AZ Al Mal MENA Equity Fact Sheet

June 2021

NAV Per Unit: USD 6.13

Fund Manager Commentary

June was a crucial month for the longer term direction of equities as the federal reserve held rates at near-zero, but there was a clear shift to a more hawkish stance as Fed officials penciled in earlier than expected hikes in 2023. A shift congruent with our view on the issue. Brent crude roared through the month posting a 9.33% gain, hitting multi year highs on an improved outlook for worldwide demand as rising COVID-19 vaccination rates help spur an economic recovery. The International Energy Agency indicated that OPEC+ could need to let the taps run with demand expected to hit pre-pandemic levels by 2022. We remain constructive on Brent, but keep a watchful eye on potential fresh supply flooding the market and the potential supply cuts rollback negotiation at the end of the month.

The Saudi Cabinet approved the license of two digital banks with a combined paid up capital of SAR 4bn, one of which was granted to portfolio holding STC for its subsidiary STC pay (with a capital base of SAR 2.5bn). The app currently has 2.7-2.8m active customers, with more than 50k POS and 1m cards (in partnership with VISA), with ample room for growth and adoption as further financial inclusion is achieved.

In the UAE, the primary property market continues to look red hot with Aldar's Noya Viya, selling out in 48 hours. Though we've seen the bulk of the activity happening in Dubai, we continue to like Abu Dhabi's property market dynamics underpinned by its buyer profile and more contained supply pipeline. There is also a very clear structural shift in consumer preferences towards more open space villa type properties, evident in pricing outperformance vis-à-vis apartments.

In Egypt, e-payment platforms Bee and Masry have announced intentions to make their EGX debut in Q4 2021. We look forward to the IPO and its implications on parent company and core portfolio holding MTI, as current market-implied valuations of the pair e-payment platforms remain muted, in our view. MTI also reported a compelling 20% y/y increase in Q1 EPS, driven by sustained growth in home appliance and automobile sales, and 30bps expansion in net margins as the non-banking financials arm turned positive. We look forward to strong P&L metrics in 2021, underpinned by new launches within the consumer electronics segment, pent-up demand for cars, and vast growth emanating from the e-payment's partnership with Vodafone Egypt.

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	2.2%	2.4%	-0.2%
YTD[3]	18.2%	20.2%	-2.0%
1 Year	33.7%	38.1%	-4.4%
3 Year	24.6%	23.7%	0.9%
5 Year	62.1%	47.0%	15.1%
Since Inc.	22.6%	16.2%	6.4%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 30th June 2021

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	7.0
Mouwasat Medical Services	6.3
Al Rajhi Bank	5.5
United Electronics	5.0
Saudi Basic Industries	3.5

Fund Analysis

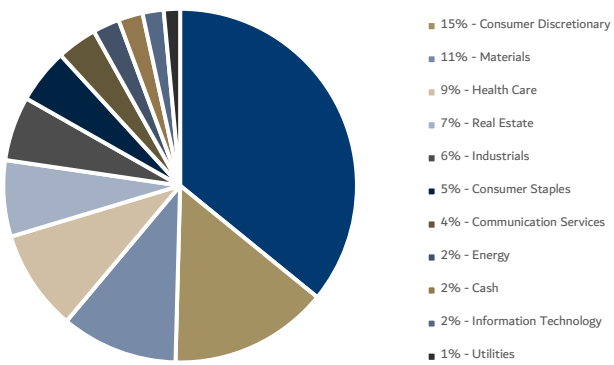
Matrix[4]	Fund	Benchmark
Standard Deviation	13.2%	15.1%
Tracking Error	1.9%	0.0
Beta	0.8	
No. of Holdings	47	

[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

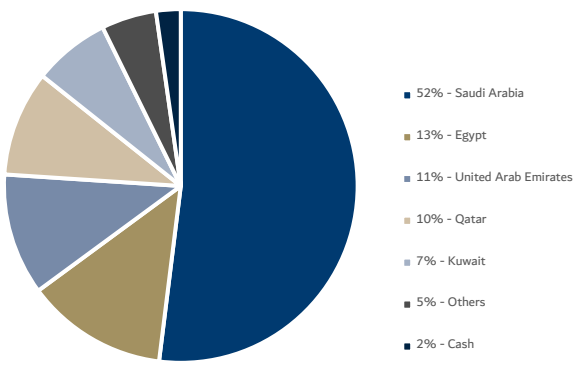
Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Fund Manager	Sherif El Haddad
Inception Date	June 26, 2019
Fund Size	USD 75 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

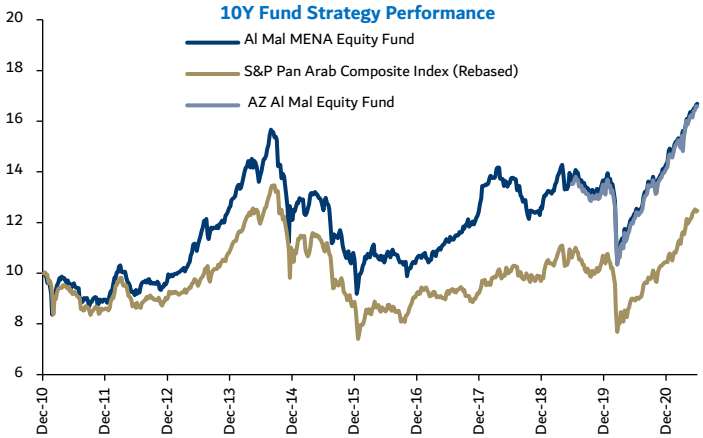
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal MENA Equity Fact Sheet

June 2021

NAV Per Unit: USD 10.44

Fund Manager Commentary

June was a crucial month for the longer term direction of equities as the federal reserve held rates at near-zero, but there was a clear shift to a more hawkish stance as Fed officials penciled in earlier than expected hikes in 2023. A shift congruent with our view on the issue. Brent crude roared through the month posting a 9.33% gain, hitting multi year highs on an improved outlook for worldwide demand as rising COVID-19 vaccination rates help spur an economic recovery. The International Energy Agency indicated that OPEC+ could need to let the taps run with demand expected to hit pre-pandemic levels by 2022. We remain constructive on Brent, but keep a watchful eye on potential fresh supply flooding the market and the potential supply cuts rollback negotiation at the end of the month.

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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	2.3%	2.4%	-0.1%
YTD[3]	17.4%	20.2%	-2.8%
1 Year	33.0%	38.1%	-5.1%
3 Year	23.1%	23.7%	-0.7%
5 Year	60.1%	47.0%	13.1%
Since Inc.	21.5%	-22.5%	44.0%

[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 June, 2021

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	6.9
Mouwasat Medical Services Co	6.2
Al Rajhi Bank	5.3
United Electronics Co	5.0
Humansoft Holding	3.4

Fund Analysis

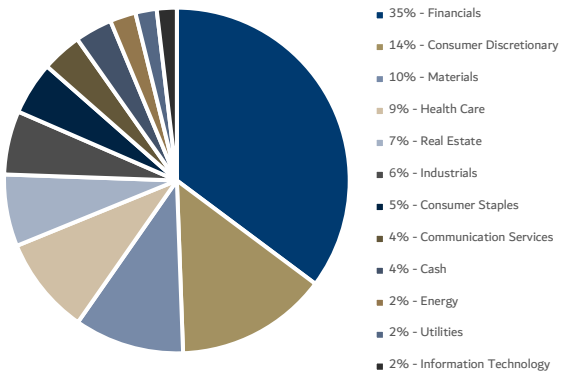
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	15.0%
Tracking Error	1.7%	0.4
Beta	0.8	
Dividend Yield 2020	4.0%	
No. of Holdings	47	

[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

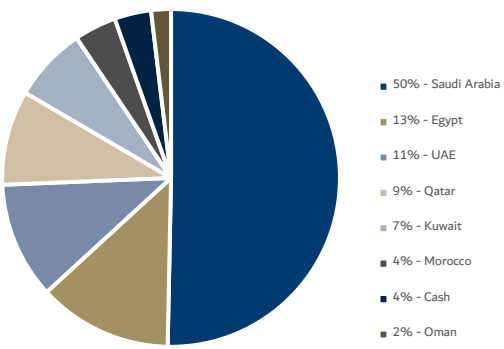
Fund Information

Fund Manager	Sherif El Haddad
Inception Date	15th June 2008
Fund Size	USD 31 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

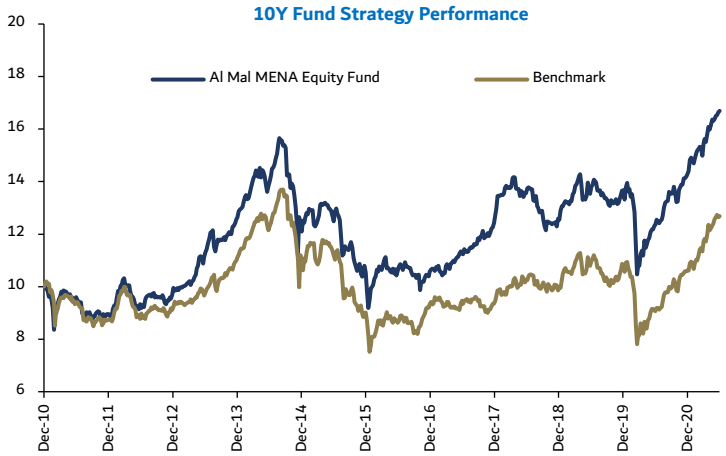
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

June 2021

NAV Per Unit: AED 1.44

Fund Manager Commentary

The India-UAE travel corridor remains suspended as of time of writing, which is the third and eighth business international routes in the world, impacting Q2 inflows. Nevertheless, the UAE is officially the most vaccinated nation, a positive read-through for a rebound in mobility ahead of Expo 2020. We think the UAE has maintained a constructive balance set between economic activity and the spread of the virus, while inoculation remains at pace.

Dubai continues to actively revamp its regulatory environment, targeting a 30% reduction of government-related procedures for business set-up. In addition, Dubai is looking to grow business activity by increasing the private sector's participation in public projects. Even though the UAE is a more mature market in the digital banking space, new entrants still see opportunity as Dubai-based digital bank Bank Zand plans to be the first fully independent challenger bank in the UAE. After FAB's spinoff of its own internal equivalent magnate, it will be interesting to see how this space evolves in terms of penetration and profitability. We think the sharp rise in the value of the e-commerce market in 2020 to USD 3.9bn with further growth penciled in going forward, gives challenger banks tremendous potential given the discernible shift in consumer preferences. Additionally, with UAE ranking as the 15th biggest recipient of FDI last year and the steep drop in cost of living, we think there is further recovery potential via improved macro positioning.

Over the month, we also saw Nakheel sell district cooling assets to Emirates Central Cooling, a JV between Dubai Holdings and a state owned utility player. We see strong growth prospects in the district cooling business, owing to the relatively nascent but increasingly important role it plays in the development of the region, with opportunities for adoption in Saudi, India and Egypt.

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	-3.3%	-0.2%	-3.1%
YTD[3]	18.4%	21.5%	-3.1%
1 Year	44.1%	42.2%	1.9%
3 Year	22.0%	7.3%	14.7%
5 Year	43.8%	5.7%	38.1%
Since Inc.	74.7%	-37.3%	112.0%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 30th June 2021

Top 3 Holdings

Holding	% of Fund
Emaar Properties	9.9
First Abu Dhabi Bank	9.8
Emirates NBD	9.5

Fund Analysis

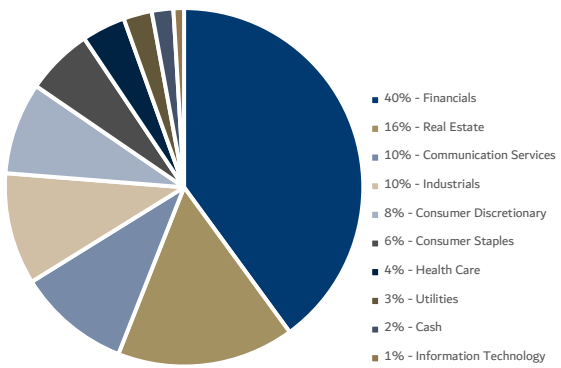
Matrix[4]	Fund	Benchmark
Standard Deviation	17.2%	23.1%
Tracking Error	3.3%	0.03
Beta	0.66	
Dividend Yield 2020	4.5%	
No. of Holdings	19	

[4] Calculated using 3-year weekly data

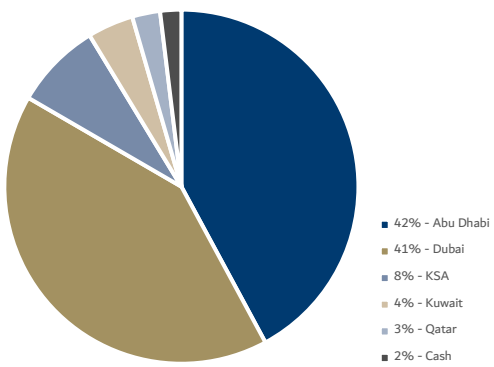
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 54 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

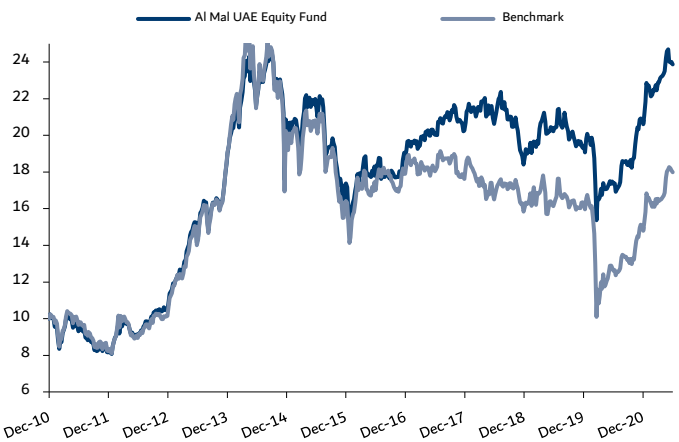
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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