



## 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**..... AZIPAKB UH  
**Fund Domicile**..... DIFC  
**Asset Class**..... Sharia Compliant Sukuk  
**Average Rating**..... BB  
**\* 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**..... 0.40%  
**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**..... Subscriptions are closed  
**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 launch ; 1.2% if occurring between 12 and 24 months of launch ; 0.8% if occurring between 24 and 36 months of launch ; 0.4% if occurring between 36 and 48 months of launch.  
**Sharia Board**..... Amanie Advisors  
**Custodian**..... Linear Investments Limited  
**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 bonds.

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 coupons or distributions received from the underlying bonds, interest earned, any other cash receipts and capital.

## Monthly Comment

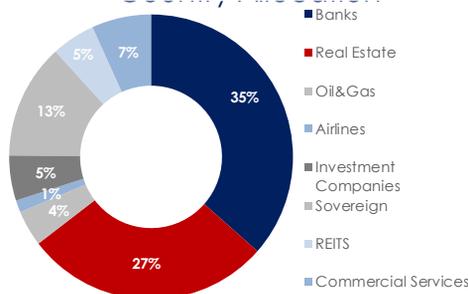
After trading with a very strong tone for most of February, the global Sukuk asset class rapidly reversed the course at the end of the month. The widening scope of Covid-19 virus caused a sharp selloff in global equity and credit markets and drove US government bond yields to record lows as investors chased safe heaven assets.

Middle Eastern sukuk bonds were further adversely impacted by lower oil prices which was another consequence of the Covid-19. In addition, escalation in Turkey/Syria war and negative headlines surrounding some Sukuk issuers also weighed heavily on the asset class. Specifically, DP World's decision to delist, possibility of fraud at NMC and likely restructuring of Garuda's outstanding Sukuk caused a decline in the bond prices of these three issuers with Garuda and NMC bonds experiencing a particularly steep fall steep fall.

Given the attractive relative valuation and strong fundamentals of most of the issuers in the global Sukuk asset class, we continue to be optimistic about the long-term risk/reward characteristics of the global Sukuk asset class. In the near term however, we prefer to be cautious until we start to get clarity on the economic impact of Covid-19 virus. We expect global central banks to provide ample liquidity in response to Covid-19 crises. As a result, we expect markets to stabilise as we get more clarity on economic disruption caused by the outbreak.

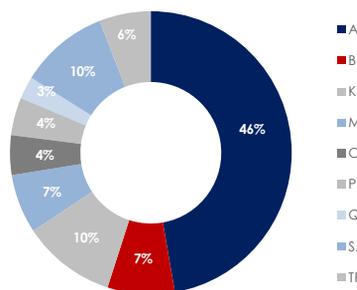
The portfolio remains reasonably diversified, with a BB+ rating. In February the above mentioned events had a -0.3% impact on the portfolio, which remains up by +1.14% on YTD and +6.0% since inception.

## Country Allocation



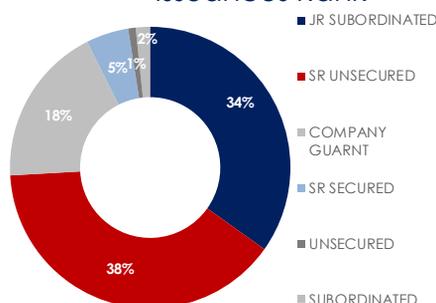
Source: Azimut and Bloomberg data

## Sector Allocation



Source: Azimut and Bloomberg data

## Issuances Rank



Source: Azimut and Bloomberg data

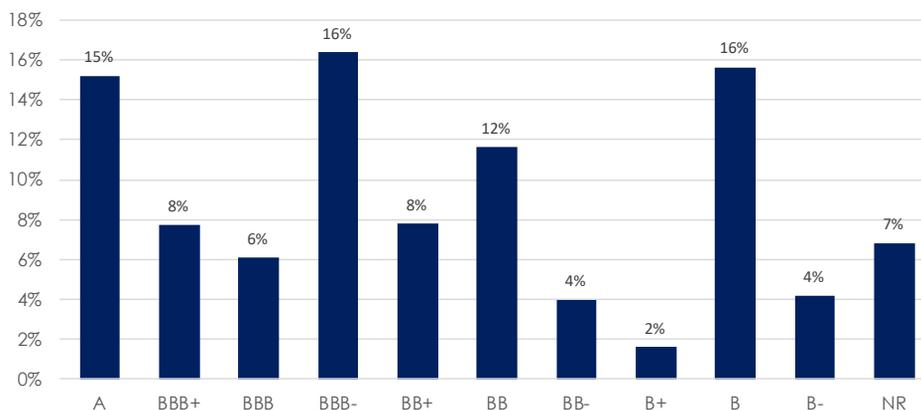
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Azimut (DIFC) Limited ("Azimut") is a DIFC registered Company Limited by Shares and is regulated by the Dubai Financial Services Authority ("DFSA").





## Rating Allocation



Source: Azimut and Bloomberg data

Target Maturity	2023
Target YTM (gross)	5.13%
Credit Rating	BB+
Average Coupon (gross)	5.45%
Average Maturity	3.3
Average Duration	2.8
AuM (\$M)	127.4
NAV	1.0224
February 2020	-0.30
YTD	1.14%
Number of Holdings	29

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



Meraas  
ADIB  
Serba dynamic  
DIB  
Dar al Arkan

## Our team - Dubai



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



**Charles Feghali**,  
Dubai,  
Fund Manager



**Faisal Ali**,  
Dubai  
Fund  
Manager

Source: Azimut and Bloomberg data

## 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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