term volatility is likely to persist given the evolving geopolitical backdrop, the region's robust fiscal positions, elevated energy prices, and ongoing economic transformation continue to provide a constructive medium-to-long-term backdrop for GCC equity markets.

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	-1.8%	-3.2%	1.4%
YTD*	-3.5%	0.0%	-3.5%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	55.1%	-16.4%	71.5%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 20th May 2026

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	7.1
Saudi National Bank	7.1
Emaar Properties	5.3
East Pipes Integrated Company for Industry LJSC	5.1
Adnoc Gas PLC	5.0

Fund Analysis

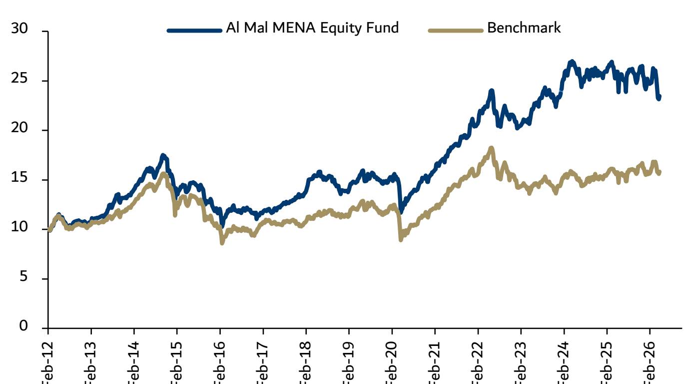
Matrix[4]	Fund	Benchmark
Standard Deviation	13.7%	11.4%
Tracking Error	7.0%	
Beta	1.0	
No. of Holdings	26	

[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

10Y Fund Strategy Performance



Al Mal UAE Equity Fact Sheet

May 2026

NAV Per Unit: AED 1.87

Fund Manager Commentary

UAE equity markets remained volatile during May 2026, although sentiment improved compared to the sharp correction experienced during March and April following heightened regional geopolitical tensions. Investor confidence gradually recovered as concerns surrounding the Gulf situation eased and diplomatic efforts related to the U.S.–Iran conflict showed signs of progress. Market conditions stabilized during the month, with selling pressure moderating and investors selectively returning to quality names at more attractive valuations. The UAE's decision to exit OPEC and OPEC+ effective 1 May 2026 added a new dynamic to the market outlook, supporting expectations for higher future production and providing a positive catalyst for several ADNOC-related companies. By the end of May 2026, the DFM General Index was down 4.8% year-to-date, while the ADX General Index had declined 2.9%.

Sector performance remained mixed, with real estate continuing to demonstrate resilient underlying fundamentals despite softer transaction activity. Emaar Development reported strong first-quarter property sales of AED 20.2 billion, up 22% year-on-year, while its revenue backlog increased to AED 134.6 billion. Abu Dhabi residential transactions rose 119% year-on-year during the first quarter, while Dubai real estate transactions reached AED 252 billion, representing annual growth of 31%. Transaction activity moderated during May, with Dubai real estate sales totalling AED 29.5 billion, reflecting lower activity levels following the exceptionally strong pace seen earlier in the year and the impact of the Eid holiday period. Abu Dhabi real estate sales reached AED 9.5 billion during the month, remaining significantly higher than the previous year despite a month-on-month slowdown. Overall, the sector continues to benefit from strong demand, population growth, and ongoing economic diversification initiatives.

The UAE's macroeconomic backdrop remained supportive despite a more challenging external environment. According to the Federal Competitiveness and Statistics Centre, the UAE economy expanded by 6.2% in 2025, with non-oil GDP growth reaching 6.8%, highlighting the continued success of diversification efforts. Inflation in Dubai accelerated during April, driven primarily by higher transportation, fuel, and imported food costs, while business activity remained in expansionary territory as reflected by the UAE's non-oil PMI. Although the PMI softened to its lowest level in several years amid weaker export demand, it continued to indicate economic growth. In addition, the Dubai government announced a new AED 1.5 billion economic support package comprising 33 initiatives aimed at protecting employment, supporting businesses, and sustaining economic momentum following earlier stimulus measures.

Following the market correction earlier in the year, UAE equities continue to trade at attractive valuations relative to historical averages. Dividend yields remain compelling across several sectors, particularly banking, utilities, and selected industrial companies, providing a supportive backdrop for investor demand. While geopolitical developments may continue to drive short-term volatility, we remain constructive on the medium- to long-term outlook for UAE equities. Corporate fundamentals remain healthy, supported by strong balance sheets, robust cash generation, ongoing government investment, and structural growth drivers linked to population expansion, economic diversification, and infrastructure development.

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	-4.3%	-5.3%	1.0%
YTD*	-6.3%	-7.5%	1.2%
2025	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
Since Inc.	184.3%	-10.6%	194.9%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 20th May 2026

Top 3 Holdings

Holding	% of Fund
Emirates NBD PJSC	8.7
Emaar Properties PJSC	8.5
First Abu Dhabi Bank PJSC	8.4

Fund Analysis

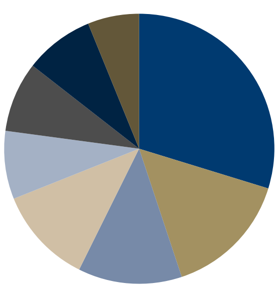
Matrix[4]	Fund	Benchmark
Standard Deviation	12.9%	15.0%
Tracking Error	5.1%	
Beta	0.8	
No. of Holdings	20	

[4] Calculated using 3-year weekly data

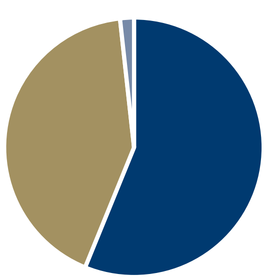
Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 53 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

Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance