



Fund Manager Commentary

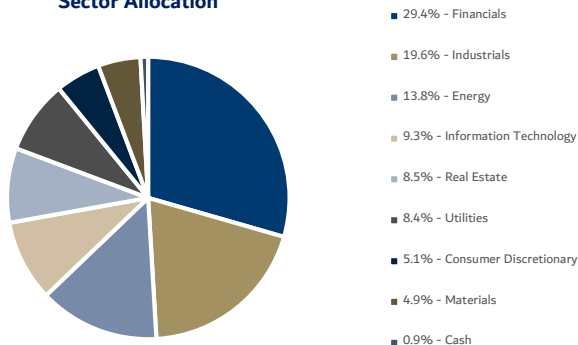
As anticipated, the Federal Reserve lowered interest rates by 25 basis points in October. However, it was the outlook for the upcoming December 9–10 meeting that captured most of the attention and shaped market sentiment. In his press conference, Chair Jerome Powell emphasized that there were “strongly different views” within the FOMC regarding the next step and cautioned that another rate cut in December was “far from a foregone conclusion.” We view the move as a stabilizing measure aimed at reducing the risk of financing disruptions, rather than a signal for a QE-style rally. Across the GCC, all central banks matched the Fed’s 25 bps reduction—except Kuwait, which opted to keep its rates unchanged for now.

The IMF’s latest economic outlook projects global growth to ease modestly to 3.2% in 2025 (from 3.3% in 2024) and further to 3.1% in 2026. The Fund highlighted that rising protectionism and economic fragmentation—particularly the U.S. tariff hikes—are introducing greater uncertainty into global trade and investment flows. These developments have weighed on consumption and business sentiment, clouding the near-term outlook despite still-resilient service sector activity and labour markets in several major economies.

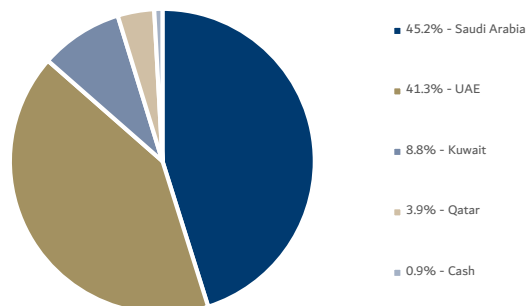
In contrast, MENA economies—especially the GCC—showcased strong resilience in 2025, despite facing tariffs, geopolitical tensions, and regional conflicts. In its latest Regional Economic Outlook, the IMF upgraded its estimates for GCC real GDP growth by 90 bps to 3.9% for 2025, and by 20 bps to 4.3% for 2026, reversing earlier downgrades made in May 2025. The IMF also revised up its oil GDP forecast by 250 bps to 4.2% for 2025 and by 50 bps to 5.9% for 2026, while non-oil GDP was lifted by 40 bps to 3.8% in 2025 and 10 bps to 3.6% in 2026. Notably, all six GCC economies received upward revisions for 2025 growth, with five also upgraded for 2026—underscoring the region’s relative insulation from global trade disruptions and tariff spillovers. Fiscal consolidation efforts are also improving non-oil fiscal balances across the bloc.

Regional activity remains robust despite lower oil prices and renewed global volatility. Non-oil sectors continue to drive GCC growth, led by Saudi Arabia and the UAE, where private-sector momentum remains solid. Recent PMI readings indicate sustained expansion in business activity, while inflation has normalized, supporting real incomes and providing policy flexibility. Strong fiscal and external buffers continue to cushion the impact of lower oil receipts, ensuring that macroeconomic conditions remain supportive across the GCC as it advances its diversification and reform agendas.

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	3.2%	2.5%	0.7%
YTD*	2.3%	7.5%	-5.2%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
2022	-0.9%	-5.9%	5.0%
Since Inc.	72.6%	-10.6%	83.2%

¹ Performance is net of fees; return is cumulative

² S&P Pan Arab Composite Index

³ As of 29th October 2025

Holding	Top 5 Holdings	% of Fund
Adnoc Gas PLC		6.2
Saudi National Bank		5.8
Al Masane Al Kobra Mining Company		4.9
Emaar Properties		4.5
Emirates NBD PJSC		4.3

Fund Analysis

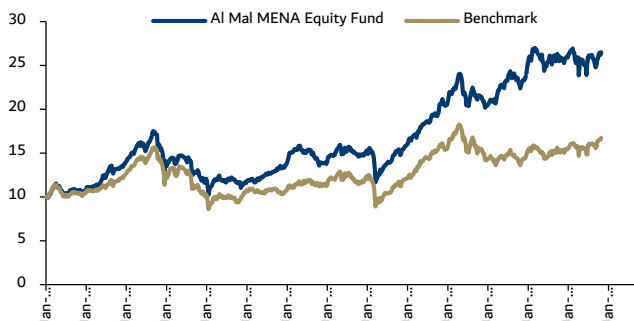
Matrix ⁴	Fund	Benchmark
Standard Deviation	12.8%	11.6%
Tracking Error	6.8%	
Beta	0.9	
No. of Holdings	30	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 23.2 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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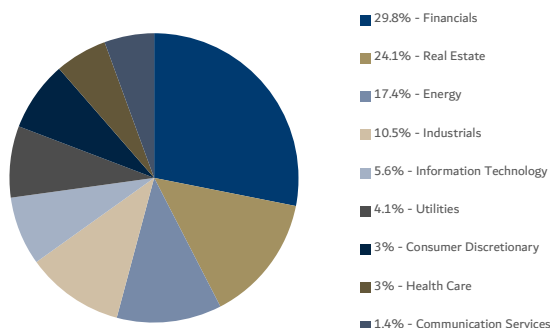
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The IMF’s latest economic outlook projects global growth to ease modestly to 3.2% in 2025 (from 3.3% in 2024) and further to 3.1% in 2026. The Fund highlighted that rising protectionism and economic fragmentation—particularly the U.S. tariff hikes—are introducing greater uncertainty into global trade and investment flows. These developments have weighed on consumption and business sentiment, clouding the near-term outlook despite still-resilient service sector activity and labour markets in several major economies.

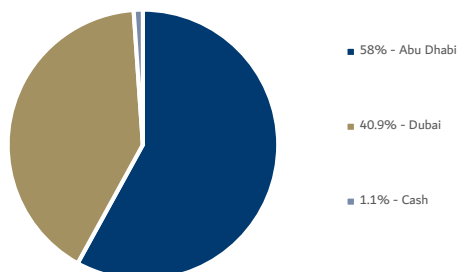
The UAE is projected to lead GCC growth in 2025, with forecast GDP expansion of 4.8% following an 80-bps upward revision from the May-2025 forecast. The UAE continues to demonstrate exceptional non-oil growth, with Abu Dhabi’s economy expanding by 6.6% in Q2 2025. Fiscal balances remain in comfortable surplus, underpinned by prudent policy management, while inflation remains contained, supporting real income growth and household spending.

A favourable mix of structural drivers—including rapid population expansion, robust corporate and sovereign balance sheets, and sustained investment in industrial diversification and energy transition projects—continues to reinforce the medium-term outlook. These factors provide a solid foundation for growth even amid short-term market volatility driven by investor positioning.

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	3.2%	4.4%	-1.2%
YTD*	10.8%	18.2%	-7.4%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
2022	6.2%	5.4%	0.8%
Since Inc.	210.0%	-0.8%	210.8%

¹ Performance is net of fees; return is cumulative

² S&P UAE Domestic 10% Capped Index

³ As of 29th October 2025

Top 3 Holdings

Holding	% of Fund
Adnoc Gas PLC	7.2
Al Dar Properties PJSC	6.9
First Abu Dhabi Bank PJSC	6.5

Fund Analysis

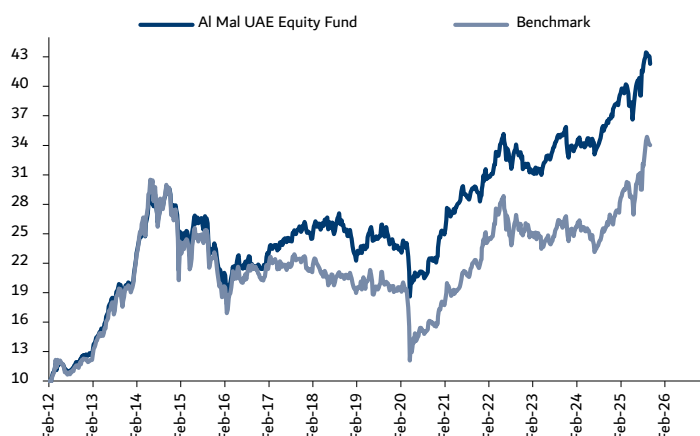
Matrix ⁴	Fund	Benchmark
Standard Deviation	10.2%	13.0%
Tracking Error	5.5%	
Beta	0.7	
No. of Holdings	21	

⁴ Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 54.9 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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