Investment objective

The Fund will seek to achieve attractive risk adjusted returns by investing in Sharia compliant Saudi equities based on bottom-up fundamental research and technical analysis. The fund also allows to add GCC Sharia compliant equity names.

Fund Manager Commentary

Our SHUAA Saudi fund was down -1.2% in February 2025, (versus -1.5% benchmark) resulting in YTD performance of +1.4% (versus the benchmark of +1.5%).

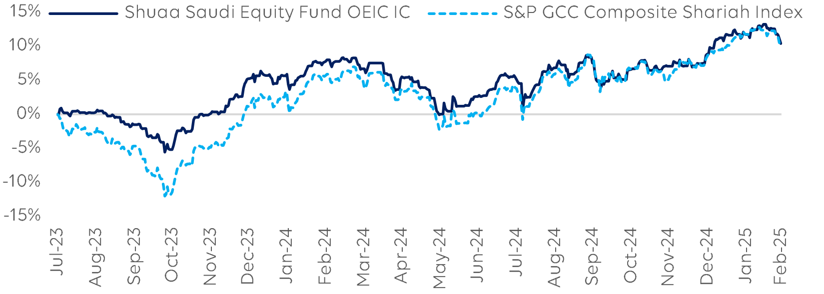
Kuwait continued to outperform regional markets in February 2025 with a m/m total return of +4.2% followed by Bahrain +4.1%, and Dubai +4.0%. Additionally, Qatar and ADX were up +0.5% and +0.3% respectively while Tadawul and Muscat saw downward pressures of -0.7% and -2.5%. YTD, Kuwait remains the best performing market +10.2%, followed by DFM +3.4%, Tadawul +2.7%, and ADX +1.9%. Q4 earnings season is almost over, and our portfolio's aggregate earnings grew c. 30% Y/YoY in Q4 whereas QoQ aggregate earnings were up 6%. UAE delivered highest earnings surprise compared to consensus (+6%), followed by Saudi (+0.3%). Rasan, DIB, and Emaar saw strong earnings beat while Lulu, Burjeel, Bupa, and SAL disappointed.

In Saudi Arabia, reports indicate a decline in demand from first-time homebuyers, dropping to 29% in 2024 from 40% in 2023, driven by soaring prices and high borrowing costs. As a result, apartment prices in Riyadh have surged by nearly 11%, reaching $1,500 per square meter in 2024. We believe that there is huge potential in the housing market, esp. on the mid-scale affordable options. We are gaining exposure to this real estate story in Saudi Arabia through an overweight position in Saudi banks.

Market data for Dubai suggests a slowdown in the property market, with double-digit month-on-month declines in land and apartment sales. Residential activity decreased by 5% MoM, driven by lower mortgage volumes, while off-plan sales showed a slight increase (+2% MoM) in January. Sales volumes and mortgage transactions stabilize, we expect the pace of growth to moderate in 2025, as affordability challenges and market maturity influences the landscape. Despite this, we maintain an overweight position on UAE real estate developers, like Emaar Development and Aldar as we believe the exceptional backlog, coupled with accelerated execution, presents upside potential for revenues into FY25.

Overall, we believe this region is poised to perform well relative to other emerging markets, driven by stronger consumption patterns (unlike in India, and China) and supported by its peg to the dollar and resilience in oil prices. Regarding oil, Brent crude at $71 is finding support from the potential delay in OPEC+ output hikes (for the fourth time), which could mitigate the expected oversupply in 2025. Tariffs and risk of trade wars continue to introduce significant uncertainty. IEA now forecasts a more balanced market in 2025 (previously anticipating a wider surplus), due to sanctions on Russia and Iran, along with slightly stronger demand growth in Asia.

Fund Returns Since Inception



Performance Fees of 15% charged since inception until June 2024

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA SAUDI Equity Fund	-1.2%	3.1%	3.3%	2.4%	1.4%	10.4%
S&P GCC Composite Shariah Total Return Index	-1.5%	4.8%	4.0%	4.2%	1.5%	10.1%

Fund Facts

Inception Date	Jul 2023
Domicile	Abu Dhabi Global Markets
Fund Currency	USD/SAR/AED
Asset Class	Sharia compliant Equities
Geography	GCC
ISIN	AE000A3CSWU8
Number of Holdings	44
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER /Mgmt Fee	2.2% / 1.5%
Performance Fee	Zero
Fund Manager	Aarthi Chandrasekaran
Co Fund Manager	Rajat Varna
Investment Manager	SHUAA GMC Limited

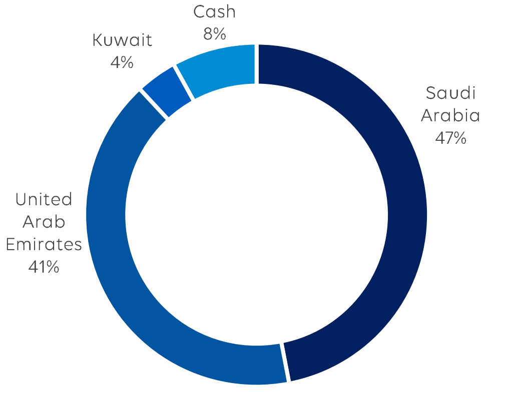
Portfolio Statistics

Fund AUM	$37.0m
NAV per Share	110.4

Performance

Annualised return	6.4%
Sharpe ratio	0.3
Standard deviation	6.7%
2024 Return	3.3%

Country Allocation



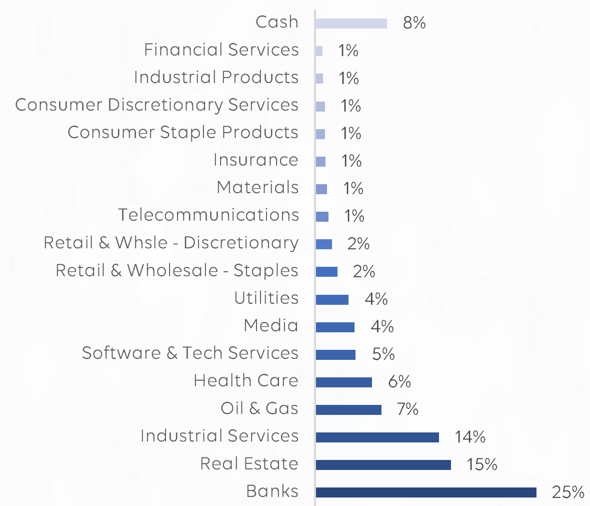
Top 5 holdings (excluding cash)

Al-Rajhi Bank	18.6%
Alinma Bank	5.5%
Emaar Properties	4.9%
Talabat Holding PLC	4.8%
Emaar Development PJSC	4.0%

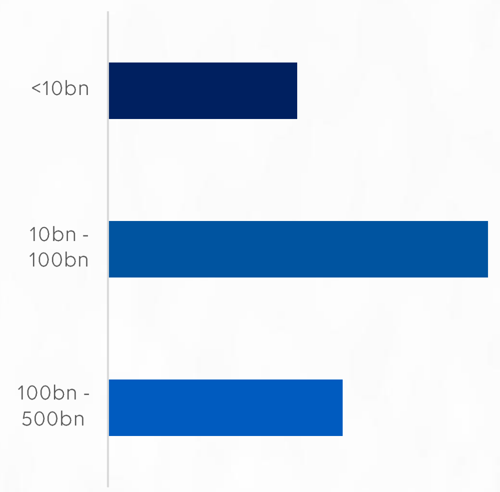
Fund Metrics

RoE	27.2%
Earnings Yield	6.5%
PE (12m Forward)	15.3x
EV/EBITDA (12m Forward)	11.1x
Net Debt/EBITDA	0.3x

Sector Allocation



Equity Market Capitalization of Holdings (USD)



Top 5 Performers

Aldar Properties	16.7%
Air Arabia	12.9%
Abu Dhabi Islamic Bank	9.0%
Talabat Holding PLC	8.5%
National Medical Care Company	8.2%

Bottom 5 Performers

Burjeel Holdings PLC	-27.5%
Lulu Retail Holdings PLC	-23.6%
Middle East Specialized Cables	-11.4%
SAL Saudi Logistics Services	-10.7%
Rasan Information Tech	-9.4%

Fund Management Sales

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