

Fund Manager Commentary

Since the late October yield peak, 10y Treasuries have rallied some 75bp in November to the pre-payrolls yield low amid a combination of somewhat dovish Fed communication and signs of inflation relief. Accordingly, treasury yields rallied across the curve in November: 2-, 5-, 10-, 20-, and 30-year yields were down 17bp, 49bp, 44bp, 48bp, and 43bp, respectively. The U.S. 2s/10s treasury yield curve is 73bps inverted and is in its most 'recessionary' level in over 40 years. Meanwhile the 2s/30s is 67bps inverted for a similar historic comparison. Accordingly, the fund was up 1.63% in November, driven by rate movement, while S&P Global Sukuk Index was up 2.2% during the month (-8% YTD). Global Aggregate Bond Index was up 3.2% this month, driven by investment grade (+3.4%) and High Yield index (3.2%) respectively. Regionally, Egypt was recovered sharply, up 13% in November, followed by Saudi (+5.55), Qatar (+4.5%), Bahrain (+4.5%), and the UAE (+4.1%). We expect the rates rally to reverse as we expect inflation to remain higher for longer, pushing the Fed to tighten further by 50 bps in December, and 2 sets of 25bps in 1Q23. We expect Fed to consider pausing only when we see a) stickiness in the downtrend of inflation and b) pick up in the pace of deceleration in inflation and c) and finally when the core inflation ends up lower than the current fed fund rate. Accordingly, we continue to be remain neutral on duration. We expect 10yr to go further up (and fed funds to be at 5% by 1Q23), and hence you will find better levels to add to your portfolio. We continue to believe that the curve will likely be volatile over the coming months. As we march into 2023, we continue to believe that the GCC sukuk remains attractive on relative growth compared to the U.S. (on the cusp of recession) and Europe, (arguably already in technical recession). IMF and other economist forecasts real GDP growth in the UAE and KSA of around to average around 4%-5% on next year, compared to global GDP growth of 1.2% for 2023. Additionally, stronger dollar, elevated oil price and moderate inflation, places this region/sukuk stories in a better place compared to EM and DM. Our preference remains for a) higher cash coupons b) front end of curve on both IG and HY stories. However, we are moving out of non-commodity related High yield credit especially in financials/Investments, Real estate, retail and deploying in Investment Grade Corporates. In EM, we are comfortable on short- dated names in HY stories centered around oil and gas economies (such as GCC) or companies, and bank capital securities while on Investment grade corporates we prefer to add duration SECO, sovereign papers and banks seniors/subordinates.

Fund Facts

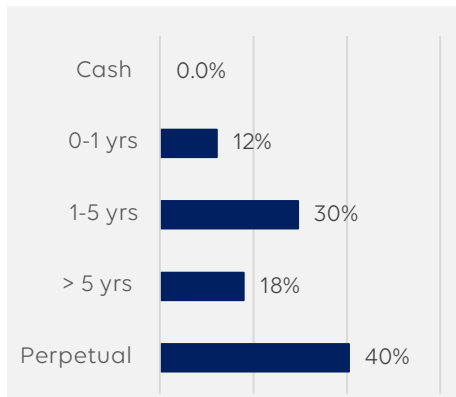
Inception Date	15 Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
Number of Holdings	29
Subscriptions	Daily
Redemptions	Daily
Leverage	0%
TER	1.37%
Fund Manager	Aarthi Chandrasekaran

Portfolio Statistics

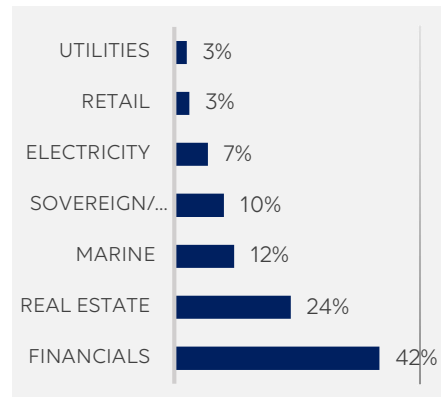
Fund AUM	\$49m
NAV per Share	99.95
Dividend per Share	0
Performance	
Returns since Inception*	-0.05%
Year to Date (YTD)*	-0.05%
Month to Date (MTD)	1.63%

*Inception 15 September 2022

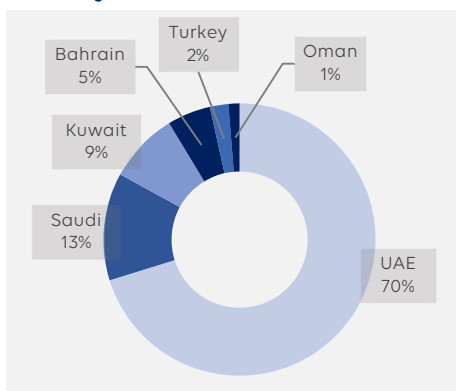
Duration



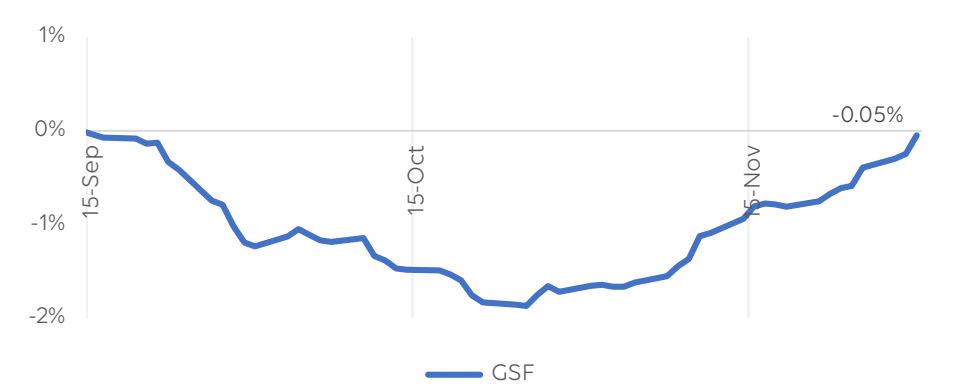
Sector Allocation



Country Allocation



Total Fund Returns

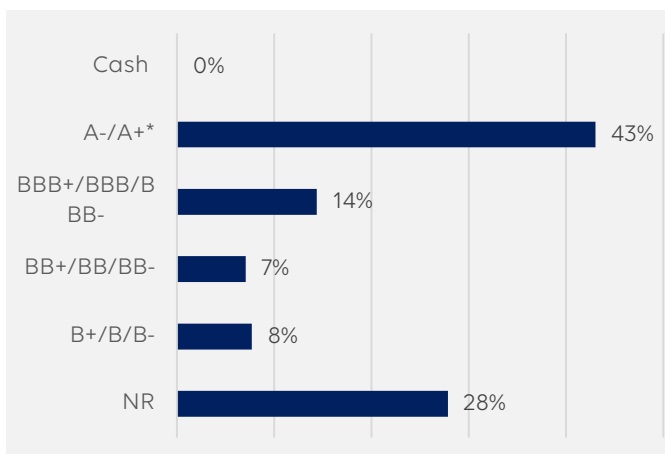
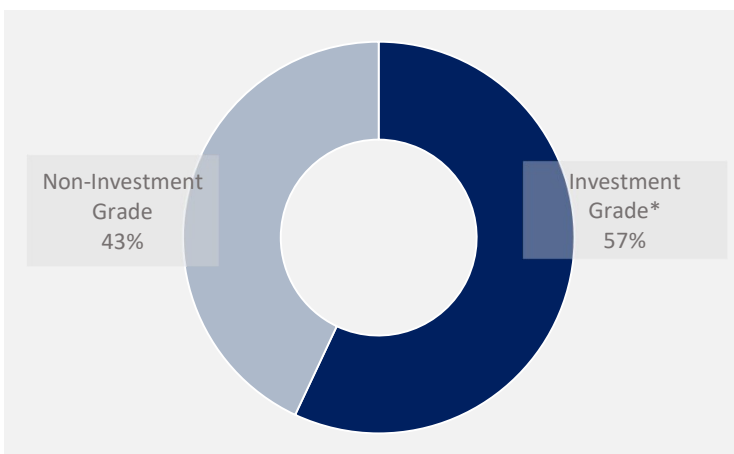


Fund Metrics

Yield to Maturity	6.8%
Average yearly Coupon	6.6%
Duration (Years)	2.7
Maturity (Years)	2.5
Avg. Rating	BB+

Top 5 Holdings

TFGSUK 10 1/2 08/07/24 Corp	15%
Murabaha Mezz Shine	12%
ADIBUH 7.125 PERP Corp	11%
AUBKWK 3 7/8 PERP Corp	7%
DIBUH 6.25 PERP REGS Corp	6%

Sukuk Credit Rating Breakdown

Risk metrics


* Underlying entity is rated A+/Investment grade

Disclaimer

The opinions presented herein are based on general information at the time of writing and are subject to change without notice. SHUAA GMC Limited ("SHUAA"), SHUAA Capital psc ("SHUAA Capital"), and/or affiliate companies (together with SHUAA and SHUAA Capital, the "Group") does not and do not guarantee its accuracy or completeness. This information is intended only for qualified institutional investors that are professional clients or market counterparties, not an individual natural person. The content is provided within the UAE by SHUAA Capital. SHUAA Capital is regulated by the UAE Securities and Commodities Authority ("SCA"). Neither SCA nor any other regulatory authority have reviewed or approved this content. This sheet is provided for informational purposes only. It is not an offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities, and nothing contained herein shall form the basis of any contract or commitment. Any offering related to the subject matter of this communication will be made pursuant to separate documentation. This sheet may contain statements about future events and expectations that are forward-looking statements. Such statements typically contain words such as "expects" and "anticipates" and similar words. Any statement in this material that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks and none of the information should be taken as forecasts or promises nor as implying any indication, assurance or guarantee that the assumptions on which the content has been prepared are correct or exhaustive. Past performance is not necessarily indicative of future results. The information in this sheet are provided at the date of writing and are subject to change without notice. There is no obligation to update or modify this information if there are changes. No representation or warranty, express or implied, is made or given by or on behalf of SHUAA, the Group, or any of their shareholders, affiliates, directors, employees, agents or advisers or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. Neither SHUAA nor the Group nor any of their respective shareholders, affiliates, directors, employees, agents or advisers or any other person accepts any liability (in negligence or otherwise) whatsoever for any arising from any use of this contents or otherwise arising in connection herewith. This presentation does not constitute a recommendation regarding the purchase of any financial instrument. The recipient is strongly advised to seek their own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues discussed herein.