AZ Al Mal MENA Equity Fact Sheet

December 2020

NAV Per Unit: USD 5.22

Fund Manager Commentary

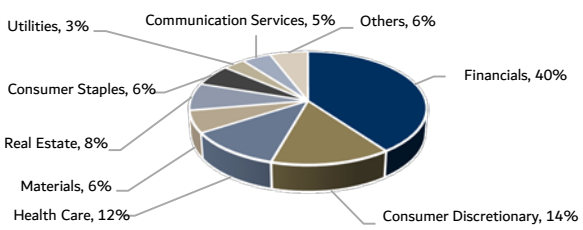
Investor sentiment remained bullish in December over vaccine optimism that can help normalize the global economic environment in 2021 as inoculation grows. This was in-spite of the emergence of a new variant of Covid-19, which triggered a new wave of lockdowns extending into the first quarter of 2021, delaying the anticipated recovery. Despite a steep drop in global equities in March, many mature markets recovered most of their losses by year-end 2020, with the US hitting new all-time highs. The S&P 500 returned 3.8% over December, while the DOW returned 3.4% over the month. Emerging market indices outperformed over December as investors rotated into the space, pushing the MSCI Emerging Markets Index up 7.3% in December. The S&P Pan Arab MENA index however lagged both emerging and global indices, up only 0.9%. Gold rebounded after a poor November, rising 6.5% in December, while crude also regained momentum, up 6%. Finally, December's best performing asset class was Bitcoin,, rising 50% in the month alone, and concluding 2020 at the 29,000 mark.

Tadawul lagged the S&P Pan Arab index in December, falling 0.6%, with financials weighing on the index's poor performance most. Mid-December saw Saudi and Qatar work towards ending a rift that divided the Gulf Arab region for more than three years, with the Qatari foreign minister hoping "things would move in the right direction" while his Saudi counterpart tweeted he was "looking forward to a successful outcome to Gulf reconciliation talks". The two nations' efforts, along with Kuwait and the US's mediation clearly bore fruit with the borders between the two countries reopening, at the time of writing. Saudi also reported an economic contraction of 4.6% over Q3 2020 with the oil sector contributing more to the contraction vs. the non-oil sector. Going into 2021, we remain cautiously optimistic on Saudi, with upside risks emanating from an accelerated recovery in economic activity as the vaccine rolls out Q1, though we see downside risks from near-term demand shocks from the pandemic coupled with austerity measures that dampen consumer spending.

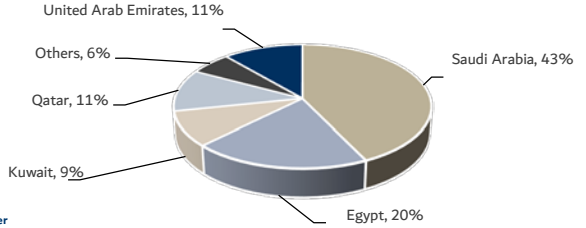
The EGX30 also lagged the S&P Pan Arab Index, down 0.9% over the month. We remain overweight Egypt going into 2021, despite a difficult 2020 as the country offers more structural growth and economic diversification than the GCC. Meanwhile, The World Bank, through the International Finance Corporation (IFC), is in talks with the Egyptian Sovereign Wealth Fund (SWF) to partner on a number of projects that the Fund is offering to the private sector for investment, according to Walid Labadi, IFC Country Manager for Egypt, Libya and Yemen. He also indicated that the IFC spent a total of USD 307mn in Egypt during FY19/20, with the total market expenditure of the IFC surpassing USD 4 billion, the highest in MENA. Portfolio holding MM Group for Industry and International trade's BoD agreed to participate in the capital increase of Ebtikar (its 49.9 per cent JV held by B Investments Holding) with EGP15mn, raising their overall contribution to Ebtikar to EGP365mn. In addition, the BoD approved the acquisition of 49.9 per cent of the non-banking financial services company Basata Financial Holding for EGP30mn. The company remains a portfolio favorite and this news is a milestone in the company's vision to unlock value from both it's e-payments and its non-banking financial services arms.

Kuwait's prime minister appointed a cabinet that included new faces at the oil and finance ministries, days after voters demanding change removed half the nation's parliament. Khalifa Hamada, who served as finance minister undersecretary for more than a decade, became the fifth person to hold the post in just seven years, while Mohammed Alfares, board member of Kuwait Pertroleum, became the country's eighth energy minister in as many years. Finally, on a portfolio level, Humansoft announced the resignation of its CEO, Mayank Baxi. The BoD appointed Georges El Yahchouchi, the President of the company's American University of Middle East (AUM), as the new CEO, March 2021. We see little impact on the business's operations and continue to remain confident in its ability to drive sustainable returns well-over the cost of capital, and capacity to reinstate dividends offering attractive yields.

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	2.6%	1.6%	1.1%
YTD[3]	5.1%	-1.8%	6.9%
1 Year	4.7%	-2.2%	6.9%
3 Year	13.0%	10.2%	2.7%
5 Year	46.5%	30.1%	16.4%
Since Inc.	4.4%	-2.7%	7.0%

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

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	5.2
Mouwasat Medical Services	4.9
Humansoft Holdings	4.3
MM Group for Industry and Trade	3.9
National Commercial Bank	3.6

Fund Analysis

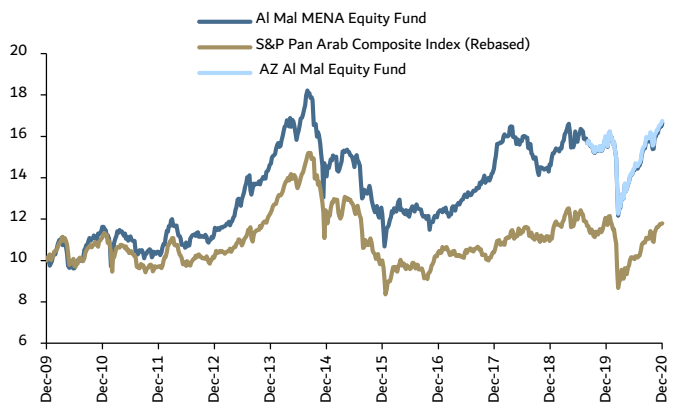
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	15.0%
Sharpe Ratio	0.12	0.0
Beta	0.8	
Tracking Error	6.1%	
No. of Holdings	47	

[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
Fund Manager	Sherif El Haddad
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



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Al Mal MENA Equity Fact Sheet

December 2020

NAV Per Unit: USD 8.95

Fund Manager Commentary

Investor sentiment remained bullish in December over vaccine optimism that can help normalize the global economic environment in 2021 as inoculation grows. This was in-spite of the emergence of a new variant of Covid-19, which triggered a new wave of lockdowns extending into the first quarter of 2021, delaying the anticipated recovery. Despite a steep drop in global equities in March, many mature markets recovered most of their losses by year-end 2020, with the US hitting new all-time highs. The S&P 500 returned 3.8% over December, while the DOW returned 3.4% over the month. Emerging market indices outperformed over December as investors rotated into the space, pushing the MSCI Emerging Markets Index up 7.3% in December. The S&P Pan Arab MENA index however lagged both emerging and global indices, up only 0.9%. Gold rebounded after a poor November, rising 6.5% in December, while crude also regained momentum, up 6%. Finally, December's best performing asset class was Bitcoin,, rising 50% in the month alone, and concluding 2020 at the 29,000 mark.

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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	3.1%	1.6%	1.5%
YTD[3]	4.6%	-1.8%	6.4%
1 Year	4.8%	-1.6%	6.3%
3 Year	12.3%	10.2%	2.1%
5 Year	45.7%	30.1%	15.6%
Since Inc.	4.2%	-35.1%	39.2%

[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 December 2020

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	5.2
Mouwasat Medical Services	4.9
Humansoft Holdings	4.0
MM Group for Industry and Trade	3.8
National Commercial Bank	3.6

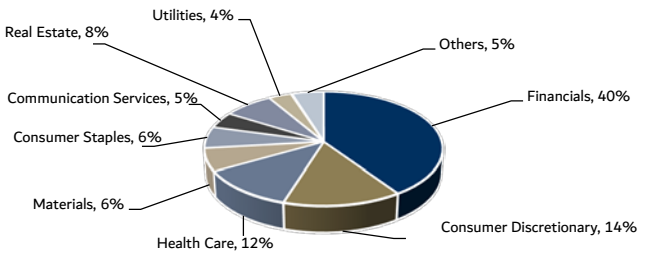
Fund Analysis

Matrix[4]	Fund	Benchmark
Standard Deviation	13.5%	15.0%
Sharpe Ratio	0.3	0.2
Beta	0.8	
Tracking Error	6.0%	
No. of Holdings	47	

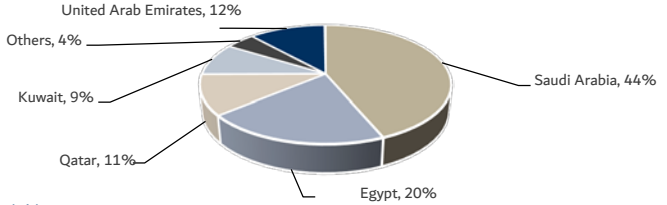
[4] Calculated using 3-year weekly data

Fund Manager	Sherif El Haddad
Inception Date	15th June 2008
Fund Size	USD 26 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

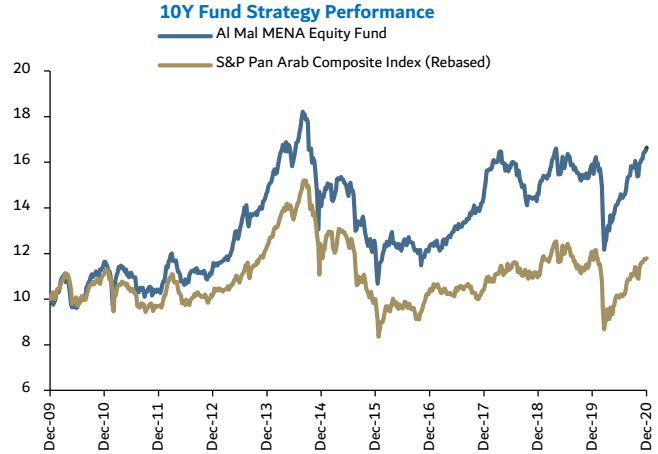
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

December 2020

NAV Per Unit: AED 1.23

Fund Manager Commentary

UAE indices had a superior December vs. regional peers, with the S&P UAE Index up 2.6% over December. According to a state news agency WAM, the Central Bank's projections indicate a 3.6% increase in the country's 2021 non-oil GDP. This is driven by an anticipated recovery in economic activity after a low 2020 base, which should witness a 4.5% contraction, according to the Central Bank's second quarter economic survey. The state news agency indicated that AED 388bn (USD 105.6bn) worth of total economic support packages and programs have been implemented since the beginning of the pandemic.

Dubai outperformed Abu Dhabi, with the DFMGI returning 3% vs. ADSMI's 1.6%. Towards the end of December, The Supreme Crisis and Disaster Management Committee of Dubai issued a statement over Twitter saying that an "extensive vaccination campaign" against COVID-19 will be launched in Dubai, using Pfizer-vaccine BioNTech's and is free of charge.

The government's proactive approach in handling the pandemic is welcomed, and we think dividends will be paid in the form of an economic recovery during 2021. Dubai's easing of movement restrictions coupled with vigilante vaccine roll-out bode well for tourism, hospitality and retail, and we are already seeing anecdotal evidence of increased mobility. This is further supported by the UK-UAE travel corridor. Despite various global risks in sight, UAE's effective response to the pandemic crisis should help drive an economic recovery, while hosting Expo 2020, which it remains committed to, acting as a tailwind for Dubai.

Portfolio holding National Central Cooling Co (Tabreed) declared that, for a total consideration of AED963mn, it has acquired Saadiyat Cooling LLC (SCL), owned by Aldar Properties PJSC and Saadiyat District Cooling Sole Proprietorship LLC (SDCL, a wholly owned subsidiary of Aldar. The transaction cements Tabreed's position as Abu Dhabi's largest district cooling provider, operating 655k RT across 46 plants. The acquisition gives Tabreed access as the district cooling provider to new projects, including the Louvre Abu Dhabi, NYUAD and Manarat Al Saadiyat.

Finally, another Portfolio Holding of ours, Emirates NBD announced that its Turkish subsidiary DenizBank is signing a syndicated loan agreement over two tranches, which amount to USD 243m and USD 446m, respectively, with a 1 year-long maturity. Denizbank will allocate the raised funds towards international trade activities of their clients, primarily operating in tourism, shipping, export-related industries and agriculture, according to a bourse filing. The all-in costs for the USD and EUR tranches are Libor plus 2.5% and Euribor plus 2.25%, respectively.

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	2.3%	3.3%	-0.9%
YTD[3]	8.6%	-8.2%	16.8%
1 Year	9.4%	-8.4%	17.8%
3 Year	5.1%	-17.9%	23.0%
5 Year	27.3%	-8.2%	35.6%
Since Inc.	49.5%	-47.8%	97.3%

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

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank	22.9
Tabreed	14.8
Emirates NBD	13.4

Fund Analysis

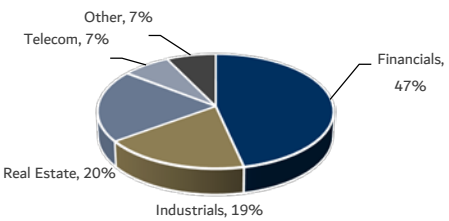
Matrix[4]	Fund	Benchmark
Standard Deviation	17.1%	23.0%
Sharpe Ratio	-0.04	-0.38
Beta	0.66	
No. of Holdings	11	

[4] Calculated using 3-year weekly data

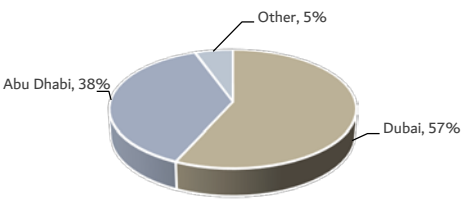
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 45 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

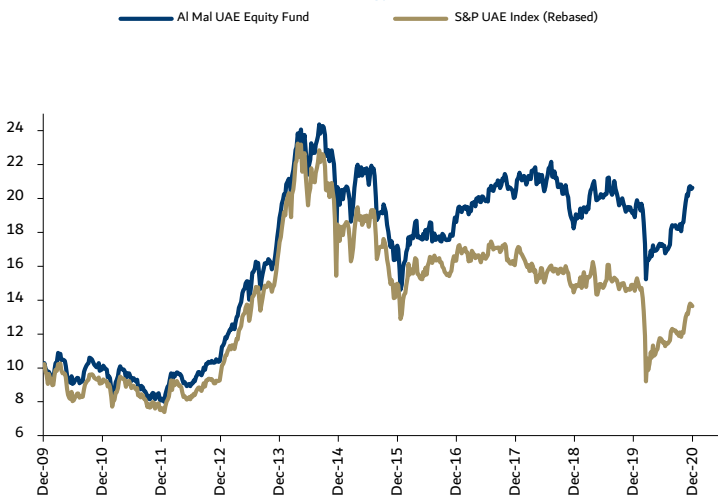
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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