



## Fund Manager Commentary

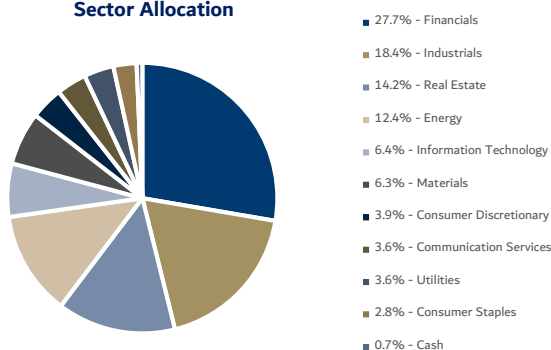
GCC equity markets experienced a volatile but relatively stabilizing trend in April 2026 following the sharp correction in March, as geopolitical tensions remained elevated but partially priced in. The ongoing conflict involving United States and Iran, alongside risks to the Strait of Hormuz, continued to influence investor sentiment, particularly through energy markets and capital flows. While foreign outflows persisted across parts of the region, domestic liquidity and institutional buying provided support, allowing markets such as Saudi Arabia to outperform relative to peers, while the United Arab Emirates saw a more gradual stabilization after recent volatility. Dubai DFM Index registered a monthly gain of 6.1% in April; however, it was still down 4.6% on YTD basis. Abu Dhabi ADX Index recorded gains of 2.7% in the month and was down 2.1% on YTD basis. On the other hand, Saudi Index was marginally down 0.6% in April but remained up 6.6% on YTD basis.

From a macroeconomic perspective, MENA growth expectations for 2026 have been sharply revised down to 1.1%, a decline of 2.8 percentage points from January forecasts, before rebounding to 4.8% in 2027. Among the larger economies, Saudi Arabia's GDP growth has been lowered to 3.1% from 4.5%, while the UAE has been revised to 3.1% from 5.0%. The impact is more severe for smaller hydrocarbon producers with limited export flexibility, several of which are now expected to contract. In contrast, Oman remains relatively resilient given its lower exposure to regional bottlenecks, and Egypt has seen only a modest downgrade. Growth across most economies is expected to recover in 2027–28. Saudi Arabia is expected to rebound to 4.5% in 2027 (vs 3.6% previously), the UAE to 5.3% suggesting a relatively short-lived disruption.

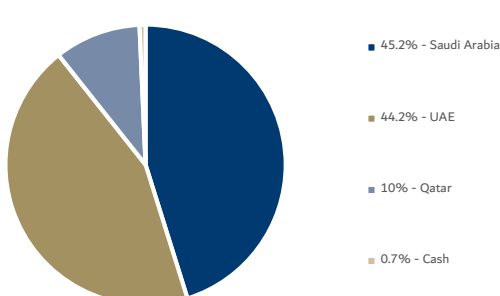
Sector performance across the GCC was mixed, with energy and energy-linked names emerging as relative outperformers. Higher oil prices supported upstream and downstream players, while petrochemical companies benefited selectively from improved pricing dynamics, albeit with margin pressures from feedstock and demand uncertainties. Banking sectors across the region, including leading institutions in Saudi Arabia and the UAE, remained broadly resilient, supported by strong capitalization and stable earnings outlooks, although they faced intermittent pressure from foreign flows and tighter global liquidity. Real estate, particularly in the UAE, showed early signs of recovery following the sharp sell-off in March, supported by strong underlying demand and project pipelines.

A significant structural development during the month was the UAE's decision to exit OPEC and OPEC+ effective May 2026, signalling a shift toward a more market-driven supply environment. While the immediate market impact is limited by ongoing logistical constraints, the move introduces medium-term implications for oil supply dynamics and group cohesion within OPEC+. Increased production capacity from the UAE over time could place a cap on oil prices, while reinforcing the region's role as a key global energy supplier. Within equities, this shift is expected to benefit oilfield services and upstream-related companies, particularly those with long-term contracts and capacity expansion visibility.

### 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	3.4%	1.9%	1.5%
YTD*	-1.7%	3.3%	-5.0%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	57.9%	-13.6%	71.5%

<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 29<sup>th</sup> April 2026

Holding	Top 5 Holdings	% of Fund
Al Rajhi Bank		6.5
Saudi National Bank		6.5
Emaar Properties		5.8
Adnoc Gas PLC		5.0
Abu Dhabi Commercial Bank		4.2

### Fund Analysis

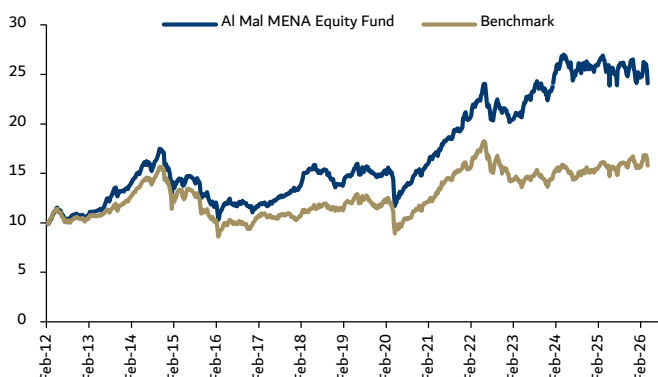
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	13.9%	11.5%
Tracking Error	7.0%	
Beta	1.0	
No. of Holdings	30	

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

### Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 22.3 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



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## Fund Manager Commentary

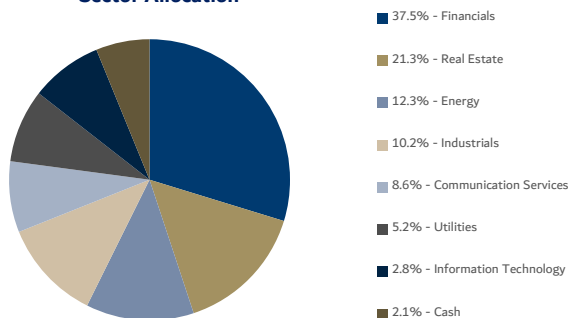
The UAE equity market experienced a volatile but relatively resilient performance in April 2026, as geopolitical tensions in the region continued to dominate investor sentiment. Escalation involving United States and Iran, alongside concerns around the Strait of Hormuz, led to cautious positioning and intermittent foreign outflows. However, compared to the sharp correction seen in March, markets stabilized as investors began to differentiate between short-term geopolitical risks and underlying economic fundamentals in the UAE, which remain broadly supportive.

Dubai DFM Index registered a monthly gain of 6.1% in April; however, it was still down 4.6% on YTD basis. Abu Dhabi ADX Index recorded gains of 2.7% in the month and was down 2.1% on YTD basis. Sector performance was mixed during the month. Real estate stocks showed signs of stabilization after the heavy sell-off in the prior month, with names such as Emaar Properties and Aldar Properties recovering partially on bargain buying and continued strength in property demand fundamentals. We are overweight and will continue to be overweight in real estate as we believe in UAE RE sector. Real estate stocks were the most hammered in the current sell-off impacting our performance, but we believe there will be a sharp pull back once geo-political environment improves and the transactions come back. Banking stocks remained under some pressure due to foreign investor outflows, although strong capitalization and earnings visibility provided downside support.

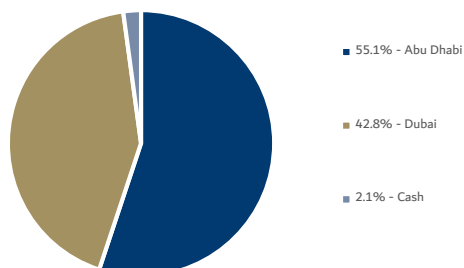
A key structural development during the period was the UAE's decision to exit OPEC and OPEC+ effective 1 May 2026, marking a significant inflection point in both global energy markets and the country's strategic positioning. While near-term market impact remains muted due to ongoing constraints around the Strait of Hormuz, the move is clearly forward-looking, enabling full production autonomy as logistics normalize. Economically, the strategy is compelling, with ADNOC already targeting further expansion, potentially adding meaningful incremental revenues and GDP contribution over time. Meanwhile, ADNOC-linked entities such as ADNOC Drilling, ADNOC Gas and ADNOC Logistics & Services will benefit from the extended framework agreement with ADNOC. We are overweight energy due to our position in the ADNOC-related names which will get benefit from the captive business and tanker rates respectively.

Looking ahead, while near-term volatility is likely to persist given the uncertain geopolitical backdrop, we remain constructive on the UAE equity market. Valuations in several sectors have become more attractive following the March correction, and earnings fundamentals remain intact across key holdings. We continue to focus on high-quality companies with strong balance sheets, visible cash flows, and sector leadership positions, using market dislocations to selectively add to positions. Over the medium term, we expect the UAE market to benefit from structural growth drivers, stable macro fundamentals, and continued investor interest once geopolitical risks begin to ease.

### 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	2.4%	1.5%	0.9%
YTD*	-2.1%	-2.3%	0.2%
2025	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
Since Inc.	197.0%	-5.6%	202.6%

<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 29<sup>th</sup> April 2026

### Top 3 Holdings

Holding	% of Fund
Emaar Properties PJSC	8.9
First Abu Dhabi Bank PJSC	8.8
Emirates NBD PJSC	8.8

### Fund Analysis

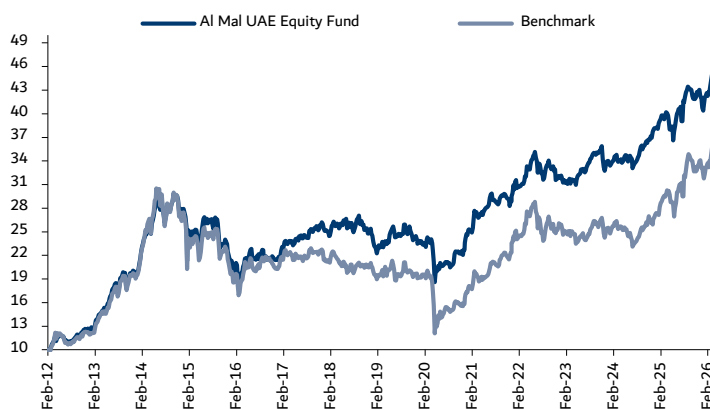
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	12.7%	14.9%
Tracking Error	5.1%	
Beta	0.8	
No. of Holdings	21	

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

### Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 56.8 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

### 10Y Fund Strategy Performance



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