AZ Al Mal MENA Equity Fact Sheet

March 2020

NAV Per Unit: USD 3.91

Fund Manager Commentary

March 2020 will go down in the history books as one of the worst months ever for global equities. COVID-19 is wreaking havoc with cases (at the time of writing) surging to more than 1 million with 50,000 plus lives lost.

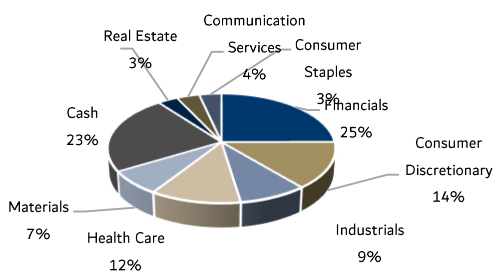
But Covid-19 was not the only major event of the month. On the 13th, Russia shocked the world by calling off its alliance with OPEC resulting in Brent Crude collapsing almost 50%.

The Middle East has been particularly hit by a perfect storm as tumbling Oil revenues collide with a major adverse economic impact resulting from the outbreak of the coronavirus. February's 5.9% loss for benchmark S&P Pan Arab Index looks pale compared to the -19.3% rout from last month (note our last NAV is as of 25th of March). While all MENA markets plummeted, declines were sharpest in the higher beta markets of Dubai and Egypt.

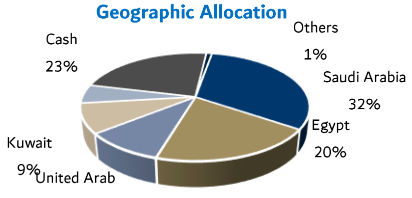
Governments around the globe are grappling with how to stop the spread of the virus by implementing border closures, travel restrictions and lockdowns. Countries in the Gulf have taken unprecedented moves – Saudi Arabia has suspended Umrah pilgrimages, stopped prayers at mosques, shut all but essential jobs and closed off the eastern province of Qatif. The UAE has suspended entry for most travelers, moved many to work from home and implemented widespread monitoring of C-19 cases. Several countries within MENA have imposed curfews ranging from 10 to 15 hours of the day.

Authorities in the region announced a series of stimulus measures as economies came to a grinding halt. To prevent companies from laying off their staff, Saudi Arabia's King announced the government will cover a portion of private sector salaries in the industries most impacted. The economic stimulus valued at over 9 billion riyals will pay 60% of those salaries for the next three months. Kuwait has approved a package aimed at maintaining private- and public-sector jobs and stabilizing prices for food and medical supplies. The government will put in place a mechanism to secure minimum income for contract workers affected by the crisis and will help owners of small and medium-sized businesses by postponing payments funded by the National Fund.

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	-18.3%	-19.3%	1.0%
YTD[3]	-21.2%	-25.0%	3.8%
1 Year	-20.7%	-24.6%	3.9%
3 Year	-0.1%	-13.8%	13.7%
5 Year	-14.0%	-26.0%	12.0%
Since Inc.	-21.8%	-25.6%	3.9%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 25th March 2020

Top 5 Holdings

Holding	% of Fund
DP World	5.6
Mouwassat	4.6
MM Group for Industry & International Trade	3.8
Al Rajhi Bank	3.7
Ilbnsina Pharma SAE	3.3

Fund Analysis

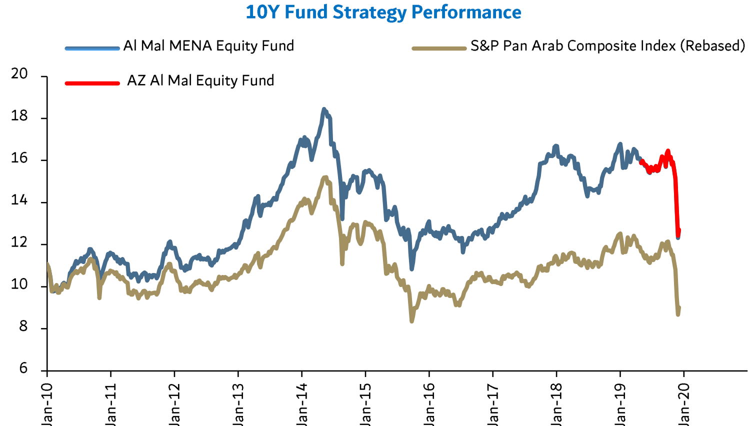
Matrix[4]	Fund	Benchmark
Standard Deviation	12.4%	13.7%
Sharpe Ratio	-0.2	-0.5
Beta	0.8	
Tracking Error	6.2%	
No. of Holdings	39	

[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
Investment Team	Sherif El Haddad Vrajesh Bhandari, CFA Tamara Tannir, CFA
Inception Date	June 26, 2019
Fund Size	USD 52 million
Domicile	Luxembourg
Currency	USD
Subscription & Redemption	Weekly
Min Subscription	USD 1 (Retail) -250,000 (Institutional)
Bloomberg Code	AZ3AZUA LX
Management Fee	0.85% (Institutional); 1.5-2% (Retail)
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator & Custodian	BNP Paribas

10Y Fund Strategy Performance

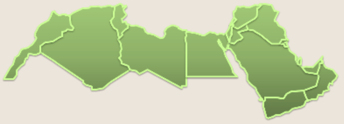


Al Mal Capital

Al Mal MENA Equity Fact Sheet

March 2020

NAV Per Unit: USD 7.00



Fund Manager Commentary

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Governments around the globe are grappling with how to stop the spread of the virus by implementing border closures, travel restrictions and lockdowns. Countries in the Gulf have taken unprecedented moves – Saudi Arabia has suspended Umrah pilgrimages, stopped prayers at mosques, shut all but essential jobs and closed off the eastern province of Qatif. The UAE has suspended entry for most travelers, moved many to work from home and implemented widespread monitoring of C-19 cases. Several countries within MENA have imposed curfews ranging from 10 to 15 hours of the day.

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YTD[3]	-21.3%	-25.0%	3.6%
1 Year	-20.4%	-23.9%	3.5%
3 Year	-0.4%	-13.8%	13.4%
5 Year	-14.3%	-26.0%	11.7%
Since Inc.	-21.7%	-50.4%	28.7%

[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 March 2020

Top 5 Holdings

Holding	% of Fund
DP World	5.7
Mouwasat	4.9
Al Rajhi Bank	4.0
MM Group for Industry & International Trade	4.0
Ibnsina Pharma SAE	3.5

Fund Analysis

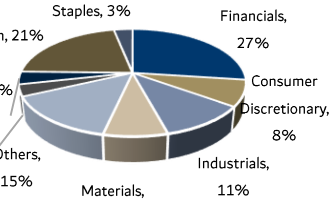
Matrix[4]	Fund	Benchmark
Standard Deviation	12.7%	13.6%
Sharpe Ratio	-0.1	-0.5
Beta	0.8	
Tracking Error	6.1%	
No. of Holdings	39	

[4] Calculated using 3-year weekly data

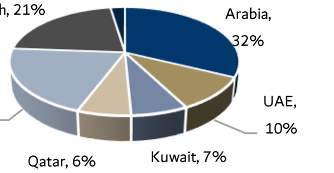
Fund Information

Fund Manager	Sherif El Haddad Vrajesh Bhandari, CFA Tamara Tannir, CFA
Inception Date	15th June 2008
Fund Size	USD 12 million
Strategy Size	USD 80 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

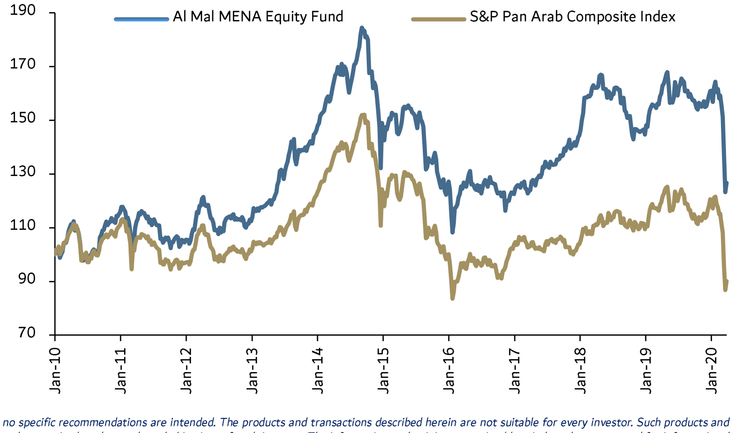
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



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Al Mal Capital

Al Mal UAE Equity Fact Sheet

March 2020

NAV Per Unit: AED 0.98

Fund Manager Commentary

Over the month, Dubai lost 30% while Abu Dhabi fell 20% combining to a 25% monthly decline for the S&P UAE Index. On a relative basis, the Fund did exceptionally well (+390 basis points alpha) thanks to a conscious defensive positioning and a high level of cash.

According to Standard & Poors, the widening coronavirus pandemic could see Dubai property prices falling to levels last seen 10 years ago. Real estate prices are already approaching levels seen at the bottom of the last cycle in 2010 and are even lower when taking into account inflation and the sales incentives for off-plan property. The Emirate has announced an economic incentive package for its free zones, consisting of five parts - including postponing rent payments for six months and cancellation of some fines for companies and individuals. Furthermore, the Expo 2020 organizers are in discussions for a possible opening delay of up to a year due to the global coronavirus pandemic. Organizers haven't ruled out the scheduled late-October start and any final decision would have to be made by member states of the Paris-based Bureau International des Expositions (BIE), which awards the event.

We see a lot of value across the board. For instance, Emaar Properties trades at a PE of 2.5x while Emirates NBD trades at a 45% discount to book. No doubt, earnings will fall this year and perhaps the year after. But if we take a view that the outbreak will last at most 6 months, then these companies are not going out of business and shall rebound in a year or two. We are holding a high level of cash, which we aim to gradually deploy with a very close eye on the ground situation.

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	-17.0%	-25.3%	8.3%
YTD[3]	-16.7%	-29.0%	12.3%
1 Year	-15.3%	-31.3%	16.0%
3 Year	-14.0%	-35.3%	21.3%
5 Year	-35.3%	-15.6%	-19.8%
Since Inc.	14.6%	-59.7%	74.2%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 25th March 2020

Top 3 Holdings

Holding	% of Fund
DP World	16.2
Tabreed	11.0
DIB	9.3

Fund Analysis

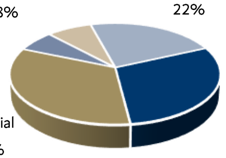
Matrix[4]	Fund	Benchmark
Standard Deviation	16.2%	21.3%
Sharpe Ratio	-0.5	-0.7
Beta	0.7	
Tracking Error	10.2%	
No. of Holdings	10	

[4] Calculated using 3-year weekly data

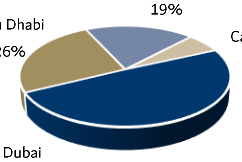
Fund Information

Fund Manager	Sherif El Haddad Vrajesh Bhandari, CFA Tamara Tannir, CFA
Fund Size	AED 42 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