Al Mal MENA Equity Fact Sheet

June 2026

NAV Per Unit: USD 11.01

Fund Manager Commentary

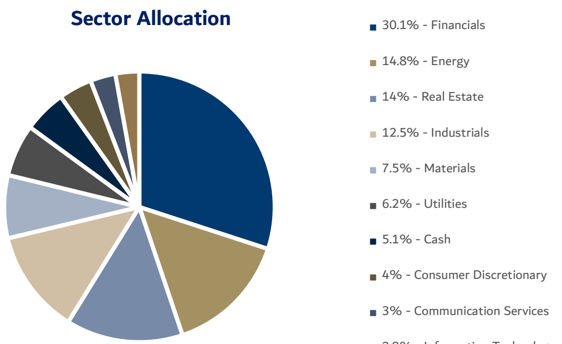
Negative global sentiment weighed on GCC equity market performance during June 2026, with Tadawul All Share Index declining for the third consecutive month. Despite the pullback, the Saudi benchmark remained in positive territory with a year-to-date gain of 2.9%. Heightened regional geopolitical uncertainty, stemming from the US-Iran conflict and disruptions in the Strait of Hormuz, further added to the downward pressure on regional equities. At the country level, Oman's MSX 30 recorded the sharpest decline, falling 3.2%, followed by Qatar Exchange Index and Saudi Arabia's Tadawul All Share Index, which declined by 3.0% and 2.5%, respectively. In contrast, UAE equity markets outperformed the broader region, with the Dubai Financial Market General Index gaining 3.4% and the FTSE ADX General Index advancing 1.1%. Oman remains up 28% on YTD basis till June-2026.

The FOMC kept its policy rate unchanged at 3.75% (upper bound) yesterday in Kevin Warsh's first meeting as Fed Chair. The overall tone, including the dot plot and Summary of Economic Projections (SEP), was more hawkish than markets had anticipated. GCC central banks remained on hold in line with the Fed. While the region continues to absorb a higher-for-longer rate environment, inflation remains broadly contained across the GCC but the recovery in sectors such as tourism, trade, and logistics will depend more on a resolution of the Iran crisis than on monetary easing. For GCC banks, this creates a differentiated backdrop: institutions with strong CASA franchises, faster asset repricing, and healthy liquidity should continue to outperform, while wholesale-funded lenders may face margin pressure.

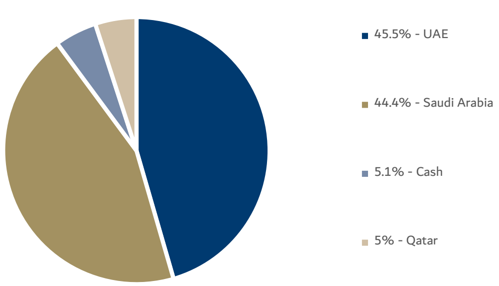
In Saudi Arabia, final data for Q1 2026 confirmed that real GDP growth slowed to 3.0% year-on-year, down from 5.2% in Q4 2025. Despite this slowdown, key areas of resilience remain intact, particularly the prospect of stronger oil revenues and the availability of alternative trade and logistics routes via Red Sea ports. In a significant reform, on 22 June 2026, the Saudi Cabinet approved designated zones where non-Saudis may own real estate. The framework is supportive for the Saudi real estate sector, opening a new source of direct demand while improving broader investor sentiment. That said, the benefits will vary significantly depending on each company's exposure to development projects and land within the approved zones.

Among corporate earnings, aggregate net profits for companies listed across GCC exchanges rose 15.5% year-on-year in Q1 2026, reaching a record quarterly high of USD67.9 billion compared to USD58.8 billion a year earlier. Profit growth was led by energy companies, most notably Saudi Aramco, followed by banks and selected industrial sectors including F&B and capital goods. Meanwhile, May PMI readings suggest regional non-oil activity is stabilising after the sharp deterioration seen in March and April. Saudi Arabia's PMI rose to 52.8 from 51.5, while the UAE improved to 52.6 from 52.1. Kuwait and Egypt remained in contraction but showed signs of moderating weakness.

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	3.1%	0.3%	2.8%
YTD*	-0.5%	0.3%	-0.8%
2025	-4.8%	0.5%	-5.3%
2024	3.0%	1.9%	1.1%
2023	23.1%	9.8%	13.3%
Since Inc.	59.9%	-16.2%	76.1%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 30th June 2026

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	6.9
Al Rajhi Bank	6.7
Adnoc Gas PLC	6.1
East Pipes Integrated Company for Industry LJSC	5.5
Emaar Properties	5.4

Fund Analysis

Matrix[4]	Fund	Benchmark
Standard Deviation	14.0%	11.5%
Tracking Error	7.1%	
Beta	1.0	
No. of Holdings	26	

[4] Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 22.4 million
Strategy Size	USD 250 million
Domicile	Bahrain
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 50,000
Bloomberg Code	MALMENE BI
ISIN Code	BH0003764U21
Management Fee	1.75%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered

10Y Fund Strategy Performance