Al Mal MENA Equity Fact Sheet

October 2026

NAV Per Unit: USD 10.48

Fund Manager Commentary

In October 2026, the MENA markets extended September's decline, and every market ended the month lower. Attacks on shipping in the Strait of Hormuz intensified, oil rose sharply and a broad emerging-market selloff weighed on risk appetite. Abu Dhabi (ADX -6.0%) was the weakest market in the region, ending a run of four consecutive monthly gains. Saudi Arabia (-5.0%) fell for a second straight month. Dubai (DFM -3.2%), Kuwait (-3.0%) and Oman (-2.9%) also declined. Qatar (-1.0%) held up best, recovering in the final week as mediation efforts gathered pace. Egypt (-4.4%) and Morocco (-6.7%) also declined sharply. During the month, we adopted a more prudent approach and raised our cash holding owing to the limited visibility and elevated geopolitical uncertainty. As of end-October, our exposure was Saudi Arabia (38%), UAE (38%), Kuwait (3%), Egypt (1%).

At the market level, October was again driven by geopolitics and rates rather than third quarter earnings. In Saudi Arabia, the TASI reached a mid-month high before trending lower into month-end. Banks (-7.1%) led the decline as expectations of higher-for-longer US rates weighed on the sector, with Bank Albilad (-12.1%), Alinma Bank (-10.8%) and Saudi National Bank (-9.8%) among the laggards. Energy was the only sector to gain (+2.6%), helped by Aramco (+2.8%) as exports resumed through the East-West pipeline and the Strait of Hormuz. On the macro front, KSA GDP contracted 3.8% YoY in Q3 2026 (less than expected) according to preliminary data released. In the UAE, financials (led by Abu Dhabi Islamic Bank -15.0%) and real estate drove the decline. Sentiment towards Dubai property was hurt by data showing a 47% y-o-y fall in Q3 residential sales values. In Oman, the market eased despite positive news on 6 October, when FTSE Russell placed Oman on its watch list for possible reclassification from Frontier to Secondary Emerging market status.

On the macro front, the Fed held rates at 3.75%-4.00% on 28 October in a 10-2 vote, following September's hike. Markets are now pricing a further increase in December. Oil extended its rally, with Brent up 13.6% in the month to USD117.6/bbl, a fourth consecutive monthly gain; and settled at its highest level since late April on 23-Oct. Looking ahead, we expect the Middle East conflict and the security of Hormuz shipping to remain the dominant drivers. A possible further Fed hike in December is an additional headwind for valuations and credit growth. We remain constructive on Saudi Arabia given strong underlying fundamentals and structural growth and see the recent pullback as an opportunity. A possible easing of foreign ownership limits remains a potential catalyst, albeit we see a low likelihood of this in 2026. In the UAE, we still expect the economy to rebound from its crisis lows. Key to watch: travel and tourism, loan growth and real estate demand. Oman continues to differentiate itself as the lesser impacted market. We remain neutral on Kuwait; and prefer tactical exposures in Qatar and Egypt.

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	-5.2%	-3.9%	-1.3%
YTD*	-5.3%	-5.2%	-0.1%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	52.2%	-20.8%	73.0%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 28th Oct. 2026

Top 5 Holdings

Holding	% of Fund
EMAAR PROPERTIES PJSC	6.3
AL RAJHI BANK	6.0
SAUDI NATIONAL BANK	5.1
RASAN INFORMATION TECHNOLOGY	4.8
ADNOC GAS PLC	4.2

Fund Analysis

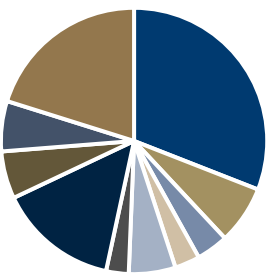
Matrix[4]	Fund	Benchmark
Standard Deviation	13.4%	11.7%
Tracking Error	7.5%	
Beta	1	
No. of Holdings	23	

[4] Calculated using 3-year weekly data

Fund Information

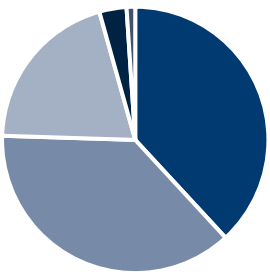
Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 21.4 million
Strategy Size	USD 250 million
Domicile	Bahrain
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 50,000
Bloomberg Code	MALMENE BI
ISIN Code	BH0003764U21
Management Fee	1.75%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered

Sector Allocation



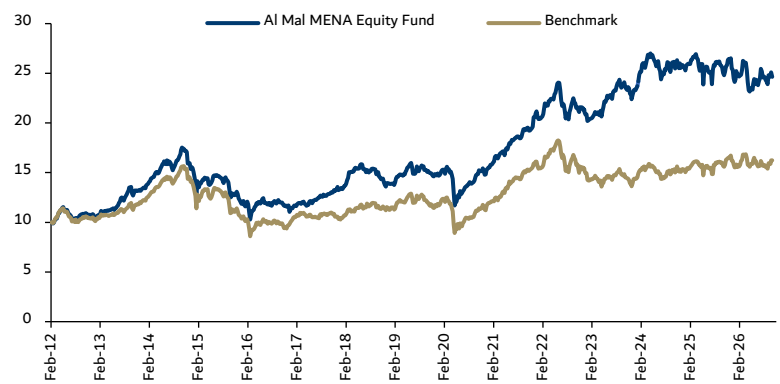
- 30.9% - Financials
- 7.1% - Energy
- 3.9% - Consumer Discretionary
- 3% - Information Technology
- 5.7% - Materials
- 2.7% - Communication Services
- 14.6% - Industrials
- 5.8% - Health Care
- 6.1% - Real Estate
- 20.2% - Cash

Geographic Allocation



- 38.1% - Saudi Arabia
- 37.4% - UAE
- 20.2% - Cash
- 3.3% - Kuwait
- 1% - Egypt

10Y Fund Strategy Performance



Disclaimer

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Al Mal UAE Equity Fact Sheet

October 2026

NAV Per Unit: AED 2.01

Fund Manager Commentary

UAE equities retreated in October, reversing September's gains as geopolitical uncertainty, elevated financing costs and mixed corporate earnings weighed on investor sentiment. The FTSE ADX General Index declined 6.00% to close at 9,466.34, while the DFM General Index fell 3.18% to 5,770.73, based on the final trading session on 30 October. These declines brought their year-to-date losses to 5.27% and 4.57%, respectively, underscoring the continued sensitivity of UAE equities to geopolitical developments and global financial conditions.
Market weakness was broad, with financials and real estate contributing to the declines across both exchanges. Trading activity also moderated, with monthly turnover falling 15.3% on ADX and 24.9% on DFM.

Monetary policy remained a central consideration for valuations. On 28 October, the Federal Reserve maintained its target range at 3.75%–4.00%, while the Central Bank of the UAE held its Base Rate at 3.90%. Following September's increase, these decisions kept borrowing costs elevated. In our assessment, this environment continues to favor companies with manageable leverage and strong interest coverage, while warranting closer scrutiny of refinancing requirements and the sustainability of shareholder distributions. For banks, the earnings implications depend on the balance between asset repricing, deposit costs, credit growth, and provisioning requirements.

Domestic economic indicators provided a more supportive backdrop. Data released on 5 October showed the UAE's S&P Global Purchasing Managers' Index holding at 55.3 in September, unchanged from August and consistent with a marked expansion in non-oil private-sector activity. Dubai's PMI increased to 54.5 from 54.1, its strongest reading of 2026. Stronger demand and new business supported activity, although rising input costs highlighted the importance of pricing power and cost discipline in protecting margins. These indicators suggested that the domestic economy entered the fourth quarter with positive underlying momentum.

Geopolitical developments continued to constrain risk appetite towards month-end. Renewed concerns over regional security and shipping through the Strait of Hormuz weighed on sentiment, while mixed earnings announcements added company-specific pressure. The investment implications extend beyond near-term market volatility: sustained disruption could affect freight costs, supply chains, and business confidence. A lasting improvement in regional security would therefore provide an important foundation for renewed investor participation.
We maintain a selective stance on UAE equities. October's correction has improved entry valuations in parts of the market, but lower prices alone do not establish an investment case. Our preference remains for businesses with resilient operating cash flow, sound balance sheets, disciplined capital allocation, and dividends supported by recurring earnings. Within domestic cyclicals, we favor companies with clear revenue visibility and limited refinancing exposure. An easing of regional tensions would help restore investor confidence, strengthen the market outlook and support a sustained recovery in UAE equities.

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	-3.4%	-3.5%	0.1%
YTD*	0.4%	-1.4%	1.8%
2025	8.5%	15.1%	-6.6%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
Since Inc.	204.8%	-4.7%	209.5%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
3 As of 28th Oct 2026

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank PJSC	9.5
EMIRATES NBD PJSC	8.4
ABU DHABI COMMERCIAL BANK	8.1

Fund Analysis

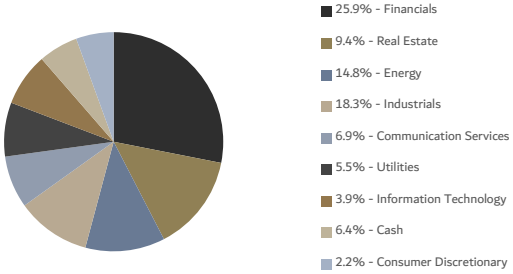
Matrix[4]	Fund	Benchmark
Standard Deviation	14.1%	16.0%
Tracking Error	7.3%	
Beta	0.8	
No. of Holdings	19	

[4] Calculated using 3-year weekly data

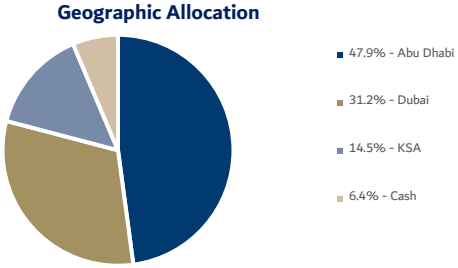
Fund Information

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

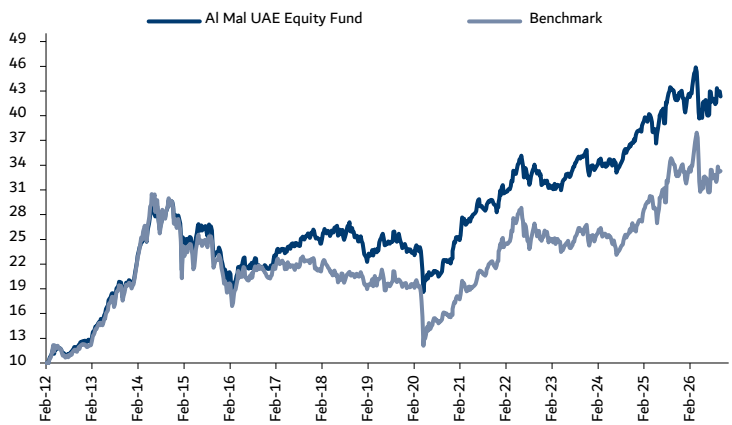
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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