

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.

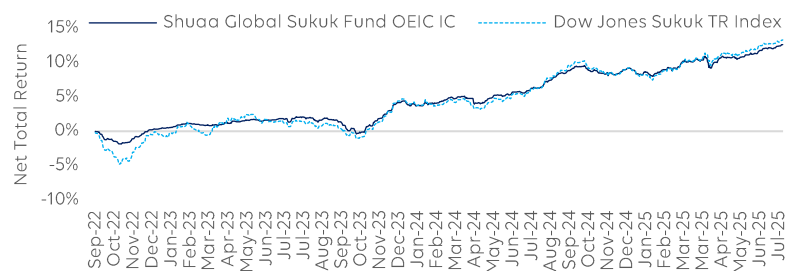
Fund Manager Commentary

Our SHUAA Global Sukuk fund was up 0.6% in July 2025, (versus 0.6% change in Dow Jones Sukuk TR Index) resulting in YTD performance of 3.7% (versus the benchmark of 4.7%).

July 2025 saw a resilient and healthy bond market—with falling yields, tighter spreads across sectors, and steady demand for Sukuk. The pattern reflects continued investor confidence in credit fundamentals and economic stability, even amid geopolitical flare-ups and policy uncertainties. Treasury yields edged higher in July, reflecting an improving growth outlook, but also mounting market concerns over the U.S. fiscal trajectory. Market participants are increasingly pricing in a series of rate cuts—both towards the end of Chair Powell’s term and into the early tenure of a potential new Fed Chair. The yield curve remains in a steepening trend, with front-end rates biased lower due to asymmetries in monetary policy expectations. Meanwhile, long-end yields face upward pressure from structural fiscal concerns and rising term premiums linked to heightened macro uncertainty. The Bloomberg U.S. Aggregate Bond Index showed positive returns in Q2 and solid continuation into July—backed by both yield declines and spread tightening. Investment-grade (IG) corporate spreads have remained very tight. They are close to the 80–85 bps range, near multidecade lows. High-yield (HY) spreads have contracted meaningfully from year earlier peaks. By mid July, the HY OAS was around 273bps, down from ~288bps early in the month and from ~450bps in April. Bond–loan comparisons show leveraged loan spreads declining to ~434bps (~4.34pp over Treasuries), below their 5 year average, while junk bond vs. Treasury yield gaps were ~282bp (~2.82 pp)—notably tighter than peaks in April.

In the current environment, capital preservation and quality bias are key. Investment-grade credit offers a relatively safe haven—with stable income, strong fundamentals, and better protection against adverse scenarios. Late-cycle environments are often characterized by episodic volatility and tightening liquidity. IG credit—especially from high-quality corporates and sovereigns—offers greater resilience and tradability during market stress, making it a safer place to park capital while preserving optionality. While there may still be opportunities in riskier parts of the market, we believe the core allocation should lean towards high-quality issuers, especially as the policy and political landscape remains fluid.

Net Total Returns Since Inception (Fund vs. Benchmark)



*Performance Fees of 20% charged since inception until June 2024. Past performance is not necessarily indicative of future results.

Net Total Return Statistics (Fund vs. Benchmark)

	MTD	3M	6M	YoY	YTD	Inception
SHUAA Global Sukuk Fund OEIC IC	0.6%	1.5%	3.4%	5.4%	3.7%	12.6%
Dow Jones Sukuk TR Index	0.6%	1.6%	4.1%	6.2%	4.7%	13.3%

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

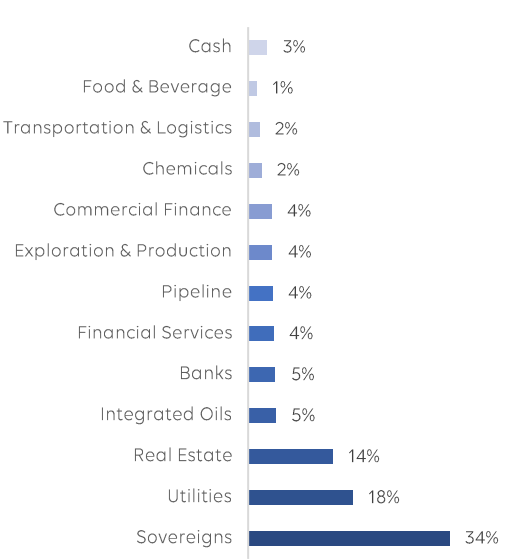
Portfolio Statistics

Fund AUM	\$104.5m
NAV per Share	112.6
Dividend per Share	0

Performance (Net of all fees & expenses)

Annualised return	4.2%
Sharpe ratio	0.1
Tracking error	1.7%
2024 returns	4.0%

Sector Allocation (% of Portfolio)



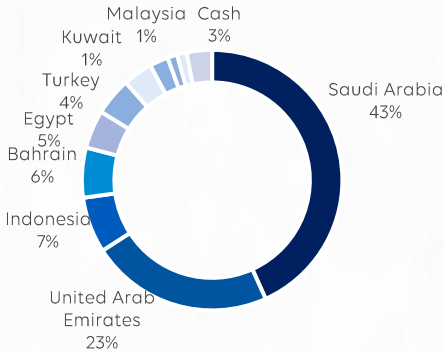
Fund Metrics (Sukuk)

Yield to Maturity	5.6%
Avg. Yearly Coupon (%)	5.8%
Avg. Credit Rating	BBB
Avg. Maturity (Years)	7.4
Avg. Duration (Years)	5.4

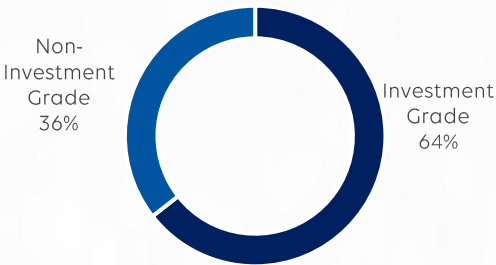
Top 5 Holdings (Excluding cash)

INDOIS 4.7 06/06/32 Corp	6.8%
SECO 5.06 04/08/43 Corp	6.4%
KSA 4.511 05/22/33 Govt	6.2%
TFGSUK 10.50 08/07/24 C	5.3%
KSA 5.268 10/25/28 Corp	5.1%

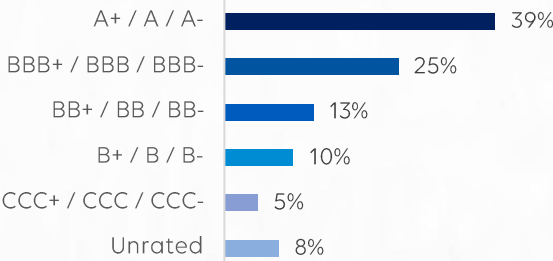
Country Allocation (% of Portfolio)



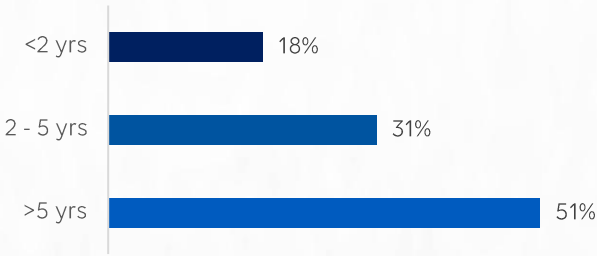
Sukuk Credit Rating (% of Portfolio)



Sukuk Credit Rating Breakdown



Sukuk Duration



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