



Bank Muscat Oryx Fund

Objective

The main objective of the Fund is to achieve long-term capital appreciation through a diversified portfolio. The Fund will invest in equity securities and equity-related investments in companies in Oman and other countries in the MENA Region. The Fund may invest upto 25% of its assets into the securities listed in international markets.

Portfolio Report

Global equity markets ended lower in December, as investors resorted to profit booking after a strong year of gains. Despite a 2.7% decline in MSCI World index during December, the index closed the year with 17% gain. MSCI EM (-0.3% in December) settled for annual gain of 5.1%. Technology stocks maintained their outperformance with NASDAQ delivering return of 28.6% in 2024, compared to 23.3% rise in S&P 500. The Federal Reserve continued with the interest rate reduction cycle by cutting benchmark rates by 25bps to the 4.25-4.50% range. However, expectations of a hawkish Fed in 2025 pushed the 10Y bond yield higher by 40 bps.

Regional markets recovered after two consecutive months of losses. The S&P GCC Index advanced 3.3% in December, thereby ending the year with 2% gain. For the month, Dubai (+6.4%) was the best performer among the GCC markets, followed by Saudi Arabia (+3.4%), Abu Dhabi (+2.0%), Qatar (+1.5%), Kuwait (+1.0%) and Oman (+0.3%). Bahrain (-2.3%) was the only market in the region that ended lower.

Looking back at 2024, Dubai (+27.1%) delivered the best returns followed by Kuwait (+4.8%), Oman (+1.4%), Bahrain (+0.7%) and Saudi Arabia (+0.6%). On the flip side, Abu Dhabi (-1.7%) and Qatar (-2.4%) posted losses.

On the sectoral front, Real Estate (+35.9%), Utilities (+19.2%), Industrials (+5.1%) delivered strong returns for the full year. Materials (-12.1%), Energy (-9.2%) and Healthcare (-5.4%) were the top sectoral losers in 2024. In December, Real Estate (+13.4%), Utilities (+7.8%), Financials (+4.3%) were the top gainers while Materials (-0.8%), Telecom (-0.4%) and Consumer Discretionary (-0.1%) ended lower.

The fund appreciated 2.6% during the month, compared to a 3.3% gain in the S&P GCC index. For the year, the fund's NAV appreciated 4.4% as against a gain of 2% in the benchmark, thereby generating outperformance of 2.4%.

Going into 2025, GCC member countries are likely to maintain strong fiscal spending as part of economic diversification plans. For instance, Saudi Arabia approved its 2025 budget which estimates total spending to exceed revenues by SAR 101 billion or 2.3% of its GDP. UAE approved its largest ever budget with total spending to hit AED 71.5 billion. Qatar approved total expenditure of QAR 210bn for 2025, reflecting 4.6% growth. In Oman, government expects public spending to rise 1.3% to OMR 11.8bn, resulting in a fiscal deficit of OMR 620mn.

The expected interest rate trajectory remains downward. However, owing to strong economy and sticky inflation, the projected rate cut expectations have narrowed from 100bps to 50bps. In the regional markets, oil continues to hold key and if Brent continues to trade above USD 70/bbl, investor sentiment is likely to remain positive. The third-quarter earnings saw aggregate net profit strength driven by healthy growth for Banks and Materials sectors, while Energy was relatively weak. GCC aggregate sector earnings ex-Energy grew 10%. The corporate credit growth in Saudi Arabia remains strong (+4% sequential growth in 3Q24). We remain optimistic about businesses operating in the non-oil sectors to benefit from local structural drivers. The valuation of the regional markets remains attractive with further support from higher dividend yields. The fund continues to benefit from these trends, aiding outperformance over underlying benchmark.

Portfolio Performance

Portfolio Name	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Bank Muscat Oryx Fund	2.6%	4.4%	4.4%	12.5%	13.4%	8.9%
S&P GCC Composite Index	3.3%	2.0%	2.0%	0.2%	5.4%	2.7%

* Annualized

Fund Highlights

Fund Manager	Bank Muscat Asset Management
Inception Date	05/09/94
Structure	Open Ended Mutual Fund
Custodian	Bank Muscat SAOG
Domicile	Oman
Benchmark	S&P GCC Composite Index
Currency	OMR/USD
Risk Profile	High
Minimum Initial Purchase	OMR 50
Minimum Additional Purchase	OMR 50
Annual Management Fee	1.85%
Valuation	Daily
Subscription & Redemption	Daily

Top 3 Holdings

Company Name	Weightage (%)
AL RAJHI BANK	6.7
SAUDI RE FOR COOPERATIVE REI	3.9
EMAAR DEVELOPMENT PJSC	3.6

For further information, please contact:

Bank Muscat Asset Management

P.O. Box 134. PC 112. Ruwi. Sultanate of Oman.

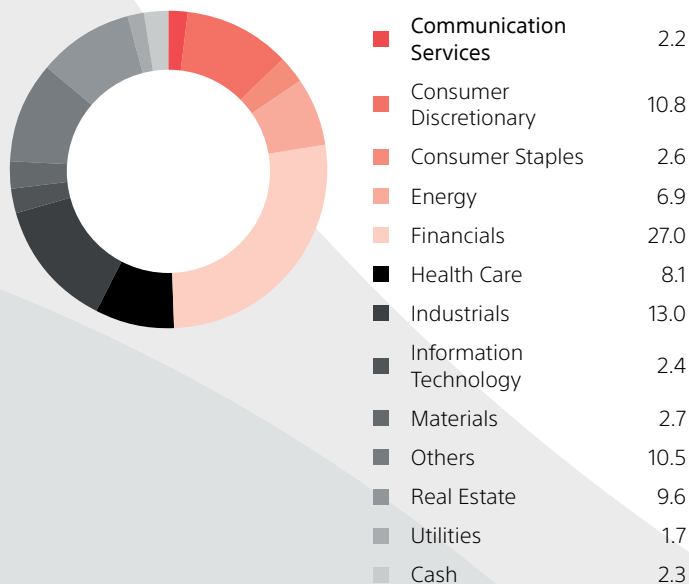
Tel: +968 24768029

E-mail: PublicMarkets@bankmuscat.com

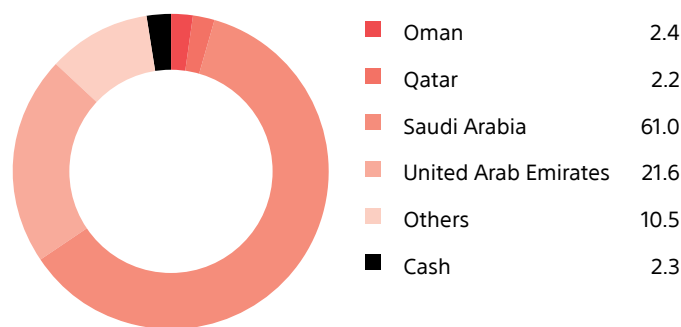
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Sectoral Allocation



Geographic Allocation



Risk History

Volatility 3 Years	16.3
Sharpe Ratio 3 Years	0.7
Sharpe Ratio 1 Year	0.2

For further information, please contact:
Bank Muscat Asset Management
 P.O. Box 134, PC 112, Ruwi, Sultanate of Oman.
 Tel: +968 24768029
 E-mail: PublicMarkets@bankmuscat.com

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