# Al Mal MENA Equity Fact Sheet

**NAV Per Unit: USD 8.90**

## December 2019

**Fund Objective:** The objective of the Fund is to achieve significant capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

### Key Terms:

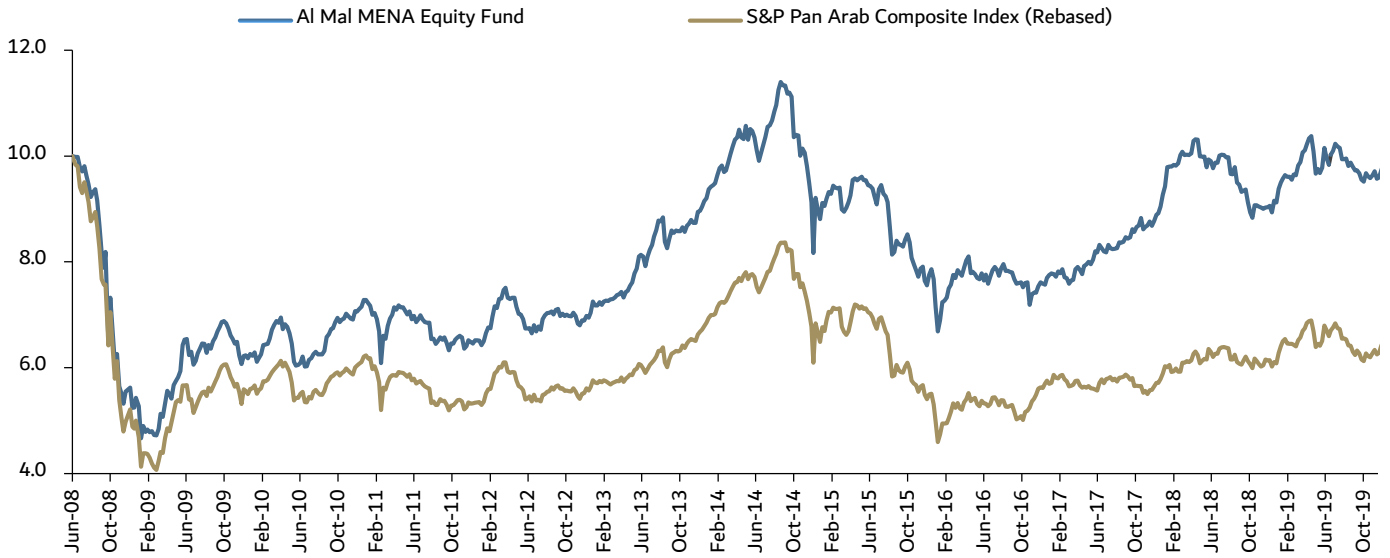
| | |
|---|---|
| **Fund Manager** | Charles-Henry Monchau, CFA |
| | Sherif El Haddad |
| | Vrajesh Bhandari, CFA |
| | Tamara Tannir, CFA |
| **Inception Date** | 15th June 2008 |
| **Fund Size** | USD 25 million |
| **Strategy Size** | USD 80 million |
| **Fund Registration** | Bahrain |
| **Currency** | USD |
| **Subscription** | Weekly |
| **Min Subscription** | USD 250,000 |
| **Bloomberg Code** | MALMENE BI |
| **Reuters Code** | LP65123002 |

| | |
|---|---|
| **Management Fee** | 1.75% |
| **Subscription Fee** | Up to 3% |
| **Redemption** | Weekly |
| **Benchmark Index** | S&P Pan Arab Composite |
| **Fund Type** | Open Ended |
| **Administrator** | Apex |
| **Custodian** | Standard Chartered |
| **Auditors** | PricewaterhouseCoopers |

| Performance | Fund | Benchmark | Relative Perf. |
|---|---|---|---|
| 2019 | 8.6% | 8.2% | 0.4% |
| 2018 | 2.6% | 6.8% | -4.1% |
| 2017 | 17.8% | 1.3% | 16.5% |
| 2016 | -3.7% | 4.1% | -7.8% |
| 2015 | -12.5% | -17.6% | 5.1% |
| 2014 | -0.7% | -1.5% | 0.8% |
| 2013 | 31.1% | 18.9% | 12.2% |
| 2012 | 6.6% | 2.6% | 4.0% |
| 2011 | -8.8% | -15.1% | 6.3% |
| 2010 | 15.7% | 13.9% | 1.8% |
| 2009 | 17.7% | 12.7% | 5.0% |
| 2008 | -47.5% | -49.9% | 2.4% |
| **Since Inc.** | -0.5% | -33.9% | 33.5% |

| Performance[1] | Fund | Benchmark[2] | Relative Perf. |
|---|---|---|---|
| **1 Month** | 4.0% | 5.7% | -1.8% |
| **YTD*** | 8.6% | 8.2% | 0.4% |
| **1 Year** | 8.6% | 8.2% | 0.4% |
| **3 Years** | 29.3% | 14.8% | 14.5% |
| **5 Year** | 13.0% | 1.8% | 11.2% |
| **Since Inc.** | -0.5% | -33.9% | 33.5% |

## Performance




** As of 31st of December 2019*

*Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)*

[1] Performance is net of fees; 3-year and 5-year return is cumulative

[2] S&P Pan Arab Composite Index

# Al Mal MENA Equity Fact Sheet

**NAV Per Unit: USD 8.90**

## December 2019

### Fund Manager Commentary:

December was the second-best month of the year 2019 for MENA Equities. The S&P Pan Arab Index rose +5.7% propelled by the two large markets of Saudi Arabia and Kuwait.

For the year, the benchmark return came in at +8.2% as compared to +28.9% in the US and +15.4% for MSCI EM. Kuwait, Egypt and Bahrain were the top three performers, while Lebanon, Oman and Jordan were the worst. Brent crude rose 22.7%. The Al Mal MENA Fund performance for 2019 is slightly ahead of benchmark.

SISCO in Saudi Arabia is a new idea we added to the Fund recently; its subsidiary 'Red Sea Gateway Terminal Company' has signed a 30-year concession contract valued at SAR 6.6bn with Saudi Port Authority (Mawani) to develop and operate Jeddah Islamic Port (JIP). This port is situated on the red sea and is the largest port in the Kingdom (handling c. 60% of the country's sea imports), with annual volumes of over 6mn TEU's.

The Egyptian pound continues to strengthen and has broken below the 16 level for the first time in more than two years. This is driven by inflows in the local debt market following the trade deal between China and US. The carry trade is still very attractive for foreign investors with high real yields. We are overweight Egypt.

Qatar's foreign minister has said recent talks had broken a protracted stalemate with Saudi Arabia and that Doha would study demands by its Gulf rivals. We would point out that we are still at a very early stage of the discussion and that we do see this development as a positive. The country has just announced the biggest budget in 5 years with a spending of 90bn Qatari riyals to complete infrastructure projects including facilities for the 2022 soccer World Cup.

The US Fed left interest rates unchanged and suggested it would hold them steady throughout the election year with the economy being solid. This is good news for banks in the region for whom liabilities do not reprice much when rates fall therefore compressing margins.

Post the Aramco IPO which took market liquidity mainly from the large caps, we see capital flowing more into the midcap space. This in general suits better our style of bottom up stock picking based on fundamental research.

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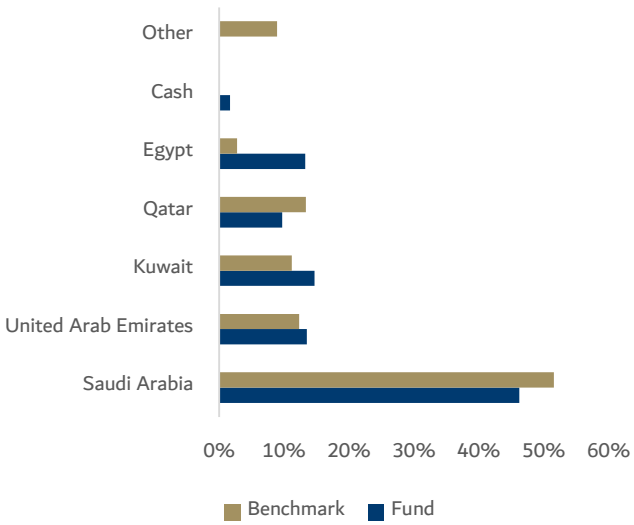
| Top Portfolio Holdings | % of Fund |
|---|---|
| National Bank of Kuwait | 6.4 |
| Al Rajhi Bank | 5.3 |
| Qatar National Bank | 4.4 |
| Saudi Industrial Services | 4.1 |
| Jarir | 3.9 |
| **Total # of Holdings** | **37.0** |

Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)

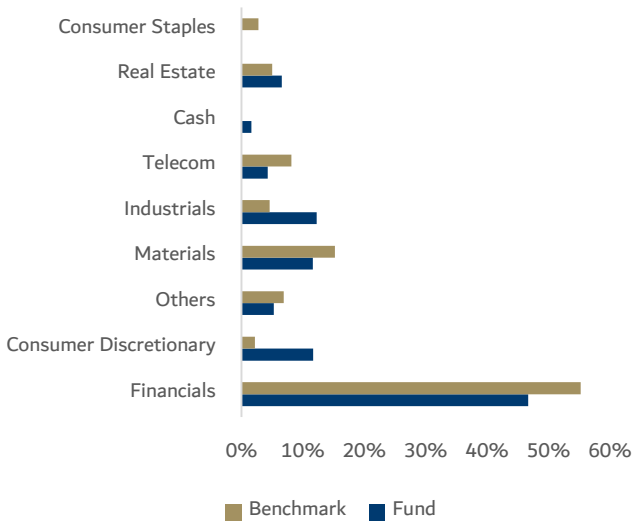
| Fund Characteristics[2] | Fund | Benchmark |
|---|---|---|
| Standard Deviation | 9.1% | 9.8% |
| Sharpe Ratio | 0.78 | 0.29 |
| Beta | 0.73 | |
| Tracking Error | 6.2% | |
| Information Ratio | 0.68 | |

[2] Calculated using 3-year weekly data

## Geographic Allocation




## Sector Allocation




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# AZ Al Mal MENA Equity Fact Sheet

**NAV Per Unit: USD 4.97**

## December 2019

**Fund Objective:** The objective of the Fund is to achieve significant capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

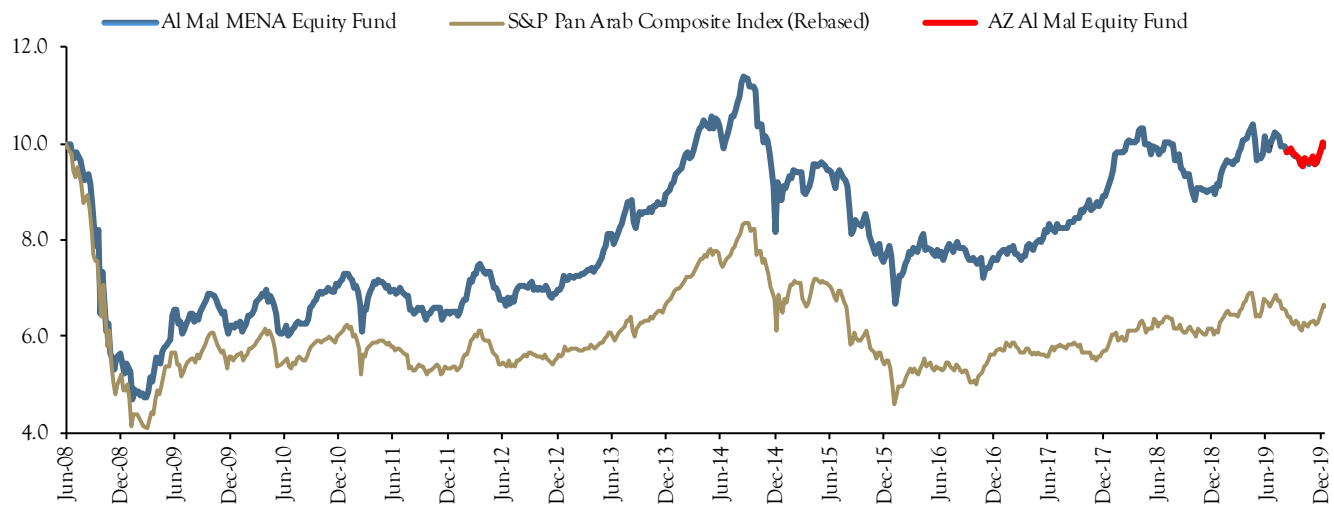
### Key Terms:

| | |
|---|---|
| **Investment Manager** | Azimut (DIFC) Limited |
| **Investment Advisers** | Al Mal Capital PJSC |
| **Inception Date** | 26th June 2019[1] |
| **Fund Size** | USD 48 million |
| **Strategy Size** | USD 80 million |
| **Fund Registration** | Luxembourg |
| **Currency** | USD |
| **Subscription** | Weekly (Tuesday, 1:00PM CET) |
| **Min Subscription** | USD 1 (Retail) -250,000 (Institutional) |
| **Bloomberg Code** | AZ3AZUA LX |
| **Management Fee** | 0.85% (Institutional); 1.5-2% (Retail) |
| **Subscription Fee** | Up to 2% |
| **Redemption** | Weekly (Tuesday, 1:00PM CET) |
| **Benchmark Index** | S&P Pan Arab Composite |
| **Fund Type** | Open Ended |
| **Administrator** | BNP Paribas |
| **Custodian** | BNP Paribas |
| **Auditors** | PricewaterhouseCoopers |

| Performance | Fund | Benchmark | Relative Perf. |
|---|---|---|---|
| 2019 | -0.7% | -0.9% | 0.2% |
| 2018 | 2.6% | 6.8% | -4.1% |
| 2017 | 17.8% | 1.3% | 16.5% |
| 2016 | -3.7% | 4.1% | -7.8% |
| 2015 | -12.5% | -17.6% | 5.1% |
| 2014 | -0.7% | -1.5% | 0.8% |
| 2013 | 31.1% | 18.9% | 12.2% |
| 2012 | 6.6% | 2.6% | 4.0% |
| 2011 | -8.8% | -15.1% | 6.3% |
| 2010 | 15.7% | 13.9% | 1.8% |
| 2009 | 17.7% | 12.7% | 5.0% |
| 2008 | -47.5% | -49.9% | 2.4% |
| **Since Inc.** | -0.7% | -0.9% | 0.2% |

| Performance[2] | Fund | Benchmark[3] | Relative Perf. |
|---|---|---|---|
| **1 Month** | 4.0% | 5.7% | -1.7% |
| **YTD*** | -0.7% | -0.9% | 0.2% |
| **1 Year** | 8.7% | 8.2% | 0.5% |
| **3 Years** | 29.4% | 14.8% | 14.6% |
| **5 Year** | 13.1% | 1.8% | 11.3% |
| **Since Inc.** | -0.7% | -0.9% | 0.2% |

## Performance




** As of 31st of December 2019*

*** The AZ Al Mal Equity Fund was launched on June 30th, 2019. The fund follows the same investment strategy as the Al Mal MENA Equity Fund.*

*Source: Al Mal internal performance measurement based on reports from third-party administrators (BNP Paribas)*

[1] The fund inception of the Al Mal MENA Equity Fund (Bahrain Domicile) is June 15th 2008

[2] Performance is net of fees; 3-year and 5-year return is cumulative; returns are calculated using the data of Al Mal MENA Equity Fund

[3] S&P Pan Arab Composite Index

# AZ Al Mal MENA Equity Fact Sheet

**NAV Per Unit: USD 4.97**

## December 2019

### Fund Manager Commentary:

December was the second-best month of the year 2019 for MENA Equities. The S&P Pan Arab Index rose +5.7% propelled by the two large markets of Saudi Arabia and Kuwait.

For the year, the benchmark return came in at +8.2% as compared to +28.9% in the US and +15.4% for MSCI EM. Kuwait, Egypt and Bahrain were the top three performers, while Lebanon, Oman and Jordan were the worst. Brent crude rose 22.7%. The Al Mal MENA Fund performance for 2019 is slightly ahead of benchmark.

SISCO in Saudi Arabia is a new idea we added to the Fund recently; its subsidiary 'Red Sea Gateway Terminal Company' has signed a 30-year concession contract valued at SAR 6.6bn with Saudi Port Authority (Mawani) to develop and operate Jeddah Islamic Port (JIP). This port is situated on the red sea and is the largest port in the Kingdom (handling c. 60% of the country's sea imports), with annual volumes of over 6mn TEU's.

The Egyptian pound continues to strengthen and has broken below the 16 level for the first time in more than two years. This is driven by inflows in the local debt market following the trade deal between China and US. The carry trade is still very attractive for foreign investors with high real yields. We are overweight Egypt.

Qatar's foreign minister has said recent talks had broken a protracted stalemate with Saudi Arabia and that Doha would study demands by its Gulf rivals. We would point out that we are still at a very early stage of the discussion and that we do see this development as a positive. The country has just announced the biggest budget in 5 years with a spending of 90bn Qatari riyals to complete infrastructure projects including facilities for the 2022 soccer World Cup.

The US Fed left interest rates unchanged and suggested it would hold them steady throughout the election year with the economy being solid. This is good news for banks in the region for whom liabilities do not reprice much when rates fall therefore compressing margins.

Post the Aramco IPO which took market liquidity mainly from the large caps, we see capital flowing more into the midcap space. This in general suits better our style of bottom up stock picking based on fundamental research.

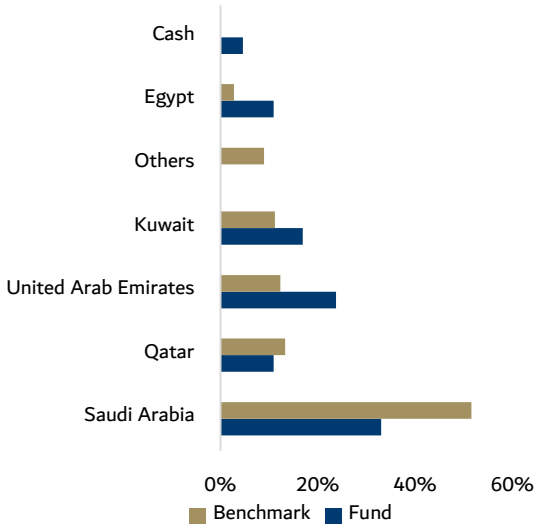
| Top Portfolio Holdings | % of Fund |
|---|---|
| National Bank of Kuwait | 6.2 |
| Al Rajhi Bank | 5.3 |
| Qatar National Bank | 4.4 |
| Emirates NBD | 3.8 |
| Jarir Marketing | 3.7 |
| SABIC | 3.4 |
| Leejam Sports | 3.3 |
| Saudi Industrial Services | 3.3 |
| Saudi Arabian Fertilizer | 3.2 |
| Al-Hassan G.I. Shaker | 3.0 |
| **Total # of Holdings** | **37.0** |

Source: Al Mal internal performance measurement based on reports from third-party administrators (BNP Paribas)

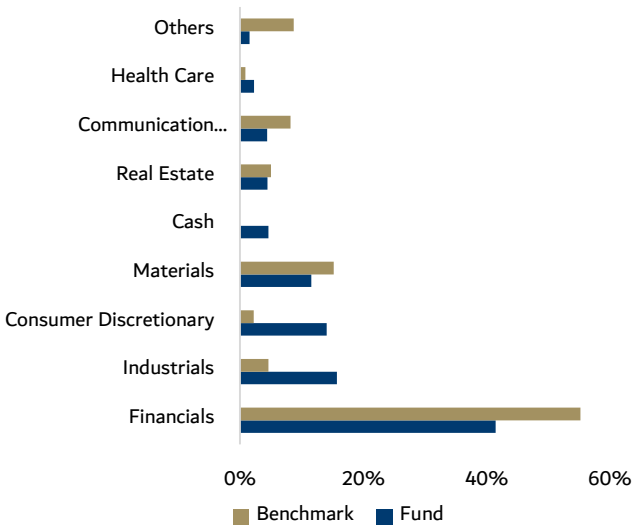
| Fund Characteristics[2] | Fund | Benchmark |
|---|---|---|
| Standard Deviation | 9.1% | 9.8% |
| Sharpe Ratio | 0.78 | 0.29 |
| Beta | 0.73 | |
| Tracking Error | 6.2% | |
| Information Ratio | 0.68 | |

[2] The fund characteristics are based on the historical data of the Al Mal MENA Equity Fund as the AZ Al Mal Equity Fund will continue to follow the same strategy. It is calculated using 3-year weekly data

## Geographic Allocation




## Sector Allocation




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# Al Mal UAE Equity Fact Sheet

**NAV Per Unit: AED 1.18**

## December 2019

**Fund Objective:** The Al Mal UAE Equity Fund's objective is to achieve medium to long-term capital growth by investing primarily in equities listed on the UAE Exchange.

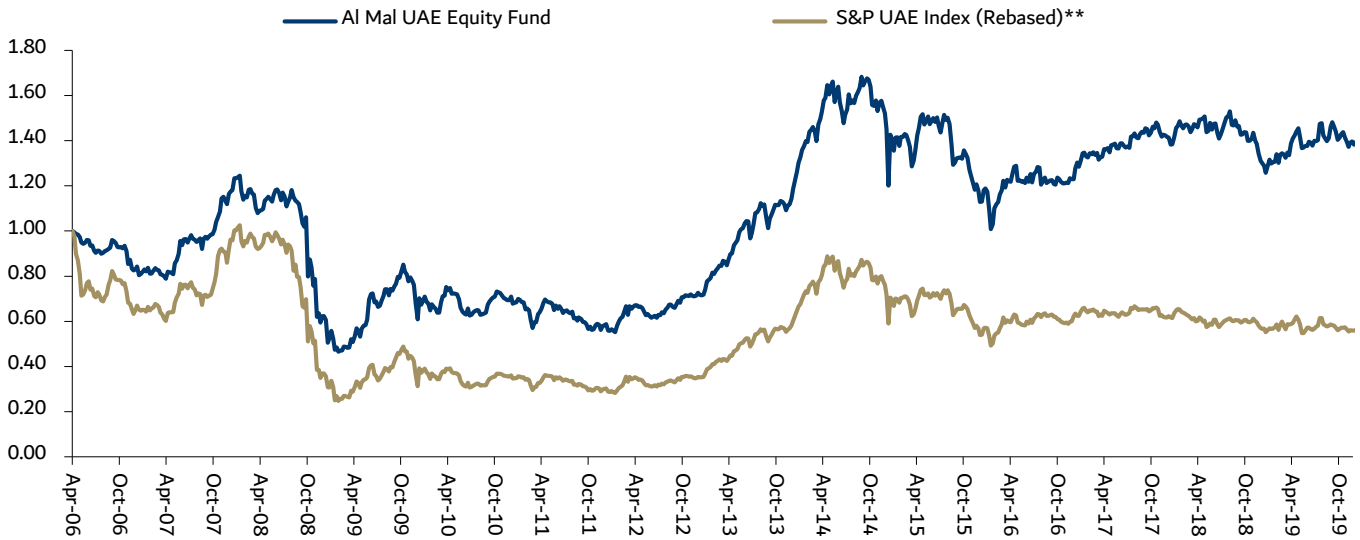
### Key Terms:

| | |
|---|---|
| **Fund Manager** | Charles-Henry Monchau, CFA |
| | Sherif El Haddad |
| | Vrajesh Bhandari, CFA |
| | Tamara Tannir, CFA |
| **Inception Date** | 5th April 2006 |
| **Fund Registration** | UAE |
| **Currency** | AED |
| **Fund Size** | AED 38mn |
| **Subscription** | Weekly |
| **Dividend Frequency** | Yearly |
| **Min Subscription** | AED 100,000 |
| **Management Fee** | 1.50% |
| **Performance Fee** | 20% over 10% hurdle with high watermark |
| **Subscription Fee** | Up to 2% |
| **Redemption** | Weekly |
| **Benchmark Index** | S&P UAE Composite Index |
| **Fund Type** | Open Ended |
| **Administrator** | Standard Chartered |
| **Custodian** | Standard Chartered |
| **Financial Year End** | 31st December |
| **Auditors** | Deloitte |

| Performance Yearly | Fund | Benchmark | Relative Perf. |
|---|---|---|---|
| 2019 | 4.9% | 0.3% | 4.6% |
| 2018 | -5.7% | -7.7% | 2.0% |
| 2017 | 7.8% | -1.6% | 9.4% |
| 2016 | 7.9% | 9.0% | -1.1% |
| 2015 | -15.3% | -17.6% | 2.3% |
| 2014 | 11.2% | 7.5% | 3.7% |
| 2013 | 81.4% | 88.0% | -6.6% |
| 2012 | 28.7% | 23.5% | 5.2% |
| 2011 | -18.4% | -17.7% | -0.7% |
| 2010 | -1.0% | -8.8% | 7.8% |
| 2009 | 31.2% | 24.6% | 6.6% |
| 2008 | -56.9% | -69.4% | 12.5% |
| 2007 | 50.4% | 54.8% | -4.4% |
| 2006 | -19.1% | -35.2% | 16.1% |
| **Since Inc.** | 37.6% | -43.2% | 80.8% |

| Performance[1] | Fund | Benchmark[2] | Relative Perf. |
|---|---|---|---|
| **1 Month** | -1.5% | 1.5% | -3.0% |
| **YTD*** | 4.9% | 0.3% | 4.6% |
| **1 Year** | 4.9% | 0.3% | 4.6% |
| **3 Years** | 0.0% | 4.6% | -4.6% |
| **5 Year** | -11.5% | 1.5% | -13.0% |
| **Since Inc.** | 37.6% | -43.2% | 80.8% |

## Performance




** As of 31st of December 2019*

*Source: Al Mal internal performance measurement based on reports from third-party administrators (Standard Chartered Bank)*

[1] Performance is net of fees; 3-year and 5-year return is cumulative

[2] S&P UAE Composite Index

# Al Mal UAE Equity Fact Sheet

**NAV Per Unit: AED 1.18**

## December 2019

### Fund Manager Commentary:

During the last month of 2019, the DFM Index added more to its outperformance over ADX (3.2% vs. 0.9%). Our 2019 call for Dubai to outshine Abu Dhabi is thus vindicated with returns of 9.3% and 3.3% respectively. The S&P UAE Index (+0.3%) though was dragged lower by the 21% decline of DP World.

Our Fund's performance last month was heavily impacted by the decline in the share price of NMC Health. We have completely exited the position.

Emirates NBD has cut more than 400 jobs across several areas of the bank. This is in-line with the trends we see across regional banks which aim to be more efficient though consolidation / M&A activity and technology investment. We think this would allow the bank to sustain its cost/income ratio in an overall weak market environment.

DP World, another of our holdings, has awarded a USD 500mn, 30-year build-operate-transfer (BOT) concession for the management and expansion of their multi-purpose port at Jeddah South Container Terminal, serving the ultra large container carriers (ULCC's). The new terminal will have an upgraded capacity of 3.6mn TEU, up from 2.4mn TEU. The company also made another acquisition - Feedertech – which is an independent feedering service and operates a regional short-sea network connecting the trade route of Asia- Middle-East via the Indian Subcontinent.

Dubai's budget for 2020 has set a record spending to boost growth ahead of the Expo. State spending will increase 17% y/y to USD18bn despite infrastructure expenditure set to drop for a second consecutive year as the emirate nears the start of Expo 2020. The plan supports social services, including health, education and housing, and working on developing the Social Benefits Fund and supporting families, as part of the objective of making Dubai one of the most livable cities in the world. We note that Dubai previously projected its economy to grow 3.2% in 2020, faster than the 2.1% growth in 2019 and 1.9% in 2018.

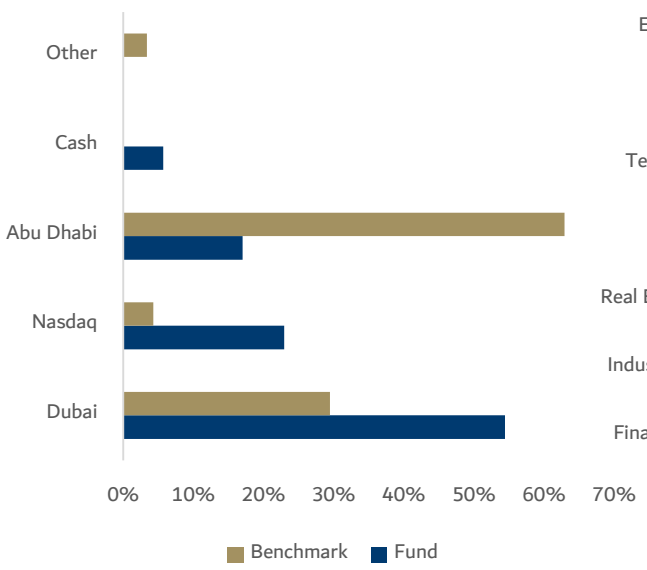
| Top Portfolio Holdings | % of Fund |
|---|---|
| Emirates NBD | 17.7 |
| DP World | 13.3 |
| Emaar Properties | 12.5 |
| **Total # of Holdings** | **10.0** |

Source: Al Mal internal performance measurement based on reports from third-party administrators (Apex)

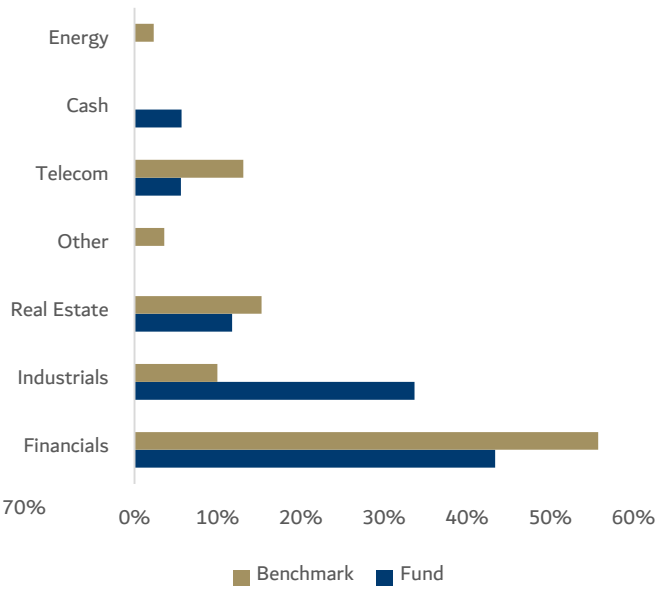
| Fund Characteristics[2] | Fund | Benchmark |
|---|---|---|
| Standard Deviation | 11.8% | 13.0% |
| Sharpe Ratio | -0.07 | -0.49 |
| Beta | 0.73 | |
| Tracking Error | 7.9% | |
| Information Ratio | 0.66 | |

[2] Calculated using 3-year weekly data

### Geographic Allocation




### Sector Allocation




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