



Fund Manager Commentary

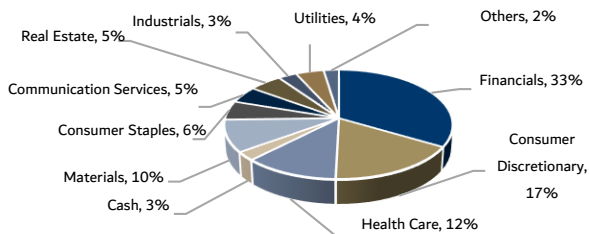
Global investors were eagerly awaiting the month of July as the disclosure of Q2 earnings would allow investors to analyze the impact of COVID-19 on companies' financials. US markets led most EM's as Big Tech carried the weight of S&P 500 with Apple, Amazon, Alphabet and Facebook reporting solid earnings. The last recorded time the tech sector had such a high weight within the S&P 500 was at the turn of the last millennium, just before the Dot Com bubble burst. The quintet of Apple, Amazon, Alphabet, Facebook and Microsoft now account for nearly 20% of the entire S&P 500 and to further demonstrate the level of growth of the tech sector. July also saw precious metals rally, with gold touching the \$2,000 mark as Jerome Powell declared that the US Central Bank is "not even thinking about raising rates" thereby inducing investors to hedge almost certain inflation risk. The S&P MENA Index came out in the green with Saudi Arabia up 2.8% leading the way and Kuwait lagging its peers, down close to 2%

Saudi's oil revenue was down 45% in the second quarter, non-oil revenue like taxes and fees also declined 55% over the same period. Banking heavyweights reported in-line with consensus expectations aided by strong mortgage origination come June. The sector was under pressure as overall the 1H20 profit was down 11% y-o-y. This has led banks to decide against paying a dividend in an effort to preserve capital, with Rajhi bank's management strongly believing that local and international banks should follow suit to be able to do the same during the current global economic uncertainty. Meanwhile, consumer staples like Halwani and Othaim met heightened expectations as a result of the COVID impacted quarter with Othaim reporting earnings up 45% yoy. Discretionary names like Extra did well being aided by consumers purchasing pre VAT hike.

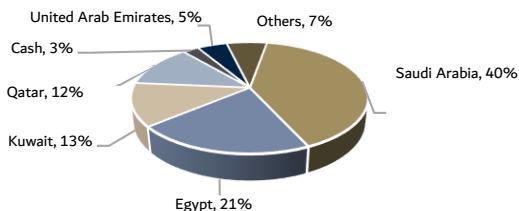
Geopolitical tensions meant Egypt lagged the index as the nation couldn't reach a dam deal with Ethiopia alongside investors fearing conflict in Libya. The nation did manage to secure inflows in the form of IMF funds and a Eurobond issuance offsetting the nation's fiscal outflows to some degree. The pandemic hit Egypt's external finances as the nation saw investors withdraw local currency debt market investments, coupled with a loss of tourism revenues. Meanwhile, the PayPal of Egypt, Fawry, announced a capital raise in the forms of a rights issue aiming to raise EGP 400 million in an effort to accelerate the company's expansion plans. The stock is up over 100% YTD. Meanwhile, portfolio holding MM Group also reported a healthy performance despite lock down challenges. The company reported revenues of EGP 2.11 billion compared to revenues of 2.45 billion in 2Q19, the decline largely attributed to shutdowns imposed by the Egypt government. This meant, stores were closed, car license issuances stalled and the company also had to deal with a ten-day Eid break.

In Kuwait, news of the Emir's health meant stocks took a beating as succession issues emerged adding to the nation's economic woes. S&P Global ratings lowered the outlook on Kuwait's AA- rating from stable to negative, citing a widening budget deficit increasing to almost 40% of GDP this year (vs. 10% last year) as the key reason. The market did rebound towards the end of the month, despite NBK producing it's biggest quarterly miss in 5 years. Portfolio favorite Humansoft also reported H1 revenues of KWD 24.5 million, down 33% y-o-y as a result of no revenue recognized in March due to the academic year being put to a halt. The company decided not to pay a dividend but did indicate that the company has a fortress of a balance sheet and will be able to weather the short term impact of the current COVID crisis

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	2.1%	0.9%	1.1%
YTD ³	-7.5%	-15.0%	7.4%
1 Year	-9.8%	-16.7%	7.0%
3 Year	11.3%	-3.0%	14.3%
5 Year	0.6%	-15.2%	15.7%
Since Inc.	-8.5%	-15.7%	7.2%

¹ Performance is net of fees; return is cumulative
² S&P Pan Arab Composite Index
³ As of 29th July 2020

Top 5 Holdings

Holding	% of Fund
Humansoft	5.7
Al Rajhi Bank	5.1
Mouwassat Medical Services	4.8
Qatar Electricity & Water	4.4
MM Group for Industry & International Trade	4.1

Fund Analysis

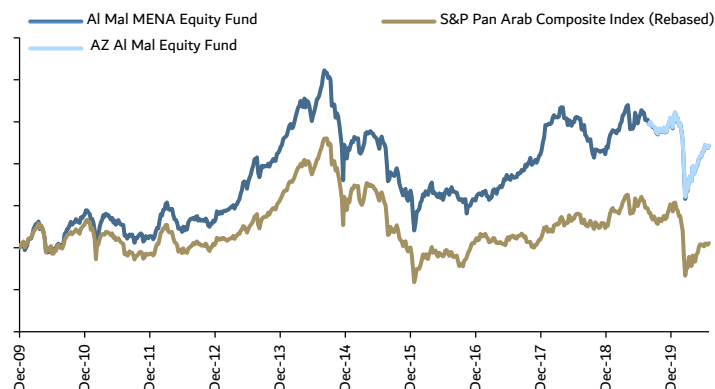
Matrix ⁴	Fund	Benchmark
Standard Deviation	13.2%	14.8%
Sharpe Ratio	0.19	-0.1
Beta	0.8	
Tracking Error	6.4%	
No. of Holdings	44	

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	Azimum (DIFC) Limited
Investment Advisers	Al Mal Capital PJSC
Investment Team	Sherif El Haddad Tamara Tannir, CFA Jai Lawrence
Inception Date	June 26, 2019
Fund Size	USD 52 million
Strategy Size	USD 80 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



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