

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

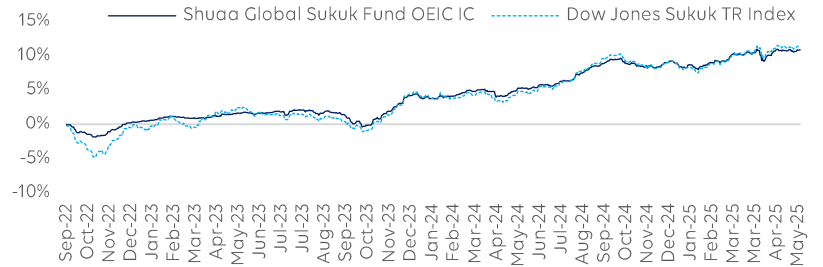
Our SHUAA Global Sukuk fund was down 0.1% in May 2025, (versus no change in Dow Jones Sukuk TR Index) resulting in YTD performance of 2.0% (versus the benchmark of 3.0%).

May was all about fiscal excess in the U.S., as the budget bill made its way through the House and reignited concerns over unchecked government spending. At the same time, markets began to question global demand for U.S. duration—especially on the back end, where weakness was most visible. Add to that a better-than-expected growth and labor outlook, and you had the perfect recipe for a Treasury sell-off. The 30-year yield spiked to 5.14% before pulling back to 4.94% by month-end. Yields on the 2-, 5-, and 10-year notes rose by 30, 24, and 24 bps, respectively. The Bloomberg Global Aggregate High Yield Index posted a massive return of 1.6% in May, as against a declining trend seen in the Investment grade index (-0.4%) during the same month. As expected, spreads between HY names and IG have compressed with riskier credits outperforming during this period. Regionally, High yield space such as Egypt (+5.6%), Turkey (+1.0%), Bahrain (+0.5%), and Oman (+0.3%) fared better than the rest

Moving forward, we think back-end duration remains exposed to volatility. A sustained rally there would require fiscal tightening, regulatory shifts for banks, or clarity around UST buybacks. Conversely, a budget deal that widens the deficit could reintroduce pressure on long-dated yields. On the front end, there's little room for a meaningful rally with limited rate cuts priced in—yet it's hard to see a significant cheapening from here either. The key catalyst remains labor market softening. While the recent NFP print still shows strength, we think a 4.4% unemployment rate or a sub-50k payroll headline would be clear signs of cooling. A June cut is off the table, but two months of weak jobs data could bring July back in play (that's not our base case). More likely, we see rate cuts arriving later this year.

Broader uncertainty around U.S. policy, rich equity valuations, shifting global investor behavior in rates and FX, and rising fiscal anxiety are all making quality trades harder to source. We continue to expect a steeper U.S. curve and a weaker dollar over the next three months. We're not outright duration bulls right now, but IG long-end yields north of 5.7% are starting to look compelling against the current macro backdrop. Given the choice between stretching for yield in tight, low-duration, lower-quality names or locking in high-quality, long-duration exposure for similar spread—we're firmly in the latter camp. With conviction building around a slowdown, we'd rather be positioned in quality when the cycle turns.

Relative Performance



*Performance Fees of 20% charged since inception until June 2024

Return Statistics

	MTD	3M	6M	YoY	YTD	Inception
SHUAA Global Sukuk Fund OEIC IC	-0.1%	0.6%	1.7%	5.4%	2.0%	10.8%
Dow Jones Sukuk TR Index	0.0%	1.3%	2.3%	6.7%	3.0%	11.5%

Fund Facts

Inception Date	Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
ISIN	AE0000A2QB2B9
Number of Holdings	64
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Mgmt Fee	1.1% / 1.0%
Performance Fee	Zero
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

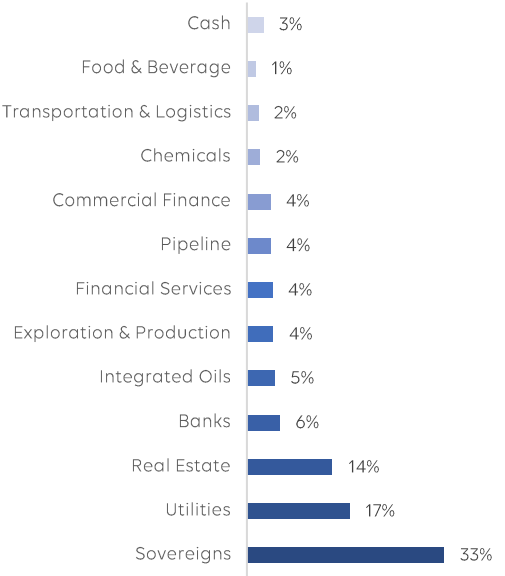
Portfolio Statistics

Fund AUM	\$103.9m
NAV per Share	110.8
Dividend per Share	0

Performance

Annualised return	3.9%
Sharpe ratio	-0.3
Tracking error	1.8%
2024 returns	4.0%

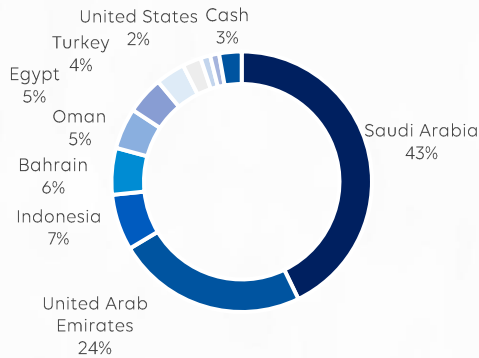
Sector Allocation



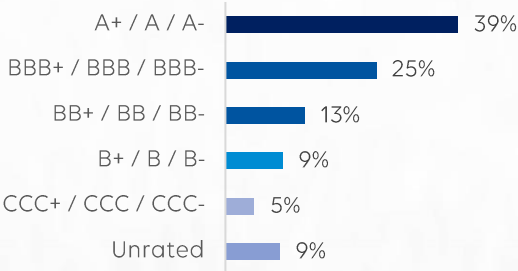
Fund Metrics (Sukuk)

Yield to Maturity	5.8%
Avg. Yearly Coupon (%)	5.8%
Avg. Credit Rating	BBB
Avg. Maturity (Years)	7.5
Avg. Duration (Years)	5.4

Country Allocation



Sukuk Credit Rating Breakdown



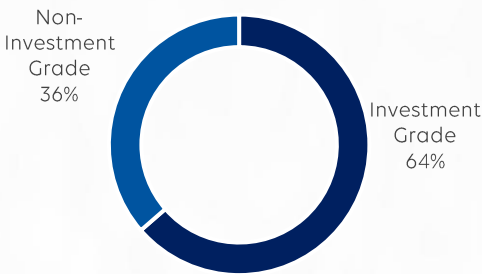
Fund Management Sales

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Amsales@shuua.com

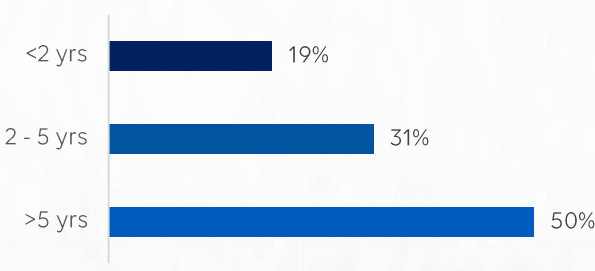
Top 5 Holdings (Excluding cash)

SECO 5.06 04/08/43 Corp	6.3%
KSA 4.511 05/22/33 Govt	6.0%
TFGSUK 10.50 08/07/24 C	5.4%
KSA 5.268 10/25/28 Corp	5.1%
EGYSK 10 7/8 02/28/26 Govt	4.8%

Sukuk Credit Rating



Sukuk Duration



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