AZ Al Mal MENA Equity Fact Sheet

February 2021

NAV Per Unit: USD 5.57

Fund Manager Commentary

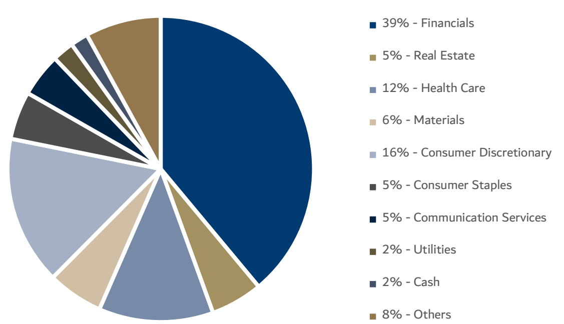
Global markets had a strong February with the S&P 500 up 2.8%, the DOW up 3.4% as risk on sentiment continued despite yield curve hiccups. Europe's STOXX 50 also joined the party rallying 4.6% over the week, Germany's DAX meanwhile rose 2.6% over the same period. Crude outperformed within the commodities space rising 17%, after cold weather hit Texas, affecting supply. The MSCI Emerging Markets Index lagged global peers but still remained in the green, up 0.8%. The S&P Pan Arab outperformed, up 2.3% with financials, leading the way.

Saudi's Crown Prince announced a potential for more Aramco share sales over the near-term, to boost PIF's assets to USD 1.1tn by 2025. This comes after the fund plans to raise USD 10bn through a revolving loan to spur liquidity to fund its plans. February also saw our portfolio holding NCB's planned merger with SAMBA be approved by the Saudi General Authority for Competition, with the transaction slated for Q2 21e completion, and we continue to view NCB as a proxy play on PIF's large scale investment plans. The bank reported a net profit of SAR 3.4bn, down 1% y-o-y bringing its FY 2020 profit to SAR 11.4bn.

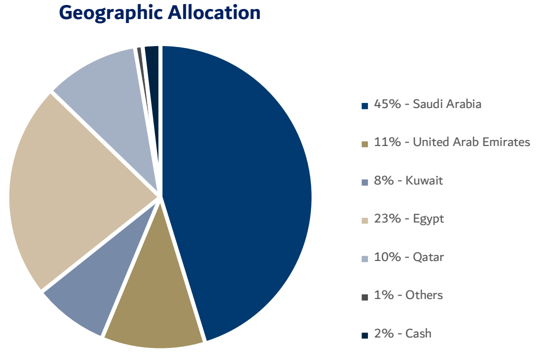
Egypt's Central Bank remained cautious in their meeting early February, keeping interest rates on hold, as inflation levels were below their target, with economic indicators pointing towards a recovery during Q4 2020. Our portfolio holding MTIE has announced that it is planning to list Ebtikar on the EGX in H2 2021, after the company spins off non-e-payment related business arms. This comes in line with our thesis on the name, as the business crystalizes value from its high-growth e-payment business in an underpenetrated population from a banking perspective. Another holding, Speed Medical, is planning to acquire 100% of Al-Safwa Hospital for EGP 185m, in partnership with Prime Speed, and other investors. We continue to like the name, underpinned by a management team with a strong track record delivering on its growth targets.

Elsewhere in MENA, one of our top holdings, Humansoft, reported stellar FY 20 results, with KWD 37.5m net income up c.5% y/y despite disruptions to the academic year, combined with an attractive c.KWD 0.4/share dividend, implying 11% yield on announcement-date CMP. We remain positive on the name, which continues to generate high-quality cash flows via fully utilized capacity, and we see upside risks from potential capacity additions in the longer-term, which its campus and balance sheet positioning, can adequately accommodate. QEWS, another holding, reported a disappointing set of results though largely on one-off charges, with FY 20 net income down 18% y/y on higher provision charges during Q4, combined with 36% y/y decline in JV income on a one-off power outage at the company's Ras Laffan subsidiary. Nonetheless, DPS remains attractive, albeit lower y/y, at 3.5% yield.

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	2.6%	1.3%	1.3%
YTD[3]	6.6%	3.5%	3.1%
1 Year	14.4%	6.1%	8.3%
3 Year	11.5%	13.4%	-1.9%
5 Year	44.1%	26.2%	17.9%
Since Inc.	11.2%	0.8%	10.4%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 24th February, 2021

Top 5 Holdings

Holding	% of Fund
MM Group for Industry and Trade	5.4
Al Rajhi Bank	4.9
Mouwasat Medical Services	4.7
National Commercial Bank	4.2
Humansoft Holding	3.8

Fund Analysis

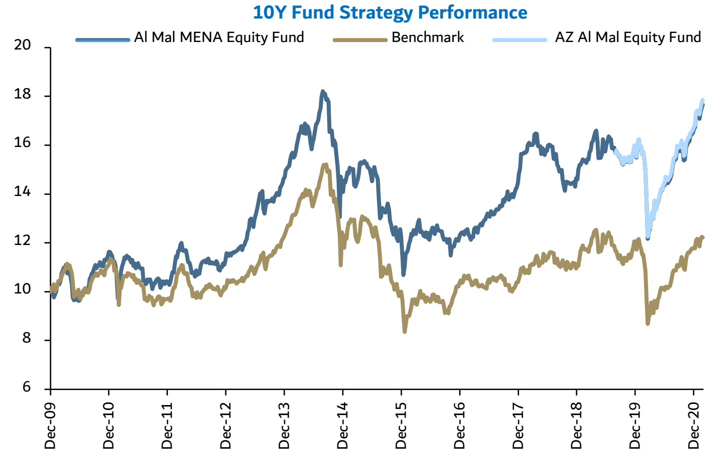
Matrix[4]	Fund	Benchmark
Standard Deviation	13.2%	15.0%
Sharpe Ratio	0.21	0.0
Beta	0.8	
Tracking Error	5.6%	
No. of Holdings	50	

[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 62 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



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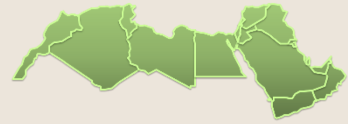
Al Mal Capital

Al Mal MENA Equity Fact Sheet

February 2021

NAV Per Unit: USD 9.50



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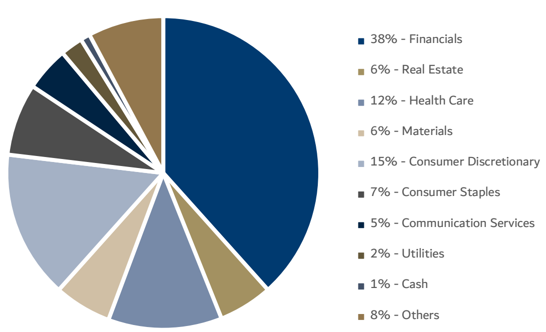
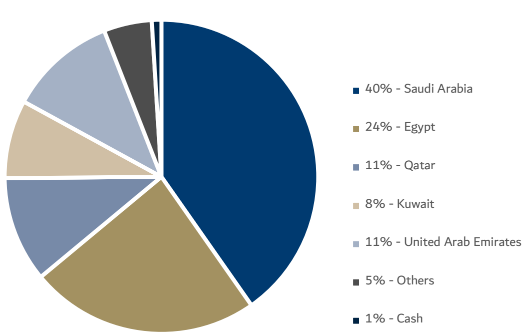


Geographic Allocation



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Fund Performance

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	2.6%	1.3%	1.3%
YTD[3]	6.1%	3.5%	2.6%
1 Year	13.1%	6.1%	6.9%
3 Year	10.3%	13.4%	-3.1%
5 Year	42.6%	26.2%	16.4%
Since Inc.	10.5%	-32.8%	43.3%

[1] Performance is net of fees; 3-year and 5-year return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 24th February 2021

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	4.9
Mouwasat Medical Services	4.8
MM Group for Industry and Trade	4.8
Humansoft Holdings	3.9
Extra	3.2

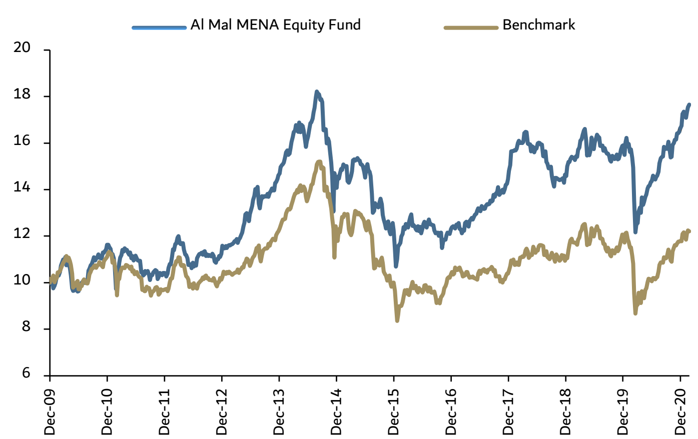
Fund Analysis

Matrix[4]	Fund	Benchmark
Standard Deviation	13.4%	15.0%
Sharpe Ratio	0.2	0.2
Beta	0.8	
Tracking Error	5.4%	
Dividend Yield 2020	4.0%	
No. of Holdings	50	

[4] Calculated using 3-year weekly data

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

February 2021

NAV Per Unit: AED 1.33

Fund Manager Commentary

UAE equities had a muted February with Dubai's DFM severely lagging Abu Dhabi's down 6.3% vs Abu Dhabi's -0.1%. Dubai's underperformance was a result of re-introduced nationwide restrictions on mobility in a bid to reduce infections with measures including closing pubs and bars, as well as limiting capacity at entertainment venues and public areas. Nevertheless, the UAE has focused on its inoculation program, with more than 50% of the population now receiving at least the first dose of the vaccine. This should help spur a recovery in tourism and mobility in the later half of the year, combined with the UAE's citizenship offering to a select group of foreigners that can help accelerate economic development across the country while staying committed to hosting Expo 2020 this year.

Two of our bank holdings reported FY 20 results, with Emirates NBD's net profits down 52% y/y on a 65% y/y increase in provisions, while FAB outperformed with net profits down 15% y/y. We continue to like to EMIRATES prudent provisioning approach and think the bank is adequately provisioned thus far. On the Telecom front, portfolio holding, Du, reported a 17% y/y drop in FY 20 EPS, as revenues fell 12% on reduced mobility. Nevertheless, the company increased its dividend payout for the year to AED 0.41/share, implying an attractive 6.1% yield at the time of announcement.

The Emaar trio also reported results in February. Emaar Malls reported a 69% y/y drop in EPS, even though revenues were only down 25% y/y as SG&A increased 2x y/y. Although revenues began to recover 11% sequentially as mobility rebounded, we remain cautious on future rental rates, with their ability to revert to pre Covid-10 levels increasingly unlikely. Emaar also reported a c.60% y/y drop in net income, on a 20% y/y drop in revenues (mainly weighed by EMAARDEV and EMAARMLS weakness) combined with higher expenses at EMAARDEV and EMAARMLS, in addition to higher income tax at the parent, and losses from associates..

Lastly, Agthia announced the completion of its 100% stake acquisition of Al Faysal Bakery in Kuwait, marking the business' venture into the snacks subset of the food market. We think the acquisition gives Agthia access to Al Faysal's network in Kuwait, allowing the business to grow its core business there and continues management's strategy to create value accretive synergies by means of M&A

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	-1.8%	-2.9%	1.1%
YTD[3]	7.7%	7.6%	0.1%
1 Year	16.7%	0.5%	16.2%
3 Year	9.8%	-10.1%	19.9%
5 Year	36.5%	-4.2%	40.7%
Since Inc.	61.0%	-43.9%	104.9%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Composite Index
[3] As of 24th February 2021

Top 3 Holdings

Holding	% of Fund
First Abu Dhabi Bank	20.9
Tabreed	14.1
Emirates NBD	12.6

Fund Analysis

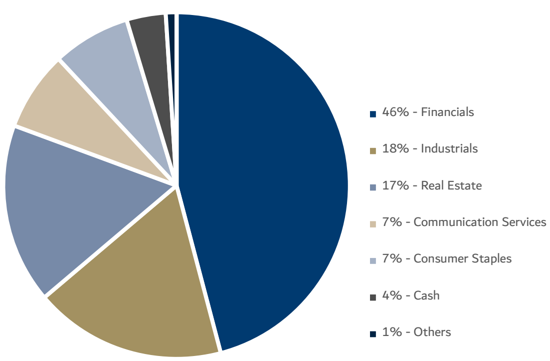
Matrix[4]	Fund	Benchmark
Standard Deviation	17.5%	23.4%
Sharpe Ratio	0.1	-0.3
Beta	0.7	
Dividend Yield 2020	4.5%	
No. of Holdings	13	

[4] Calculated using 3-year weekly data

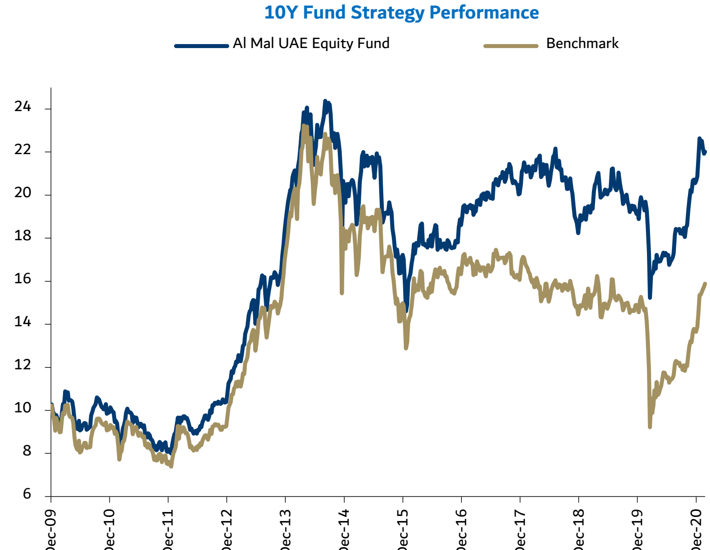
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 50 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

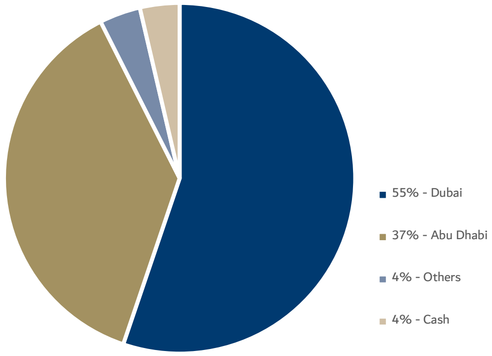
Sector Allocation



10Y Fund Strategy Performance



Geographic Allocation



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