



Fund Manager Commentary

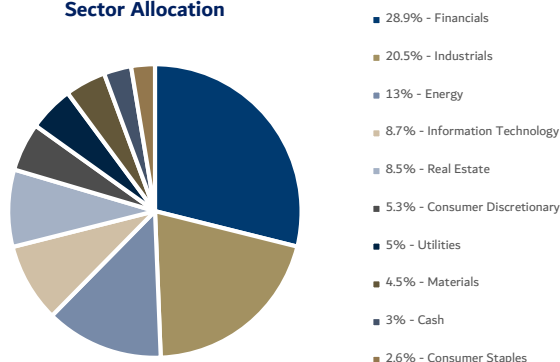
The first nine months of 2025 have been defined by a complex but resilient global economic landscape. Growth has held up better than many feared, supported by easing inflation pressures, accommodative monetary policies, and steady consumer demand in major economies. Yet, the period has also been shaped 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.

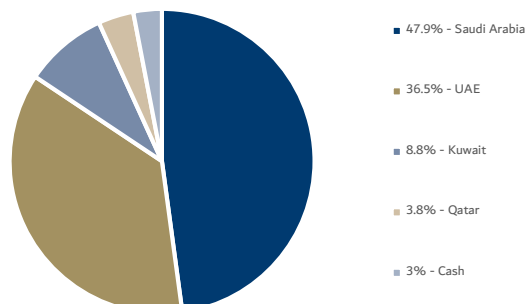
In tandem, all GCC central banks matched the Fed's 25 bps cut done in Sep-2025. The restart of the Fed's easing cycle should reinforce our outlook for around 4.0% non-oil GDP growth in the GCC in 2025—well above the projected global average, positioning the region as a relative outperformer. While a 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 ¹	Fund	Benchmark ²	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%

¹ Performance is net of fees; return is cumulative

² S&P Pan Arab Composite Index

³ As of 24th 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

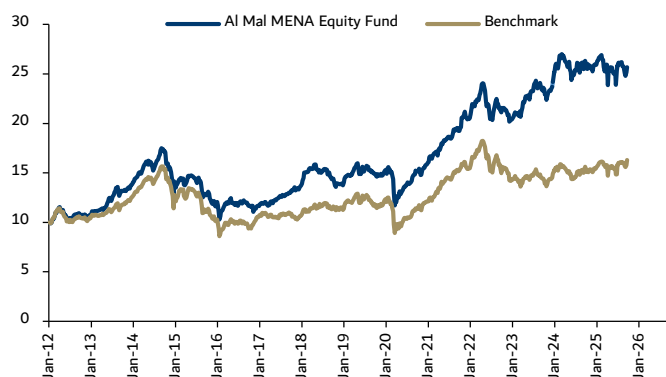
Matrix ⁴	Fund	Benchmark
Standard Deviation	12.9%	11.9%
Tracking Error	6.8%	
Beta	0.9	
No. of Holdings	30	

⁴ Calculated using 3-year weekly data

Fund Information

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

None of the information and opinions contained herein is intended to form the basis for any investment or trading decision, and no specific recommendations are intended. The products and transactions described herein are not suitable for every investor. Such products and transactions are only suitable for sophisticated and knowledgeable professional users of financial instruments and are structured and customized to the needs and objectives of each investor. The information and opinions contained herein have been prepared for informational purposes only and do not constitute an offer to sell, or solicitation of an offer to purchase, any security, any commodity futures contractor commodity-related product, any derivative product, or any trading strategy or service described herein. Neither Al Mal Capital PSC nor any of its affiliates, directors, authorized managers and/or employees accepts liability for any loss arising from the use of or makes any representation as to the accuracy or completeness of the terms and conditions of products and transactions described herein. Finalized terms and conditions are subject to further discussion and negotiation and will be determined in part on the basis of pricing and valuation models, data, and assumptions that are proprietary to Al Mal Capital and its affiliates. No assurance can be given that a product or transaction can, in fact, be executed on any representative terms indicated herein.