



Fund Manager Commentary

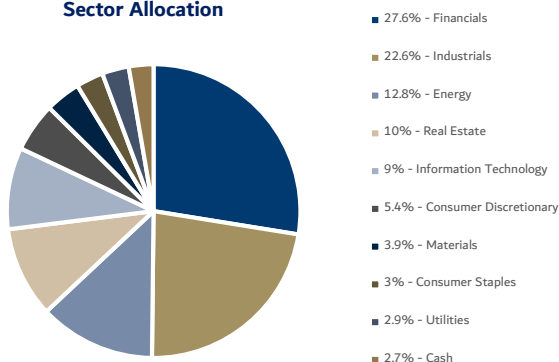
US Central Bank Chairman Powell's Jackson Hole remarks signalled a notable shift from the Fed's July minutes, which had emphasized upside inflation risks. Instead, Powell acknowledged that the balance of risks is now shifting, with inflation pressures easing and employment risks gaining more attention. He highlighted that interest rates are already much closer to neutral compared to a year ago, giving the Fed more room for a measured approach. The steady labour market allows for flexibility, but Powell noted that the elevated rate environment means policy adjustments may be needed if the economic outlook continues to change.

The tone of the speech leaned more dovish than markets anticipated. Powell avoided pushing back against expectations of a rate cut and emphasized that shifting risks could justify policy adjustments. His reduced concern over tariff-driven inflation reflected a growing focus on labour market weakness, which the Fed may prioritize in the months ahead. Markets reacted positively to his cautious stance, interpreting it as openness to easing rather than a hawkish defence of current rates.

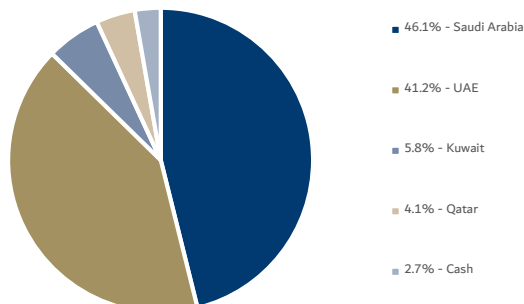
In its 2025 Article IV consultation, the IMF praised Saudi Arabia's strong non-oil growth of 4.5% in 2024, low inflation, and record-low unemployment, highlighting major strides in labour market inclusion with female participation doubling and youth and female unemployment halved. The Fund emphasized the need for countercyclical policies, gradual fiscal consolidation, and ongoing structural reforms. While public debt is projected to rise from 29.8% of GDP this year to 32.6% next year, it remains within manageable levels given prudent fiscal policy and borrowing strategies.

Saudi Arabia's housing supply continues to trail demand, putting pressure on residential prices. GaStat reported price growth slowing to 0.4% qoq in Q2 from 5.1% in Q1, while JLL noted a 1.5% yoy decline in transaction volumes, with around 18,900 units under construction in Riyadh. A new law permitting foreigners to purchase property in restricted areas from 2026 is expected to fuel further price pressures.

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	-2.2%	-0.6%	-1.6%
YTD*	-1.4%	2.6%	-4.0%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
2022	-0.9%	-5.9%	5.0%
Since Inc.	66.4%	-14.6%	81.0%

¹ Performance is net of fees; return is cumulative

² S&P Pan Arab Composite Index

³ As of 27th August 2025

Holding	Top 5 Holdings	% of Fund
Emaar Properties		7.0
Saudi National Bank		4.9
Adnoc Logistics and services		4.2
Adnoc Gas PLC		4.0
Dubai Taxi Co. PJSC		4.0

Fund Analysis

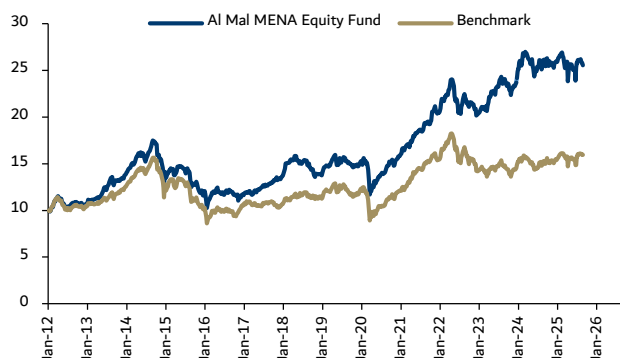
Matrix ⁴	Fund	Benchmark
Standard Deviation	12.8%	11.8%
Tracking Error	6.7%	
Beta	0.9	
No. of Holdings	30	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 23.5 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



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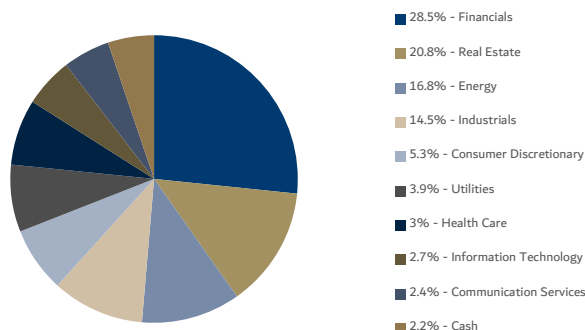
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In the UAE macroeconomic update, Dubai's GDP grew 4% yoy to AED 119.7bn in Q1 2025, supported by strong gains in health (+26%), real estate (+7.8%), and finance (+5.9%). Wholesale & retail trade remained the largest contributor at 23%, followed by finance & insurance (13.4%), transport & storage (13%), and real estate (7.5%). In Abu Dhabi, certificates of origin rose 10.3% yoy by June, while non-oil trade surged 34.7% in H1, with exports and re-exports jumping 64% and 35% respectively.

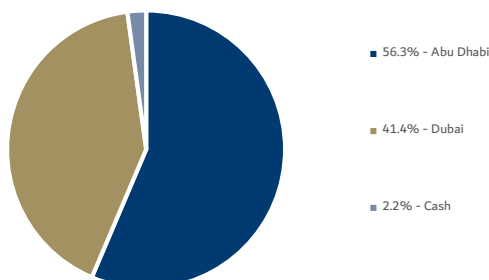
Real estate momentum remained strong, with Dubai recording 4,049 new activities in H1 2025, led by brokerage services. Knight Frank noted a 207% jump in high-value office sales in Dubai and a doubling of leasing demand in Abu Dhabi, pushing Grade A rents higher as vacancies hit historic lows. Cavendish Maxwell reported 34k sqm of new Dubai office space added in H1, with 110k sqm expected by year-end and 340k sqm in 2026.

Looking ahead, we remain constructive on the outlook for UAE equities. Robust corporate earnings momentum and ongoing inflows from both regional and global investors are likely to sustain positive sentiment. With valuations still offering room for upside and supportive liquidity conditions underpinning the market, we expect the recent strength in UAE indices to extend further in the coming months.

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	-1.1%	-2.4%	1.3%
YTD*	10.8%	17.9%	-7.1%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
2022	6.2%	5.4%	0.8%
Since Inc.	209.8%	-1.0%	210.8%

¹ Performance is net of fees; return is cumulative

² S&P UAE Domestic 10% Capped Index

³ As of 27th August 2025

Top 3 Holdings

Holding	% of Fund
Emirates NBD PJSC	7.3
Emaar Properties	6.8
Dubai Islamic Bank	6.1

Fund Analysis

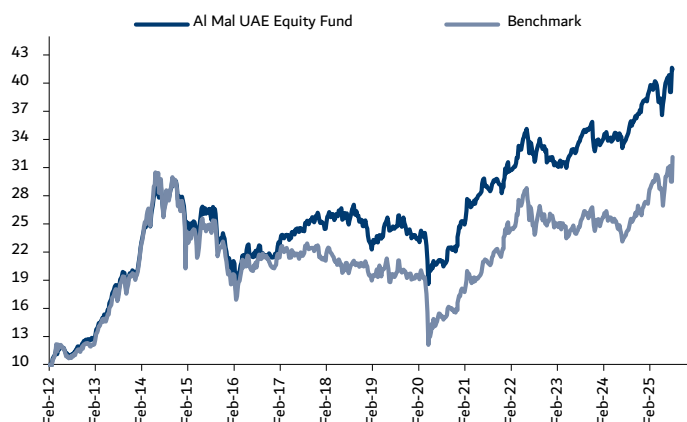
Matrix ⁴	Fund	Benchmark
Standard Deviation	10.3%	13.3%
Tracking Error	5.8%	
Beta	0.7	
No. of Holdings	24	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 57 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



Disclaimer

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