2022 AJEEJ CAPITAL ANNUAL INVESTOR LETTER

“Strategy is about making choices, trade-offs; it's about deliberately choosing to be different.”

Michael Porter

TL;DR:

Big Picture – for the past few years the region has been a rare bright spot in an altogether miserable investment backdrop, and that differentiation is set to continue.

UAE – arguably one of the best (and safest) places in the world to live today, resulting in a gravitational pull that is attracting both human and monetary capital.

Qatar – the World Cup is over, gas expansion will fuel the second half of the game.

Saudi – significant growth and investing in real world and effective projects across the economy, notwithstanding the parade of white elephants.

Egypt – people who were hopeful in 2011 and positive in 2016 are jaded and feel that the economy is slowly spiralling. They certainly have a point.

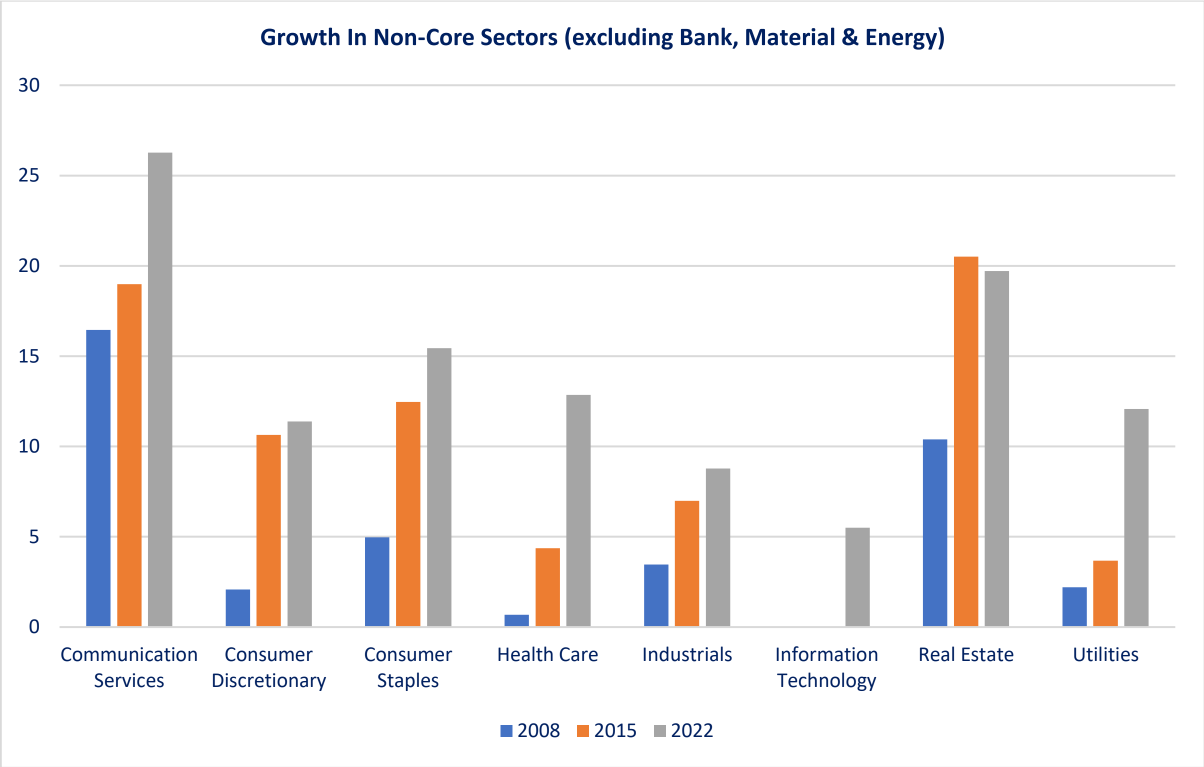
Themes – Investing behind Saudi growth; investing behind UAE positive dynamics; positioning for Qatar gas build-out; avoid Egypt.

Big Picture

Can we go so far as to say that the GCC represents the bastion of stability within the world? The former tinderbox of a region, weighed down by MENA neighbours’ historical problems ranging from threatening politicised Islam to a contagion of a peoples’ revolution, just over a decade ago, has staged a remarkable turnaround. Moreover, the irrelevance of the region within the US foreign policy construct on oil economics and broader interests in political security underscores a massive reversal. The onslaught of a bi-polar economic war, coupled with a dysfunctional Euro Zone and crisis of governance in the tribal partisan politics of the US certainly lays merit to this thesis, at least in spirit.

The relevance of the capital markets has created an artery for flows since Saudi’s MSCI EM inclusion in 2019; this turned the GCC to an 8% allocation to the broader index, up from a paltry 1%. Moreover, the underlying thesis that the GCC is a one-trick-pony, hinged on oil, should no longer hold. Saudi Arabia’s modern economic revolution, albeit soiled in branding by the Khashoggi saga, has resulted in a ‘hubbing’ of cosmopolitan bastions: for the highest quality-of-life head to the UAE; for the deepest tactical allocation of capital (capital raising potential) head to Qatar, whose coffers are ready to allocate globally; for arguably the world’s largest commercial, social and industrial buildout head to Saudi Arabia itself - the region cannot be ignored.

While we understand the limitations broadly exhibited across the GCC in furthering talent management, IP development, and cohesive urban development, the silos of maturity to establish a well-diversified economy away from oil are more reasonable than they ever have been. The imported capital model of KSA and knowledge transfer is designed with the necessary depth, and is a far cry from the failed offset programs of the past, which incidentally were managed by the Carlyle Group. The migration pull of the UAE has been phenomenal as they have liberalised the social framework, or rather brought the law in line with how many had already been practically living, to create a more inclusive and open-minded society. The Golden Visa and the nationalisation of select captains of industry and excellence has catapulted Dubai to be the city of choice amongst the wealthier classes of Asia and Europe. The question is how this all will translate into the markets and whether there is enough depth to allocate to multiple industries. The short answer is - it is improving, with the regional giant leading by example rather than being reactionary, especially on the front of capital markets:



	Total Growth since 2008
Communication Services	60%
Consumer Discretionary	447%
Consumer Staples	211%
Energy	195% (excluding Aramco)
Financials	288%
Health Care	1767%
Industrials	153%
Information Technology	n/a (no listings in sector in 2008
Materials	146%
Real Estate	90%
Utilities	445%

2022, early on, turned into a rude awakening. Primarily, and certainly not exclusively, the rudeness was most acutely felt by investors who had become accustomed to an unwavering 12+ year bull run. And more specifically, rudeness was felt, as we've mentioned before, by the entire generation of younger investors who have "only known up", fuelled and fooled by low interest rates and the positive feedback loops of passive investing.

Despite the difficulties experienced by investors last year, for fundamentally driven long-term allocators of capital the new investing backdrop is positive, at least on a relative basis. And the GCC is primed to be an outperformer.

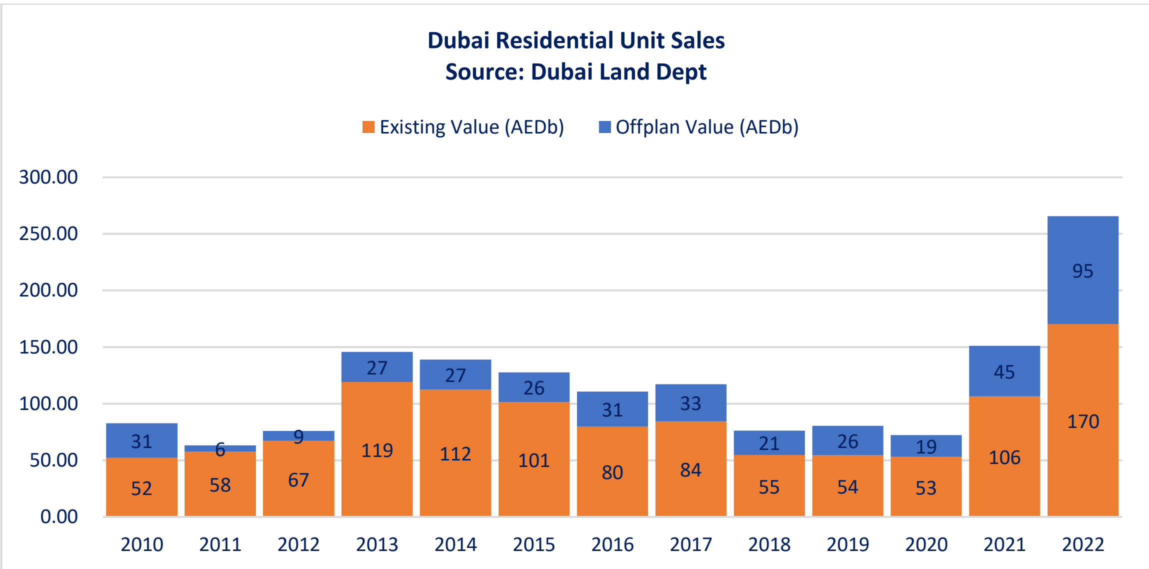
Notwithstanding our bottom-up nature of investing, in the four sections below we summarise our thoughts on the overall macro pictures in the respective markets we look closely at.

From Dubai With Love

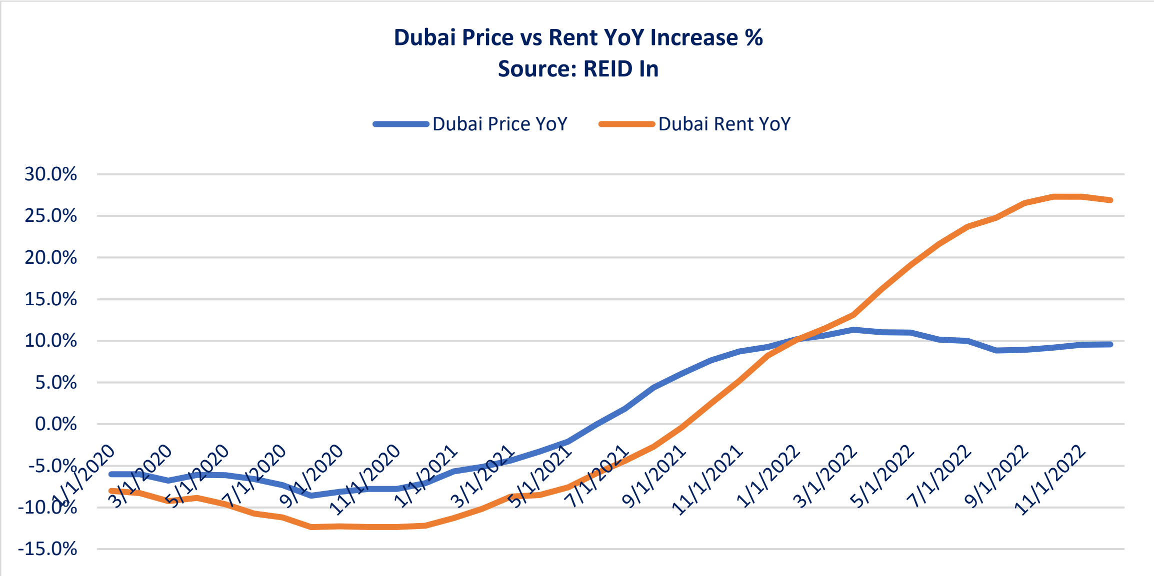
2022 saw the UAE's profile as a safe haven become ever more apparent globally. Our developing view that the UAE will emerge from the demise of Pax Americana as a new Vienna, balanced between the US, Russia, and China was validated throughout the year. From ultraluxury yachts at docks from Yas Island to Mina Rashid, to masses of Russian and Chinese schoolchildren enrolling in UAE schools, no part of the UAE domestic economy was untouched by foreign flows last year.

As much as we love anecdotal data…600+ net enrolment at the Swiss School in Dubai (rumoured to be disproportionately Russian), the opening of the first Chinese curriculum private school, ICD Brookfield place unable to keep pace with office demand from émigré Singaporean, UK, and HK hedge funds, bookings impossible at DIFC restaurants, the Arts Club halting new memberships…real data speaks volumes:

Not only was 2022 a record year for Dubai off plan residential sales (95b AED in value, over 44k units), it was also a record for ready unit sales (170b AED in value, over 53k units); almost 25% of Dubai's existing housing stock turned over in 2022, significantly above historical turnover levels.



Moreover, rental rates surged for both apartments and villas, despite Dubai's relatively strong rental caps for existing renters, indicative of strong new tenant inflow. Although we lack reliable population statistics for both the UAE and for Dubai, ~11% of rental contracts signed in Dubai in 2022 were 'new' according to the regulator. This figure aligns with ~10% growth in UAE premium price private school enrolments at GEMS education (controls ~30% of Dubai K12 school seats), and ~6% overall enrolment growth in K12. While all of us at Ajeej feel the sting of rises in rents, shortages of school places, and the havoc of unavailable dinner reservations (invariably a first world problem), Dubai is a city rejuvenated. And down the road it's a similar story, with the full reopening of Abu Dhabi midyear, and an extraordinarily busy F1 season in November, its hotels and entertainment venues are as full of those in Dubai.



Early 2023 saw Beyonce break her 4-year tour hiatus with a private show for the opening of the new Atlantis Royal Hotel on the Palm Jumeirah (for a reported $24 million fee), but her performance fee pales in comparison to the staggering transactions in 'island' properties in Dubai in 2022 – with tens of properties on the Palm Jumeirah and Jumeirah Bay Island selling for north of 100m AED.

Hoi polloi also flooded Dubai's malls, hotels, and beaches throughout the year. While we don't yet have full year numbers, November 2022 tourist flows were only 5% below those of November 2019. Dubai stands as one of the few global tourism destinations to have already 'fully' recovered from COVID, and this with traffic at DXB airport still ~25% below pre-COVID levels. And the strength in tourism in Dubai in 2022 came with minimal Chinese tourists (6% of 2019 tourists), as the People's Republic had only minimally reopened as of January 2023.

While Dubai remains a place many love to hate, we remain bullish on our city state, particular with respect to domestic population growth and consumption. We contend that there is no better place on Earth today to live an upper middle class, cosmopolitan lifestyle (for all its discontents). And in more anec-data, the entire Ajeej team spent 2022 welcoming emigres from our own countries recently moved to Dubai.

It must be highlighted, that much of the low hanging fruit that has been picked over the past 12 months in Dubai was driven largely by trying to stay ahead of the region's other cosmopolitan hubs, many of which shifted into their respective higher gears. That trend continues in 2023. As infrastructure degrades, telephony slows, and trade barriers and travel barriers rise worldwide, denting the lifestyles of middle-class Hongkongers, Singaporeans, Londoners, Parisians, New Yorkers, and Cairenes, the world's eyes have been increasingly focused on the GCC, and with that the UAE (and Dubai) have had to do more, in order to shine brighter…and they have. The UAE attracted record numbers of converts to its 10 year 'Golden Visa' program for professionals, creatives, and investors, and saw its IPO pipeline see significant flows for the first time in over a decade, led by commodities export plays in Abu Dhabi and utilities and services in Dubai.

No longer confined to regional managers and institutions, these IPOs were highly oversubscribed by global specialist funds attracted to the feedstock advantages of Abu Dhabi commodity plays and the buoyant population growth and consumption outlook for Dubai's utilities and services. Existing leaders in the Dubai and Abu Dhabi markets also flourished, as both emirates emerged from COVID ready and able to spend on expansion (in Abu Dhabi) and to deleverage (Dubai), readying them to grow for the next 5 years.

With casinos now under construction in Ras Al Khaimah, operating nuclear plants and a functional railway already taking freight and soon to take passengers in Abu Dhabi, and a reinvigorated property market in Dubai (even Palm Jebel Ali has been dusted off and rebooted), 2023 appears to offer more of the same consumption and extraction driven growth for the UAE.

Saudi: nonLINEar growth PROJECTions

Over the past few years Saudi authorities have not been shy about announcing extraordinarily ambitious development projects and initiatives, with the $500bn NEOM greenfield development leading the price tag estimates. Within NEOM, the LINE project has perhaps the most sci-fi (some might say dystopian) character, gaining headlines and garnering scepticism about its implementation and viability as portrayed, but also serving notice that Saudi wants to lead in new ideas about urbanisation and community and will not hesitate to be bold in doing so. What we want to discuss and emphasise here is that large greenfield projects in relatively remote parts of the country are only a small part of Saudi's plans to modernise and diversify its economy and to improve the quality of life for its people. There are many more "everyday" endeavours, large and small, that have already made a significant impact on the economy in recent years and, we believe, will continue to provide a structural growth story for Saudi in the years to come, even if the largest headline-grabbing projects never fully play out. While progress is not likely to be made in a straight line, the structural growth story in Saudi is anything but a mirage.

Saudi has a structural growth story because it is now open. It is open as a business and financial hub, it is open for travel and entertainment, it is open to the concept of moving quickly relative to its historical pace. It is this opening and openness that leads to a goal of Riyadh's population growing from around 8 million people today to over 15 million by 2030. It is being open that allows for tourism targets of 25 million tourists in 2023 building up to 100 million tourists by 2030; and of course, this is not just a religious tourism story but rather an opening to the world of Saudi's historic and scenic sites. The point is not so much whether the numeric goals are met by 2030; instead, these are clear indications of direction, being backed by supportive actions on the ground. [As an aside, we believe Saudi's opening, while presenting a new competitive challenge to traditionally more open neighbours like the UAE, will ultimately be a tide lifting all boats as each seeks to defend and enhance its ability to attract people, business, and investment…we delve a little more into this elsewhere in this letter, which is clearly not being written in a linear manner.]

We think the trajectory of residential mortgages in Saudi is instructive for what can happen when authorities "put their minds to it." The total value of residential mortgages provided by banks during the three years of 2016-2018 was only SAR 62bn, which then jumped, by 30%, to nearly SAR 80bn in 2019 alone, followed by another near doubling to approximately SAR 150bn in each of 2020 and 2021. Or put another way, 2016 saw banks issue only SAR 15bn of mortgages, which then on a cumulative basis grew to over SAR 560bn for 2016-2022 inclusive; that's almost 40x growth over 6 years, or to put it yet another way, that's a CAGR of ~83% over a 6-year period. This didn't happen simply because banks became more amenable to issuing mortgages. Rather, authorities captained the change, as they improved the entire ecosystem around mortgages and residential housing in an effort to increase home ownership among Saudis. This included providing targeted interest rate subsidies for consumers and attractive capital and return parameters for banks, reducing friction in land availability, and better facilitating the interaction between buyers, banks, and homebuilders. We see similar efforts in the early stages on tourism, with the buildout of hotels, services, and amenities around existing and new sites of interest. And while Riyadh is not Dubai, it is now increasingly becoming an alternative destination for many expats looking to work and settle in the Gulf. Over the past two years, especially, it has opened significantly with many new restaurants and entertainment options, incrementally increasing the quality of life and taking steps toward making it a place that can attract more people to live and work. With the buildout of more transit infrastructure, schools, healthcare facilities, leisure options, and green spaces, Riyadh will continue to grow its domestic and expat populations. And lest we forget, building a project such as the LINE, requires literally thousands of technicians and engineers, hundreds of material suppliers, exactly 42 million consultants and at least one geologist. Many of these roles will be filled by professionals already living in Saudi, but even more will require specialists to move to the Kingdom, and some of those will come with their families. Queue increases in consumer demand, education, healthcare, and everything else.

There is no denying that oil remains the financial fuel behind Saudi's ability to pursue its grandest ambitions, and a high oil price should facilitate speedier work on smaller-scale projects as well. But we maintain that even if oil prices fall, social and economic changes underway in Saudi will continue, and the question is more about pace and prioritisation than about directionality. We also think that what sometimes gets lost in discussions of Saudi and oil, is that Saudi is likely to be a leader in providing transition/greener energy sources as well. Saudi is well-placed to increase the contribution of gas, solar, and wind to the global energy mix, while also expanding its petrochemical production and improving/modernising its domestic use of energy. We believe Saudi will remain not just relevant but prominent in contributing to global energy supplies for the foreseeable future.

We think Saudi has both the willingness and the ability to continue driving meaningful social and economic change in the near term and in the years to come. And that in turn gives support to secular growth stories on the back of increasing population and consumption of goods, services, and materials.

Qatar – Half-time In A Game of Two Halves

When Qatar controversially was awarded the World Cup back in 2010, many cried foul – this piece lends itself to an overabundance of football puns, there's no escaping that fact; so, we apologise in advance – but don't really mean that apology. Concurrently, most people outside the Middle East, despite their strong opinions, would have struggled to point to Qatar on a map. But that particular lack of knowledge did not abate the slew of regurgitated questions and concerns that were raised by the masses. Some of these concerns were thoughtful and relevant, others were sophomoric, and several outright myopic and/or hypocritical: how will an authoritarian Islamic regime handle the clash of cultures from secular western democracies? (answer: with warmth and hospitality); Will everyone regardless of their orientation or identity be able to attend the World Cup? (answer: yes) Will anyone be able to hold hands in the street? (answer: yes); What about the working conditions of labourers? (answer: improving but from an undoubtedly low base); Will fans be able to drink alcohol in the stadium? (answer: no, an unexpected silver lining); What about outside the stadium? (answer: sure, no problem) What are the visa rules? (answer: facilitated access for all – although unclear till the 11th hour); Do Qataris even know what football is? (answer: yes). Clearly, some of these questions are more pertinent than others, but as the World Cup approached, and through the weeks that it played out, the Qatari authorities were impressively consistent and measured with their messages and responses to all the questions, concerns, and criticisms.

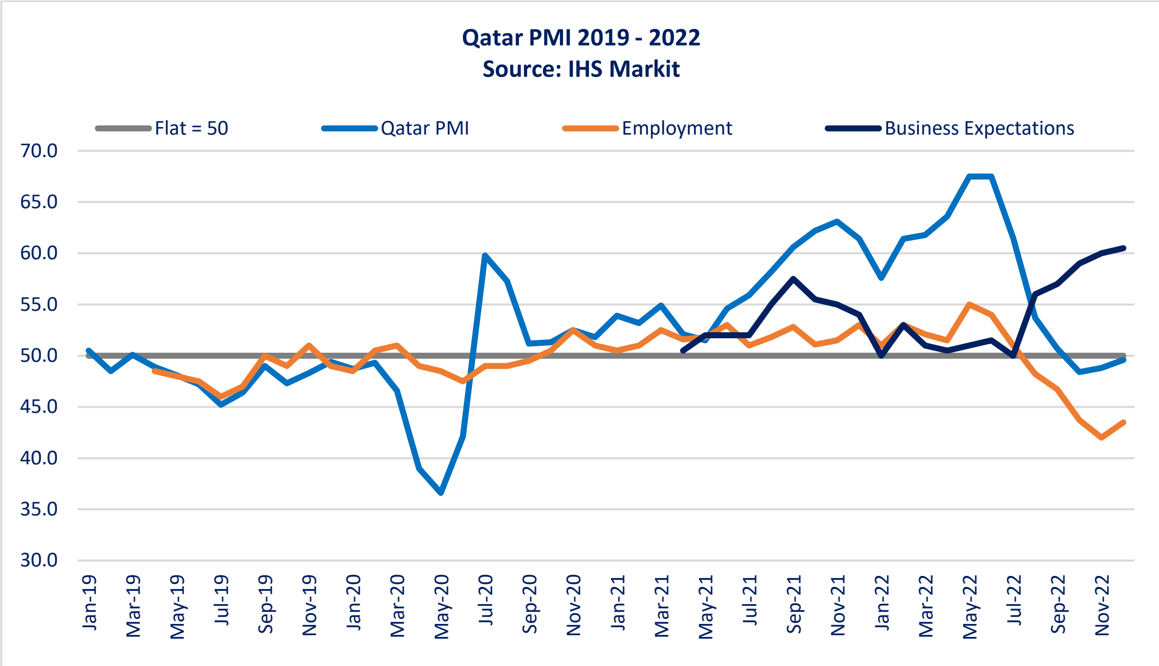
With that being said, ultimately the suspicions of bribery over the bid, would turn out to be true, and not to condone it, but in reality, this is business as usual with supranational institutions such as FIFA and the IOC. In fact, there have been explicit admissions of bribery and corruption, to varying degrees, around every [most] World Cup and Olympics awarded throughout history.

The real differentiator for Qatar 2022, the real element that made it stand out, and the elements that is probably most relevant to investors, is that the promised CAPEX that Qatar would deploy in preparation for the event was an eye-watering $220 billion; that's almost 20 times more than the next biggest spender for a World Cup. The goal was clear, Qatar was set on showcasing of its capabilities to the world, and highlighting that Dubai was not the only "field of play" that comes up anytime the Middle East is mentioned as an attractive tourist or investment destination.

At the end of the day, the 2022 World Cup was a surprisingly surprise free event that saw Qatar lauded for a well-organised (sobriety works!), well attended, competitive tournament. The tournament's success caught western media outlets offside, prompting a series of awkward U-turns as they had been salivating at the prospect of tackling various cultural hot button issues (rainbow arm bands, worker treatment, women's issues. The problem was that when interviewing every Qatari, labourer, and resident expat they could find, they mostly encountered groups of people thrilled to welcome the world to their (adopted) home and to watch the beautiful game.

Revenue per available room shot up more than 4x in the month of November as football fans flooded in from around the world. And Qatar is not yet done, with the AFC Asian Cup coming up this year, Expo 2023 Doha, Geneva International Motor Show (weird nomenclature given the locale), it plans to put all of that spending into good use for the upcoming period and build upon the existing momentum and goodwill.

Finally, and much like the players of the nerve fraying and drawn-out World Cup final, investors in Qatar are sweaty and exhausted after a decade of investing behind domestic infrastructure-led growth in preparation for said World Cup. But this is a game of two halves, and as the half time interval of 2023 begins with a significant downshift in Qatari economic activity as measured by PMI, we look forward to the second half fuelled by the ramp up of new gas production which will carry the economy for the coming years. The North Field expansion announcements 5 years ago provided initially provided fresh legs to the Qatari equity story, but as of today this new era of gas-oriented expansion has not transferred into significant equity market goals.



The burning question this year for Qatari market investors is whether the equity market is likely to follow the path of employment PMI where the index has been in contraction (indicating a reduction in the workforce) for the past 6 months or whether it is likely to follow the optimistic (and rising) trend in business expectations and outlook, which has conversely been rising over the same period. Business expectations today are at close to a 5 year high, indicating that the 430 businesses surveyed monthly remain strongly optimistic on 2-to-3-year demand.

We expect that 1H 2023 will provide a great deal of clarity on the above question and we have increased our exposure to attractively priced equities that will benefit from the expected gas and petrochemical afterparty to the World Cup. We have shied away from those businesses and lenders we fear are too heavily exposed to weak domestic consumption demand in the near term.

PS: there's no segue to this next anecdote regarding Qatar, so we thought to add in postscript as we wanted to get it off our chest. Clearly the authorities did a great job in managing the arrivals to Doha during the Cup through their Hayya programme, which was open to anyone with a matchday ticket. Interestingly, the Hayya access to the country is valid until January 2024, which made us think that controls, generally speaking, were going to be relaxed. Unfortunately, that doesn't seem to be the case. In a puzzling example of an own goal, if one is unlucky enough to hold a passport from a handful of countries (more than half of which are from the broader region) your entry will be predicated on matching your officially declared profession (on your residency visa) to one that matches EXACTLY to a pre-approved list. We witnessed first-hand as an Ajeej team member was turned away at check-in because his profession is listed as 'Financial Analyst', which is seemingly not an acceptable profession – frustratingly, the slightly tangential 'Economic Analyst' and the much more dubious 'Financial Expert' designations are included. The Dubai airport staff, in effort to explain to our Financial Analyst that there was no wiggle room, recounted a story from earlier that day when a 'Business Consultant Partner' was turned away for the same reason – frustratingly 'Consultant Partner' was on the list. The specificity of it being business related was a detail too far for the Qatari authorities. Wow. Anyway, the Americans, Brits, Jordanians, Lebanese and Saudis on our team are able to travel to Qatar freely.

Egypt's Financial Ruin Explained: Crowding Out + Geriatric Institutions + Booming Overpopulation + Inflation and + Limited Exports + Despotic

The following discussion is a summary amalgamation of a series of discussions we have had with Egyptian friends over the past dozen years. So, we apologise for the somewhat disjointed and rather longwinded nature of this particular part of the write-up.

In 2011, during the Arab Spring, a sense of uncertainty was in the air; but so were hope and optimism. In August 2011, a group of 10 young professionals sat around a dinner table for iftar, it was the first Ramadan since the revolution. In fact, the revolution was in a sense still ongoing, as we were 10 months away from the elections and Amr Moussa, the ex-Secretary General of the Arab League and Egypt's former Foreign Minister was being touted as the next president with at least a 49% approval rating with 45% undecided in that summer's polling.

The key takeaway from this dinner/iftar was that there was a sense that Egypt had gotten rid of the old guard and was ready to realise its full potential. The future was, in short, theirs for the taking.

Fast forward 5 years, during which time there had been an election, a new president, a military coup, and another new president, we find ourselves in a similar setting to the aforementioned dinner, but it is now November 2016 and the Egyptian Pound had just devalued, in one day, from EGP 8 to EGP 18 to the dollar (it had gone from 5.7 to 8 in the years since the revolution, on the back of a dirty peg and uncontrollable black market). In the years since the Arab Spring, much of the focus in Egypt was put on security, healthcare, and infrastructure; but now, the focus would shift to the economy and FDIs.

This similar group of young professionals, now solidly in their 30s, was again positive about the future of their economy, touting the potential for Egypt to lead the way with an export-oriented manufacturing renaissance. However, in the short term what ended up happening was that they froze like a deer in the headlights, being torn between allocating money to their own business, or increasing their wealth in the short term through government bonds. Eventually, most did the latter.

Then came 2018, the year when the Egyptian constitution was rewritten, essentially granting pharaonic status and powers to the president [imagine Lord Acton quote here 😉]. The result of unabated power was an unashamed increase of the army's involvement in varying sectors of the economy that had nothing to do with security, education or healthcare. This has proved catastrophic for private sector operators who played by a different set of rules to the army, a harsher set of rules. This uneven playing field coupled with a 15% to 17% interest rate meant that private sector CAPEX died.

Finally, we arrive at present day, when the Egyptian Pound has undergone yet another devaluation that brought the FX rate north of 30 EGP to the dollar. To put this into context, that's about a 90% devaluation from the exchange rate at the start of the 2000s, when most of the Egyptians sitting around that dinner table were going to university.

Egypt is not as far gone as Lebanon, but the path isn't too different. Lebanon devalued their currency officially a few weeks ago by 90%, and now 75% of the population is living below the poverty line. Lebanon's new official rate is 15k to the dollar, but the clearing rate on the black market is still as high as 60k, and will only get higher.

The problem for Egypt with sustaining a free float post this latest devaluation, in a high inflation environment, underpinned by weak exports, is that the last time they tried it, it froze all CAPEX spending in the private sector. This was due to uncertainty in future pricing, an inability to hedge, and was aggravated by higher interest offered by government bonds which operators and investors understandably funnelled their capital towards.

So what's the real problem? And what could potentially be the solution. One common theme that has increasingly been touted and the initial spark that has led to the Egyptian economy's slow burn is Nasserism. Now we recognise that there is a class argument to be made here, in terms of Egyptians who blame Nasser (circa 1952), but there is a point. When Nasser came in, and this is oversimplifying a very complicated history, the pyramid of Egyptian social and economic structure was turned on its head. And without a proper framework, i.e., newly formed or reconfigured institutions to help support the economy and rebuild it, everything began to slowly crumble. In fact, the only institution that has been maintained, since 1952, is the Egyptian military machine. Everything else was effectively dismantled in the name of preferential treatment and control for the army.

To add to this, another indirect impact of Nasserism, and a problem which will continue to grow, is the population boom that has taken away Egypt's ability to pivot. Watch out for this particular issue in about 10 years' time, when those conceived and born during the period of the Arab Spring graduate and start looking for work.

Muhammad Ali Pasha became the Khedive of Egypt in 1805 (we really do need to go that far back for a better example of how things were run), and he also had a central thesis of enriching and empowering the army, but he did it for the benefit of the country rather than for the army's sake.

There were however, two key differences in his method when compared to what has happened over the past 70 years.

The first is that companies and lands were not outright nationalised, as they were under Nasser, and now under Sisi, but rather they were taxed into submission, which created a very strong redistribution of wealth back into the hands of the government & army...and eventually the people. This was possible, because the businesses that the army controlled were used to employ the common Egyptian, and they were paid well. This ultimately led to an increase in private investment to complement army led efforts, and further spurred the Egyptian economy.

The second reason, and equally as important, is that lands and businesses that were taken over in the 1800s (via the owners failing to meet the insane tax requirements) were all turned into outward facing businesses (the complete opposite of what is happening today, and what has happened since 1952).

By the middle of the 1800s, Egypt became an exporting powerhouse, driven by the army. Rather than an importing charity case, hindered by the army.

Today, because of the population, that same tactic is probably not practical; and because of the lack of talent/knowhow/forward thinking on the leadership's part (army and the government have been locked in a survival/reaffirmation mode since 1952) the thought of enriching the country effectively is not part of the calculus.

Everything is done in the name of security and control.

With the latest devaluation behind us, the market is understandably rallying. But over the medium to long term, we don't see how this time will be different. If they're ever going to succeed in floating the pound to reinvigorate and reset the economy, it needs to be in a lower inflationary environment for a start, to allow for cheaper borrowing and encourage investment in businesses. As this is playing out however, this will be yet another band aid on an increasingly gangrenous wound.

It's truly a shame, to see such a beautiful country continue to spiral into irrelevance. We genuinely hope something changes and will continue to keep a close eye the development of one of the most important nations in our world's history.

2023 Ajeej Investment Themes

Themes	Thoughts
Saudi modern society and demographics	A long-term, structural theme for us: We think growth in the local working population and in the expat population brings multi-year opportunities in the insurance, consumer staples, and business services sectors. This theme is further driven by the authorities' efforts to increase domestic production.
Saudi tourism, travel, and entertainment	We expect strong growth in religious tourism in the coming years as we move further away from COVID travel restrictions, coupled with nascent development of non-religious tourism that we believe will see significant growth from a low base. Moreover, in conjunction with the modern society theme above, we see more entertainment opportunities for locals becoming available. There are several listed companies we believe are well-placed to benefit from this theme.
Saudi infrastructure	To support the growing population and broader Vision 2030 themes, we expect ongoing investment in hard infrastructure. We see selected industrial and materials companies well-placed to benefit; and this theme, along with demographics, is also represented by Saudi banks.
UAE / Dubai safe haven	We believe the UAE's expat population is "stickier" than it has been in the past, given the high quality of life, the relaxed visa requirements, and other points mentioned earlier. Apart from real estate and banks trading at attractive valuations, we also see good opportunities in recently listed companies that offer sustainable dividends with some growth as the country builds upon its strengths.
Qatar gas and value	The stock market malaise and temporary economic slowdown post the World Cup are opening opportunities to buy at good valuations the companies that will benefit from Qatar's multi-year gas expansion and ancillary developments. These may take more time to play out, but we want to have exposure at current valuations.
Commodity	We see selected opportunities in the energy/chemicals/materials space, where dividends offer some downside protection in case of unfavourable moves in underlying commodity prices.