



### KEY INFORMATION

**Currency**..... USD  
**Fund Inception date**..... April 20, 2019  
**Initial offering Period**..... November 2019  
**Available Class**..... Class A Share  
**ISIN**..... AEDFXA3CN091  
**Bloomberg Ticker**..... AZIPAKA 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**..... 2.5% per annum  
**NAV publication**..... Daily  
**Subscriptions / Redemptions**..... Daily  
**Target Distribution**..... 6% p.a. (paid quarterly)  
**Sharia Board**..... Amanie Advisors  
**Investment Manager**..... Azimut (DIFC) Limited (Azimut)  
**Investment Advisor**... Alfalah GHP Investment Management Limited (Alfalah Investments)  
**Custodian**..... Linear Investments Limited  
**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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### Market Comment

2020 was a challenging and volatile year for the entire world as the COVID-19 pandemic hit. Strict lockdowns to control the spread of the pandemic catalyzed the most severe global economic contraction. Pakistan was not an exception as the GDP growth for the year ending June-2020 contracted for the first time in nearly 68 years. However, the country coped better in comparison to the rest of the world both in terms of lesser damage to the economy and COVID-19 deaths. On a positive note, the local economy witnessed a V-shaped recovery, boosting overall sentiment and confidence post the first wave of the pandemic.

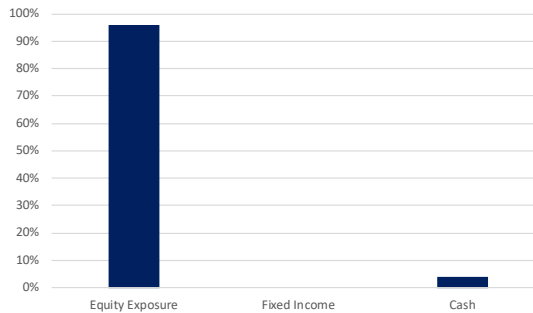
Despite restrained aggregate demand, inflation remained on the higher side at 8.6% during the second half of 2020 primarily on the tail of an uptick in food prices, mainly due to supply-side issues owing to the pandemic. We expect inflation to remain contained over the next couple of months owing to the high base effect and an expected decline in food prices on an improved supply situation. However, we expect inflation to pick up from the second quarter onwards and stay above 8% for the remainder of the year.

The external account continued its improving trend as the current account surplus of USD 1.64 billion was recorded during July-November 2020 compared to a Current Account Deficit (CAD) of USD 1.75 billion during the same period last year. The improvement in CAD is primarily driven by record remittance growth of 27% YoY. We expect the surplus to turn into a deficit in the second half of FY21 owing to a pickup in economic growth. However, we foresee a comfortable situation on the external account front with CAD to remain in the range of 1%-1.5% of GDP. On the currency front due to a manageable external account position, we expect rupee devaluation in the range of 5-7% against the US Dollar during 2021. We expect the State Bank of Pakistan to keep the policy rate unchanged at 7% in the upcoming monetary policy committee (MPC) meeting.

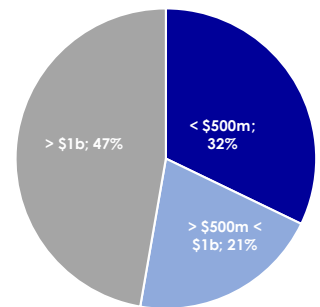
The KMI30 recovered in Dec-20, increasing by +6.4% MoM to close at +3.9% on YTD. Positive sentiment was fueled by news of the revival of the IMF program, coupled with improving economic indicators. Exceptional monetary and fiscal policy response, earlier and gradual lifting of the lockdown, and news flows related to earlier than expected arrival of the vaccines prompted one of the biggest reversals in the history of the market, surging by 80% in USD terms from its low in March.

Pakistan equities are likely to continue the positive momentum due to cheaper valuations, improvement in the macroeconomic indicators, and double-digit corporate earnings growth over the next couple of years. We expect the market to deliver a double-digit return along with a 5% plus dividend yield next year. Our equity exposure at December end stood at 96%.

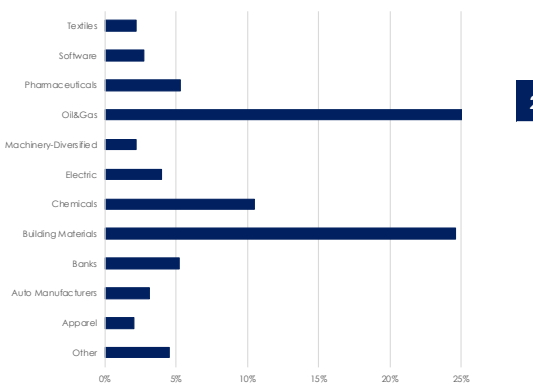
### Asset Allocation



### Market Cap



### Sector Allocation



### Distribution\*

%	March	June	Sept.	Dec.	Total
2020	0.54%	0.75%	1.5	-	2.8%

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

### Top 10 Holdings

Lucky Cement Ltd	11.1%	Meezan Bank Ltd	5.2%
Engro Corp Ltd/Pakistan	8.3%	Mari Petroleum Co Ltd	4.3%
Oil & Gas Development Co Ltd	7.7%	Pakistan State Oil Co Ltd	4.1%
Pakistan Petroleum Ltd	7.4%	Hub Power Co Ltd/The	4.0%
Pakistan Oilfields Ltd	6.4%	DG Khan Cement Co Ltd	3.2%

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").

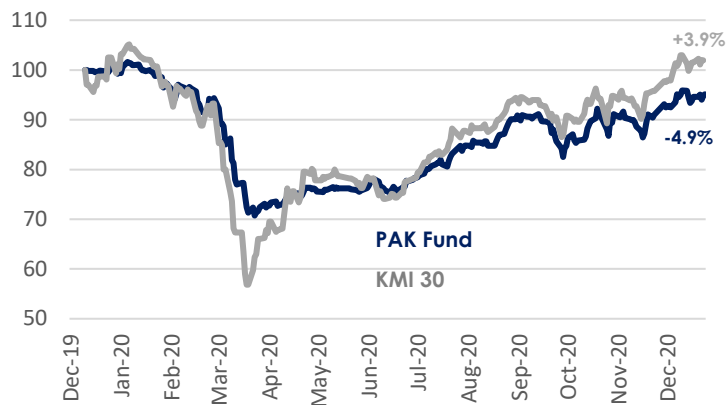




### Fund Facts

Total AuM (\$)	10,245,777
Number of holdings (equities)	37
NAV (after income distribution)	92.33
YTD performance	-4.9%
MTD performance	+4.5%
PKR exposure	96.0%
USD exposure	4.0%
Performance since inception	-4.9%
Maximum Drawdown (Fund)	-30.4%
Maximum Drawdown (Index)	-46.0%
Volatility (Fund)	21.1%
Volatility (Index)	38.1%

### Performance (USD)



Source: All Fund data, Azimut and Bloomberg

### About Azimut and Alfalah Investments

- Azimut is Italy's largest independent asset manager, with USD 70 billion of managed investors' money and a investment centers in 18 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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