AZ Al Mal MENA Equity Fact Sheet

December 2021

NAV Per Unit: USD 6.76

Fund Manager Commentary

The month of December was one of volatility, as markets dealt with news flow on the direction of monetary policy and the Omicron wave. The Federal Reserve's final meeting of the year hinted at more aggressive tightening than expected with three rate hikes penciled in for 2022 and a faster than expected asset purchase tapering policy. On the COVID-19 front, the world experienced a rapid spread of Omicron cases, but then saw a shift in the narrative as the CDC allayed fears of the severity of the symptoms of the variant

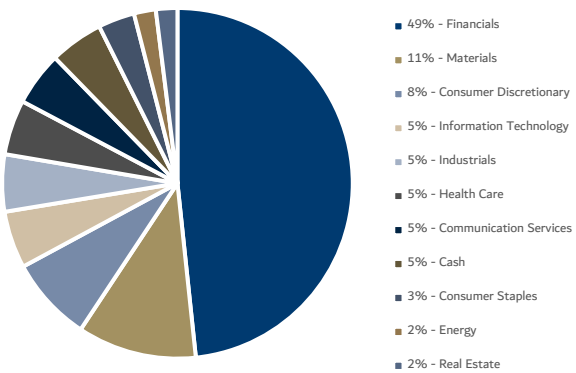
Oil, much like the major equity indices, rebounded in line with the news on the COVID-19 front, after a steep drop in the first half of the month. We continue to reiterate our bullish outlook on oil, as underinvestment, supply-demand mismatch and a lack of progress on the Iranian deal should continue to support the commodity. Saudi Energy Minister, Prince Abdulaziz bin Salman reinforced the severity of the underinvestment in exploration and drilling, reinforcing our view.

At a more micro level in Saudi, eXtra (a portfolio holding) announced its first expansion out of the GCC, with the board approving the establishment of a subsidiary in Egypt. The consumer electronics giant in Saudi with this USD 63m investment, funded by internal cash flows and borrowings, looks to replicate its success in the consumer finance space in Egypt. Also, the Saudi Tadawul Group officially began trading this month, rising more than 14% during its first trading session. With a healthy pipeline of IPOs, further government stake sales, the introduction of new products like single stock futures, improving macro-outlook and a high operating leverage model, we continue to like the long-term prospects of the name and the earnings growth potential.

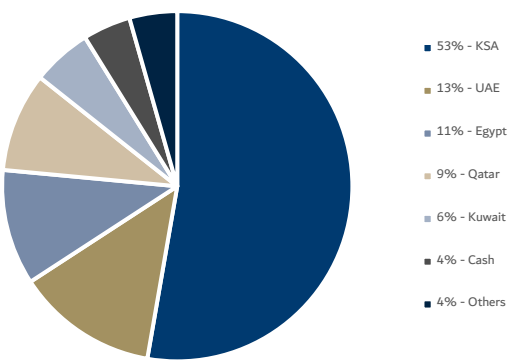
The Central Bank of Egypt (CBE) kept the overnight deposit rate, overnight lending rate, and the rate of the main operation unchanged in its last meeting of the year. The recent inflation readings, which indicated a deceleration of inflation gave the CBE enough room to hold rates, concluding a year with no changes in rates. Lastly, the CBE indicated that GDP growth accelerated quarter on quarter as growth picked up from 7.7% in Q2 2021 to 9.8% in Q3 2021, demonstrating the pickup in domestic activity.

Portfolio holding LabelVie reported a strong set of results largely driven by the robust expansion plan laid out by management earlier in the year with revenues rising 18% y/y. The back margin widened by 95bps y/y, thanks to the business's high operating leverage business model.

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	-0.3%	-1.0%	0.7%
YTD[3]	30.3%	28.5%	1.8%
1 Year	30.3%	27.6%	1.8%
3 Year	51.5%	35.7%	13.9%
5 Year	79.2%	45.2%	34.0%
Since Inc.	35.1%	24.2%	10.9%

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

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.6
Saudi National Bank	6.8
Mouwasat Medical Services	5.1
Qatar National Bank	4.6
United Electronics	4.4

Fund Analysis

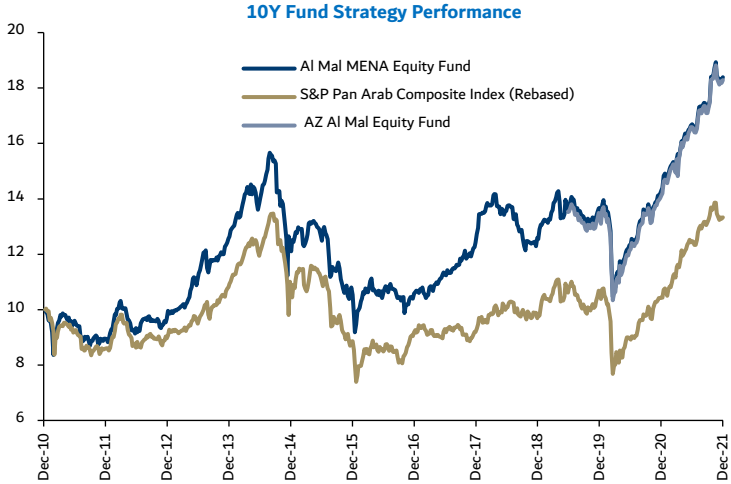
Matrix[4]	Fund	Benchmark
Standard Deviation	13.1%	15.0%
Tracking Error	5.4%	
Beta	0.8	
No. of Holdings	46	

[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 86 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



Disclaimer

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Al Mal MENA Equity Fact Sheet

December 2021

NAV Per Unit: USD 11.04

Fund Manager Commentary

The month of December was one of volatility, as markets dealt with news flow on the direction of monetary policy and the Omicron wave. The Federal Reserve's final meeting of the year hinted at more aggressive tightening than expected with three rate hikes penciled in for 2022 and a faster than expected asset purchase tapering policy. On the COVID-19 front, the world experienced a rapid spread of Omicron cases, but then saw a shift in the narrative as the CDC allayed fears of the severity of the symptoms of the variant

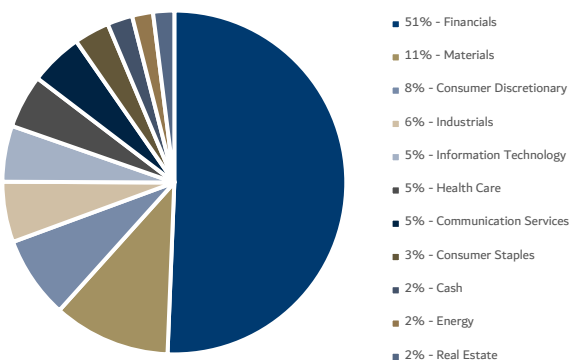
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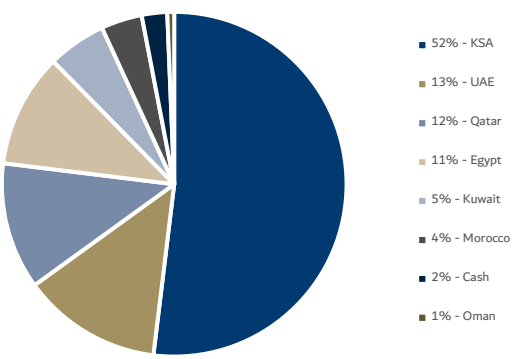
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Sector Allocation



Geographic Allocation



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Fund Performance

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	-0.3%	-1.0%	0.7%
YTD[3]	29.4%	28.5%	0.9%
1 Year	29.6%	27.6%	1.6%
3 Year	48.0%	35.7%	13.1%
5 Year	75.9%	45.2%	28.8%
Since Inc.	33.9%	-17.2%	51.1%

[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 December 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.4
Saudi National Bank	6.7
Qatar National Bank	5.1
Mouwasat Medical Services	5.0
United Electronics	4.3

Fund Analysis

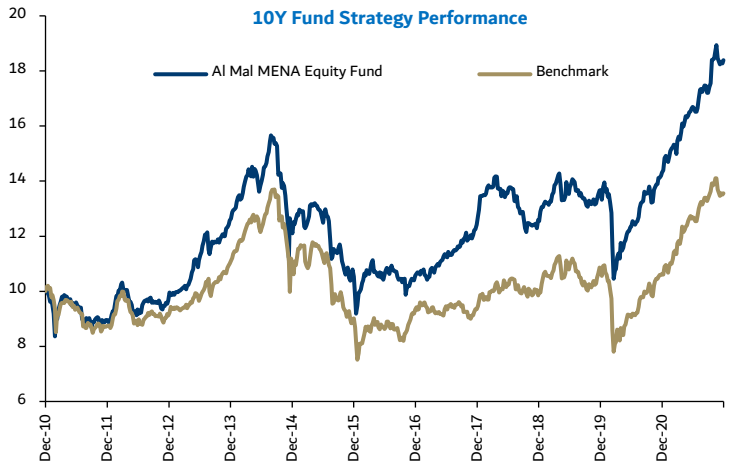
Matrix[4]	Fund	Benchmark
Standard Deviation	13.2%	14.9%
Tracking Error	5.2%	
Beta	0.8	
Dividend Yield 2021	4.0%	
No. of Holdings	46	

[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 28 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

10Y Fund Strategy Performance



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Al Mal UAE Equity Fact Sheet

December 2021

NAV Per Unit: AED 1.55

Fund Manager Commentary

The Central Bank of the United Arab Emirates extended several measures of its Targeted Economic Support Scheme (TESS) until H1 2022 to continue to support the vulnerable sectors in the economy. In addition, they announced new criteria to supervise banks' exposure to real estate. They intend to introduce a framework that will cover all types of on balance sheet and off-balance sheet items. With sizeable exposures to the real estate sector across all banks, we expect this to be a transformative change to the local banking system. The regulator will give banks one year to enhance their practices to meet the new requirements, starting from 30th December.

ADNOC revealed significant oil, condensate and gas resources of up to 1bn barrels of oil equivalent from the onshore Block 4 concession operated by Japan's International Petroleum Exploration-Teikkou (INPEX). According to a tweet put out by the company, the discovery comprised significant Murban oil resources and represents the first find from this concession. INPEX indicated it intends to confirm recoverable reserves by around 2025. More supportive updates for the DFM last week, as Dubai indicated its plans to list district cooling asset Emirates Central Cooling Systems Corporation (EMPOWER). Portfolio holding, Agthia completed the full acquisition of UAE based snack and confectionary company BMB group. As indicated earlier, this is in line with its strategy to pivot to value added higher margin products that will allow Agthia to grow its regional and global footprint.

In Dubai, there continued to be buzz around DFM as the Emirate of Dubai announced its intention to list Tecom Group. Tecom group is the owner and operator of free zones in the Emirate operating 10 business communities across the Emirate. In addition, both the ADX and DFM updated trading hours in line with the government's announcement to shift to a Satudary-Sunday weekend to bring it in line with the rest of the globe. We don't see this as a significant liquidity boosting event on either market, but rather see this in line with the government's focus on continued progress on global competitiveness indicators.

Additionally, Dubai's property market showed no signs of slowing down, as the City had its strongest showing in October in terms of transactions, recording multi-year highs of AED 13.1bn (USD 3.57bn). In our view, we continue to see strength in Dubai's residential space until H1 2022 but remain cautiously optimistic for the longer-term. Investors in Dubai received encouraging news on the prospects of Emirates Airlines going public, as CEO Tim Clark confirmed the government's intention to IPO the name. This news comes along past announcements, reinforcing and confirming our positive outlook for Dubai equities in terms of both liquidity and market depth.

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	1.4%	0.9%	0.5%
YTD[3]	32.7%	36.8%	-4.1%
1 Year	30.9%	35.2%	-4.3%
3 Year	49.3%	24.5%	24.8%
5 Year	52.4%	13.1%	39.3%
Since Inc.	95.7%	-29.5%	125.2%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 29th Dec 2021

Top 3 Holdings

Holding	% of Fund
Dubai Islamic Bank	10.3
Emaar Properties	10.1
First Abu Dhabi Bank	9.9

Fund Analysis

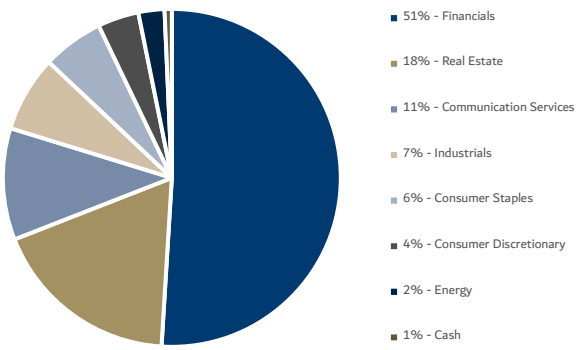
Matrix[4]	Fund	Benchmark
Standard Deviation	17.0%	23.5%
Tracking Error	11.3%	
Beta	0.6	
Dividend Yield 2021	4.0%	
No. of Holdings	18	

[4] Calculated using 3-year weekly data

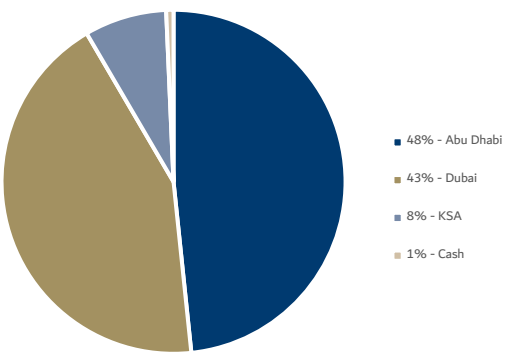
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 55 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 Domestic 10% Capped Index
Fund Type	Open Ended
Administrator & Custodian	Standard Chartered

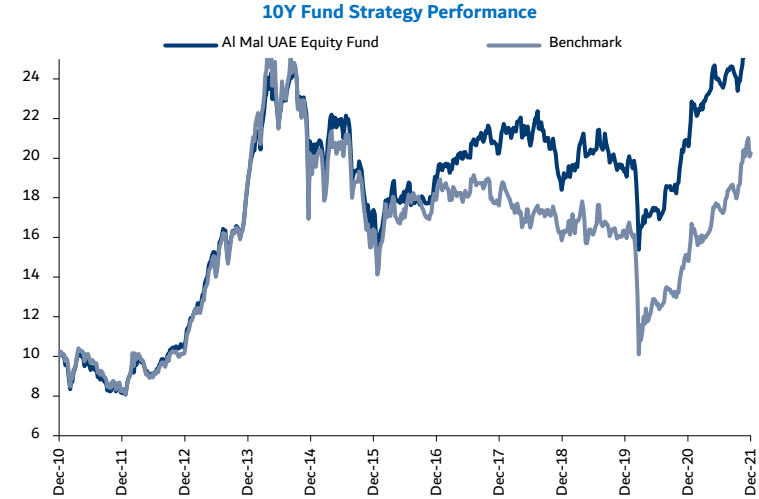
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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