AZ Al Mal MENA Equity Fact Sheet

April 2021

NAV Per Unit: USD 5.92

Fund Manager Commentary

The US's S&P outperformed the Dow in April, up 5.2% vs the DOW's 2.7%, lifted by strong tech results. The macro picture is looking positive with the US reporting Q1 GDP growth of 6.4% (annualized), supported by a healthy increase in government spending, coinciding with a decline in jobless claims to a pandemic-era low. Despite bright macro news, the Fed's Powell continued his dovish stance, promising it would be "some time" before rates would be increased, thereby moderating the steepening of the yield curve. Nevertheless, Eurozone yields did not follow suit, trending higher on the back of higher than expected inflation data in Germany. European stocks did rise a comparably lower 1.9% over April as a result of additional lockdown measures. Finally, crude rallied 7.5% in April, helping the S&P Pan Arab record a stellar month, up 5.2% and outperforming the MSCI Emerging Markets index which was up 2.4%.

KSA's Aramco concluded a deal to raise USD 12.4bn from a 49% stake sale in a pipeline-rights company, strengthening its balance sheet and unlocking the potential of its asset base, but also raising funds for the country. Banking heavyweights Rajhi reported Q1 profits of SAR 3.3bn, up 40% y/y on the back of solid loan growth, capturing the lion's share of mortgages. SNB reported standalone results, up 20% y/y, helped by strong non-interest income and lower provisioning charges, compensating for weaker net interest incomes that resulted from spread compression. We continue to like the duo as beneficiaries of both mortgage growth and gov't CapEx. Another holding, Extra, reported a robust Q1 with revenues climbing 11% y/y, gross margins expanding 127bps and net profit up 2.3x y/y. This came on the back of market share gains, slight improvement in consumer spending, and growth in its consumer finance arm, in line with our thesis on the name.

Egypt's GERD talks remained in a deadlock as both Egypt and Sudan rejected Ethiopia's proposal to share data on the operation. The finance minister in Egypt also presented the draft budget for the upcoming fiscal year, targeting a 1.5% of GDP primary surplus and 6.6% GDP fiscal deficit.

Finally, in Qatar, our holding QLMI reported a 37% y/y increase in Q1 21A EPS, fully driven by higher investment income as the core business was weaker with net earned premiums falling 14% y/y on delayed renewals and a reduction in benefits amidst corporate downtrading and downsizing. Near-term weakness is not surprising to us and we continue to like the name as a long-term proxy play on higher medical insurance penetration and mandatory travel insurance with the World Cup 2022 acting as a tailwind.

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	3.8%	5.2%	-1.4%
YTD[3]	13.4%	16.2%	-2.8%
1 Year	38.2%	42.4%	-4.2%
3 Year	15.1%	19.6%	-4.5%
5 Year	46.6%	36.7%	9.9%
Since Inc.	18.3%	13.1%	5.2%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 28th April, 2021

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	7.2
Mouwasat Medical Services	5.4
Al Rajhi Bank	5.1
Saudi Basic Industries Corp	3.7
United Electronics	3.7

Fund Analysis

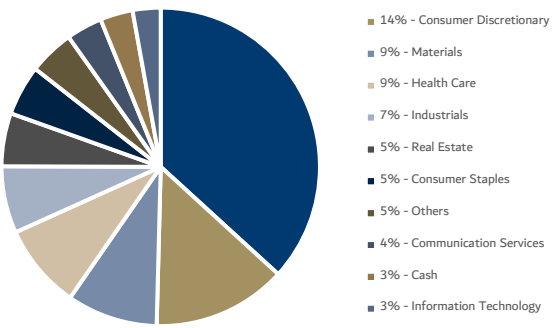
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	15.3%
Sharpe Ratio	0.39	0.0
Beta	0.8	
Tracking Error	5.4%	
No. of Holdings	54	

[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

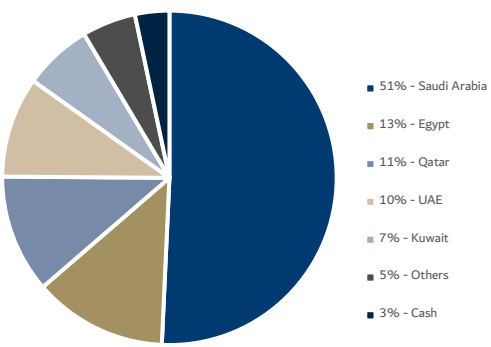
Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Fund Manager	Sherif El Haddad
Inception Date	June 26, 2019
Fund Size	USD 68 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

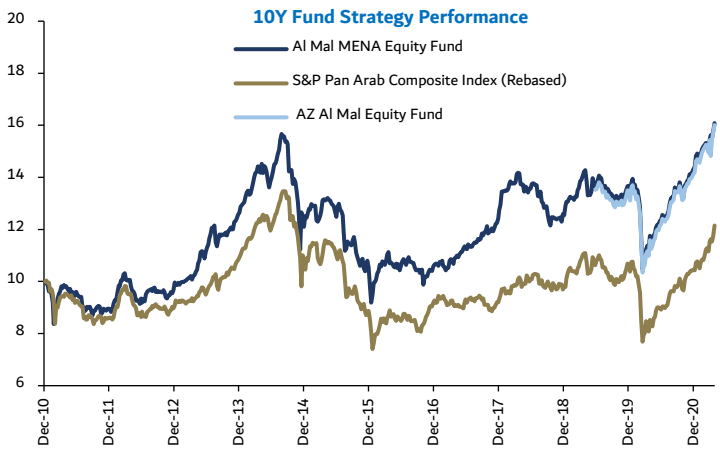
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal MENA Equity Fact Sheet

April 2021

NAV Per Unit: USD 10.06

Fund Manager Commentary

The US's S&P outperformed the Dow in April, up 5.2% vs the DOW's 2.7%, lifted by strong tech results. The macro picture is looking positive with the US reporting Q1 GDP growth of 6.4% (annualized), supported by a healthy increase in government spending, coinciding with a decline in jobless claims to a pandemic-era low. Despite bright macro news, the Fed's Powell continued his dovish stance, promising it would be "some time" before rates would be increased, thereby moderating the steepening of the yield curve. Nevertheless, Eurozone yields did not follow suit, trending higher on the back of higher than expected inflation data in Germany. European stocks did rise a comparably lower 1.9% over April as a result of additional lockdown measures. Finally, crude rallied 7.5% in April, helping the S&P Pan Arab record a stellar month, up 5.2% and outperforming the MSCI Emerging Markets index which was up 2.4%.

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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	4.1%	5.2%	-1.2%
YTD[3]	12.4%	16.2%	-3.8%
1 Year	43.8%	50.3%	-6.4%
3 Year	13.5%	19.6%	-6.1%
5 Year	44.6%	36.7%	7.9%
Since Inc.	17.1%	-24.6%	41.6%

[1] Performance is net of fees; 3-year and 5-year return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 28th April, 2021

Top 5 Holdings

Holding	% of Fund
Saudi National Bank	7.3
Mouwasat Medical Services	5.7
Rajhi Bank	5.4
Saudi Basic Industries	3.9
United Electronics	3.9

Fund Analysis

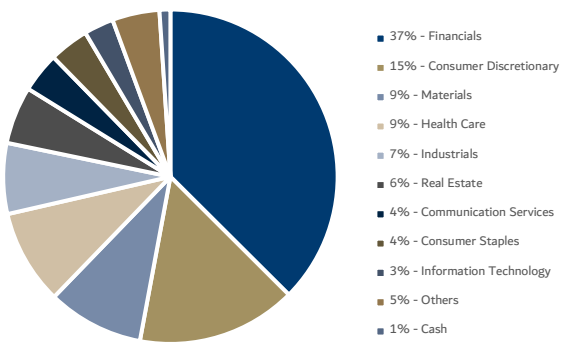
Matrix[4]	Fund	Benchmark
Standard Deviation	13.5%	15.2%
Sharpe Ratio	0.3	0.4
Beta	0.8	
Tracking Error	5.3%	
Dividend Yield 2020	4.0%	
No. of Holdings	55	

[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

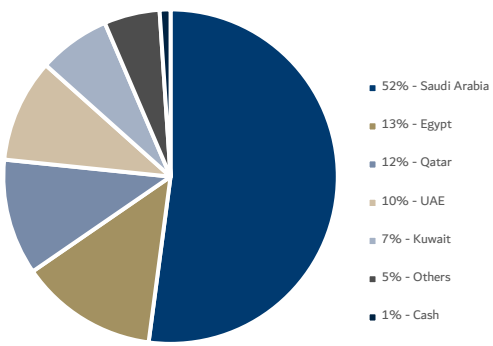
Fund Information

Fund Manager	Sherif El Haddad
Inception Date	15th June 2008
Fund Size	USD 29 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

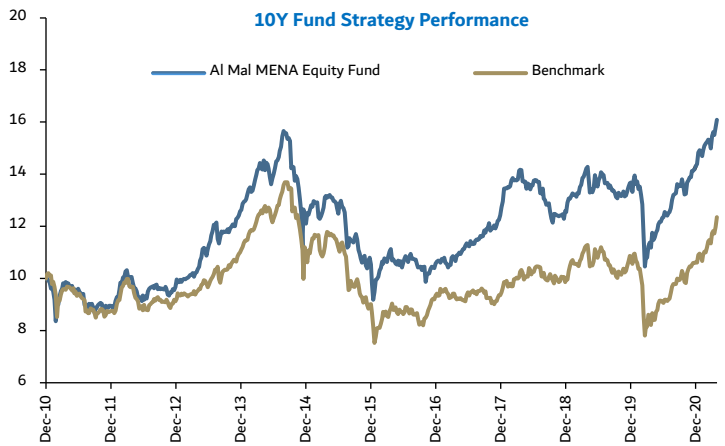
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

April 2021

NAV Per Unit: AED 1.40

Fund Manager Commentary

Dubai and Abu Dhabi equity markets had a strong April, both up 2.2% over the period, on strong performance by some non-index names such as IHC and Emirates NBD which holds a much higher weight in the DFM than in the index. As a result, this did not flow through to the S&P UAE index, which was only up 36bps during April. The S&P revised its assessment of economic risk in the UAE from negative to stable, while affirming a more positive outlook on some UAE banks revising their ratings from negative to stable. April also saw UAE releasing March non-oil private sector growth, which was at its fastest pace since July 2019, boosted by new business and a sharp rise in the construction sector. The UAE PMI rose to 52.6 in March from 50.6 in February, hitting a 20-month high and indicating a solid upturn in business conditions. We continue to remain cautiously optimistic on the economy overall, given the governments swift vaccine roll-out and new initiatives.

The number of passengers traveling through Dubai International Airport in March decreased 42% y/y to 2.03m, though improving markedly on a sequential basis (+22% m/m). In Q1 21, the number of passengers were down 68% y/y to 5.75m passengers, with aircraft movement down 38% y/y during the quarter. We expect these figures to be further impacted in the near-term following travel bans to and from India on surging cases in the latter country, derailing 300 weekly flights.

Portfolio holding Emirates NBD closed a USD1.75bn three year term-loan priced at a margin of 55 basis points with a ratchet clause of +/-2.5 basis points, contingent on the bank meeting ESG criteria. The facility was launched at an initial size of USD 1bn and was upsized to USD 1.75bn following significant oversubscription. We continue to like the bank's strong provisioning booked in 2020 and continue to view the bank as a proxy to the Dubai economy, and longer-term rising rate environment via its deposit mix.

Lastly, another portfolio holding, Agthia Group, announced its long-term strategy to become an F&B leader in the Middle East, North Africa and Pakistan (MENAP) region by 2025. The strategy will focus on improving the efficiency of its existing businesses, as well as pursuing new acquisitions in the region. The company is looking to expand into value-added categories to help bolster its water, flour and feed categories to thereby expand EBITDA margins by 100bps per annum until 2025. Agthia is also targeting cost savings of AED 200mn from synergies, portfolio optimization, and better working capital and supply chain management.

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	1.9%	0.4%	1.5%
YTD[3]	13.4%	10.9%	2.5%
1 Year	46.0%	42.8%	3.2%
3 Year	12.3%	-4.0%	16.3%
5 Year	31.5%	-7.6%	39.1%
Since Inc.	69.6%	-42.1%	111.7%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 28th April 2021

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank	20.7
Tabreed	13.9
Emirates NBD	11.9

Fund Analysis

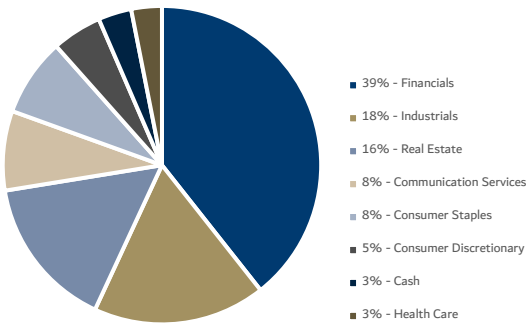
Matrix[4]	Fund	Benchmark
Standard Deviation	17.5%	23.3%
Sharpe Ratio	0.1	-0.2
Beta	0.7	
Dividend Yield 2020	4.5%	
No. of Holdings	13	

[4] Calculated using 3-year weekly data

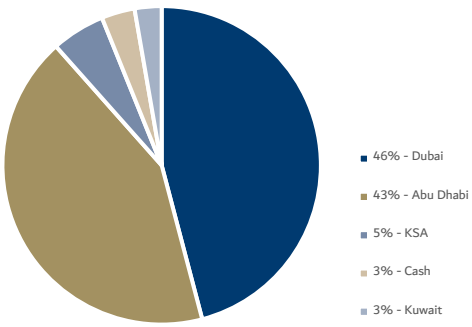
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 53 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

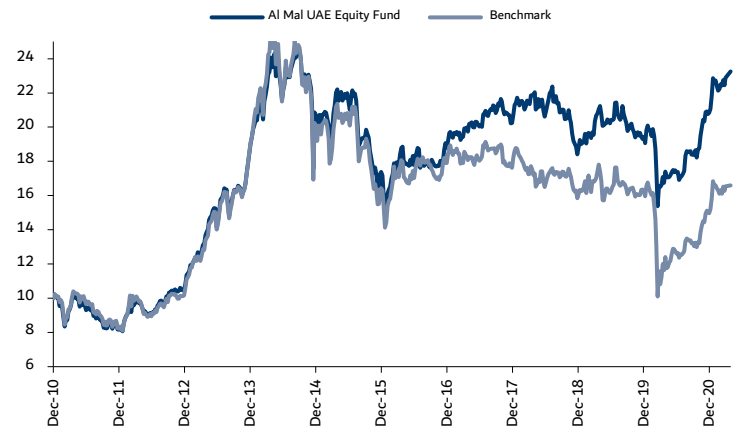
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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