AZ Al Mal MENA Equity Fact Sheet

August 2021

NAV Per Unit: USD 6.31

Fund Manager Commentary

In August, we saw Federal Reserve Officials confirming that they could be announcing a plan for the rollback of its exhaustive asset purchase program next month. In the commodities market, Oil prices see sawed towards the end of the month as it dropped to 5 month lows on concerns the delta variant's spread could curtail economic recovery. It then proceeded to rebound quickly erasing all losses as COVID-19 related sentiment improved, and on an evident disconnect between the physical and derivatives market. As stated consistently over past comments, we continue to see strength in Brent Crude in the remainder of 2021 on the back of the supply-demand gap being maintained by OPEC+.

Saudi's National Banking Champion, Saudi National Bank, released Q2 earnings with a miss to our, and the street's estimates, primarily due to aggressive post-merger clean-up of its loan book and higher than expected OpEx. We continue to like the long-term story of the bank combined with synergies from the consolidation of SAMBA, a strong capital base, and scope for participation in the corporate lending boom underpinned by initiatives such as the Shareek Program.

In Egypt, MM Group for Industry and International Trade (MTI) reported its Q2 21 results, with earnings up 11% y/y, mostly on higher revenues driven by strong performance from its consumer electronics segment and automotive sales. We continue to like the name as a play on higher consumer electronic penetration, resilient European automotive business which is faring better than Asian vehicles amid trade tariffs, and near-term value unlock via the imminent IPO of MTI's e-payment business.

National Bank of Kuwait (NBK) posted its Q2 2021 earnings of KWD 76.5mn, up 129% y/y from a low Q2 2020 base. NIMs expanded by c.3bps y/y in H1 2021, which was largely due to c.82bps in savings in deposit costs. Loan growth was driven by both local and international operations across the retail and corporate segment, bringing net loan growth to 5.7%. However, the current political landscape which contributed to a negative outlook from S&P continues to act as an overhang for Kuwait.

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	3.4%	3.3%	0.1%
YTD[3]	21.8%	24.6%	-2.8%
1 Year	30.7%	34.3%	-3.6%
3 Year	31.2%	30.5%	0.7%
5 Year	61.8%	52.5%	9.3%
Since Inc.	26.3%	20.4%	5.9%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 25th Aug 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.9
Mouwasat Medical Services	6.3
United Electronics	4.7
The Saudi National Bank	4.5
Saudi Basic Industries	3.6

Fund Analysis

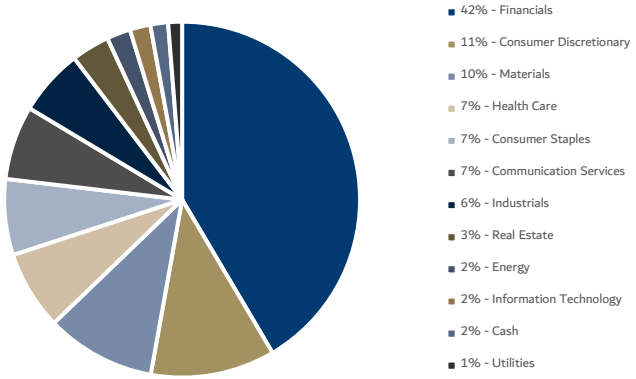
Matrix[4]	Fund	Benchmark
Standard Deviation	13.1%	15.0%
Tracking Error	5.4%	
Beta	0.8	
No. of Holdings	47	

[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

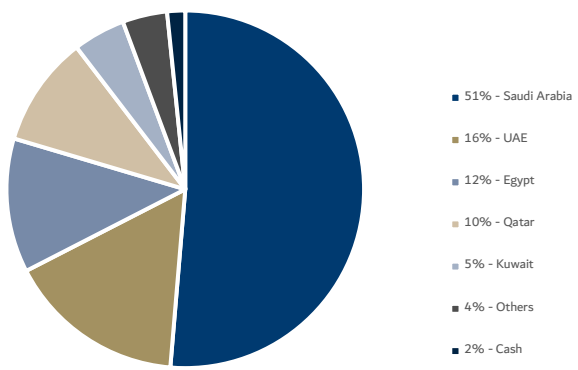
Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Fund Manager	Sherif El Haddad
Inception Date	June 26, 2019
Fund Size	USD 76 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

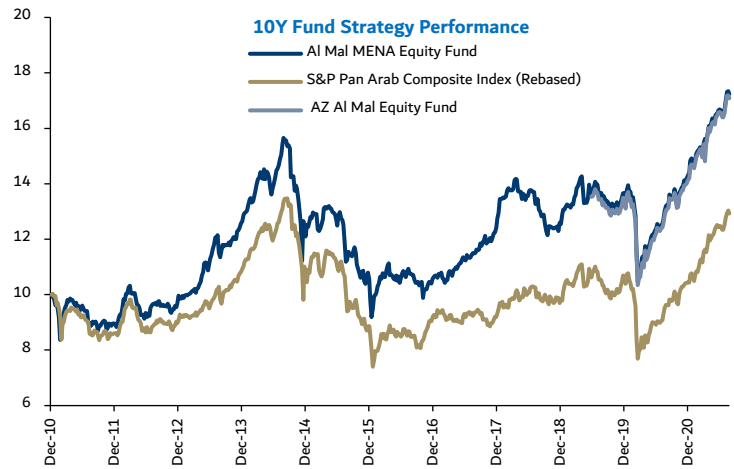
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal MENA Equity Fact Sheet

August 2021

NAV Per Unit: USD 10.78

Fund Manager Commentary

In August, we saw Federal Reserve Officials confirming that they could be announcing a plan for the rollback of its exhaustive asset purchase program next month. In the commodities market, Oil prices see sawed towards the end of the month as it dropped to 5 month lows on concerns the delta variant's spread could curtail economic recovery. It then proceeded to rebound quickly erasing all losses as COVID-19 related sentiment improved, and on an evident disconnect between the physical and derivatives market. As stated consistently over past comments, we continue to see strength in Brent Crude in the remainder of 2021 on the back of the supply-demand gap being maintained by OPEC+.

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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	3.5%	3.3%	0.2%
YTD[3]	21.2%	24.6%	-3.4%
1 Year	30.6%	34.3%	-3.7%
3 Year	29.8%	30.5%	-0.7%
5 Year	57.6%	52.5%	5.1%
Since Inc.	25.5%	-19.7%	45.2%

[1] Performance is net of fees; 3-year and 5-year return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 25th Aug 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	10.2
Mouwasat Medical Services Co	6.4
United Electronics Co	4.8
Saudi National Bank	4.6
Saudi Basic Industries	3.6

Fund Analysis

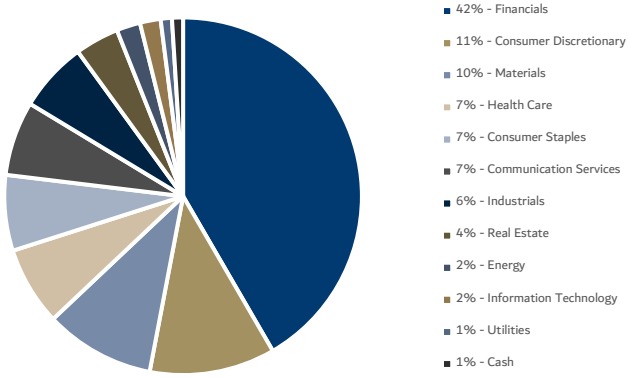
Matrix[4]	Fund	Benchmark
Standard Deviation	13.3%	15.0%
Tracking Error	5.2%	
Beta	0.8	
Dividend Yield 2020	4.0%	
No. of Holdings	47	

[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

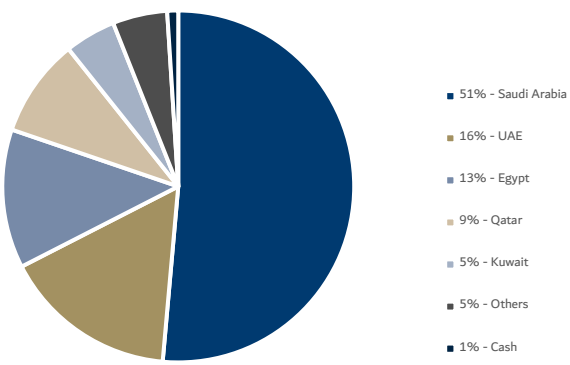
Fund Information

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

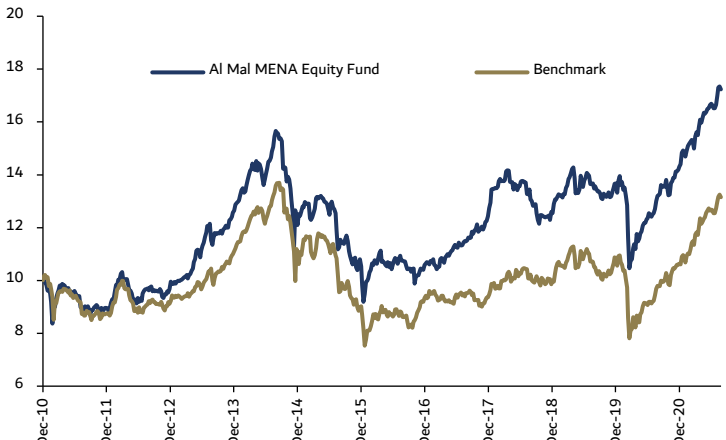
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

August 2021

NAV Per Unit: AED 1.48

Fund Manager Commentary

UAE continued to show its resilience and recovery as UAE's PMI rose from 52.20 in June to 54.00 in July. We see strength in economic activity in H2, on the back of increased tourism and mobility in the country. We are actively watching Average Daily Rates and occupancy rates, which have fared well through the year thanks to domestic demand. According to JLL MENA, Dubai's hotel occupancy levels were recorded at 58% for YT May 2021, compared to 46% for YT May 2020. Whilst in Abu Dhabi, occupancy improved to 61% from 60% in YT May 2021. ADRs in Abu Dhabi have faced pressure, dropping 7% y/y to USD 89, while Dubai has had a 1% y/y increase to reach USD 147.

First Abu Dhabi Bank (FAB) reported 2Q21 net profit of AED 2.9bn beating most estimates largely on a mix of higher non-interest income, up 19% y/y, and lower provisioning, down 36% y/y. We saw decent loan growth of 4%, after excluding Bank Audi, which should allow FAB to hit its mid-single digit target of loan growth as the business remains bullish on opportunities in the corporate space.

ENBD saw its loan book contract mainly as a result of corporate repayment. Retail lending was strong in the quarter and growth persisted across Egypt, Turkey and the UAE. On the corporate side, the company sees opportunities in KSA corporate lending and potential acquisitions in Egypt to increase its footprint. Broadly, they guide for net loan growth to remain in low single-digits, NPL ratio within mid-digit range, provisioning in H2 2021 to be similar to that of H1 2021, and an upward revision to NIMs by 5bps to c.2.40-2.50%. Lastly, ENBD expects the impact of Dubai Bank's sale to be reflected in Q3 2021.

Tabreed, a portfolio holding, reported earnings of AED 148mn (+4.1% y/y) with revenues at AED 511mn up 23% y/y. This quarter saw capacity additions of 13.4k RT, which helped boost EBITDA to AED 291mn (+22.6% y/y). Later in the month, Tabreed announced its divestiture from its Qatar operations, and later acquired a 50% stake in Al Maryah Island's DC plants. The acquisition is value accretive in our view, as the acquisition multiple is at a c.30% discount to that of Tabreed implied in the market, and almost 20% below replacement cost.

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	3.2%	4.8%	-1.6%
YTD[3]	21.5%	30.2%	-8.7%
1 Year	37.4%	43.4%	-6.0%
3 Year	20.1%	10.8%	9.3%
5 Year	42.1%	7.4%	34.7%
Since Inc.	79.3%	-32.9%	112.2%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 25th Aug 2021

Top 3 Holdings

Holding	% of Fund
Abu Dhabi Commercial Bank	9.3
Emirates NBD	9.2
First Abu Dhabi Bank	9.2

Fund Analysis

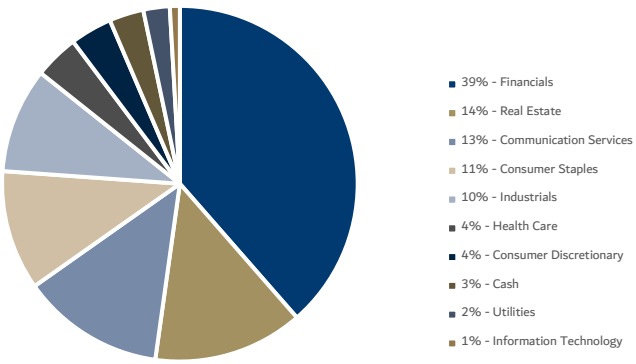
Matrix[4]	Fund	Benchmark
Standard Deviation	17.0%	23.1%
Tracking Error	11.1%	
Beta	0.65	
Dividend Yield 2020	4.5%	
No. of Holdings	19	

[4] Calculated using 3-year weekly data

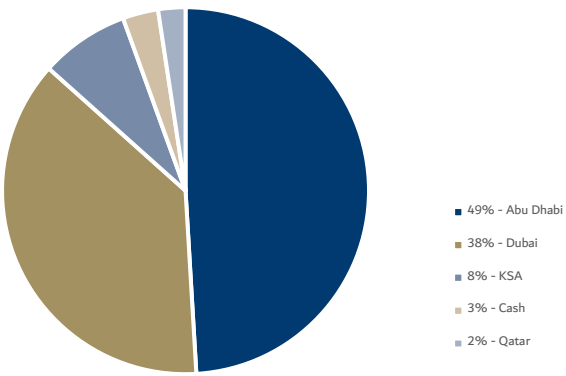
Fund Information

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

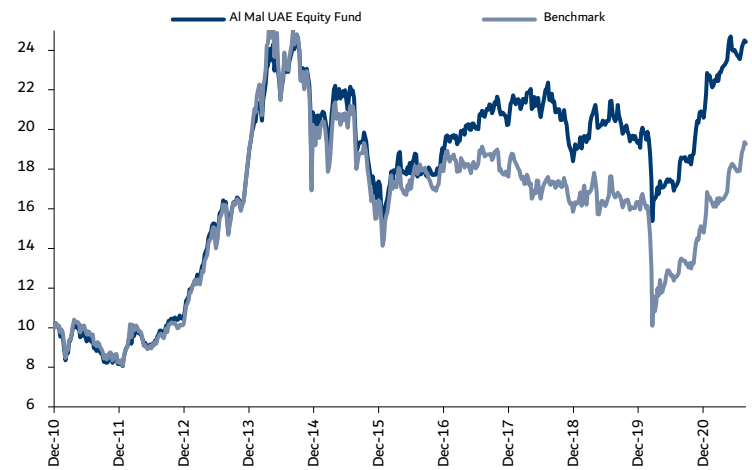
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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