

Fund Manager Commentary

The Global Sukuk Fund was up +0.6%, versus Dow Jones Global Sukuk index +1.3% in January. We believe the January underperformance versus the benchmark will likely reverse in due course, as we believe the rates rally seen in January is by far the best for this year and is currently pricing in a Fed Pivot. Additionally, the portfolio has a carry of 6.6% to go for the rest of the year, higher than the benchmark which will compensate for the rate rally seen in January. Credit spreads for High yield (CEMBI Broad HY) tightened much more than investment grade this month, hence our investment grade credits/Perpetuals (47% of portfolio) underperformed the High Yield space (49% of portfolio). From a spread perspective, we expect a slight underperformance of High Yield spread relative to Investment grade in 2023. Treasuries have continued their strong performance in 2023, as 2-, 5-, 10-, and 30-year yields have declined 22bp, 39bp, 37bp, and 33bp in January, more than fully unwinding the bearish move late last year and leaving yields at their lowest levels since mid-December. Accordingly, Global Aggregate Bond Index was up 3.7% this month, driven by investment grade (+3.3%) and High Yield index (+4.2%) respectively. Regionally, Egypt was up 3.4% followed by Oman (+3.1%), Bahrain (+2.3%) in January, while UAE and Saudi was up 2%. Over the near term, we think the scope for a further bullish impulse is unlikely. While we are attentive to heightened recessionary risks, it seems like the treasury market is already priced for such an outcome. Given this backdrop, we are selectively extending duration on high quality names. However, underlying volatility will continue to be unfavourable, hence, we continue to hold the front end of the yield curve, to skip the near-term volatility in rates. We are cautious to add new positions on High Yield as we think the spread is not wide enough to compensate for the refinancing risk that the companies will face in the next few quarters. Additionally, there appears to be less of a reason to jump in High Yield credit given the wide variety of opportunities around the Investment Grade with good returns. Investment grade bonds present a compelling starting point for total returns at current yields.

Fund Facts

Inception Date	15 Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
ISIN	AE0000A2QB2B9
Number of Holdings	44
Subscriptions	Daily
Redemptions	Daily
Leverage	0%
TER	1.36%
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

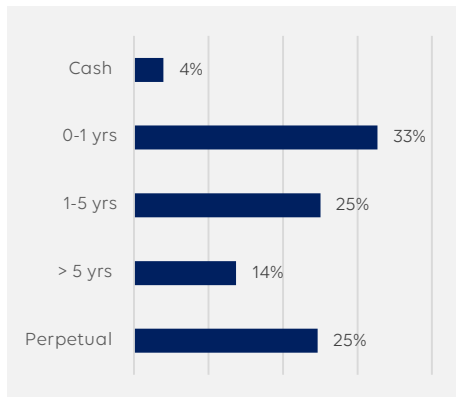
Portfolio Statistics

Fund AUM	\$81m
NAV per Share	101.07
Dividend per Share	0

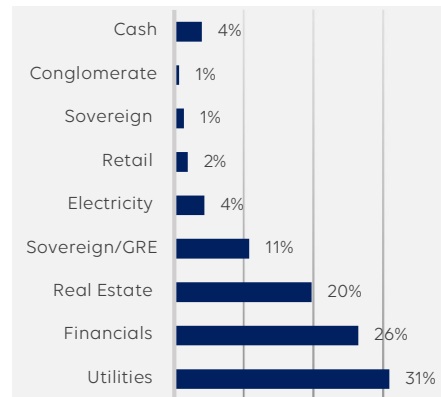
Performance

Returns since Inception	1.07%
Year to Date (YTD)	0.62%
Month to Date (MTD)	0.62%

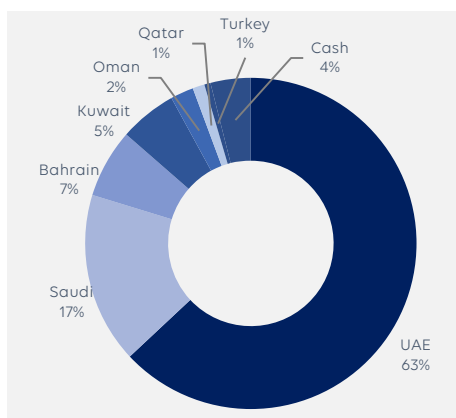
Duration



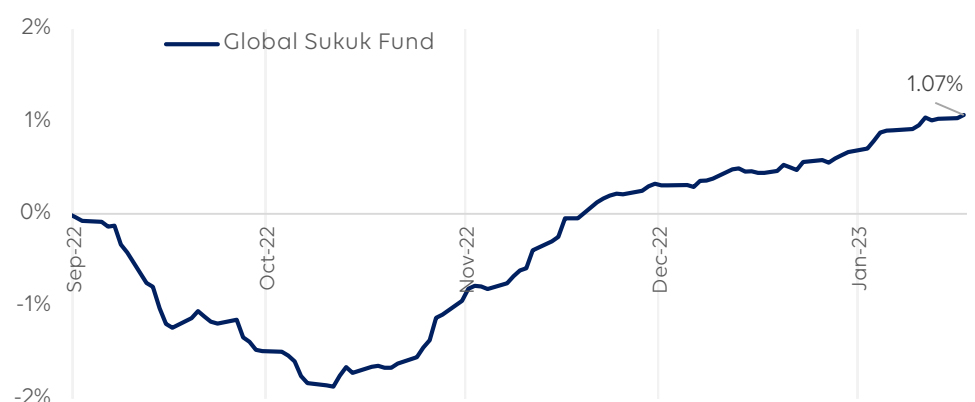
Sector Allocation



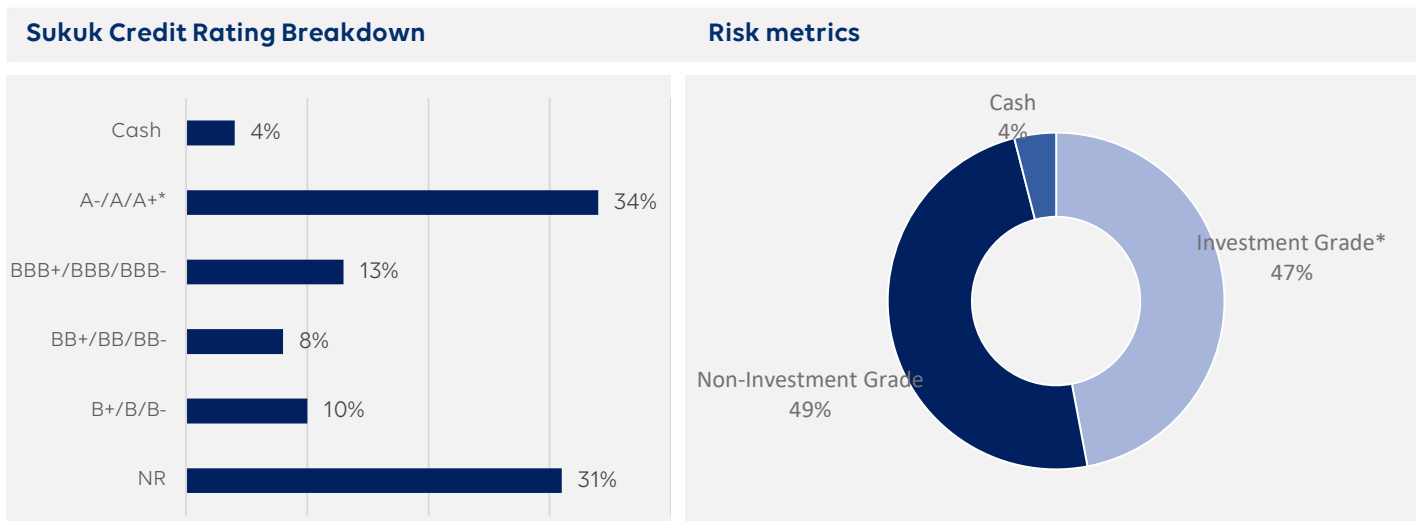
Country Allocation



Total Fund Returns



Fund Metrics		Top 5 Holdings	
Yield to Maturity	6.7%	Murabaha Mezz Shine	20%
Average yearly Coupon	6.6%	TFG Sukuk 10 1/2	14%
Duration (Years)	2.1	ADIBUH 7.125 Perp Corp	6%
Maturity (Years)	2.1	DAMACR 6 5/8 04/18/23 Corp	5%
Avg. Rating	BB-	AUBKWK 3 7/8 Perp Corp	4%



* Underlying entity is rated A+/Investment grade

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