AZ Al Mal MENA Equity Fact Sheet

July 2023

NAV Per Unit: USD 8.05

Fund Manager Commentary

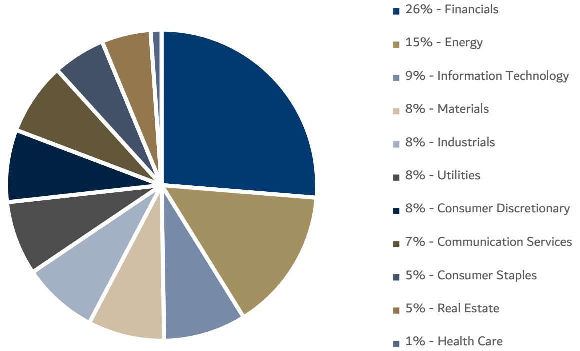
The prevailing global sentiment regarding risks seems to be cautious but prevailing. The US rates are nearing their peak, indicating that the hiking cycle may soon come to an end. For a year, the consensus view has been that the US would soon enter a recession, but it hasn't started yet. The Fed raised rates for the 11th time in 16 months, up 25 bps to a range of 5.25-5.50%. This is the highest the fed funds target has been since January 2001. The US dollar is weakening due to the conclusion of the hiking cycle, contrasting with the outlook in other major economies where further rate hikes are anticipated. Additionally, economic weakness persists in China and if China decides to stimulate its economy, there can be potential benefits for our region in terms of higher oil prices.

During the month of July, global equity markets experienced growth as the investors showed buying interests, as reflected by the 3.3% growth in in the MSCI World index. In US, the S&P 500 Index showed a monthly growth of 3.1% while the tech-heavy NASDAQ reported the monthly growth of 3.8%. In the GCC region, all the regional markets showed positive trend with the MSCI GCC Index up by around 4.1% in July. The S&P Pan Arab Index was also up 3.3% in July. Qatar Index was the leader this month with the growth of 8.8% led by large-cap stocks followed by DFM Index which reported monthly growth of 7% in July. We believe that there will be increased activity in the coming month as the investors consider the 1H-2023 corporate earnings.

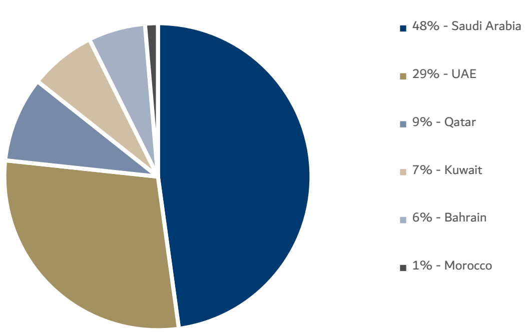
Among our major holdings, Saudi National Bank (SNB) reported 2Q23 profit of SAR5.02bn as stronger non-interest income and lower provisioning compensated for lower net interest income. Among Islamic banks, Al Rajhi Bank (Rajhi) reported 2Q23 profit of SAR4.15bn. The bank generated an ROE of 20% on an underlying ROA of 2.1% this quarter. The bank reported a cash dividend for 1H23 of SAR1.15/share, with a payout ratio of 58%.

The fund remains well diversified with 36 names with financials accounting for 26.2% of the fund. The top-3 holdings constitute 15.7% of the fund. The fund ended the first half of the year with a growth of 19.1% in YTD basis as compared to index growth of 7.4% in the same period, registering an outperformance (alpha) of 11.7% in the period. In the month of July, the fund registered a growth of 4.7% as compared to 4.3% seen in the benchmark. We have deployed the cash in increasing our allocations to financials as we believe that we are nearing the peak of rate increase cycle.

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	4.7%	4.3%	0.4%
YTD[3]	19.1%	7.4%	11.7%
1 Year	14.4%	-4.0%	18.4%
3 Year	77.3%	47.2%	30.1%
5 Year	61.3%	28.4%	32.9%
Since Inc.	61.0%	23.1%	37.9%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 26th July 2023

Top 5 Holdings

Holding	% of Fund
Saudi Telecom Company	5.5
Al Rajhi Bank	5.2
Saudi National Bank	5.0
ELM Company	5.0
Adnoc Drilling Company	4.9

Fund Analysis

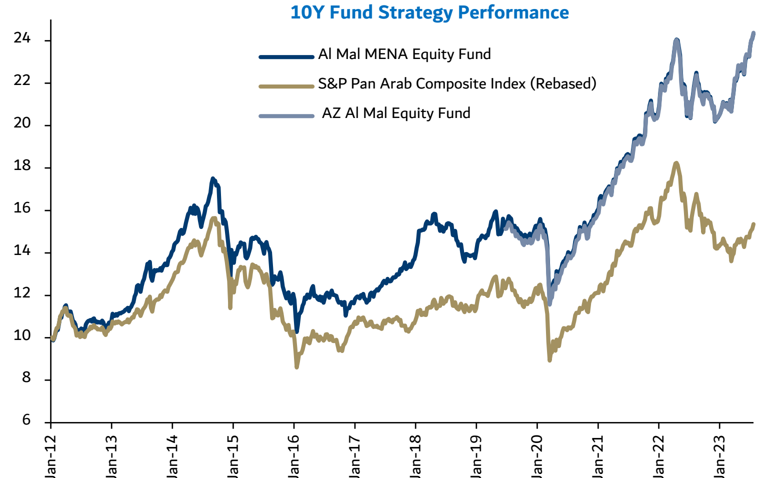
Matrix[4]	Fund	Benchmark
Standard Deviation	10.7%	12.2%
Tracking Error	5.3%	
Beta	0.8	
No. of Holdings	36	

[4] Calculated using 3-year weekly data

Fund Information

Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Fund Advisor	Faisal Hasan, CFA
Inception Date	June 26, 2019
Fund Size	USD 74 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

None of the information and opinions contained herein is intended to form the basis for any investment or trading decision, and no specific recommendations are intended. The products and transactions described herein are not suitable for every investor. Such products and transactions are only suitable for sophisticated and knowledgeable professional users of financial instruments, and are structured and customized to the needs and objectives of each investor. The information and opinions contained herein have been prepared for informational purposes only and do not constitute an offer to sell, or solicitation of an offer to purchase, any security, any commodity futures contractor commodity-related product, any derivative product, or any trading strategy or service described herein.

Neither Al Mal Capital PSC nor any of its affiliates, directors, authorized managers and/or employees accepts liability for any loss arising from the use of or makes any representation as to the accuracy or completeness of the terms and conditions of products and transactions described herein. Finalized terms and conditions are subject to further discussion and negotiation, and will be determined in part on the basis of pricing and valuation models, data, and assumptions that are proprietary to Al Mal Capital and its affiliates. No assurance can be given that a product or transaction can, in fact, be executed on any representative terms indicated herein.

Al Mal Capital

Al Mal MENA Equity Fact Sheet

July 2023

NAV Per Unit: USD 12.55

Fund Manager Commentary

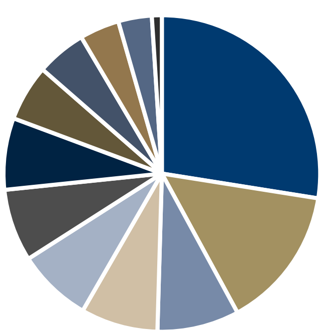
The prevailing global sentiment regarding risks seems to be cautious but prevailing. The US rates are nearing their peak, indicating that the hiking cycle may soon come to an end. For a year, the consensus view has been that the US would soon enter a recession, but it hasn't started yet. The Fed raised rates for the 11th time in 16 months, up 25 bps to a range of 5.25-5.50%. This is the highest the fed funds target has been since January 2001. The US dollar is weakening due to the conclusion of the hiking cycle, contrasting with the outlook in other major economies where further rate hikes are anticipated. Additionally, economic weakness persists in China and if China decides to stimulate its economy, there can be potential benefits for our region in terms of higher oil prices.

During the month of July, global equity markets experienced growth as the investors showed buying interests, as reflected by the 3.3% growth in in the MSCI World index. In US, the S&P 500 Index showed a monthly growth of 3.1% while the tech-heavy NASDAQ reported the monthly growth of 3.8%. In the GCC region, all the regional markets showed positive trend with the MSCI GCC Index up by around 4.1% in July. The S&P Pan Arab Index was also up 3.3% in July. Qatar Index was the leader this month with the growth of 8.8% led by large-cap stocks followed by DFM Index which reported monthly growth of 7% in July. We believe that there will be increased activity in the coming month as the investors consider the 1H-2023 corporate earnings.

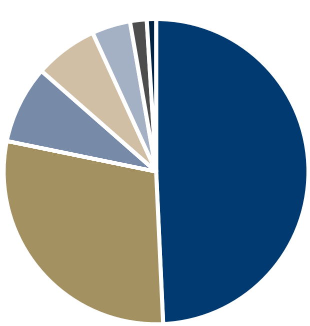
Among our major holdings, Saudi National Bank (SNB) reported 2Q23 profit of SAR5.02bn as stronger non-interest income and lower provisioning compensated for lower net interest income. Among Islamic banks, Al Rajhi Bank (Rajhi) reported 2Q23 profit of SAR4.15bn. The bank generated an ROE of 20% on an underlying ROA of 2.1% this quarter. The bank reported a cash dividend for 1H23 of SAR1.15/share, with a payout ratio of 58%.

The fund remains well diversified with 35 names with financials accounting for 27.5% of the fund. The top-3 holdings constitute 15.5% of the fund. The fund ended the first half of the year with a growth of 19.0% in YTD basis as compared to index growth of 7.4% in the same period, registering an outperformance (alpha) of 11.6% in the period. In the month of July, the fund registered a growth of 4.6% as compared to 4.3% seen in the benchmark. We have deployed the cash in increasing our allocations to financials as we believe that we are nearing the peak of rate increase cycle.

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.

Performance[1]	Fund	Benchmark[2]	Alpha
1 Month	4.6%	4.3%	0.3%
YTD[3]	19.0%	7.4%	11.6%
1 Year	13.7%	-4.0%	17.7%
3 Year	75.3%	47.2%	28.1%
5 Year	58.2%	28.4%	29.8%
Since Inc.	58.4%	-17.9%	76.3%

[1] Performance is net of fees; return is cumulative
[2] S&P Pan Arab Composite Index
[3] As of 26th July 2023

Top 5 Holdings

Holding	% of Fund
Saudi Telecom Company	5.3
Al Rajhi Bank	5.2
Saudi National Bank	5.0
Adnoc Drilling Company	4.9
Elm Company	4.8

Fund Analysis

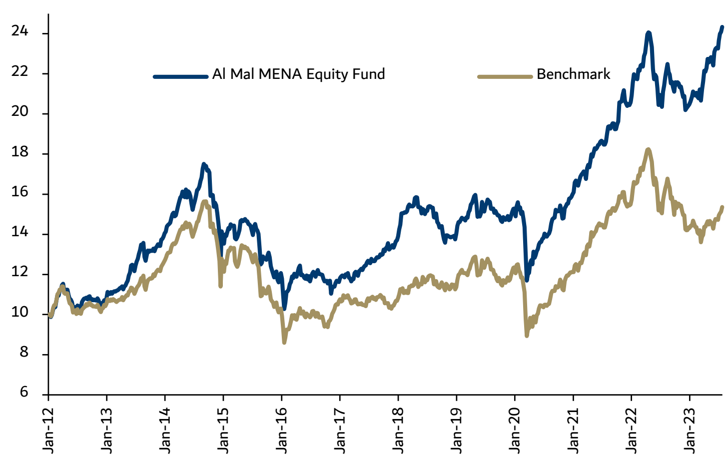
Matrix[4]	Fund	Benchmark
Standard Deviation	10.4%	11.9%
Tracking Error	4.9%	
Beta	0.8	
No. of Holdings	35	

[4] Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Inception Date	15th June 2008
Fund Size	USD 26 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



Disclaimer

None of the information and opinions contained herein is intended to form the basis for any investment or trading decision, and no specific recommendations are intended. The products and transactions described herein are not suitable for every investor. Such products and transactions are only suitable for sophisticated and knowledgeable professional users of financial instruments, and are structured and customized to the needs and objectives of each investor. The information and opinions contained herein have been prepared for informational purposes only and do not constitute an offer to sell, or solicitation of an offer to purchase, any security, any commodity futures contractor commodity-related product, any derivative product, or any trading strategy or service described herein.

Neither Al Mal Capital PSC nor any of its affiliates, directors, authorized managers and/or employees accepts liability for any loss arising from the use of or makes any representation as to the accuracy or completeness of the terms and conditions of products and transactions described herein. Finalized terms and conditions are subject to further discussion and negotiation, and will be determined in part on the basis of pricing and valuation models, data, and assumptions that are proprietary to Al Mal Capital and its affiliates. No assurance can be given that a product or transaction can, in fact, be executed on any representative terms indicated herein.

Al Mal UAE Equity Fact Sheet

July 2023

NAV Per Unit: AED 1.78

Fund Manager Commentary

As we enter the latter half of 2023, global capital markets continue to face an imbalance in economic forces. Persistent inflation, the tightening of central bank policies, and ongoing financial instability all present evident risks. However, despite these challenges, economies and markets have demonstrated unexpected resilience. Major economies have maintained growth while earnings results have surpassed expectations. In this uncertain environment, the importance of meticulous security selection cannot be overstated. The annual inflation rate has decreased significantly since hitting 40-year highs last summer but still sits above the Fed's desired level causing a persistence in tightening monetary policy efforts.

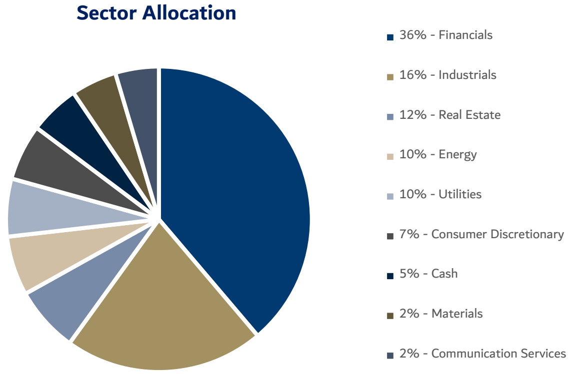
Stocks have shown strong growth in the first half of 2023 amid more signs of cooling from the Federal Reserve's preferred inflation gauge. All three major stock benchmarks logged strong performances for both the year's second quarter and first half. The Nasdaq is up more than 30% since the start of the year, which is its best first half of the year since 1983. The benchmark S&P 500 has gained around 16%, while the Dow has put up a more modest 4% gain, showing that the growth in indices is not broad-based.

In June 2023, the FTSE ADX index experienced performance of 1.5% while the DFM General Index achieved a significant monthly gain, with a 6.0% increase. This performance positioned it as the second-best performing market in the GCC for the month. As of the end of June 2023, the ADX Index showed a year-to-date decline of 6.5%, while the DFM Index displayed a growth of 13.7% over the same period. On the economic front, the UAE's GDP growth accelerated to 7.9% in 2022 supported by its non-oil sector as the country continues with its economic diversification strategy.

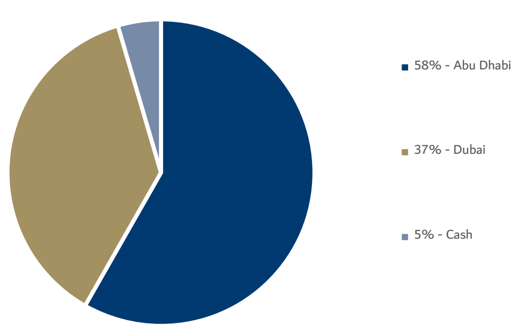
Portfolio Holding ADNOC Drilling announced that it was awarded a contract totaling USD2bn for the 10-year charter contracts of five high-specification jack-ups. Another holding AD Ports Group has announced completion of the acquisition of Noatum, whereby 100% of the company's stake was bought for an enterprise value of AED2.65bn (EUR660mn).

The fund remains well diversified with 23 names with financials accounting for 36% of the fund. The top-3 holdings constitute 21.7% of the fund. The fund registered a YTD growth of 13.1% till July-2023 as compared to index growth of 4.6% in the same period, registering an outperformance (alpha) of 8.5% till July-2023. In the month of July, the fund registered 3.5% as compared to 5.2% seen in the benchmark.

Sector Allocation



Geographic Allocation



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]	Relative Perf.
1 Month	3.5%	5.2%	-1.7%
YTD*	13.1%	4.6%	8.5%
1 Year	10.5%	1.9%	8.6%
3 Years	97.5%	72.9%	24.6%
5 Year	55.7%	24.9%	30.8%
Since Inc.	134.5%	-24.3%	158.8%

[1] Performance is net of fees; return is cumulative
[2] S&P UAE Domestic 10% Capped Index
[3] As of 26th July 2023

Top 3 Holdings

Holding	% of Fund
Abu Dhabi Ports	7.5
Emirates NBD	7.5
Adnoc Drilling Company	6.7

Fund Analysis

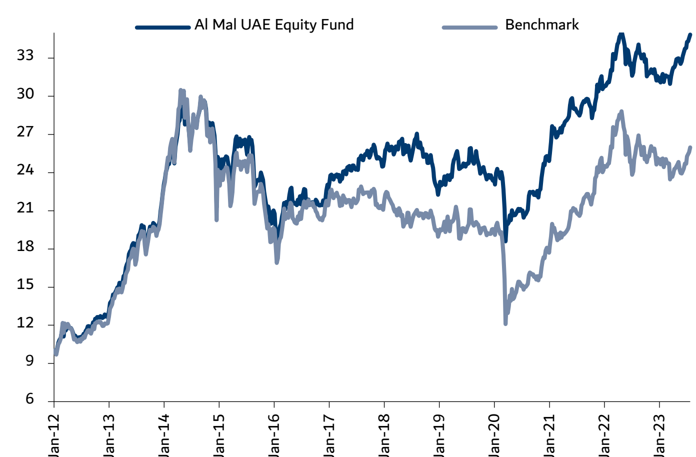
Matrix[4]	Fund	Benchmark
Standard Deviation	11.9%	14. 9%
Tracking Error	6.7%	
Beta	0.7	
Dividend Yield 2022	4.0%	
No. of Holdings	23	

[4] Calculated using 3-year weekly data

Fund Information

Fund Manager	Faisal Hasan, CFA
Fund Size	AED 49 million
Domicile	UAE
Currency	AED
Subscription & Redemption	Weekly
Min Subscription	AED 40,000
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

10Y Fund Strategy Performance



Disclaimer

None of the information and opinions contained herein is intended to form the basis for any investment or trading decision, and no specific recommendations are intended. The products and transactions described herein are not suitable for every investor. Such products and transactions are only suitable for sophisticated and knowledgeable professional users of financial instruments, and are structured and customized to the needs and objectives of each investor. The information and opinions contained herein have been prepared for informational purposes only and do not constitute an offer to sell, or solicitation of an offer to purchase, any security, any commodity futures contractor commodity-related product, any derivative product, or any trading strategy or service described herein.

Neither Al Mal Capital PSC nor any of its affiliates, directors, authorized managers and/or employees accepts liability for any loss arising from the use of or makes any representation as to the accuracy or completeness of the terms and conditions of products and transactions described herein. Finalized terms and conditions are subject to further discussion and negotiation, and will be determined in part on the basis of pricing and valuation models, data, and assumptions that are proprietary to Al Mal Capital and its affiliates. No assurance can be given that a product or transaction can, in fact, be executed on any representative terms indicated herein.