AZ Al Mal MENA Equity Fact Sheet

September 2020

NAV Per Unit: USD 4.96

Fund Manager Commentary

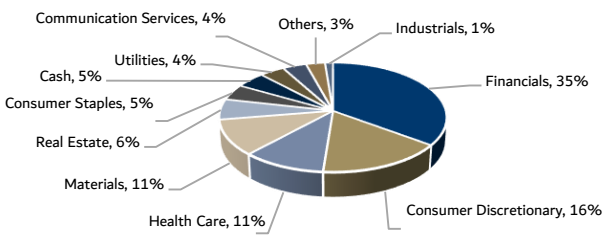
September saw the S&P 500 drop by 4.5%, a stark contrast to the 7% gains it made in the previous month. The month started with major US Indices falling for a second week in a row as technology heavyweights experienced their worst pullback since March. The themes of the month that contributed to the drop were the inability of US politicians to agree on the next COVID stimulus package pre-election, mixed economic data showing slowing progress on the US labor front, the hawkishness of the fed and election volatility. The old Buffett adage "never bet against the US market" seemed to hold true for another month as the US dollar strengthened 1.7%, whilst Gold was down 3.8%. With regards to the region, September saw the S&P Pan Arab Index lead the beaten down MXEF returning 1.9% in comparison to the MXEF losing 2.8%. Relative strength from Crude helped the recovery of the S&P Pan Arab Index.

Tadawul had a strong September climbing 4.6%, aided by the easing of lockdowns. This month the Saudi Arabian government released their preliminary budget for 2021 in the last week of September. Saudi Arabia plans to cut spending by 7.5% in next year's budget to 990 billion riyals ($263.94 billion) from this year's 1.07 trillion riyals ($285.27 billion). It expects a 12% budget deficit for 2020, falling to 5.1% next year, the document showed spending is expected to decrease to 955 billion riyals and 941 billion riyals in 2022 and 2023, respectively, with the deficit shrinking to 3% and 0.4% in those two years. Portfolio holdings, Malath and Al Khaleej had stellar performances in the month of September, returning 33.8% and 24.6% respectively.

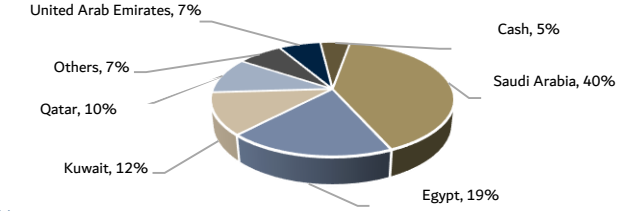
Malath's strong performance is on the back of their exclusive rights to cover Inherent Defects Coinsurance (IDI). By the Council of Ministers Resolution, The IDI is a compulsory cover which requires all contractors involved in private sector construction projects to obtain an IDI policy. Given the Saudi push towards home ownership, the subsequent boom in the mortgage market has driven Malath's performance. Portfolio star, Al Khaleej, had major developments on their training and education segments. On the side of their training segment, they signed a SAR142 mn customer service deal with SEC to manage and operate a customer service center for the company. Under the agreement Al Khaleej will merge customer services such as general inquiries and complaints, under one roof. The contract is expected to be reflected in the financial results for the fiscal year 2020. On the side of their education segment, Al Khaleej extended the MOU to acquire a 60% stake in Al Raqi Schools which was announced in July. This extension will allow them to complete the due diligence required to finalise the deal. These schools are already profitable and will allow Al Khaleej to bolster their bottomline.

Egypt delivered a surprise rate cut this month, the first since the reduction of 300 basis points last March in line with the outbreak of COVID-19. The Monetary Policy Committee at the Central Bank of Egypt (CBE) decided to cut rates by 50 bps, bringing the overnight deposit and lending rates to 8.75% and 9.75% respectively. Additionally, the main operation and discount rates are now at 9.25%. The cut in rates follows lower inflation number, August saw this at 3.4% a 10-month low. The implications will be muted on credit growth as the government had already been accelerating lending, through their subsidized lending scheme. The scheme has allowed an increasing number of companies to borrow at 8%, well below market rates. As for the economic activity and/or the carry trade, the 50bps cut will still leave Egypt with an attractive real yield of 6-7%. Portfolio holding, Speed Medical returned 13.6% this month. The company recently undertook a rights issue to raise EGP150mn aiding Speed Medical to put into motion their lab expansion strategy alongside plans to expedite their hospital openings. Furthermore, the company currently trades in Egypt's Nilex and an increase in liquidity will see the company shift to the larger EGX market, thereby attracting institutional interest and subsequent flows.

Sector Allocation



Geographic Allocation



Objective

Achieve capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

Fund Performance

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	3.0%	1.6%	1.4%
YTD[3]	0.0%	-8.0%	8.0%
1 Year	2.2%	-3.9%	6.2%
3 Year	16.3%	7.5%	8.8%
5 Year	17.0%	-0.3%	17.2%
Since Inc.	-0.7%	-8.9%	8.1%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 30th September 2020

Top 5 Holdings

Holding	% of Fund
Humansoft	4.9
Al Rajhi Bank	4.5
MM Group for Industry & International Trade	4.2
Mouwasat Medical Services	3.9
Centamin PLC	3.9

Fund Analysis

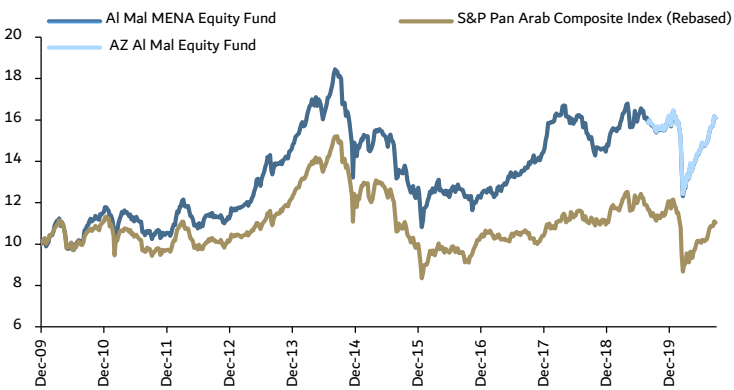
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	14.9%
Sharpe Ratio	0.30	0.0
Beta	0.8	
Tracking Error	6.2%	
No. of Holdings	47	

[4] The fund characteristics are based on the historical data of the Al Mal MENA Equity Fund as the AZ Al Mal Equity Fund continues to follow the same strategy; calculated using 3-year weekly data

Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Investment Team	Sherif El Haddad Tamara Tannir, CFA Jai Lawrence
Inception Date	June 26, 2019
Fund Size	USD 57 million
Strategy Size	USD 250 million
Domicile	Luxembourg
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 1 (Retail) -250,000 (Institutional)
Bloomberg Code	AZ3AZUA LX
Management Fee	Up to 2.0%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator & Custodian	BNP Paribas

10Y Fund Strategy Performance



Disclaimer

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Al Mal MENA Equity Fact Sheet

September 2020

NAV Per Unit: USD 8.83

Fund Manager Commentary

September saw the S&P 500 drop by 4.5%, a stark contrast to the 7% gains it made in the previous month. The month started with major US Indices falling for a second week in a row as technology heavyweights experienced their worst pullback since March. The themes of the month that contributed to the drop were the inability of US politicians to agree on the next COVID stimulus package pre-election, mixed economic data showing slowing progress on the US labor front, the hawkishness of the fed and election volatility. The old Buffett adage "never bet against the US market" seemed to hold true for another month as the US dollar strengthened 1.7%, whilst Gold was down 3.8%. With regards to the region, September saw the S&P Pan Arab Index lead the beaten down MXEF returning 1.9% in comparison to the MXEF losing 2.8%. Relative strength from Crude helped the recovery of the S&P Pan Arab Index.

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Objective

Achieve capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

Fund Performance

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	2.8%	1.6%	1.2%
YTD[3]	-0.8%	-8.0%	7.2%
1 Year	1.5%	-3.9%	5.4%
3 Year	15.3%	7.5%	7.7%
5 Year	15.9%	-0.3%	16.2%
Since Inc.	-1.3%	-39.2%	38.0%

[1] Performance is net of fees; 3-year and 5-year return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 30th September 2020

Top 5 Holdings

Holding	% of Fund
Humansoft	4.9
Al Rajhi Bank	4.5
MM Group for Industry & International Trade	4.2
Mouwasat Medical Services	3.9
Centamin PLC	3.9

Fund Analysis

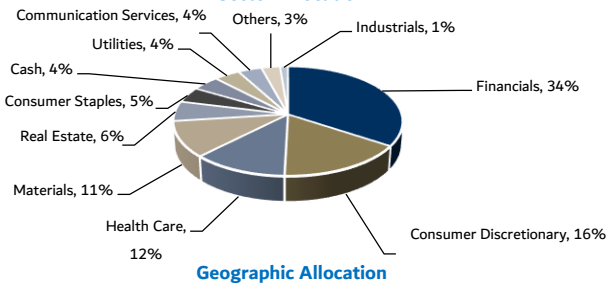
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	14.8%
Sharpe Ratio	0.3	0.1
Beta	0.8	
Tracking Error	6.2%	
No. of Holdings	47	

[4] Calculated using 3-year weekly data

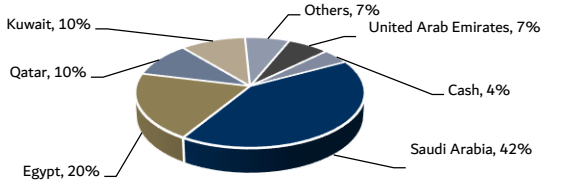
Fund Information

Fund Manager	Sherif El Haddad Tamara Tannir, CFA Jai Lawrence
Inception Date	15th June 2008
Fund Size	USD 22 million
Strategy Size	USD 250 million
Domicile	Bahrain
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 250,000
Bloomberg Code	MALMENE BI
Management Fee	1.75%
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	Apex
Custodian	Standard Chartered

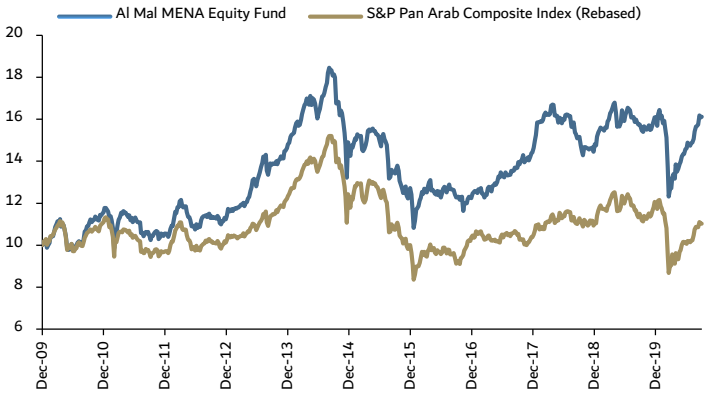
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

September 2020

NAV Per Unit: AED 1.11

Fund Manager Commentary

September saw ADX and DFM finish on opposite ends of the UAE flag, the prior down 0.2% the latter up close to 1%. The theme of the month is largely characterized by COVID-19, considering the second wave became a reality with cases topping May highs.

Following on from their amendments to retirement visas last month, UAE's Justice Ministry published a circular showing the texts of the amendments that would grant citizenship to investors, entrepreneurs, professionals, and people with special talents in accordance with the terms and conditions stipulated. This is just one of the changes the government has made, in order to support and bolster their expatriate community.

Building on the pivotal signing of the Abraham Accord, Israel and UAE based companies have begun laying the groundwork for cooperation. Israel's Bank Leumi sign MOU's with FAB and ENBD, further advancing ties between financial institutions in both countries. The services these agreements are set to provide, include clearance, credit lines and foreign currency trade. Leumi, Israel's second biggest bank, said it was approached recently by dozens of clients seeking to transfer funds to and from the UAE, until now they had to do this through European banks.

From Banking to Healthcare, Israel's Sheba Medical Center and UAE's APEX National Investment also signed a preliminary agreement to promote healthcare tech in UAE and the Gulf. The MOU is the first cooperation announced between an Israeli and UAE company as the two firms hope to form an innovation hub in the Gulf based on Sheba's big data platform, a joint statement said.

Portfolio holding, Tabreed had a stellar performance this month returning 6%, due to their successful syndication of a landmark term-loan facility. This facility will help support the company's acquisition funding of an 80% stake in Emaar Properties PJSC's Downtown Dubai district cooling business. It was structured as a multi-tranche syndicated facility with Islamic and conventional tranches. Following the completion of the Downtown Dubai district cooling transaction, The transaction was a major milestone for Tabreed, as they were able to demonstrate their ability to deliver on their growth potential and it reinforced their position as an industry leader.

The Arabtec saga reached its final act, when the Dubai-based construction company announced it would enter into liquidation. Arabtec chairman, Waleed al-Muhairi, said in a statement published by Abu Dhabi's state-linked newspaper The National "Despite efforts to pursue legal and commercial entitlements and a restructuring of the company's finances and operations, the situation in which Arabtec finds itself today is untenable," Arabtec said its board will have a maximum of two months to allow for discussions with the main stakeholders before a liquidation application.

Finally, Aramex rallied 19% over September on the back of Abu Dhabi's ADQ acquiring 22% of the firm. ADQ is a holding company for some of UAE's biggest assets include the ADX and the Abu Dhabi Airports. The shares were acquired through a series of on market transactions and through an off-market deal, according to a statement issued by the firm. The company's performance was also aided by a possible index inclusion with EFG Hermes estimating flows of as much as $30m in the event the company is included in the MSCI and FTSE Russell benchmarks.

Objective

Achieve medium to long-term capital growth by investing primarily in equities listed on the UAE Exchange.

Fund Performance

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	-1.1%	-1.9%	0.8%
YTD[3]	-5.9%	-18.8%	12.9%
1 Year	-10.1%	-19.3%	9.2%
3 Year	-9.9%	-28.8%	18.9%
5 Year	-4.6%	-31.5%	26.9%
Since Inc.	29.5%	-53.9%	83.4%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 30th September 2020

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank	19.4
Emirates NBD	16.0
Tabreed	13.7

Fund Analysis

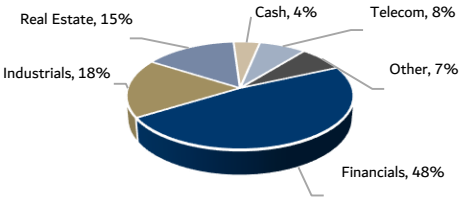
Matrix[4]	Fund	Benchmark
Standard Deviation	16.7%	22.8%
Sharpe Ratio	-0.34	-0.57
Beta	0.64	
No. of Holdings	11	

[4] Calculated using 3-year weekly data

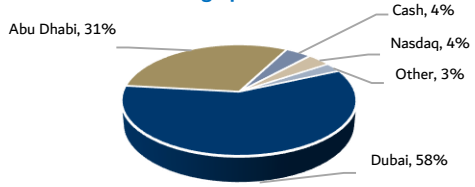
Fund Information

Fund Manager	Sherif El Haddad Tamara Tannir, CFA Jai Lawrence
Fund Size	AED 42 million
Domicile	UAE
Currency	AED
Subscription & Redemption	Weekly
Min Subscription	AED 100,000
Management Fee	1.50%
Performance Fee	20% over 10% hurdle with high watermark
Financial Year End	31st December
Benchmark Index	S&P UAE Composite Index
Fund Type	Open Ended
Administrator & Custodian	Standard Chartered

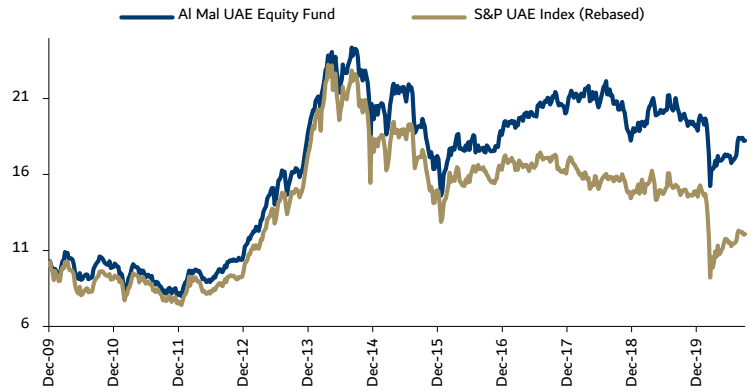
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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