



## Fund Manager Commentary

The DFM General Index experienced a slight increase in performance at 0.79% with some volatility both during first week and in the middle of October. While the FTSE ADX experienced a sizeable price change with an increase of 3.33% as the index experienced a sharp rise in performance between October 17 and October 18 with positive fluctuations continuing towards the end of the month.

The UAE government reported a total revenue of AED 305.6bn in H1 2022, according to the finance ministry. In 2021, state revenues totalled AED 463.9bn (+26% y/y) while expenditures ticked up by 1% to AED 402.4bn, thereby recording an overall surplus of AED 61.5bn. Current spending grew by 8% to AED 382.4bn.

Portfolio Holding ENBD reported profit of AED3.8bn for 3Q22, +8% q/q and +51% y/y as a result of higher revenue and lower provisioning. The group's MENA business continues delivering on spread expansion, aided by rising rates. Even though credit quality metrics have improved, ENBD is using the strong pre-provision profit growth to boost NPL coverage.

Portfolio Holding ADNOC Distribution will enter into term and revolving credit facilities with First Abu Dhabi Bank, other banks and state oil firm ADNOC for a total of USD2.25bn to refinance general corporate facilities. ADNOC Distribution will enter into an unsecured senior corporate term facilities agreement with banks for a USD-denominated term facility of USD375mn and a AED-denominated term facility of AED4.13bn.

Another portfolio holding DEWA announced its intention to seek necessary approvals for a one-time special dividend, noting that the size and timing of the dividend are yet to be disclosed. The special dividend will come in addition to DEWA's stated annual dividend of AED6.2bn. According to management, this proposal comes following on the back of the AED2.03bn cash dividend received by DEWA from its 70% owned subsidiary, Empower.

At time of writing, the FOMC had held their November meeting, raising rates by 75bps, as expected, but retaining a rather hawkish tone while indicating it is too premature to talk about pivoting the direction of rates, and thereby narrowing the window of a soft landing. We thereby expect volatility to continue in the markets, and position accordingly, via defensive, multi-cycle names and a cash position to take advantage of this volatility and future IPOs.

## 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>	Alpha
1 Month	1.0%	1.0%	0.0%
YTD <sup>3</sup>	8.4%	3.6%	4.8%
1 Year	16.4%	13.4%	3.0%
3 Year	48.1%	28.7%	19.4%
5 Year	45.3%	12.0%	33.3%
Since Inc.	111.6%	-26.4%	138.0%

<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 26<sup>th</sup> October 2022

## Top 3 Holdings

Holding	% of Fund
Emaar Properties	8.7
Emirates NBD	6.3
Dubai Islamic Bank	5.8

## Fund Analysis

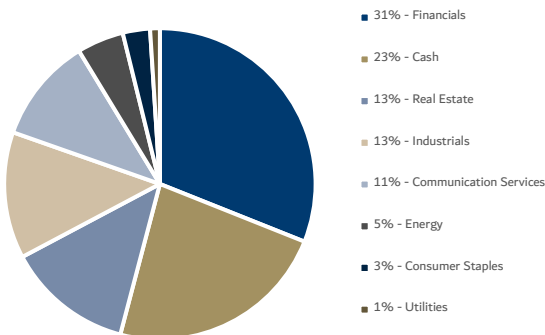
Matrix <sup>4</sup>	Fund	Benchmark
Standard Deviation	16.7%	23.8%
Tracking Error	10.6%	
Beta	0.6	
Dividend Yield 2022	4.0%	
No. of Holdings	19	

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

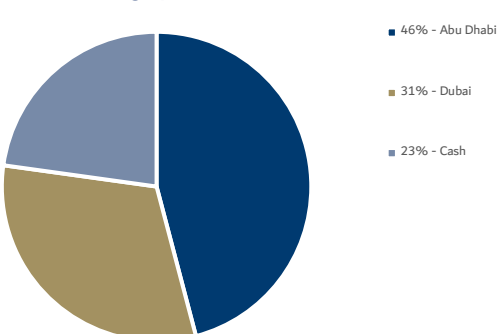
## Fund Information

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

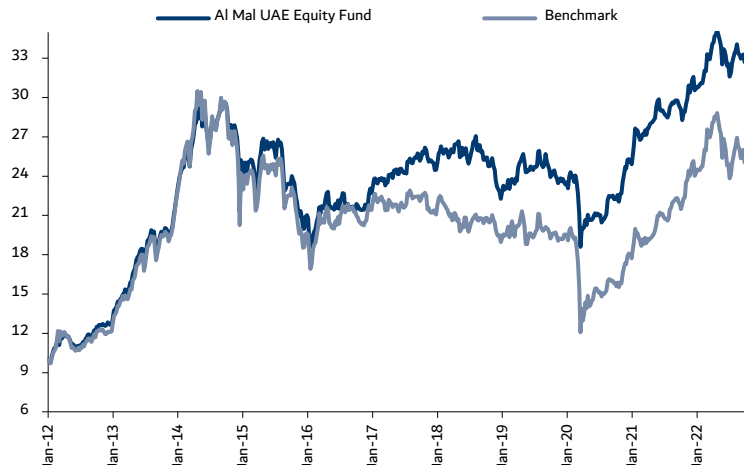
## Sector Allocation



## Geographic Allocation



## 10Y Fund Strategy Performance



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