



### KEY INFORMATION

**Currency**..... USD  
**Fund Inception date**..... May 2, 2019  
**Initial Offering Period**. April 11 to 29, 2019  
**Available Class**..... Class B Share  
**ISIN**..... AEDFXA3CN083  
**Bloomberg Ticker**..... AZITARB UH  
**Fund Domicile**..... DIFC  
**Asset Class**..... Sharia Compliant Sukuk  
**\* Targeted Distribution**..... 5.0% net of fees p.a., before taxes, not guaranteed, with a Target Quarterly Payout of 1.25% per quarter, not guaranteed  
**\* Targeted Payment of Investment**..... 100% (not guaranteed)  
**Minimum Investment**..... USD 50,000  
**Management Fees**..... 0.30% per annum  
**Target Expense Ratio**..... capped at 0.45%  
**Deferred Sales Fee**..... 0.375% p.a.  
**NAV publication**..... Daily  
 The fund is designed to be held to maturity therefore early redemptions are subject to a Deferred Service Fee as detailed below.  
**Subscriptions**..... Daily  
**Redemptions**..... Daily  
 However, Redemptions prior to the Fund's Maturity Date will be subject to Deferred Service Fee.  
**Deferred Service Fee**.....  
 Redemptions will be subject to a decreasing Deferred Service Fee as follows: 1.5% if occurring under 12 months of subscription ; 1.2% if occurring between 12 and 24 months of subscription ; 0.8% if occurring between 24 and 36 months of subscription ; 0.4% if occurring between 36 and 48 months of subscription.  
**Sharia Board**..... Amanie Advisors  
**Custodian** ..... Northern Trust  
**Fund Administrator** ..... APEX Fund Services (Dubai) Limited

### KEY OBJECTIVES

The Fund's investment objective is to offer a yield pickup by investing primarily in USD-denominated Sharia Compliant Sukuk with a pre-determined yield at the time of investment over a four (4) year period.

### \* IMPORTANT NOTICE

Key Information and Key Objectives are targets, not guarantees. The Targeted Distribution of 5.0% and the Target Quarterly Payouts of 1.25% per quarter are targets based on the prevailing yields at the time of constructing the portfolio. Yields and the distribution may rise or fall during the life of the product depending on market movements and portfolio management of the underlying Sukuks.

Target Payout Calendar is indicative. The first quarterly distribution in July 2019 is based on 2 months' coupon accumulation. The final quarterly distribution is based on two months' coupon accumulation. Principal is expected to be repaid in full at maturity but can be lower or higher due to market and/or credit-related events. Principal can vary due to profit and loss, realized or unrealized gains, whether or not net of realized or unrealized losses, any shared profit or distributions received from the underlying Sukuks, profit sharing earned, any other cash receipts and capital.

*This document has not been reviewed by, approved by or filed with the DFSA. If you are interested in any investment discussed, please request a copy of the relevant offering document. This document is not an offer to invest in any investment. Please read the offer document carefully before investing.*

## Monthly Comment

Global markets rebounded strongly in July as investors increasingly priced in interest rate cuts from the Federal Reserve (FED) in 2023 in response to a weaker economic data reported in July.

Anticipation of policy reversal by the FED drove most asset classes higher with both sovereign bonds as well high yield credit reporting monthly gains. Markets were further supported by strong state of labor markets which continued to report strong wage gains due to tight labor supply. Energy prices continued to hover at elevated levels on fear that Russia might cut gas supply to Europe.

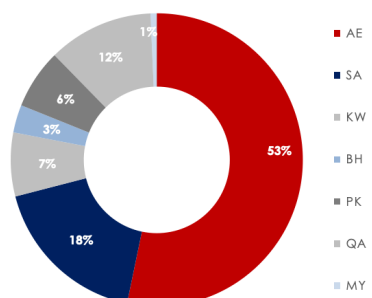
Middle Eastern bonds (conventional and Sukuks) ended the month higher with investment grade bonds outperforming high yield due to lower Treasury yields.

The Target 2023 Fund has showcased a strong resilience in the face of 2022 volatility, conceding as little as -3.5% on YTD while the MTD performance was about flat at -0.2%. For illustration purposes it is worth noting that market Sukuk index, the Dow Jones Sukuk Price Return Index, is down -7.8% on year-to-date in 2022.

Since inception the fund is still in positive territory at +2.1%, corrected of the 15% dividends already distributed since launch to investors.

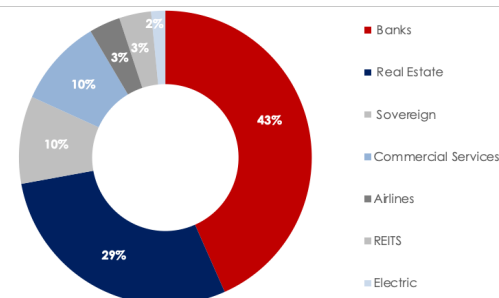
Diversification remains at 25 issuances.

### Country Allocation



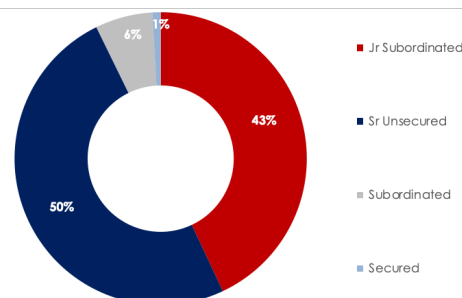
Source: Azimut and Bloomberg data

### Sector Allocation



Source: Azimut and Bloomberg data

### Issuances Rank

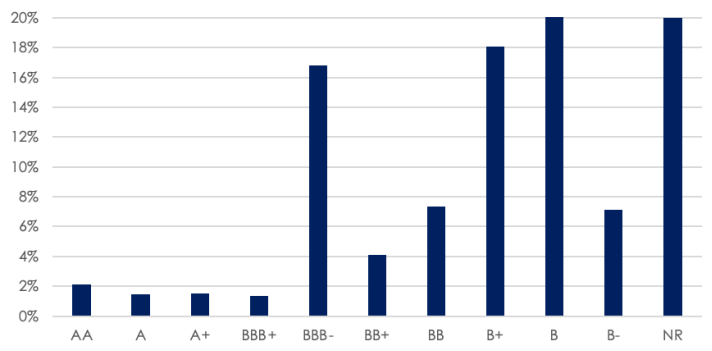


Source: Azimut and Bloomberg data

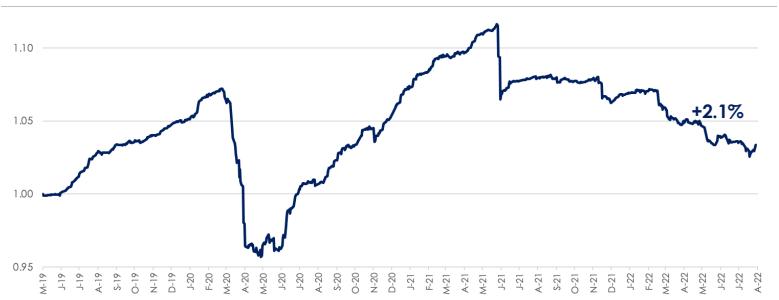




## Rating Allocation



## Historical Performance



Source: Azimut and Bloomberg data

Target Maturity	2023
Target YTM (gross)	12.1
Credit Rating	B+
Average Coupon (gross)	5.4
Average Maturity	2.6
Average Duration	1.9
AuM (\$M)	68.4
NAV (including 0.05\$/year per share distribution)	0.873
MTD	-0.2%
YTD	-3.5%
Since Inception	+2.1%
Number of Holdings	25

Source: Azimut and Bloomberg data

## Sharia Supervisory Board

Amanie Advisors, a leading Shariah advisory firm, acts as the Shariah Board of the Target 2023 Sukuk 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)

## Top 5 positions

DAMAC  
ADIB  
Qatar International Islamic Bank  
Dubai Islamic Bank  
DP World

## Distribution

%	January	April	July	October	Total
2019			1.25	1.25	2.50
2020	1.25	1.25	1.25	1.25	5.00
2021	1.25	1.25	1.25	1.25	5.00
2022	1.25	1.25			2.50
<b>Total</b>					<b>15.00</b>

\* The distribution is expressed as a percentage of the fund's initial NAV at launch and represent \$0.0125 per share, quarterly.

Source: Azimut and Bloomberg data

## Our team - Dubai



**Giorgio Medda**  
Dubai, Istanbul  
MENAT Head,  
Strategy CIO



**Charles Feghali**  
Dubai,  
Fund Manager



**Faisal Ali**  
Dubai  
Fund  
Manager

## IMPORTANT DISCLAIMER

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 Target 2023 Sukuk 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 and income received from it 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 average rating of the portfolio is based on ratings issued by S&P, Moody's or Fitch when available. When ratings are not available the rating is defined based on internal classification developed by Azimut Group. The rating criteria may differ from rating agencies public criteria.

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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