



KEY INFORMATION

Currency..... US
Fund Inception date..... April 20, 2019
Available Class..... Class C Share
ISIN..... AEDFXA3CN117
Bloomberg Ticker..... AZIPAKC UH
Fund Domicile..... DIFC
Asset Class..... Islamic Pakistan Equities
Investment Strategy... Flexible approach with possibility to hold Sharia Compliant Pakistan Equities and / or Fixed Income between 0% and 100%.
Minimum Investment..... USD 1,000
Management Fees..... 2.0% per annum
NAV publication..... Daily
Subscriptions / Redemptions..... Daily
Target Distribution..... 6% p.a. (quarterly)
Deferred Service Fee (DFS)..... Redemptions will be subject to a decreasing DFS as follows:
 - **3.0%** if occurring under 12 months of subscription ;
 - **2.0%** if occurring between 12 and 24 months of subscription ;
 - **1.0%** if occurring between 24 and 36 months of subscription.
Sharia Board..... Amanie Advisors
Investment Manager..... Azimut (DIFC) Limited
Investment Advisor... Alfalah GHP Investment Management Limited (Alfalah Investments)
Custodian..... Northern Trust Fund Administrator..... APEX Fund Services (Dubai) Limited
Auditor..... Grant Thornton

KEY OBJECTIVES

Capital appreciation by investing on a Shari'a-compliant basis, directly or indirectly, in listed equities and equity related securities of companies that are domiciled in Pakistan and/or, entities which have at least 50% of their total turnover generated in Pakistan.

The manager can invest in fixed income Sharia compliant securities to reduce the exposure to equities and manage volatility at his own discretion.

IMPORTANT NOTICE

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Subscriptions to shares of the Fund can only be made on the basis of the current Prospectus of the Fund and any supporting fund information. The value of shares in the Fund can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator or a guarantee of future performance. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations.

In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks that may increase the risk profile of the fund and are more fully described in the Fund's Prospectus. If the fund invests in a specific sector or geographical area, the returns may be more volatile than a more diversified fund.

The investment activities will be undertaken in accordance with the Shariah Guidelines. As a consequence, the performance of a Fund may possibly be lower than other investment funds that do not seek to strictly adhere to the Islamic investment criteria. The Shariah Supervisory Board of Amanie Advisors LLC has certified that the Fund is in compliance with the requirements of the Shariah principles.

No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America. Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Azimut (DIFC) Limited and / or AZ Funds S.A. representative before making any plans to invest.

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Market Comment

CPI inflation remained elevated, clocking in at 26.6% y/y for the month of Oct'22 vs. 23.2% in Sep'22 and 9.2% in Oct'21. With this, inflation for 4MFY23 averaged 25.5% vs. 8.74% in 4MFY22. On m/m basis, CPI witnessed an increase of 4.7% in Oct'22. The monthly jump in inflation was mainly attributed to higher food and electricity prices. The Current Account posted a deficit of \$2.2 billion for 1QFY23 vs. a deficit of \$3.5 billion during the same period last year. For the month of Sep'22, Current Account Deficit encouragingly posted a 17-month low number of US\$316mn (-53% m/m). CAD has shrunk over steep decline in imports driven by administrative controls. However, total exports and remittances also decreased by 4% YoY & 12% YoY, respectively.

PKR closed at 220/\$ in Oct'22 vs. 239/\$ in Sep'22. The currency witnessed strength in first two weeks of the month continuing with the sentimental change from last month after the news of Ishaq Dar return as finance minister. However, PKR came under pressure for the latter half of the month due to central bank's depleting foreign exchange reserves.

The SBP has maintained the policy rate at 15% in monetary policy decision held on the 10 October, 2022. The MPC highlighted that the existing rate strikes an adequate balance between managing inflation and maintaining growth post floods. The next MPC meeting is scheduled on November 25, 2022.

Large-scale manufacturing Industries (LSMI) output increased by 0.6% y/y and 3.9% m/m in Aug-2022. On a cumulative basis, LSMI output during the first two months of FY23 posted negative growth of 0.4% y/y compared to 11.6% in the same period last year. Slowdown in aggregate demand combined with increasing cost of doing business and flood consequences led to the decline of LSM. Positive contribution came from Wearing Apparels, furniture and Iron & Steel. On the other hand, Textile, Food, POL products, Pharmaceuticals and automobiles were the key contributors to the negative growth.

The Financial Action Task Force (FATF), a global money laundering and terrorism financing watchdog, on 21st Oct'22 removed Pakistan from grey list after four years.

IMF's next review is scheduled later this month, recent increase in PDL on petroleum products suggest that the Fund isn't providing any material relations. Further details on this will be unveiled over the month.

The KMI-30 index closed up 5.5% in USD terms in Oct'22. The market was up for most of the month on the back of PKR appreciation, improvement in current account, approval of \$1.5 billion loan from ADB and Pakistan's exit from FATF's grey list. However, market came under pressure at the end of month as political noise rose after call of long march by PTI.

Among the top index contributors in Oct'22 were: Hub Power (HUBC); Systems (SYS); Pakistan Oilfields (POL) and Engro Corporation (ENGRO).

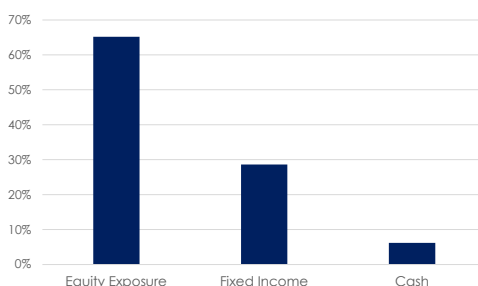
On the flipside, Pakistan Petroleum (PPL), Pakistan State Oil (PSO), Oil & Gas Development Company (OGDC) and D.G. Khan Cement (DGKC) were the major laggard.

Any positive news on external flows as part of bilateral/multilateral assistance (ADB recently disbursed US\$1.5bn loan). There are news of rollover of bilateral loans from China and potential investment in refinery projects by the Saudi Arabia – this comes post PM's visit. Materialization of this will be a key catalyst to the market.

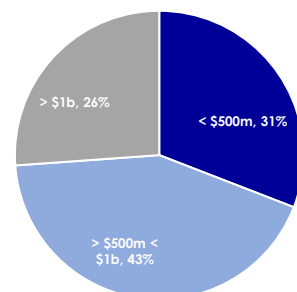
Increase in political noise remains a key risk. Amid all political unrest, index performance is expected to be under pressure until the situation stabilizes. PTI Chairman, Imran Khan, will be resuming the march to the capital from tomorrow after the shooting hiccup that happened last week.

The KSE-100 is continues to trade at multi-decade cheap valuations – Fwd. PER of below 4.0x vs. Asia Pac regional average of 12.2x while offering a dividend yield of ~9.8% vs. ~3.0% offered by the region.

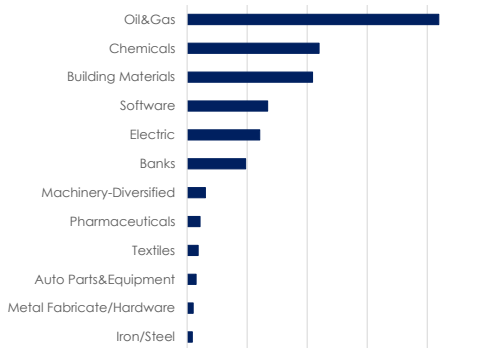
Asset Allocation



Market Cap



Sector Allocation



Distribution*

%	March	June	Sept.	Dec.	Total
2020	0.54%	0.75%	1.5%	1.5%	4.3%
2021	1.5%	1.5%	1.5%		4.5%
					8.8%

* The distribution is expressed as a percentage of the initial NAV.

Top 10 Holdings

Systems Ltd	6.7%	Meezan Bank Ltd	4.9%
Engro Corp Ltd/Pakistan	6.7%	Oil & Gas Development Co Ltd	4.6%
Mari Petroleum Co Ltd	6.3%	Engro Fertilizers Ltd	4.3%
Hub Power Co Ltd/The	6.0%	Pakistan Petroleum Ltd	3.9%
Lucky Cement Ltd	5.3%	Pakistan Oilfields Ltd	3.5%

Source: All Fund data, Azimut and Bloomberg

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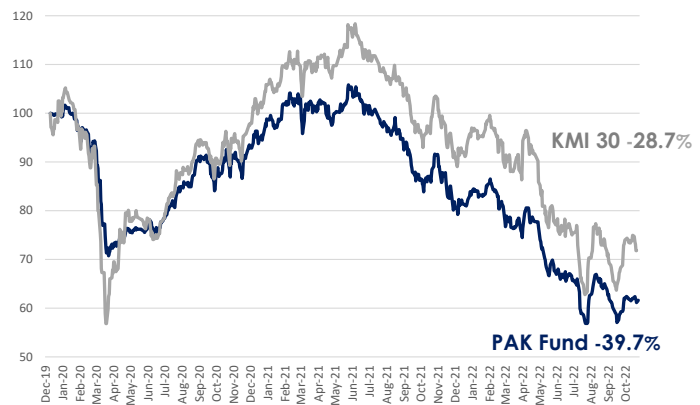




Fund Facts

Total AuM (\$M)	4.1
Number of holdings (equities)	24
NAV (after income distribution)	54.3
YTD performance (Index)	-25.8% (-23.0%)
MTD performance (Index)	+3.9% (+5.5%)
PKR exposure	65.2%
USD exposure	34.8%
Performance since inception (Index)	-39.7% (-28.7%)
Fund Maximum Drawdown	-30.4%
Index Maximum Drawdown	-46.0%
Fund Volatility	21.6%
Index Volatility	31.0%

Performance (USD)



Source: All Fund data, Azimut and Bloomberg

About Azimut and Alfalah Investments

- Azimut is Italy's largest independent asset manager, with USD 92 billion of managed investors' money and a investment centers in 17 countries, including Developed (Europe, Australia) and Emerging countries, (LATAM, Middle East and Asia).
- Alfalah Investments has a 15 year track-record in managing Pakistan Equities and Fixed Income. It has a wide distribution reach pan-Pakistan via 8 investment centers and 300 branches. It manages 17 local open ended funds/pension schemes with over 25+ different client product offerings .
- Both Azimut and Alfalah Investments have a long track record managing Islamic investments: Azimut currently manages the largest USD Sukuk fund worldwide while Alfalah Investments has a considerable portfolio of Islamic equity funds, Sukuk funds and Shariah compliance structured products. Shariah investments at Alfalah are the fastest growing asset class for the company.

Key investment themes

- Flexible approach with possibility to hold Sharia Compliant Pakistan Equities and/or Fixed Income between 0% and 100% to mitigate potential equity markets downturns.
- Actively managed fund: the portfolio management team can dynamically shifts investments from cyclical to defensive sectors, based on economic cycle.
- Fund seeks to take advantage of Pakistan stabilizing macro-economic environment and extremely cheap valuations.
- The key drivers of Pakistan economy are young and populous demographics of 200 million people which are the key for a strong consumption and investment driven growth, with largely decouples underlying economic strength from the political cycle.
- The PKR is at very cheap levels following a 50%+ devaluation. The expectations are towards a stabilization or a mild depreciation as current account deficits have shrunk significantly and international foreign reserves are stable.
- With the interest rates easing cycle expected to start in 2020, we expect strong impetus on the stock market with a 17% earnings growth and 8%-9% dividend yield.

Sharia Supervisory Board

Amanie Advisors, a leading Shariah advisory firm, acts as the Shariah Board of the Azimut Pakistan Equity fund. Its international Shariah Supervisory Board includes widely respected scholars with undisputed reputation:

- Dr Mohamed Ali Elgari (Chairman, KSA)
- Dr Mohd Daud Bakar (Malaysia)
- Dr Muhammad Amin Ali Qattan (Kuwait)
- Dr Osama Al Dereai (Qatar)

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