

## Investment objective

Global Sukuk Fund is invested in global sukuk, Murabaha and Ijarah instruments. Our strategy is to maximizing return on investment by minimizing risk and managing interest rates.

## Fund Manager Commentary

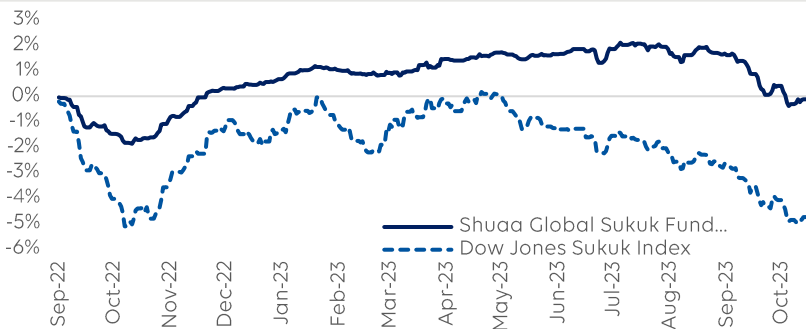
The Global Sukuk Fund was -1.0% MoM in October (versus -1.2% MoM Dow Jones Sukuk Index) translating to a -0.6% YTD returns ( vs -3.0% YTD Dow Jones Sukuk Index).

October turned out to be quite a weak month for bond markets. The 2's and 10's sold off extensively this month and ended the month at 5.08% and 4.93% respectively following fears of widening budget deficit in the US and strong economic data —most notably, a strong beat in September retail sales, PCE and labor market. Global Aggregate Bond Index was down (-1.1%) this month, driven by investment grade (-1.2%) while High Yield index was down (-0.9%). Dow Jones Global Sukuk index was also down (-1.2%). Regionally, the whole curve sold off in October- Qatar(-2.5%), Saudi (-2.0%), UAE (-1.9%), Bahrain (-1.8%) and Oman (-1.0%). Global credit spreads for Investment Grade bonds were little changed overall, however High Yield widened by 43 bps as recession risks linger.

The global expansion has proven to be surprisingly resilient so far, with a larger than initially estimated cushion of excess savings and ongoing fiscal stimulus in the US. However, we have seen stark contrast with other major economies, with strings of disappointments in China's data and prolonging weakness in Europe throughout the last quarter. Given this background, we believe that the economic outlook appears murkier as we begin to look forward to next year. With rates having risen to cycle highs, we think near-term risks to bond yields are skewed to the downside, considering the potential for incoming economic data to fall short of expectations. We are also on alert to the growing impact of higher interest rates on lower quality corporate borrowers and lower income households as well as the broader economy.

Given these considerations, our investment stance is characterized by a degree of cautiousness. Consequently, our main themes are: i) positioning in defensive and consumer cyclical sectors; ii) overweighting Banks versus Corporates; and iii) positioning for idiosyncratic rather than macroeconomic risk in high yield; and iv) buying longer-duration sectors to take advantage of steep credit curves with central banks approaching peak rates. Meanwhile, we view, the environment favors leaning into shorter durations to capture now exceptional yields, but also extending duration somewhat in the two- to seven-year range to lock in those yields in advance of potential monetary easing.

## Relative Performance



## Fund Metrics

Yield to Maturity	9.2%
Avg. Yearly Coupon (%)	7.4%
Avg. Credit Rating	BB
Avg. Maturity (Years)	6.9
Avg. Duration (Years)	4.8

## Top 5 Holdings

Murabaha Mezz Shine	16%
TFGSUK 10.50 08/07/24	7%
KSA 4.511 05/22/33	6%
SECO 5.06% 04/08/204	6%
INDOIS 4.7 06/06/32	6%

## Fund Facts

Inception Date	Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
ISIN	AE0000A2QB2B9
Number of Holdings	49
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Management Fee	1.2% / 1.0%
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

## Portfolio Statistics

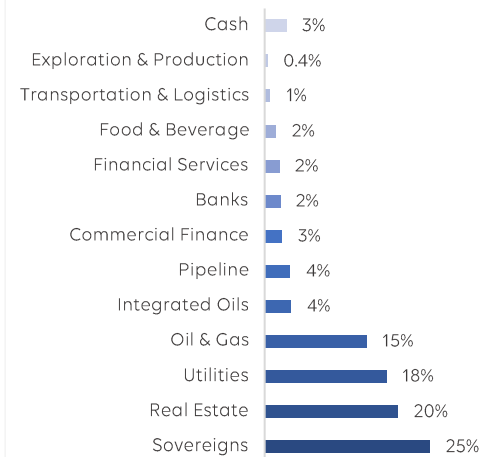
Fund AUM	\$121.6m
NAV per Share	99.9
Dividend per Share	0

## Performance

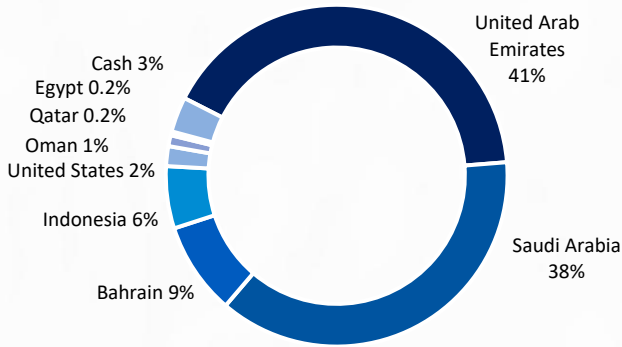
Returns since Inception	-0.1%
Annualised return	-0.1%
Year to Date (YTD)	-0.6%
Month to Date (MTD)	-1.0%
Sharpe ratio	-3.3
Tracking error	2.4%
2022 returns*	0.4%

\*Inception date 15 Sep 2022

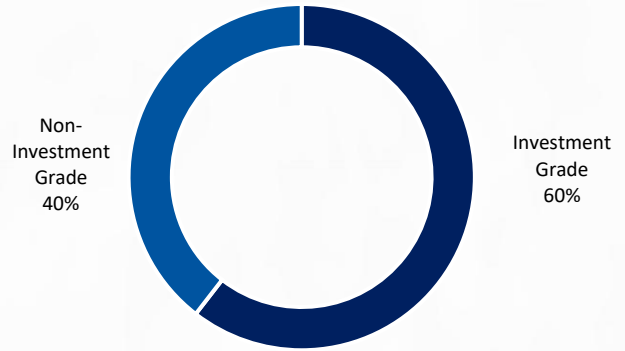
## Sector Allocation



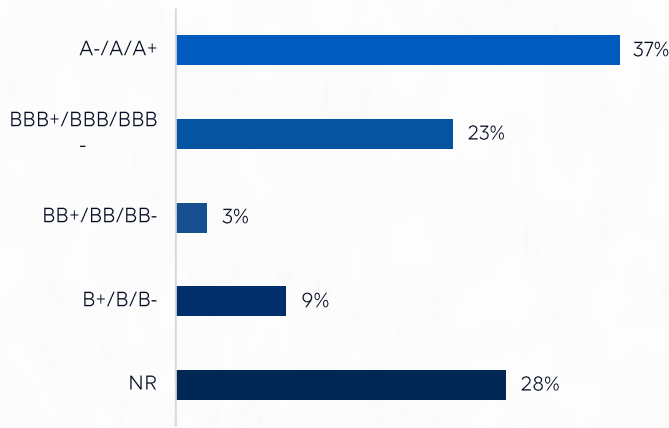
**Country Allocation**



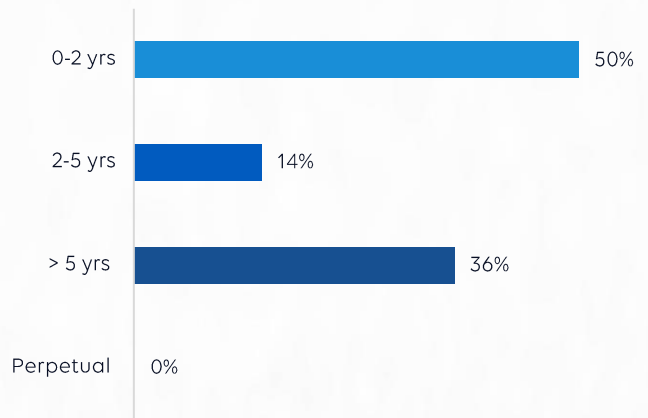
**Sukuk Credit Rating**



**Sukuk Credit Rating Breakdown**



**Duration**



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