

AZ Al Mal MENA Equity Fact Sheet

NAV Per Unit: USD 4.77



AZIMUT
DEFINING INVESTMENT DIRECTION



المال كابيتال
Al Mal Capital

November 2019

Fund Objective: The objective of the Fund is to achieve significant capital appreciation, primarily through investment in equity and equity related securities in the Middle East and North African markets.

Key Terms:

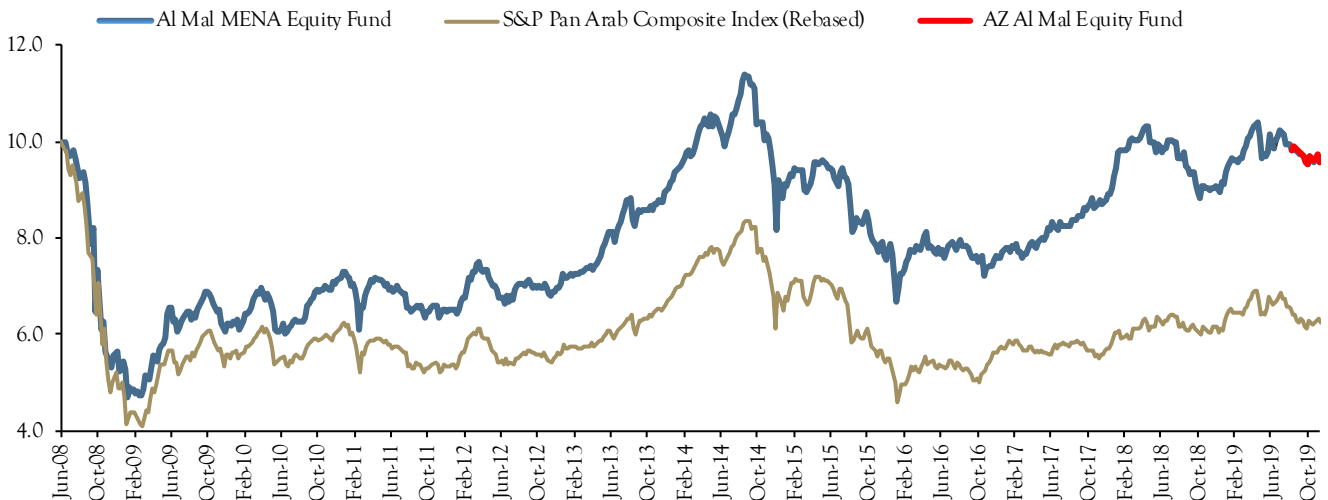
Investment Manager	Azimut (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Inception Date	26th June 2019 ¹
Fund Size	USD 48 million
Strategy Size	USD 80 million
Fund Registration	Luxembourg
Currency	USD
Subscription	Weekly (Tuesday, 1:00PM CET)
Min Subscription	USD 1 (Retail) -250,000 (Institutional)
Bloomberg Code	AZ3AZUA LX

Management Fee	0.85% (Institutional); 1.5-2% (Retail)
Subscription Fee	Up to 2%
Redemption	Weekly (Tuesday, 1:00PM CET)
Benchmark Index	S&P Pan Arab Composite
Fund Type	Open Ended
Administrator	BNP Paribas
Custodian	BNP Paribas
Auditors	PricewaterhouseCoopers

Performance	Fund	Benchmark	Relative Perf.
2019	-4.6%	-6.3%	1.7%
2018	2.6%	6.8%	-4.1%
2017	17.8%	1.3%	16.5%
2016	-3.7%	4.1%	-7.8%
2015	-12.5%	-17.6%	5.1%
2014	-0.7%	-1.5%	0.8%
2013	31.1%	18.9%	12.2%
2012	6.6%	2.6%	4.0%
2011	-8.8%	-15.1%	6.3%
2010	15.7%	13.9%	1.8%
2009	17.7%	12.7%	5.0%
2008	-47.5%	-49.9%	2.4%
Since Inc.	-4.6%	-6.3%	1.7%

Performance ²	Fund	Benchmark ³	Relative Perf.
1 Month	-0.6%	0.4%	-1.1%
YTD*	-4.6%	-6.3%	1.7%
1 Year	6.3%	3.3%	2.9%
3 Years	29.1%	13.9%	15.2%
5 Year	0.9%	-11.2%	12.1%
Since Inc.	-4.6%	-6.3%	1.7%

Performance



* As of 27th of November 2019

** The AZ Al Mal Equity Fund was launched on June 30th, 2019. The fund follows the same investment strategy as the Al Mal MENA Equity Fund. Source: Al Mal internal performance measurement based on reports from third-party administrators (BNP Paribas)

¹ The fund inception of the Al Mal MENA Equity Fund (Bahrain Domicile) is June 15th 2008

² Performance is net of fees; 3-year and 5-year return is cumulative; returns are calculated using the data of Al Mal MENA Equity Fund

³ S&P Pan Arab Composite Index

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Fund Manager Commentary:

MENA Equities once again underperformed global markets in November as the S&P Pan Arab Index added just 0.4% in the month while US index S&P 500 jumped 3.5% and MSCI EM gained 1.1%. As we go into the last lap of 2019, Kuwait is leading the pack though Egypt is right behind in USD terms. November was only the third month in 2019, where our Fund performance was behind the benchmark.

The news flow remains dominated by the Aramco IPO. Saudi Arabia has just pulled off the biggest IPO, raising \$25.6 bn, ahead of Alibaba's \$21.8bn. The IPO values Aramco at roughly \$1.7 tn, making it the most valuable publicly traded company in the world. MSCI stated that if Aramco starts trading on or before 12 Dec'19, it would add the company to the Indices on the 17th. The central bank doubled leverage limits for retail investors - banks are permitted to lend at a ratio of 2 to 1. For corporate and institutional customers, the financing is based on each one's creditworthiness. The company has promised minor investors a prorated share of at least \$75 bn in dividends for the coming 5 years, guaranteeing a yield and allowing the stock to be viewed as a quasi-sovereign bond. Regardless of the immediate upside, we believe this is a strong medium-term story that can anchor different kinds of portfolios.

In Egypt, EK Holding reported a good set of 3Q results as net income grew 15% y/y. Contributions came from both the major segments - Sprea's bottom-line jumped 48%, while ONS delivered strong numbers on the back of the gas production ramp-up.

Qatar Electricity and Water's subsidiary, Nebras Power, announced that it has acquired an 80% stake in a portfolio of four major solar projects in Brazil with total installed capacity of 482.6 MW. It also bought a 10% stake in a renewal energy company in Oman, which owns the solar PV project with an expected power generation capacity of up to 105MW.

Aviation Lease and Finance Co (Alafco) in Kuwait has sold 13 planes from the firm's portfolio through an auction as well as signed new leasing contracts. This helped the company register profits worth KWD 7.8mn during the fiscal year ended Sep 2019.

Top Portfolio Holdings

	% of Fund
NATIONAL BANK OF KUWAIT	8.3
AL RAJHI BANK	5.9
QATAR NATIONAL BANK	5.4
SAUDI BASIC INDUSTRIES CORP	3.7
EMIRATES NBD PJSC	3.7
NMC HEALTH PLC	3.1
EMIRATES TELECOM GROUP CO	3.1
EMIRATES TELECOM GROUP CO	3.1
KUWAIT FINANCE HOUSE	3.1
DP WORLD PLC	2.9
Total # of Holdings	38.00

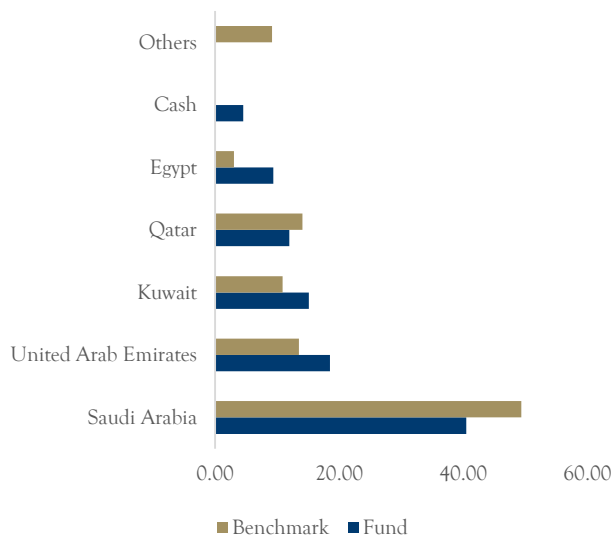
Source: Al Mal internal performance measurement based on reports from third-party administrators (BNP Paribas)

Fund Characteristics²

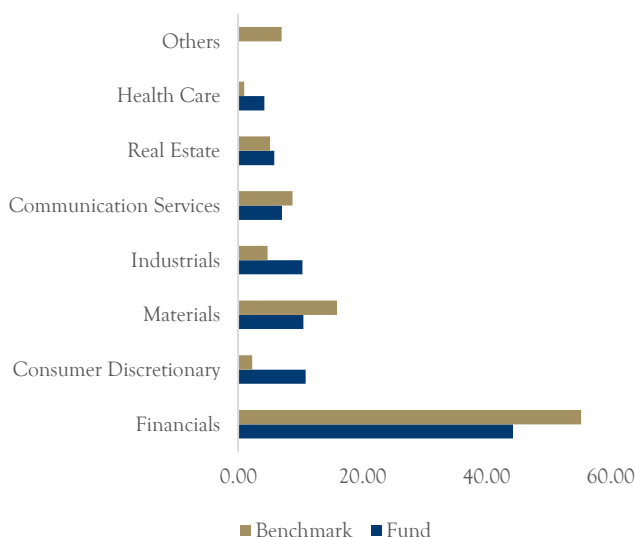
Fund Characteristics ²	Fund	Benchmark
Standard Deviation	9.0%	9.7%
Sharpe Ratio	0.54	0.05
Beta	0.86	
Tracking Error	6.4%	
Information Ratio	0.52	

² The fund characteristics are based on the historical data of the Al Mal MENA Equity Fund as the AZ Al Mal Equity Fund will continue to follow the same strategy. It is calculated using 3-year weekly data

Geographic Allocation



Sector Allocation



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