



## Fund Manager Commentary

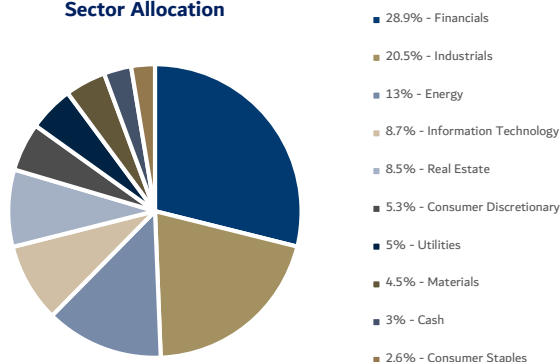
The first nine months of 2025 have been defined by a complex but resilient global economic landscape. Growth has held up better than many feared, supported by easing inflation pressures, accommodative monetary policies, and steady consumer demand in major economies. Yet, the period has also been shaped by shifting trade dynamics, elevated geopolitical tensions, and the start of a new rate-cutting cycle by the Federal Reserve. Together, these crosscurrents underscore an environment of cautious optimism, where selective positioning and risk management remain paramount for investors.

Among the key market events, the Federal Reserve delivered its widely anticipated 25 bps rate cut, bringing the rates down to 4.25%—its first reduction since December 2024. The meeting tone was mixed, reflecting uneven adjustments in economic projections and significant divergence in the dot plot. The statement acknowledged that economic activity moderated in 1H2025, while inflation remained “somewhat elevated.” Our base case remains for two 25 bps cuts in 2025, followed by two more in the first half of 2026.

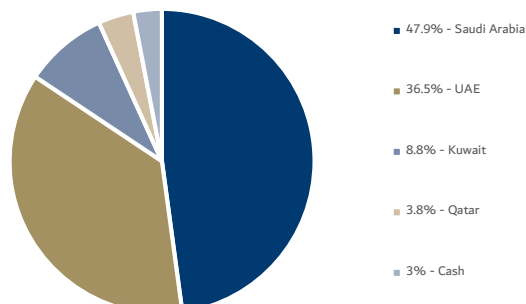
In tandem, all GCC central banks matched the Fed's 25 bps cut done in Sep-2025. The restart of the Fed's easing cycle should reinforce our outlook for around 4.0% non-oil GDP growth in the GCC in 2025—well above the projected global average, positioning the region as a relative outperformer. While a single 25 bps cut may have a limited near-term effect on economic activity and interbank rates, cumulative easing should support momentum, particularly into 2026. Overall, a deeper rate-cutting cycle should prove favourable for the GCC, especially against a backdrop of softer oil prices and subdued inflation.

In the GCC markets, reports suggested that Saudi Arabia's Capital Market Authority (CMA) is preparing to lift or relax the current 49% foreign ownership cap on listed companies, allowing foreign investors to hold majority stakes soon. The news triggered a sharp rally in the market on optimism that such a change would attract USD9bn-USD10bn in passive inflows from global index trackers. While details remain under discussion (and the final timeline is not confirmed), this shift could significantly expand foreign participation, deepen liquidity, and elevate Saudi stocks in global benchmarks.

## 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 <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Alpha
1 Month	0.5%	2.2%	-1.7%
YTD*	-0.9%	4.9%	-5.8%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
2022	-0.9%	-5.9%	5.0%
Since Inc.	67.3%	-12.8%	80.1%

<sup>1</sup> Performance is net of fees; return is cumulative

<sup>2</sup> S&P Pan Arab Composite Index

<sup>3</sup> As of 24<sup>th</sup> September 2025

Holding	Top 5 Holdings	% of Fund
Emaar Properties		5.6
Saudi National Bank		5.4
Al Masane Al Kobra Mining Company		4.5
Adnoc Logistics and services		4.2
Adnoc Gas PLC		4.1

## Fund Analysis

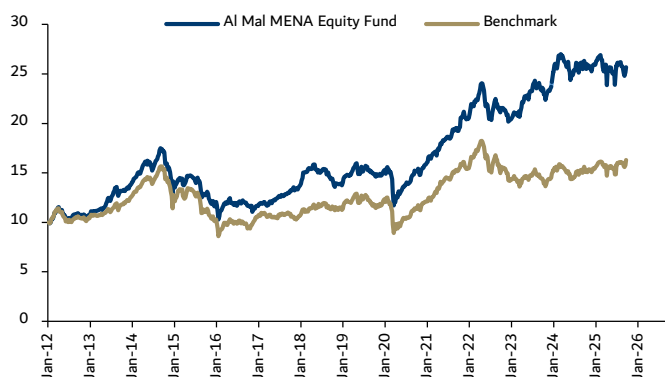
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	12.9%	11.9%
Tracking Error	6.8%	
Beta	0.9	
No. of Holdings	30	

<sup>4</sup> 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



## Disclaimer

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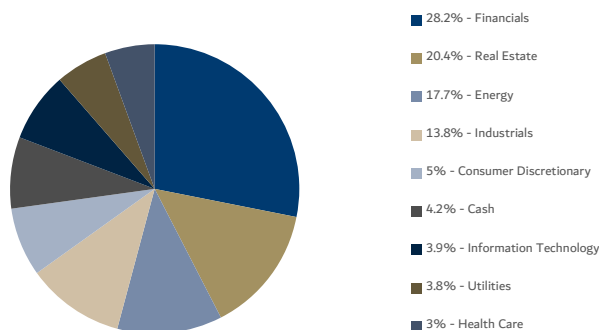
The first nine months of 2025 have been marked by a global economy that remains resilient despite multiple headwinds. Growth has exceeded expectations, underpinned by moderating inflation, accommodative policy stances, and sustained consumer demand across advanced economies. At the same time, heightened geopolitical risks, evolving trade relationships, and the launch of a fresh U.S. rate-cutting cycle have shaped sentiment. These competing forces set the stage for a climate of cautious optimism, where prudent risk management and selective exposure are crucial for investors.

One of the most notable developments was the Federal Reserve's widely expected 25 bps rate cut, lowering the policy rate to 4.25%—the first reduction since December 2024. The Fed's communication was mixed, with uneven adjustments to economic forecasts and a wide dispersion in the dot plot. Policymakers noted that economic activity softened during the first half of 2025, while inflation pressures persisted at slightly elevated levels. Our base case continues to point to two additional 25 bps cuts in 2025, with a further two likely in the first half of 2026.

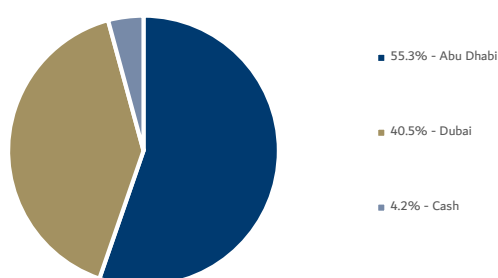
In parallel, UAE central bank followed suit, mirroring the Fed's September move. While a single 25 bps adjustment may have only a modest near-term impact, the cumulative effect of further cuts should bolster activity into 2026. In this context, a deeper cycle of monetary easing is expected to be supportive for the region, particularly amid softer oil prices and contained inflation.

Within the UAE, economic prospects have strengthened, with growth now projected at 4.9% in 2025—an upgrade from an earlier estimate of 4.4%—driven by higher oil output and robust expansion in the non-hydrocarbon economy, according to the Central Bank. The hydrocarbon sector is forecast to expand by 5.8% this year and 6.5% in 2026, while non-oil GDP is expected to rise 4.5% in 2025 and 4.8% in 2026. The latter should also benefit indirectly from stronger hydrocarbon activity, through higher investment, increased government spending, and stronger overall economic confidence. This is expected to trickle down to support the financial markets growth.

## 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 <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Relative Perf.
1 Month	-3.1%	-4.0%	0.9%
YTD*	7.4%	13.2%	-5.8%
2024	17.9%	12.2%	5.7%
2023	14.5%	7.6%	6.9%
2022	6.2%	5.4%	0.8%
Since Inc.	200.3%	-4.9%	205.2%

<sup>1</sup> Performance is net of fees; return is cumulative

<sup>2</sup> S&P UAE Domestic 10% Capped Index

<sup>3</sup> As of 24<sup>th</sup> September 2025

## Top 3 Holdings

Holding	% of Fund
Emirates NBD PJSC	7.0
Adnoc Logistics and services	6.6
Emaar Properties	6.3

## Fund Analysis

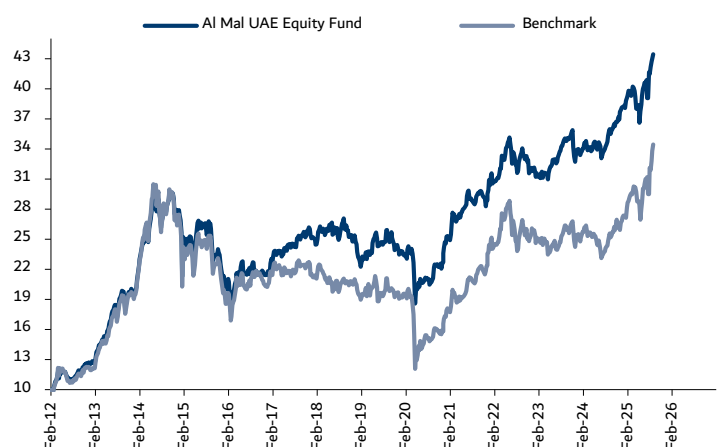
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	10.3%	13.3%
Tracking Error	5.7%	
Beta	0.7	
No. of Holdings	22	

<sup>4</sup> Calculated using 3-year weekly data

## Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 55.5 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

## 10Y Fund Strategy Performance



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