Al Mal MENA Equity Fact Sheet

February 2024

NAV Per Unit: USD 13.16

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. The GCC index has surged to a 16-month high led a rally across many sectors while also having the second highest level of trading activity in the last 21 months.

In Feb-2024, Saudi Arabia led the GCC markets with a 7.07% gain. Qatar followed with a 3.8% increase, while Dubai saw a 3.4% rise following a strong performance in 2023. Abu Dhabi experienced the largest decline at -2.67%, while Kuwait was showed growth of 2.4% in this month.

Our holding Saudi National Bank experienced a notable 7.7% increase in net profit, reaching SAR 20.0 billion. This growth was primarily driven by a significant 45% rise in net special commission income, accompanied by a 10.3% increase in the financing portfolio and a 4.2% increase in the investment portfolio. Solutions have also provided their earnings which have shown revenues climb by 17.6% but have had margin weakness due to one-offs and seasonality yet growth prospects are still there and a quick recovery in margins are expected.

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 30 names with financials accounting for 23% of the fund. The top-3 holdings constitute 16% of the fund. The fund continued to outperform the market as the fund recorded MTD growth of 4.15% as compared to the benchmark index performance of 4.1% on MTD basis.

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	4.1%	4.1%	0.0%
YTD[3]	5.7%	3.8%	1.9%
1 Year	28.1%	13.0%	15.1%
3 Year	56.7%	26.1%	30.6%
5 Year	81.1%	31.3%	49.8%
Since Inc.	73.2%	-15.3%	88.5%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 29th February 2024

Top 5 Holdings

Holding	% of Fund
ELM Company	6.3
Sustained Infrastructure Holding Company	5.1
Saudi National Bank	4.6
Al Khorayef Water and Power Technologies Company	4.3
Saudi Electricity Company	4.1

Fund Analysis

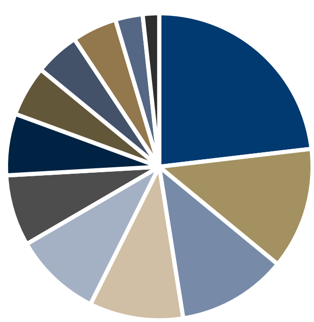
Matrix[4]	Fund	Benchmark
Standard Deviation	10.7%	11.9%
Tracking Error	5.1%	
Beta	0.8	
No. of Holdings	30	

[4] Calculated using 3-year weekly data

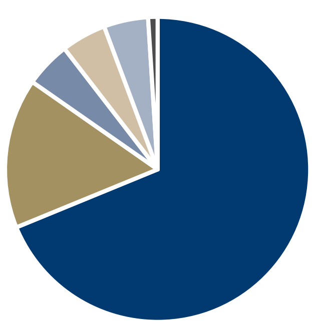
Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 27 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

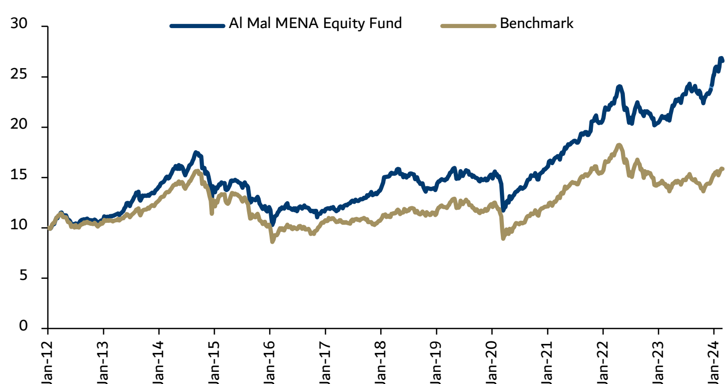
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Al Mal UAE Equity Fact Sheet

February 2024

NAV Per Unit: AED 1.72

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. The UAE is showing a combination of strong real estate performance and along with anticipated economic growth drivers suggests a positive outlook for both Dubai and the wider UAE economy in 2024, with real estate continuing to play a vital role in driving economic activity and diversification efforts.

February was a month that saw continuation of the momentum that's within the UAE markets as the DFM Index recorded monthly gains of 3.4% while FTSE ADX Index was down by 2.7%.

The UAE real estate market shows robust growth with plans for over 7,000 residential units and Abu Dhabi transactions surpassing AED 5 billion in January 2024. Dubai's Chamber of Commerce forecasts a 5% economic growth driven by infrastructure investments, a favorable business environment, and potential interest rate cuts. Dubai's real estate market already exhibits strong performance, recording USD 9.6 billion in January 2024 sales, marking a 27% year-on-year increase.

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 28% of the fund. The top-3 holdings constitute 24% of the fund. The fund is being outperformed by the market as the fund recorded MTD decrease of 1.48% as compared to the benchmark index performance of -0.9% on MTD basis. We are keeping an eye on the interest rate movement and rate-sensitive stocks and will be churning the portfolio accordingly.

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	-1.48%	-0.9%	-0.6%
YTD*	-0.7%	-0.6%	-0.1%
1 Year	12.3%	3.2%	9.1%
3 Years	46.4%	36.7%	9.7%
5 Year	74.5%	24.3%	50.2%
Since Inc.	135.7%	-25.6%	161.3%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 29th February 2024

Top 3 Holdings

Holding	% of Fund
Dubai Islamic Bank	8.0
Abu Dhabi Ports	7.7
Adnoc Drilling Company	7.4

Fund Analysis

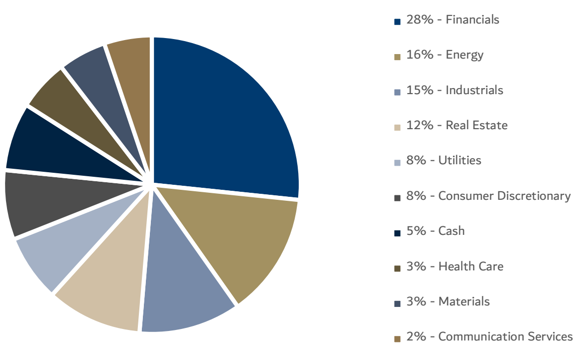
Matrix[4]	Fund	Benchmark
Standard Deviation	10.2%	14.2%
Tracking Error	6.8%	
Beta	0.6	
No. of Holdings	24	

[4] Calculated using 3-year weekly data

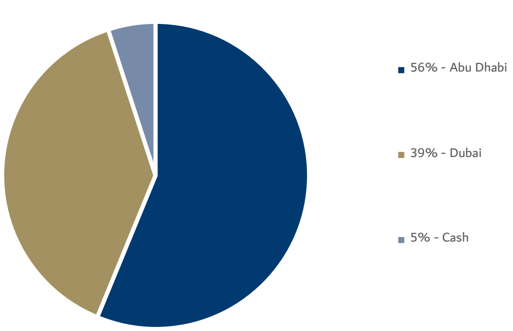
Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 48.5 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

Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance