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Annual Fund Report 2025

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Chairman's Statement

To our partners and stakeholders,

The year 2025 required disciplined execution against a backdrop of economic transition. We observed a market grappling with the delayed effects of monetary policy and shifting geopolitical currents. Our response was not reactive but strategic, continuing a multi-year pivot from passive exposure to active ownership of essential assets.

The Fund concluded the year with $45.4 billion in Assets Under Management. This figure represents the net result of deliberate portfolio rotation: the divestment of $3.8 billion in mature, low-conviction holdings and the careful deployment of $4.1 billion into direct infrastructure, energy transition, and digital assets. This rotation, while tempering short-term reported growth, has materially improved the portfolio's quality of earnings and strategic positioning.

Operationally, we fulfilled our transparency mandate with the launch of the Secure Institutional Network, providing partners with immutable audit trails. Strategically, we deepened our role as a conduit for long-term capital, formalizing key partnerships between European industrial expertise and Gulf capital projects.

We enter 2026 with a portfolio built for resilience. Our focus remains on intrinsic value, cash flow durability, and strategic alignment. We thank our team for their rigorous execution and our partners for their continued trust.

Sincerely,

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Fahad Al-Mansour
Chairman of the Board
Manh'al Fund

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1.0 Executive Summary & Key Metrics

1.1 Financial Performance Highlights

Metric	FY 2025	FY 2024	Change	Benchmark / Note
Gross Portfolio Return	8.2%	9.1%	-90 bps	Custom Sovereign Blend
Net Return (After Fees)	7.1%	7.8%	-70 bps	Outperformed BM by 200 bps
Total AUM (Period End)	$45.4 B	$45.1 B	+$0.3 B	Driven by $1.2B organic growth
Net Capital Deployed	$4.1 B	$5.2 B	-$1.1 B	Disciplined pacing vs. 5-yr avg
Portfolio Yield (Income)	4.3%	3.8%	+50 bps	Blended Yield (Agg/HY/EMD)
Sharpe Ratio (5-Yr Rolling)	1.18	1.15	+0.03	Risk-Free Rate: 3.25% (SOFR)
Gross IRR (Since Inception)	10.4%	10.5%	-10 bps	PME: MSCI World + 200 bps

Custom Sovereign Blend: 60% MSCI ACWI / 40% Bloomberg Global Aggregate. 2025 Benchmark Return: 5.1%.

The moderation in gross return reflects our strategic exit from high-multiple public equities early in the year and the initial drag of deploying into longer-duration private assets. The 200 bps net outperformance against our benchmark validates our active allocation. The increase in portfolio yield and Sharpe ratio are direct results of shifting to more cash-generative, lower-volatility assets.

1.2 Capital Activity Overview

- Gross Deployments: $4.1 billion across 14 transactions.
- Gross Realizations: $3.6 billion from 8 full/partial exits.
- Net Inflow: $0.5 billion.
- Capital Recycling Rate: 88% (Realizations/Deployments). We aim to be roughly capital self-sufficient over a market cycle.

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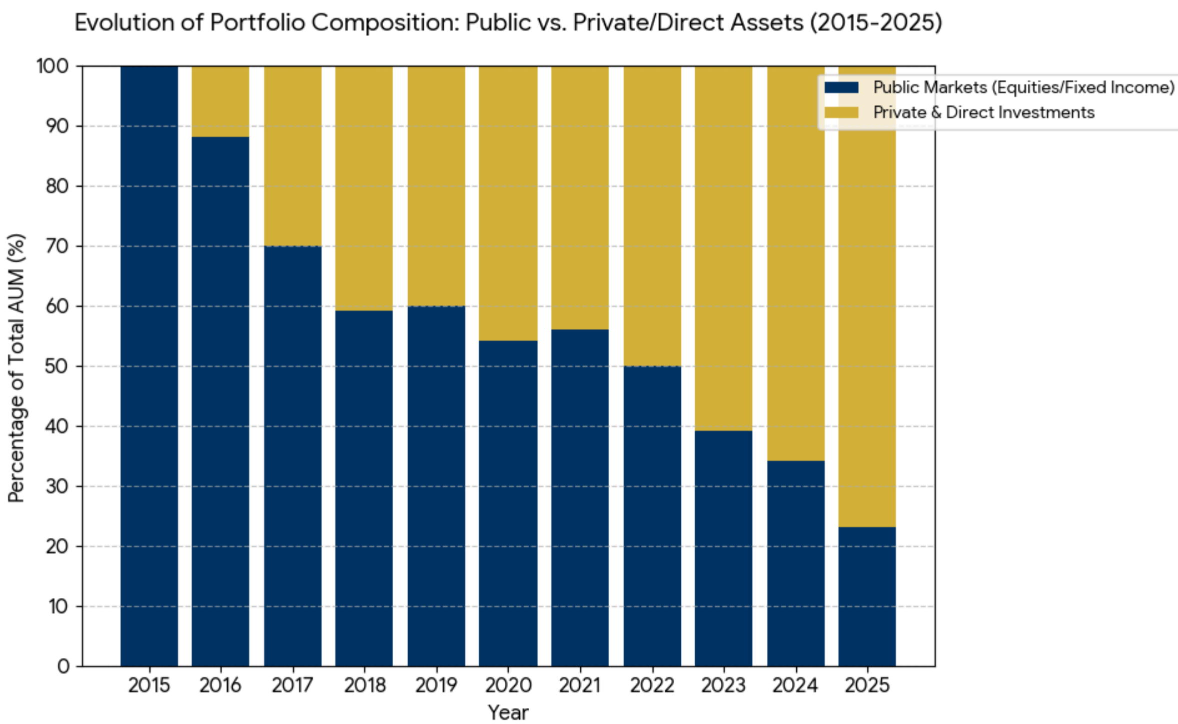
2.0 Portfolio Performance & Strategic Evolution

2.1 Ten-Year AUM Growth & Composition Shift



This chart illustrates the Fund's foundational strategic shift. We have transitioned from a traditional, liquid portfolio to one where we exert direct control or influence over 77% of the assets. This provides greater insulation from market sentiment and aligns the portfolio with long-term, structural value creation.

2.2 2025 Performance Attribution

The table below breaks down the 8.2% gross return by portfolio segment.

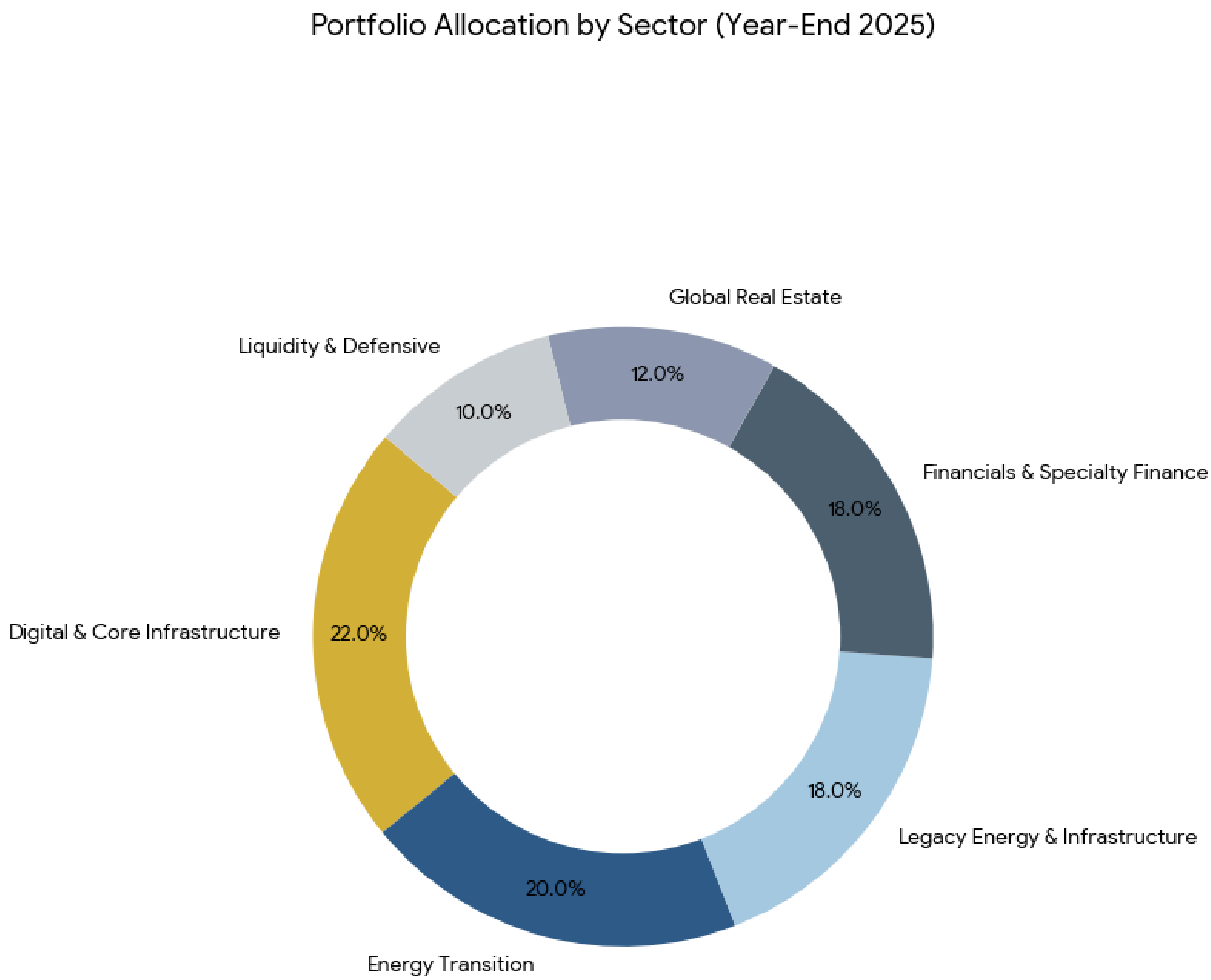
Segment	Avg. Allocation 2025	Segment Return	Contribution	Primary Driver
Digital & Core Infrastructure	22.0%	+14.5%	+3.19%	Data center demand; semiconductor exit (+45% IRR)
Energy Transition	20.0%	+9.2%	+1.84%	Carbon credit pricing; battery storage commissioning
Legacy Energy & Infra	18.0%	+12.1%	+2.18%	LNG price contango; inflation-linked tariffs
Financials & Spec. Finance	18.0%	+5.5%	+0.99%	Payment network earnings; private credit resilience
Global Real Estate	12.0%	+3.1%	+0.37%	Logistics resilience offset office weakness
Liquidity & Defensive	10.0%	+4.8%	+0.48%	Sovereign bond yields and structured deposits

Total Portfolio	**100.0%**	**+8.2%**	**+8.20%**	—

The Digital and Legacy Energy segments were the primary engines of return. The former represents our growth thesis, the latter our stability and inflation-hedge thesis. Both delivered.

3.0 Detailed Portfolio Composition as of Dec 31, 2025

3.1 Sector Allocation



Sector	Allocation (%)	Key Focus Area
Digital & Core Infrastructure	22%	Data Centers, Fiber, Semiconductors
Energy Transition	20%	Renewables, Battery Storage, Carbon Credits
Legacy Energy & Infrastructure	18%	LNG, Midstream, Utility Assets
Financials & Specialty Finance	18%	Private Credit, Fintech, Payments
Global Real Estate	12%	Logistics & Industrial Hubs
Liquidity & Defensive	10%	Cash Equivalents & Sovereign Bonds
Total	**100%**	—

3.2 Geographic Exposure & Jurisdiction Strategy

Our geographic positioning is intentional: we hold assets in stable regulatory regimes and execute projects in high-growth regions.

Region	% of NAV	Strategic Rationale & Key Holdings
Europe	40%	**Anchor Region.** Swiss HQ & liquidity; Nordic data centers (green power); UK/Italian infra (inflation-linked).
GCC	25%	**Strategic Home.** Riyadh Metro (PPA); UAE carbon capture; Red Sea Global tourism debt (senior secured).
North America	20%	**Tech & Transition Hub.** Modular nuclear debt (TX); Canadian minerals fund; LA blue ammonia project finance.
Asia Pacific	13%	**Growth & Diversification.** Singapore desk; Australian infra fund; Indian highway concessions (toll revenue).
Other / Liquidity	2%	**Tactical Flexibility.** Cash reserves and short-term sovereign paper for opportunistic deployment.

The 40% European weighting is a cornerstone of our risk management, providing stability and rule-of-law assurance. The GCC and North American exposures are where we implement our highest-conviction thematic investments.

4.0 Capital Deployment & Investment Activity

4.1 2025 Top Deployments

1. Nordic Fortress Data Centers (45% Stake): $750M. Acquired two operational facilities in Norway. 10-year weighted average remaining lease term. Powered by 100% hydropower.
2. Gulf Coast Sequestration Hub (Debt Facility): $500M. Senior secured debt for Phase 1 of a carbon capture & storage network. Investment-grade counterparties.
3. Veritas Labs (Series C Lead): $280M. AI training data provenance and audit technology. Strategic to our digital sovereignty theme.
4. Atomkraft Klein Follow-on (Series C): $150M. Modular nuclear reactor developer. Follow-on from initial 2023 investment.

4.2 Major Realizations & Exits

1. FAANG+ Equity Basket: Full exit. $1.8B realized. Holding: 4.2 yrs. Gross IRR: 22.1%. Rationale: Reached target valuation; reduced beta to speculative tech.
2. EuroPay Solutions (Partial Exit): Sold 30% stake to strategic buyer. $1.2B realized. Retain 20%. Gross IRR: 18.4%. Rationale: Monetized partial gain while maintaining exposure to core, high-quality franchise.
3. ASEAN Consumer Brands Fund: Full exit. $600M realized. Holding: 6 yrs. Gross IRR: 14.2%. Rationale: Completed fund lifecycle; repatriated capital for redeployment into core themes.

5.0 Risk Management & Governance

5.1 Risk Metrics Snapshot

- Portfolio Volatility (Annualized): 10.8%
- Value at Risk (95%, 1-month): $1.8 billion
- Weighted Avg. Portfolio Debt/EBITDA: 3.2x (excluding financial entities)
- Interest Rate Exposure: 65% of floating rate debt hedged >3 years
- Liquidity Coverage: 10% of AUM in high-quality liquid assets

5.2 Governance Update

The Board authorized the Technology & Ethics Advisory Panel in Q3 2025. This external body reviews material investments in algorithmic systems, digital infrastructure, and advanced biotechnology to assess non-financial risks related to sovereignty, ethics, and long-term societal impact. This formalizes our existing due diligence practice and provides an additional layer of strategic oversight.

6.0 Outlook & Forward Strategy

The macroeconomic environment for 2026 appears stable but fragile. We expect continued volatility as markets adjust to structural changes in trade, energy, and technology governance.

Our strategy is one of defensive engagement:

- Priority 1: Active Ownership. We will work closely with the management teams of our new direct investments to optimize operations and capital structures.
- Priority 2: Follow-on Capital. We have reserved significant capital for the next financing rounds of our highest-conviction private holdings in energy transition and digital infrastructure.
- Priority 3: Disciplined New Entry. We will only deploy capital into new opportunities that meet a heightened bar for strategic fit, valuation, and downside protection. Our 10% liquidity reserve provides optionality without pressure.

We are not forecasting a year of aggressive growth in AUM. We are focused on growing the intrinsic value and resilience of the existing portfolio. Patient capital, in our view, is the definitive competitive advantage in the current cycle.

Disclaimer: This report is for informational purposes only. It is not an offer or solicitation for investment. Past performance does not guarantee future results. Investments involve risk of loss.

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END OF ANNUAL FUND REPORT 2025