

Investment objective

Shuaa Global Sukuk Fund, a Sub-Fund of SHUAA Funds OEIC ICC Limited, 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 0.2% in December 2025, (versus 0.2% change in Dow Jones Sukuk TR Index) resulting in YTD performance of 6.2% (versus the benchmark of 7.6%).

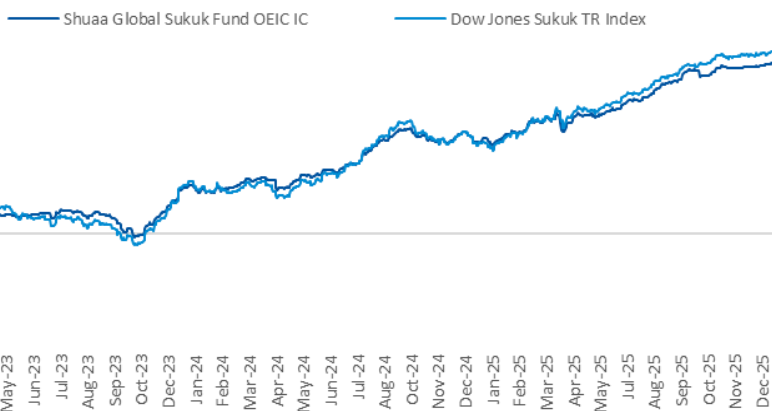
December closed the year with a more nuanced but constructive rate backdrop for fixed income markets. Confidence that policy rates have peaked strengthened further, driving front-end yields lower, while longer-dated yields edged higher over the month amid persistent term-premium pressures, fiscal supply considerations, and mixed inflation signals. In the U.S., the 2-year Treasury yield declined while the 10-year yield moved modestly higher, resulting in a mild curve steepening and reinforcing a market environment driven primarily by carry rather than broad-based duration gains.

Against this backdrop, credit markets remained resilient. Investment-grade spreads stayed well anchored, supported by disciplined issuance, strong balance sheets, and sustained demand for income-oriented assets. High-yield spreads tightened modestly, reflecting stable fundamentals and contained default expectations rather than an aggressive risk-on shift. Carry continued to be the dominant contributor to returns.

Sukuk markets performed steadily in December, benefiting from strong regional liquidity, limited net supply, and continued preference for Shariah-compliant instruments. GCC sovereign and quasi-sovereign issuers remained well supported, while high-quality financials and utilities continued to offer attractive risk-adjusted income. Despite modest upward pressure on long-end yields, sukuk demonstrated relative resilience given their structural demand base and lower volatility profile.

Looking ahead, while absolute returns may moderate as yields normalize, sukuk remain well positioned to deliver stable income and diversification benefits in a market increasingly shaped by carry, selectivity, and policy uncertainty. We maintain a neutral duration stance. Although the broader policy direction is easing, we see a meaningful risk that inflation proves more persistent than currently priced, particularly amid renewed fiscal impulses, deficit-financed spending initiatives, and policy measures influenced by upcoming mid-term elections. These dynamics could keep term premia elevated and limit the scope for a sustained long-end rally. In this environment, we continue to prioritize carry, credit quality, and selectivity over outright duration exposure, positioning the portfolio to remain resilient should rate volatility re-emerge.

Net Total Returns Since Inception (Fund vs. Benchmark)



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	0.2%	1.0%	3.1%	6.2%	6.2%	15.4%
Dow Jones Sukuk TR Index	0.2%	1.0%	3.5%	7.6%	7.6%	16.5%

Fund Facts

Inception Date	Sep 2022
Domicile	Abu Dhabi Global Markets
Fund Currency	USD
Asset Class	Sukuk
Geography	Global
ISIN	AE000A2QB2B9
Number of Holdings	60
Subscriptions/Fees	Daily / 0%
Redemptions/Fees	Daily / 0%
Leverage	0%
TER / Mgmt Fee	1.9% / 1.0%
Performance Fee	20% since inception until June 2024
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

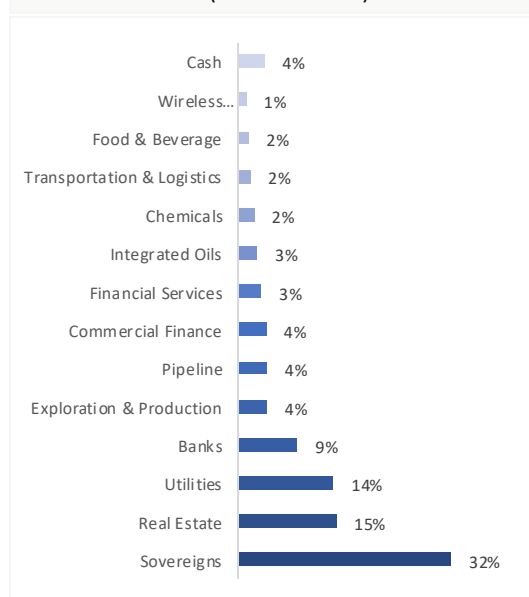
Portfolio Statistics

Fund AUM	\$ 98.2mn
NAV per Share	115.4

Performance (Net of fees & expenses)

Annualised return	4.4%
Sharpe ratio	0.3
Tracking error	1.7%
2025 returns	6.2%

Sector Allocation (% of Portfolio)



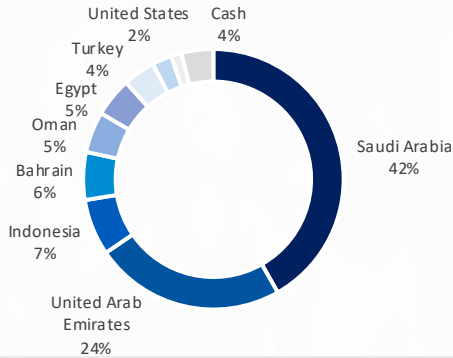
Fund Metrics (Sukuk)

Yield to Maturity	5.2%
Avg. Yearly Coupon (%)	5.9%
Avg. Credit Rating	BBB-
Avg. Maturity (Years)	6.2
Avg. Duration (Years)	4.8

Top 5 Holdings (Excluding cash)

INDOIS 4.7 06/06/32 Corp	7.3%
SECO 5.684 04/11/53 Corp	5.8%
SECO 5.06 04/08/43 Corp	5.7%
KSA 4.511 05/22/33 Govt	5.5%
KSA 5.268 10/25/28 Corp	5.5%

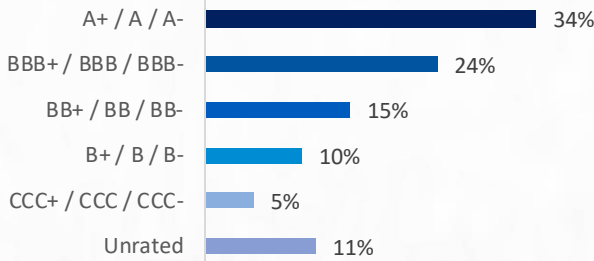
Country Allocation (% of Portfolio)



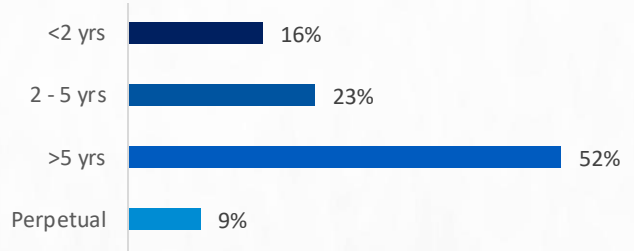
Sukuk Credit Rating (% of Portfolio)



Sukuk Credit Rating Breakdown



Sukuk Duration



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