

Investment objective

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

Fund Manager Commentary

The Global Sukuk Fund was up 0.6% MoM in March (versus 0.4% MoM Dow Jones Sukuk Index) translating to a 0.6% YTD return (vs -1.0% YTD Dow Jones Sukuk Index)

The Fed delivered a dovish hold in March keeping unchanged Fed dots for three cuts in 2024 despite an improvement in their growth and inflation projections. Broad consensus emerged that Fed and ECB could start cutting rates in June, barring any major unexpected developments in the data, while BoE would likely begin the easing journey later due to relatively stickier inflation. The 2-year Treasury note ended 1Q at 4.6%, with a high yield of 4.7% notched in March before the FOMC meeting while the benchmark treasury ended 1Q at 4.2%, below a high yield of 4.3% recorded pre FOMC meeting. Despite the volatility in UST yields increasing, the majority of high-quality fixed income sectors still yielded positive returns for this month, largely due to tightening of spreads in March. The U.S. investment-grade corporate spreads tightened, finishing March at 90-basis points mark, whereas U.S. high-yield bonds experienced a 13 basis points tightening, reaching 312 basis points, signaling reasonably strong incoming economic data. Similarly, GCC credit spreads also witnessed a slight tightening in March. This further lead to positive returns on Bloomberg Global Aggregate index +1.1% in March while Global Sukuk Index was up 0.4%. Regionally, Saudi (+1.4%), Bahrain (+1.3%), Oman (+1.3%) outperformed.

As we step into the second quarter of 2024, we find ourselves somewhat taken aback by the underestimated reserves of liquidity stockpiles that has contributed to prolonging the bull market economic cycle. Despite mounting economic and household debt, leading to increased consumer interest payments and dwindling savings, consumers persist to spend and hence has delayed the necessity for the Fed to adjust its policies. The bond market is struggling to synchronize with an economic cycle that appears to be deviating from its typical trajectory, leaving many in doubt as to whether the usual post-asset bubble economic cycle will indeed unfold as expected. Although we maintain the belief that consumers should eventually exhaust their disposable income, corporate earnings should decline, and the unemployment rate should rise, while inflation should not pose a significant obstacle for the Fed to lower rates. However, these anticipated developments must occur within a limited timeframe, particularly during the second quarter of 2024. Beyond this period, it will become increasingly challenging for the Federal Reserve to enact policy adjustments around the time of the U.S. presidential elections, as they may be concerned about influencing election sentiment. Consequently, irrespective of our anticipation for three Fed rate cuts in 2024, if the economic conditions remain unchanged in the second quarter, the less likely the Fed will change monetary policy at all this year. We get selective on a six- to 12-month tactical horizon given ongoing volatility in long-term bond yields and tightening U.S. credit spreads. Our risk-on stance in this environment underpins our preference for IG over high yield credit as we don't expect former spreads to widen notably this year.

Fund Facts

Inception Date	Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
ISIN	AE0000A2QB2B9
Number of Holdings	47
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Management Fee	1.3% / 1.0%
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

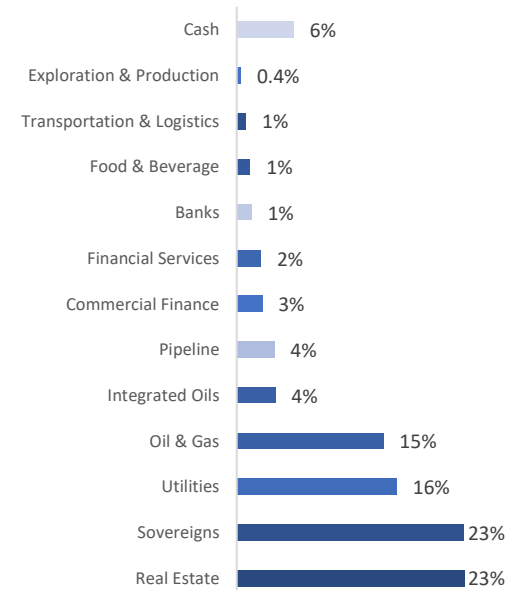
Portfolio Statistics

Fund AUM	\$130.6m
NAV per Share	105.1
Dividend per Share	0

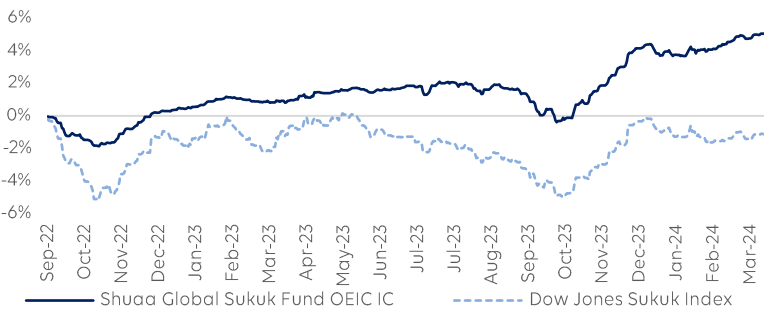
Performance

Annualised return	3.2%
Sharpe ratio	-0.7
Tracking error	2.2%
2023 returns	4.0%

Sector Allocation



Relative Performance



Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA Global Sukuk Fund OEIC IC	0.6%	0.6%	4.2%	3.8%	0.6%	5.1%
Dow Jones Sukuk Index	0.4%	-1.0%	2.5%	-0.3%	-1.0%	-1.1%

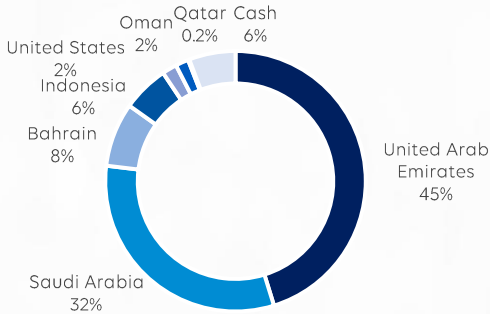
Fund Metrics

Yield to Maturity	7.7%
Avg. Yearly Coupon (%)	6.6%
Avg. Credit Rating	BB-
Avg. Maturity (Years)	5.7
Avg. Duration (Years)	4.0

Top 5 Holdings (Excluding cash)

Murabaha Mezz Shine	15.8%
TFGSUK 10.50 08/07/24 C	10.2%
Saudi Electricity Global 5.06% 04/08/204	6.3%
INDOIS 4.7 06/06/32 Corp	5.9%
KSA 4.511 05/22/33 Govt	5.6%

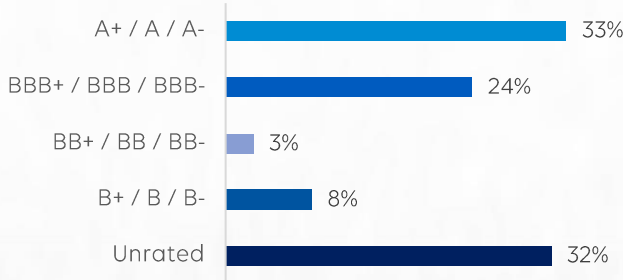
Country Allocation



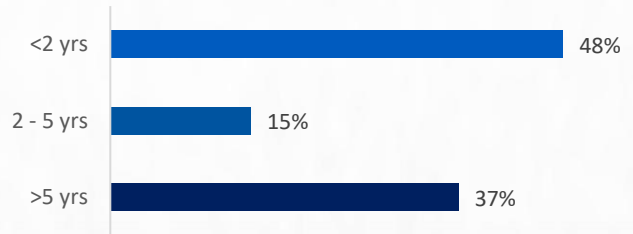
Sukuk Credit Rating



Sukuk Credit Rating Breakdown



Duration



Asset Management Sales

Omar Danish
 +971 4 330 3600
 Amsales@shuaa.com

Address

SHUAA GMC Limited
 Al Khatem Tower, Floor 32
 ADGM Square, Al Maryah Island
 P.O. Box 764606, Abu Dhabi, UAE

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. Shuaa GMC Limited is the "Investment Manager" (IM) which is a prudential category 2 licensed firm regulated by Abu Dhabi Global Market ("ADGM") Financial Services Regulatory Authority ("FSRA"). 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.