



Fund Manager Commentary

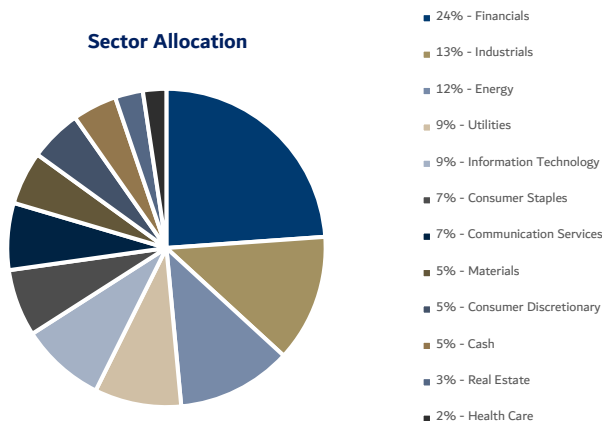
In the beginning of a new year, the global economy is still facing ongoing instability due to a series of disruptive events: the pandemic, high inflation, tight monetary policies, the Ukraine conflict, and recent turmoil in the Middle East. However, the IMF has upgraded Saudi Arabia's economic growth forecast, now projecting a 5.5% growth rate for 2025, up from 4.5% in October 2023. Global growth is expected to reach 3.1% in 2024 and 3.2% in 2025. MENA region growth was adjusted slightly, decreasing to 2.9% for 2024 and increasing to 4.2%.

In Jan-2024, Kuwait led the GCC markets with a 6.6% gain, its highest in almost five years. Bahrain followed with a 4.9% increase, while Dubai saw a 2.7% rise despite a strong performance in 2023. Qatar experienced the largest decline at 6.8%, while Saudi Arabia and Abu Dhabi faced contractions due to regional geopolitical tensions and Aramco's oil output cap announcement.

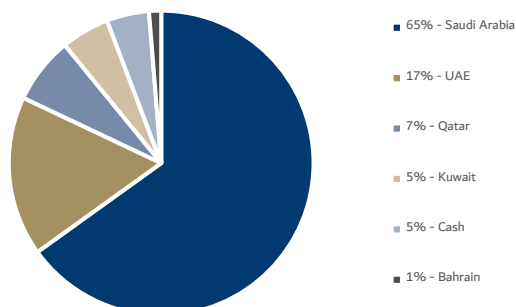
Our holding Al Rajhi bank has kicked off the earning season with results that we relatively in-line and as expected with the current interest rate cycle. Rajhi reported a profit of 4.2bn SAR that was down 5% year on year. Alinma was one of our growth picks and have announced a 35% increase in profitability at 4.8bn in 2023.

As the new year starts, the fund has deployed most of the cash in high conviction calls and is expecting the IPOs to keep hitting the market which will be planned accordingly. The fund remains well diversified with 31 names with financials accounting for 24% of the fund. The top-3 holdings constitute 14.8% of the fund. The fund continued to outperform the market as the fund recorded MTD growth of 1.47% as compared to the benchmark index performance of -0.3% on MTD basis.

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	1.5%	-0.3%	1.8%
YTD ³	1.5%	-0.3%	1.8%
1 Year	21.9%	4.8%	17.1%
3 Year	54.3%	22.7%	31.6%
5 Year	73.5%	25.2%	48.3%
Since Inc.	66.3%	-18.6%	84.9%

¹ Performance is net of fees; return is cumulative

² S&P Pan Arab Composite Index

³ As of 31st January 2024

Holding	Top 5 Holdings	% of Fund
ELM Company		5.8
Saudi National Bank		4.8
Al Khorayef Water and Power Technologies Company		4.1
Sahara International Petrochemical Company		4.1
Saudi Telecom Company		4.0

Fund Analysis

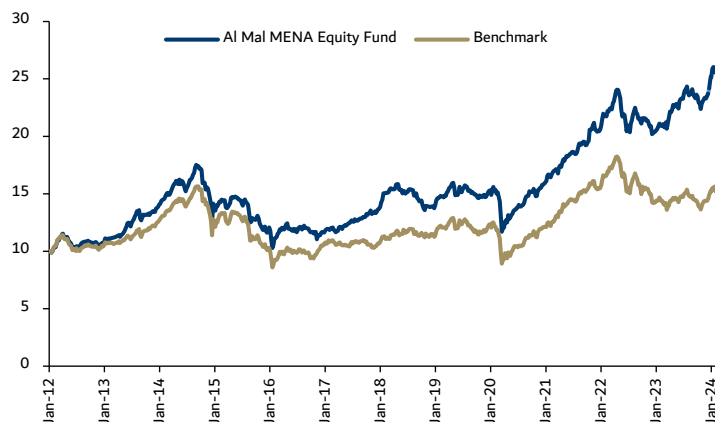
Matrix ⁴	Fund	Benchmark
Standard Deviation	10.7%	11.9%
Tracking Error	4.9%	
Beta	0.8	
No. of Holdings	31	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 25 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



Disclaimer

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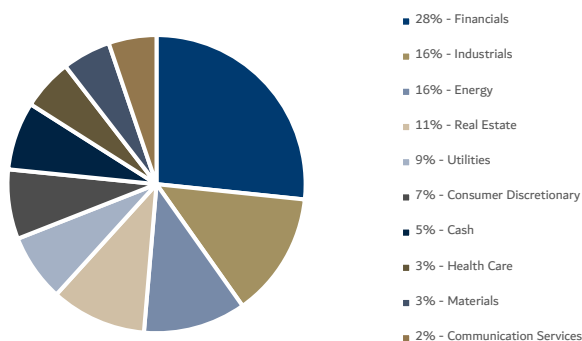
In the beginning of a new year, the global economy is still facing ongoing instability due to a series of disruptive events: the pandemic, high inflation, tight monetary policies, the Ukraine conflict, and recent turmoil in the Middle East. However, the IMF has upgraded Saudi Arabia's economic growth forecast, now projecting a 5.5% growth rate for 2025, up from 4.5% in October 2023. This reflects the Kingdom's ongoing economic progress, boosted by its influential leadership. Global growth is expected to reach 3.1% in 2024 and 3.2% in 2025. MENA region growth was adjusted slightly, decreasing to 2.9% for 2024 and increasing to 4.2%.

January was a month that saw continuation of the momentum that's within the UAE markets as the DFM Index recorded monthly gains of 2.7% while FTSE ADX Index was down 0.7%.

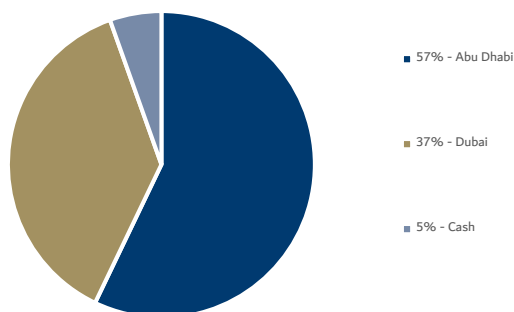
UAE economy remains on strong footing as S&P forecasts UAE's GDP to grow by 5% in 2024, outpacing the expected 2.8% global growth. Non-oil sectors, especially Dubai's Hospitality, Financial Services, and Wholesale & Retail, are expected to drive this growth. In Abu Dhabi, business activity surged in 2023, with 25,647 new economic licenses issued, valued at AED 210 billion, representing a 10.9% increase from 2022. Notably, the Tourism sector saw a significant uptick, with a 22.4% rise in new licenses issued.

As the new year starts, the fund has deployed most of the cash in high conviction calls and is expecting the IPOs to keep hitting the market which will be planned accordingly. The fund remains well diversified with 24 names with financials accounting for 27.8% of the fund. The top-3 holdings constitute 23% of the fund. The fund continued to outperform the market as the fund recorded MTD growth of 0.81% as compared to the benchmark index performance of 0.35% on MTD basis.

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	0.8%	0.3%	0.5%
YTD*	0.8%	0.3%	0.5%
1 Year	15.8%	5.5%	10.3%
3 Years	45.9%	31.9%	14.0%
5 Year	82.3%	30.7%	51.6%
Since Inc.	139.2%	-24.9%	164.1%

¹ Performance is net of fees; return is cumulative

² S&P UAE Domestic 10% Capped Index

³ As of 31st January 2024

Top 3 Holdings

Holding	% of Fund
Abu Dhabi Ports	8.1
Dubai Islamic Bank	7.7
Adnoc Drilling Company	7.2

Fund Analysis

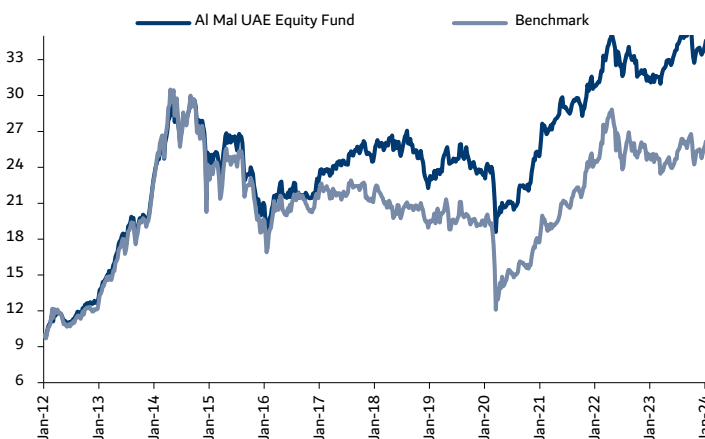
Matrix ⁴	Fund	Benchmark
Standard Deviation	10.8%	14.7%
Tracking Error	6.7%	
Beta	0.7	
No. of Holdings	24	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 49 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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