



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

This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares in the DIFC domiciled Azimut Pakistan Equity Fund (OEIC) PLC (the "Fund"). Nothing in this document should be construed as investment advice. Opinions expressed are the author's at publication date and they are subject to change without prior notice. Given the rapidly changing market environment, Azimut (DIFC) Limited disclaims responsibility for updating this material.

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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Azimut (DIFC) Limited, Central Park Towers, Dubai International Financial Centre, Office Tower, Floor 16, Unit 45.

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Market Comment

The month of August witnessed some respite in Covid-19 tally as the smart lockdown measures yielded favorable results in big cities like Karachi. On the vaccination front, about 59mn doses have been administered by month end – roughly around 40mn citizens are partially vaccinated. NCOC aims to vaccinate around 70% of the population by year-end that, with rising awareness and enforced measures by Government, seems achievable.

Pakistan's Inflation as measured by CPI registered at 8.35% in August'21, compared to 8.21%YoY in August'20 on the back of rising food prices (10% YoY), Transport (8.1% YoY), Household Equipment (9.6% YoY) and Clothing & footwear (9.3% YoY). Average inflation for 2MFY22 arrives at 8.38%, above the government target of 8.2% for FY22. Key risks to this target include increase in international oil prices, surge in overall aggregate demand, and expected power and gas tariff hikes.

For the month of July'21, Current Account Deficit (CAD) clocked in at USD 773 mn compared to a surplus of USD 583 mn during the same period last year. Moreover, imports grew 41%YoY clocking in at USD 6.1bn, while exports grew 17%YoY to arrive at USD 2.7bn. The major contribution towards imports are medicinal products, crude petroleum and Liquefied Natural gas whereas the major growth in exports are in the textile sector mainly cotton yarn, cotton cloth and knitwear. Current Account balance has received strong support from workers remittances that have reached approximately USD 2.70 bn in July'21. SBP projects CAD to remain at 2-3% of GDP for FY22.

PKR depreciated during the month by 2.4% to close at PKR 166.39 mainly due to concerns from external front specially the trade deficit.

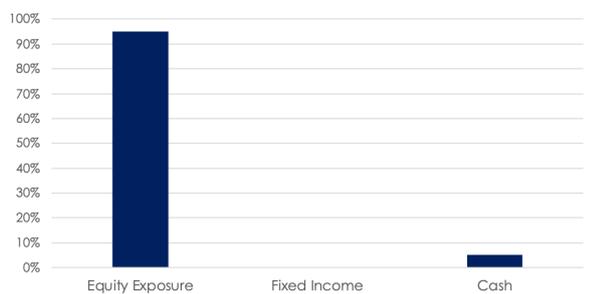
The Government announced provisional GDP growth number of 3.94% for FY2021. LSM Growth posted a whopping growth of 18.42% in the month of June, 2021. For FY21, LSM has depicted growth of 14.85% YoY led by 1) Automobiles 2) Non-metallic mineral 3) Chemicals 4) Coke & POL products and 5) Textiles.

In August KMI30 Index in USD was down by 1.1%. Performance in PKR was positive. The upbeat investor interest in Banks, Technology and Chemical sector supported the performance while weaker sentiments towards Cyclical especially Cements restricted index movement. Among top index points contributors were (i) Meezan Bank, (ii) System Limited, and (iii) Engro Polymer & Chemical whereas Lucky Cement was the main resistance to this support. Upcoming Pakistan Oil Refining policy, surge in Roshan digital account deposits, and slide of PKR against greenback remained focus point of news.

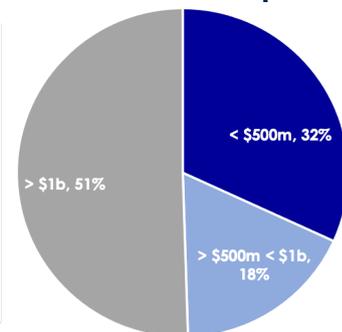
We maintain a positive stance Pakistan Equities in the medium to long term on the double – digit forward corporate earnings growth and attractive valuations compared to historical average as well as regional peers. At present, equities are trading at forward earnings multiple (PER) of 5.6x compared to Asia Pacific regional average of 15.4x and historical average of 8x while offering a dividend yield of 6.49% (Regional peers' average: 1.83%).

However, we prefer to be very selective in our stock picking and will be managing the portfolio actively.

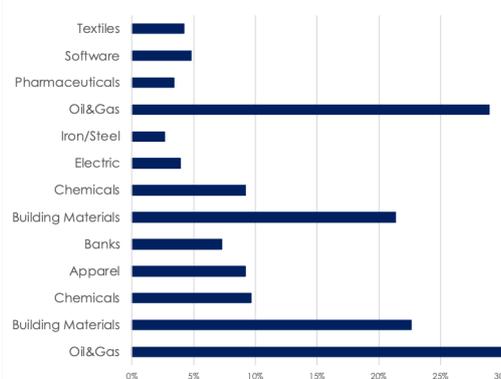
Asset Allocation



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%			3.0%
					7.3%

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

Top 10 Holdings

Lucky Cement Ltd	9.9%	Meezan Bank Ltd	6.0%
Engro Corp Ltd/Pakistan	7.3%	Mari Petroleum Co Ltd	5.0%
Oil & Gas Development Co Ltd	7.1%	Pakistan State Oil Co Ltd	4.8%
Pakistan Oilfields Ltd	6.7%	Systems Ltd	4.2%
Pakistan Petroleum Ltd	6.5%	Hub Power Co Ltd/The	3.9%

Source: All Fund data, Azimut and Bloomberg

Azimut (DIFC) Limited ("Azimut") is a DIFC registered Company Limited by Shares and is regulated by the Dubai Financial Services Authority ("DFSA").





Fund Facts

Total AUM (\$M)	8.5
Number of holdings (equities)	36
NAV (after income distribution)	87.45
YTD performance	+0.2%
MTD performance	-1.8%
PKR exposure	94.9%
USD exposure	5.1%
Performance since inception	-5.2%
Maximum Drawdown (Fund)	-30.4%
Maximum Drawdown (Index)	-46.0%
Volatility (Fund)	20.2%
Volatility (Index)	33.0%

Performance (USD)



About Azimut and Alfalah Investments



- Azimut is Italy's largest independent asset manager, with U\$D 65 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 U\$D 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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