AZ Al Mal MENA Equity Fact Sheet

September 2021

NAV Per Unit: USD 6.32

Fund Manager Commentary

This year's September was one of the weakest months in terms of performance since the pandemic started, with the S&P 500 and NASDAQ concluding the month down 3.93% and 2.59%, respectively. The market's downturn was largely on the back of a mix of the Evergrande debacle, rising treasury yields, uncertainty against the outcome of the debt ceiling, and negative COVID-19 related news. Brent crude prices are beginning to near 2018 highs, approaching the elusive USD 80/barrel mark on tighter supply in natural gas, resulting in substitution with oil. We are closely watching China's selling of strategic reserves but continue to maintain our positive outlook on the commodity. Additionally, we have taken note of the spike in natural gas prices hitting 7-year highs on a mix of tightened supply and higher demand. We see this filtering into the region particularly through fertiliser, paper, glass and utilities players, but in a rather limited manner compared globally due to subsidized feedstock across the MENA.

In KSA, September was a busy month for IPOs, seeing the listing of portfolio holding STC solutions and the conclusion of the institutional book building process for ACWA Power. STC solutions listed on Tadawul on the 30th of September after an extremely successful book building process, with the retail and institutional offerings oversubscribed by 2,365% and 13,004%, respectively, raising SAR 471bn. Saudi Utility giant, Acwa Power, received bids worth 258 times of what they issued, receiving orders worth USD 300bn from institutional investors. IPOs will unlikely slow down in the near-term, with the CMA indicating a backlog of 45 listings pending approval.

Portfolio holding LabelVie reported Q2 2021 revenues of MAD 2.7bn, an increase of 9.6% y/y, driven mainly by new store openings as the retail sector in Morocco continues to show room for privatization growth. H1 revenues were down y/y, as expected, as the base year includes extraordinary stockpiling purchases amidst the pandemic. Nevertheless, LfL store sales are actually up +4% y/y, which we view positively as management delivers on its store ramp up guidance. With 16 new store openings in H1 2021, management is well positioned to meet its 24 new stores target in FY 21.

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	0.1%	1.7%	-1.6%
YTD[3]	21.8%	26.7%	-4.9%
1 Year	27.2%	33.1%	-5.9%
3 Year	35.5%	33.1%	2.4%
5 Year	67.1%	62.7%	4.4%
Since Inc.	26.3%	22.5%	3.8%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 29th Sept 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.1
Mouwasat Medical Services	5.2
United Electronics	4.6
The Saudi National Bank	4.2
Saudi Basic Industries	3.4

Fund Analysis

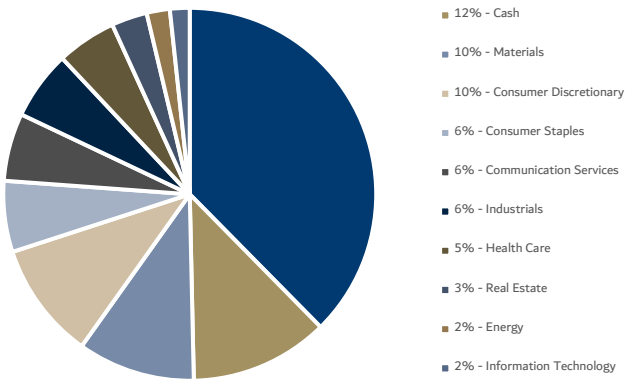
Matrix[4]	Fund	Benchmark
Standard Deviation	12.9%	15.0%
Tracking Error	5.3%	
Beta	0.8	
No. of Holdings	46	

[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

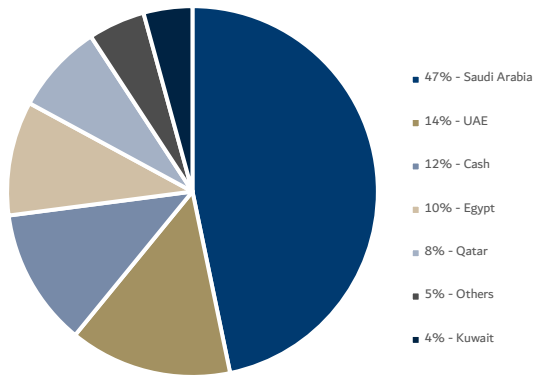
Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Fund Manager	Sherif El Haddad
Inception Date	June 26, 2019
Fund Size	USD 79 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

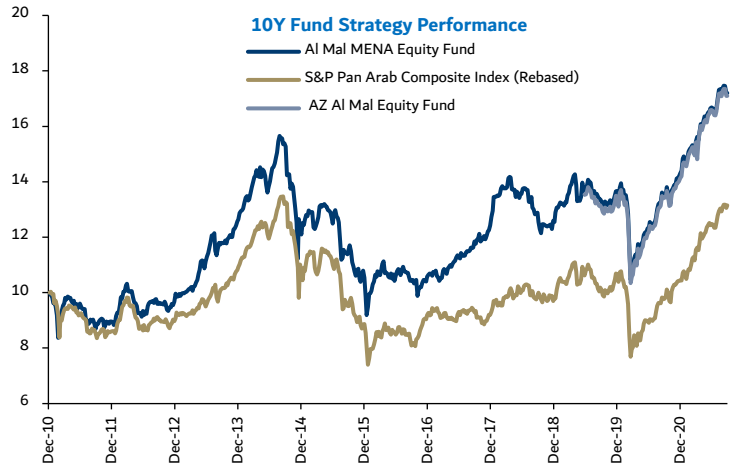
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Disclaimer

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Al Mal MENA Equity Fact Sheet

September 2021

NAV Per Unit: USD 10.76

Fund Manager Commentary

This year's September was one of the weakest months in terms of performance since the pandemic started, with the S&P 500 and NASDAQ concluding the month down 3.93% and 2.59%, respectively. The market's downturn was largely on the back of a mix of the Evergrande debacle, rising treasury yields, uncertainty against the outcome of the debt ceiling, and negative COVID-19 related news. Brent crude prices are beginning to near 2018 highs, approaching the elusive USD 80/barrel mark on tighter supply in natural gas, resulting in substitution with oil. We are closely watching China's selling of strategic reserves but continue to maintain our positive outlook on the commodity. Additionally, we have taken note of the spike in natural gas prices hitting 7-year highs on a mix of tightened supply and higher demand. We see this filtering into the region particularly through fertiliser, paper, glass and utilities players, but in a rather limited manner compared globally due to subsidized feedstock across the MENA.

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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	-0.2%	1.7%	-1.9%
YTD[3]	21.0%	26.7%	-5.7%
1 Year	26.9%	34.5%	-7.6%
3 Year	34.1%	34.8%	-0.7%
5 Year	63.3%	58.1%	5.2%
Since Inc.	25.3%	-18.3%	43.6%

[1] Performance is net of fees; 3-year and 5-year return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 29th Sept 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.9
Mouwasat Medical Services Co	5.7
United Electronics Co	5.0
Saudi National Bank	4.5
Saudi Basic Industries	3.7

Fund Analysis

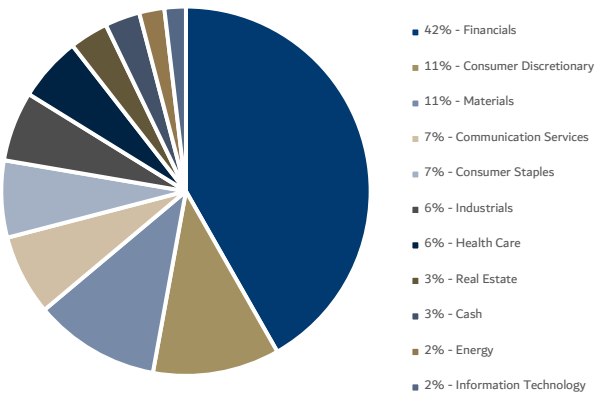
Matrix[4]	Fund	Benchmark
Standard Deviation	13.1%	14.9%
Tracking Error	5.1%	
Beta	0.8	
Dividend Yield 2020	4.0%	
No. of Holdings	46	

[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

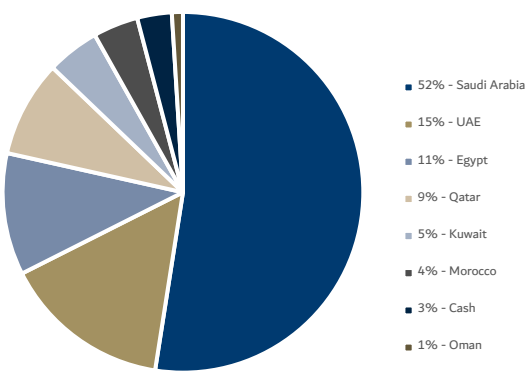
Fund Information

Fund Manager	Sherif El Haddad
Inception Date	15th June 2008
Fund Size	USD 32 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

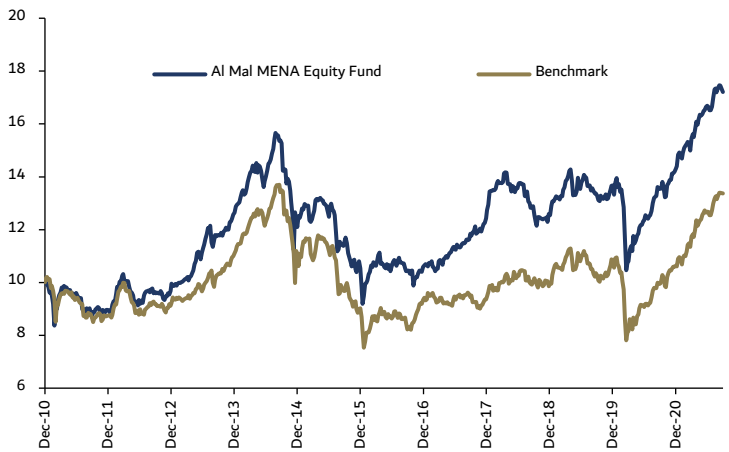
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

September 2021

NAV Per Unit: AED 1.46

Fund Manager Commentary

The Central Bank of the UAE revised its expectations for GDP growth downwards from 2.4% to 2.1%, yet raised its growth projections for 2022 from 3.8% to 4.2%. The revision of 2022's growth prospects is a culmination of "continued public spending, bank's credit outlook, higher employment and better business sentiment". In addition, infection rates across the UAE have dropped below the 400 mark helped by the Country's fastest vaccination campaigns globally. With Expo 2020 having begun as of time of writing, we remain positive on an economic recovery for the UAE.

Economic reforms continue in the UAE as the country launched a series of initiatives and a budget of AED 24bn to give citizens access to 75,000 private sector jobs over the next five years. The UAE also eased residency guidelines, allowing for expats to apply for work without employer sponsorship, and extending residencies for those unemployed to 180 days from termination date. This should further aid in boosting the Country's population along with getting closer to the nation's USD 150bn FDI target over the next nine years. Also in September, the ADX announced it will cut commissions by 50% and extend trading hours from 1 September with the intention to boost liquidity in the market. The fee will be reduced to 2.5 bps from 5 bps and the market will open at 10am and close at 3pm.

Portfolio Holding, Agthia announced the acquisition of BMB group for a reported value of AED 686m. Launched in 2007, the BMB group is a conglomerate food company with chocolate, Mediterranean sweets, healthy snacks and healthy food brands with two state of the art food production facilities based in Dubai, operating in 23+ countries. BMB operates under the brands Freakin' Healthy, Recipe No 7, Smart Gourmet, Asateer, Simply BKLVA, Petit Gourmet and Melly's to name a few. BMB distributes over 2,000 SKUs globally, with countries including the UAE, Saudi Arabia and USA.

Portfolio holding Emaar Properties and its shopping malls unit Emaar Malls received final regulatory approval to merge. The joint statement from the two entities noted that the statutory merger will give Emaar Malls shareholders 0.51 Emaar Properties shares for every 1 Emaar Mall share. Another portfolio holding in the UAE, Etisalat, announced they secured regulatory approval to increase its FoL of its share capital to 49%. We view this positively for foreign inflows and liquidity.

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	-1.2%	-0.4%	-0.8%
YTD[3]	20.1%	29.6%	-9.5%
1 Year	37.3%	47.2%	-9.9%
3 Year	22.8%	10.3%	12.5%
5 Year	41.3%	7.8%	33.5%
Since Inc.	77.2%	-33.1%	110.3%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 29th Sept 2021

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank	9.9
Abu Dhabi Commercial Bank	9.5
Emirates NBD	9.4

Fund Analysis

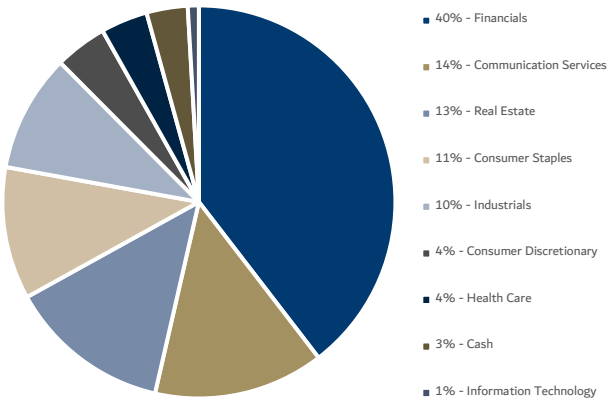
Matrix[4]	Fund	Benchmark
Standard Deviation	16.9%	23.1%
Tracking Error	11.1%	
Beta	0.7	
Dividend Yield 2020	4.5%	
No. of Holdings	19	

[4] Calculated using 3-year weekly data

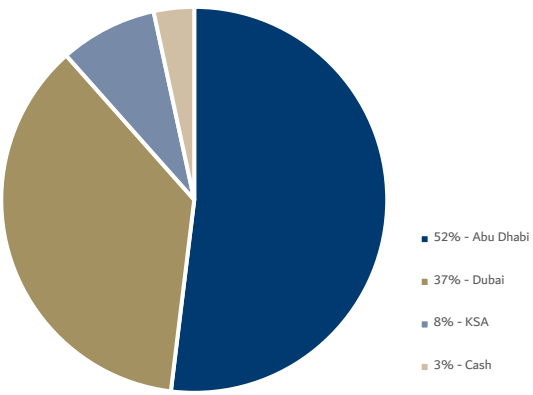
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 52 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

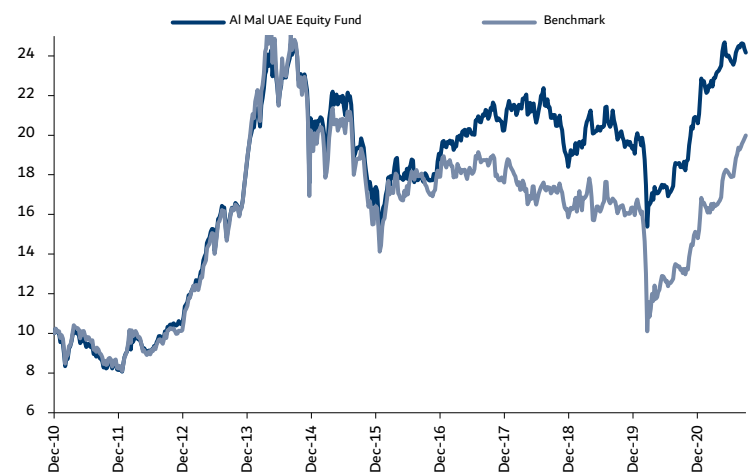
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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