AZ Al Mal MENA Equity Fact Sheet

November 2021

NAV Per Unit: USD 6.78

Fund Manager Commentary

The discovery of a new coronavirus variant triggered a sharp sell-off towards the end of November, paring prior gains recorded earlier in the month. The S&P finished November flat m/m, buoyed by tech heavyweights whilst the DOW fared worse, down 2.4% over the same period. In Europe, Germany's DAX didn't fare too well either, falling 2.8% partly due to Angela Merkel's replacement – Social Democrat leader Olaf Scholz along with Christian Lindner, a fiscal conservative to take over as the nation's finance minister. Meanwhile, November also saw President Biden renominate Jerome Powell as Federal Reserve chair over Lael Brainard, the next leading candidate for the position. November FOMC minutes also showed policymakers advocating for a quicker taper of the Fed's bond purchases. On the commodities front, crude sold off heavily, falling 18% during the month as OPEC's commitment to maintain current supply in the market was met with Biden admin officials signalling the possibility of releasing supply from the nation's strategic petroleum reserve – the world's largest backup of oil.

Outside of oil prices, macro data coming out of Saudi remained strong. Preliminary estimates suggest the economy grew at its fastest pace in the past decade during Q3 2021, with non-oil GDP expanding 6.2%. Moody's changed its country outlook on the Country from negative to stable and reaffirmed its ratings on nine Saudi banks. The Government also tapped into the debt market for the third time this year, raising USD 3.25bn with a mix of Islamic debt and US conventional debt. Portfolio holding Mouwasat reported Q3 2021 earnings with net income down 11% y/y attributable to slightly lower revenues and weaker margins, though this is on a high base effect during 2020. Revenue declined 3% y/y largely weighed down by a high Q3 20 base during which patient flows were boosted by limited travel and pent up demand.

In Egypt, the government announced a plan to reduce fees on trading on the EGX to improve market sentiment, ahead of the introduction of the capital gains tax. The government announced their intention to cancel stamp duty tax, deduct securities related expenses, cutting tax on profits made from IPOs, lowering charges on swaps and taxes paid on retail investors in a mutual fund. Furthermore, Russia lifted its 6-year ban on direct flights to Egypt's touristic destinations, resuming charter flights to Hurghada and Sharm El Sheikh, overall positive for the economy. November also saw Egypt approved instant electronic payments between bank accounts via mobile phones allowing instant money transfers and topping up of pre-paid cards and e-wallets. Portfolio holding MM group along with peers such as Fawry will be key beneficiaries of the aforementioned change in legislation.

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%	-1.1%	1.3%
YTD[3]	30.7%	29.8%	0.9%
1 Year	33.3%	31.0%	2.3%
3 Year	50.6%	39.0%	11.6%
5 Year	83.4%	54.4%	29.0%
Since Inc.	35.6%	25.5%	10.1%

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

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	9.6
Mouwasat Medical Services	5.0
Saudi National Bank	4.9
Commercial International Bank	4.6
United Electronics	4.4

Fund Analysis

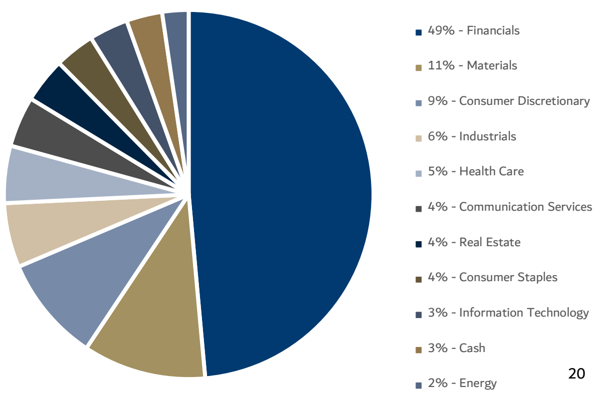
Matrix[4]	Fund	Benchmark
Standard Deviation	13.2%	15.0%
Tracking Error	5.4%	
Beta	0.8	
No. of Holdings	48	

[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

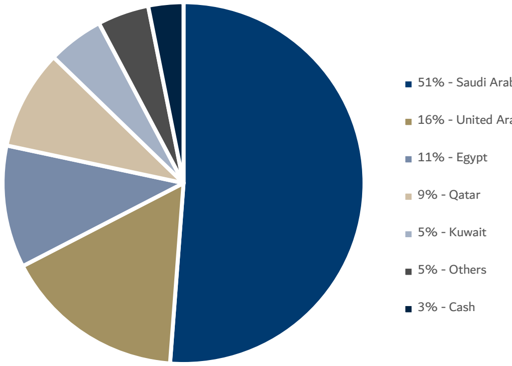
Fund Information

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

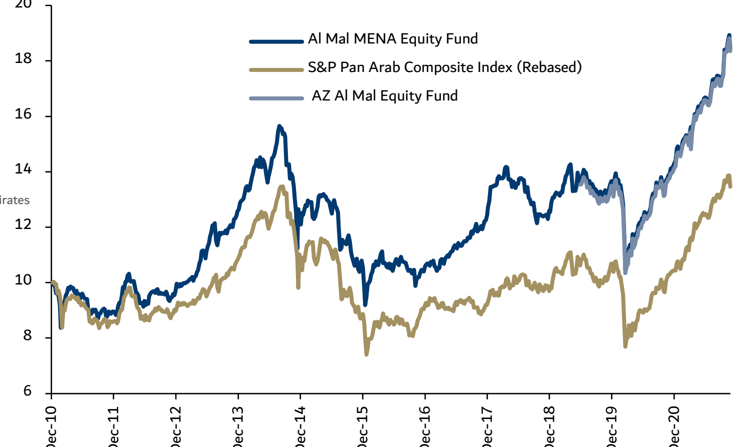
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Al Mal MENA Equity Fact Sheet

November 2021

NAV Per Unit: USD 11.08

Fund Manager Commentary

The discovery of a new coronavirus variant triggered a sharp sell-off towards the end of November, paring prior gains recorded earlier in the month. The S&P finished November flat m/m, buoyed by tech heavyweights whilst the DOW fared worse, down 2.4% over the same period. In Europe, Germany's DAX didn't fare too well either, falling 2.8% partly due to Angela Merkel's replacement – Social Democrat leader Olaf Scholz along with Christian Lindner, a fiscal conservative to take over as the nation's finance minister. Meanwhile, November also saw President Biden renominate Jerome Powell as Federal Reserve chair over Lael Brainard, the next leading candidate for the position. November FOMC minutes also showed policymakers advocating for a quicker taper of the Fed's bond purchases. On the commodities front, crude sold off heavily, falling 18% during the month as OPEC's commitment to maintain current supply in the market was met with Biden admin officials signalling the possibility of releasing supply from the nation's strategic petroleum reserve – the world's largest backup of oil.

Outside of oil prices, macro data coming out of Saudi remained strong. Preliminary estimates suggest the economy grew at its fastest pace in the past decade during Q3 2021, with non-oil GDP expanding 6.2%. Moody's changed its country outlook on the Country from negative to stable and reaffirmed its ratings on nine Saudi banks. The Government also tapped into the debt market for the third time this year, raising USD 3.25bn with a mix of Islamic debt and US conventional debt. Portfolio holding Mouwasat reported Q3 2021 earnings with net income down 11% y/y attributable to slightly lower revenues and weaker margins, though this is on a high base effect during 2020. Revenue declined 3% y/y largely weighed down by a high Q3 20 base during which patient flows were boosted by limited travel and pent up demand.

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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%	-1.1%	1.3%
YTD[3]	29.8%	29.8%	0.0%
1 Year	33.0%	30.9%	2.1%
3 Year	48.3%	37.9%	10.4%
5 Year	81.8%	55.9%	25.9%
Since Inc.	34.4%	-16.3%	50.7%

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

Top 5 Holdings

Holding	% of Fund
Al Rajhi Bank	10.3
Mouwasat Medical Services	5.1
Saudi National Bank	4.9
Commercial International Bank	4.7
United Electronics	4.5

Fund Analysis

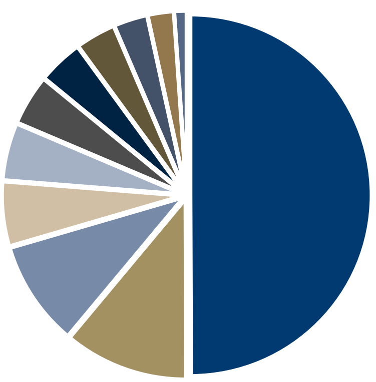
Matrix[4]	Fund	Benchmark
Standard Deviation	13.2%	14.9%
Tracking Error	5.3%	
Beta	0.8	
Dividend Yield 2021	4.0%	
No. of Holdings	46	

[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

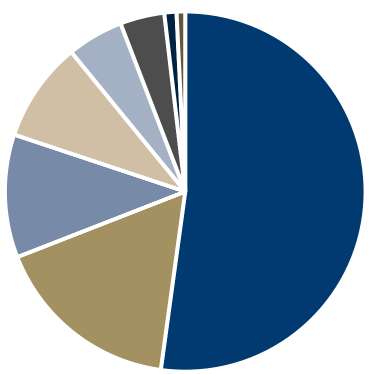
Fund Information

Fund Manager	Sherif El Haddad
Inception Date	15th June 2008
Fund Size	USD 33 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

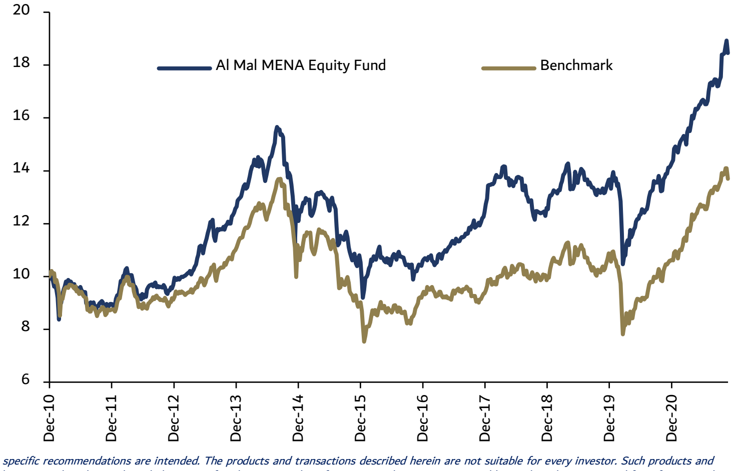
Sector Allocation



Geographic Allocation



10Y Fund Strategy Performance



Al Mal UAE Equity Fact Sheet

November 2021

NAV Per Unit: AED 1.52

Fund Manager Commentary

The DFM and the ADX were both up 7% over November however all eyes were on the DFM as Dubai announced the intention to list 10 government and state-owned companies. The move is in a bid to increase the current market capitalisation of all stocks on the exchange by nearly 10x. Some of the names linked to this announcement are shaping up to be big ticket IPOs of state-owned enterprises like DEWA (Dubai's utilities company), Emirates Airlines, Dubai Duty Free, and Salik. In addition to this, Dubai is looking to boost liquidity in the market by launching a USD 545m market making fund and a USD 270m fund to encourage technology companies to list in the local market.

Dubai's Crown Prince, His Highness Sheikh Hamdan bin Mohammed bin Rashed Al Maktoum, announced the merger of the departments of economy and tourism in a bid to attract 25m tourists by 2025 with an aim to increase the added value from the industrial sector by 150% over the next five years, expand foreign exports for local products by 50%, attract 100,000 companies in 3 years and 400 global economic events annually by 2025. Finally, the UAE announced last week a USD 10bn fund for investments in Turkey. The news came after Abu Dhabi's Crown Prince H.H. Sheikh Mohammed bin Zayed met Turkish President Recip Erdogan in Ankara on Wednesday. Emirati news agency WAM stated the purpose of the fund was to "support the Turkish economy and boost bilateral cooperation between the two countries" adding that the focus will be within sectors that include energy, food and healthcare.

On a more micro level, portfolio holding Emaar Properties announced it received approval for the Securities and Commodities Authority to increase the company's capital and issue new shares to Emaar Malls shareholders as a result of the merger. The merger means that Emaar Malls shareholders will receive 0.51 new shares of Emaar Properties except for shares registered currently under Emaar Properties itself. Furthermore, portfolio holding, Emirates Telecommunications Group acquired elGrocer DMCC. elGrocer is an online marketplace for groceries with more than 500 outlets and 120,000 products listed. The acquisition further enhances the company's digitization efforts.

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	5.8%	7.2%	-1.4%
YTD[3]	30.8%	41.3%	-10.5%
1 Year	32.8%	44.9%	-12.1%
3 Year	43.3%	25.5%	17.8%
5 Year	56.4%	22.1%	34.3%
Since Inc.	93.0%	-27.1%	120.1%

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

Top 3 Holdings

Holding	% of Fund
Emaar Properties	10.4
First Abu Dhabi Bank	10.3
Dubai Islamic Bank	10.2

Fund Analysis

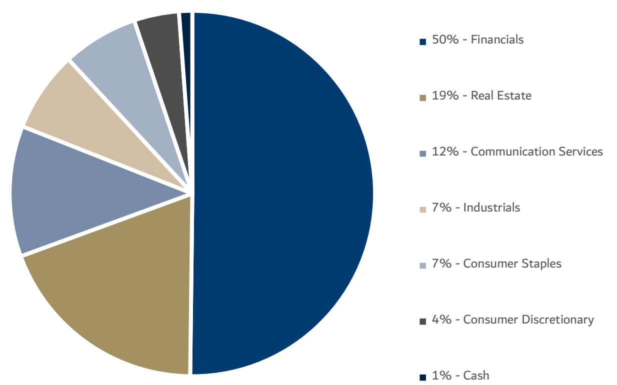
Matrix[4]	Fund	Benchmark
Standard Deviation	16.9%	23.3%
Tracking Error	11.1%	
Beta	0.7	
Dividend Yield 2021	4.0%	
No. of Holdings	18	

[4] Calculated using 3-year weekly data

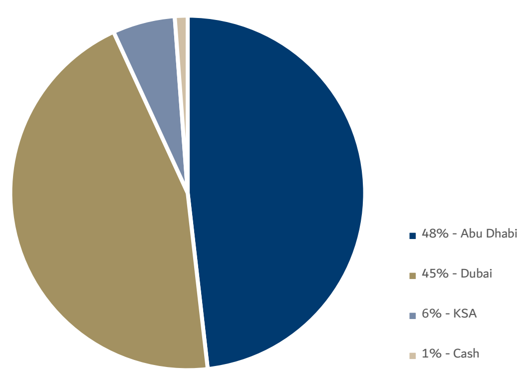
Fund Information

Fund Manager	Sherif El Haddad
Fund Size	AED 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