

Investment objective

SHUAA Global Sukuk Fund, a Sub-Fund of SHUAA Funds OEIC ICC, invests in global sukuk, Murabaha, and Ijarah instruments to maximize returns while minimizing risk. It aims for income and capital appreciation by holding a diversified portfolio of Shari'a-compliant fixed income investments.

Fund Manager Commentary

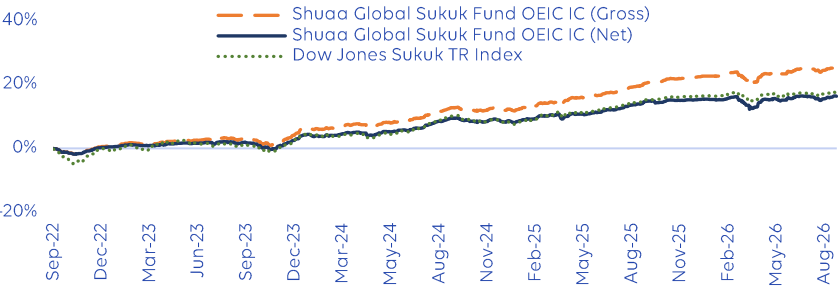
US Treasury yields moved higher over the month, with the 10-year yield ending August around 4.75%, as persistent inflation concerns, elevated oil prices and growing questions around US government borrowing kept upward pressure on term premia. The long end of the curve remained particularly vulnerable, reflecting not only monetary-policy uncertainty but also concerns around rising government debt, heavy Treasury supply and increasing competition for capital from private-sector investment. Credit markets remained resilient in August despite volatility in government bond yields. US investment-grade OAS was broadly unchanged at around 80 bps, while high-yield spreads tightened by approximately 22 bps to 263 bps, reflecting continued demand for carry and generally supportive risk sentiment. Importantly, the tightening was concentrated in the higher-quality part of the high-yield market, with BB spreads compressing while spreads on CCC-rated issuers remained elevated.

Monetary policy expectations became more uncertain in August. At Jackson Hole, Fed Chair Kevin Warsh reaffirmed the 2% inflation target and signaled that inflation remained too high, keeping the door open to further tightening. However, softer labor-market momentum, moderating wage growth and restrictive financial conditions suggest a more balanced outlook than the market's hawkish reaction implied.

Against this challenging global backdrop, GCC sukuk continued to demonstrate relative resilience. The S&P GCC Sukuk Index returned approximately 0.73% during August, supported by attractive carry, generally strong regional credit fundamentals and continued investor demand for high-quality Islamic fixed-income assets. Primary-market activity also remained healthy, which Saudi Arabia raising USD 2.54 billion, through its August domestic sukuk issuance, with maturities extending from 2031 to 2041, reinforcing the continued development of its local debt market.

Looking forward, we believe the current environment increasingly favors income generation and selective duration rather than aggressive directional positioning. With yields at historically attractive levels, investors are already being compensated meaningfully for inflation, policy and geopolitical uncertainty. We therefore continue to favor high-quality GCC sovereign, quasi-sovereign and fundamentally strong corporate sukuk, while selectively adding duration during periods of market weakness. We remain more cautious on excessive long-duration exposure given persistent fiscal and term-premium risks but see value further inside the curve where carry remains attractive and sensitivity to long-end volatility is lower.

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	1.2%	1.1%	0.1%	2.2%	0.8%	16.3%
Dow Jones Sukuk TR Index	0.7%	0.2%	-0.3%	2.5%	0.7%	17.3%

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	1.1% / 1.0%
Performance Fee	20% since inception until June 2024
Fund Manager	Aarthi Chandrasekaran
Investment Manager	SHUAA GMC Limited

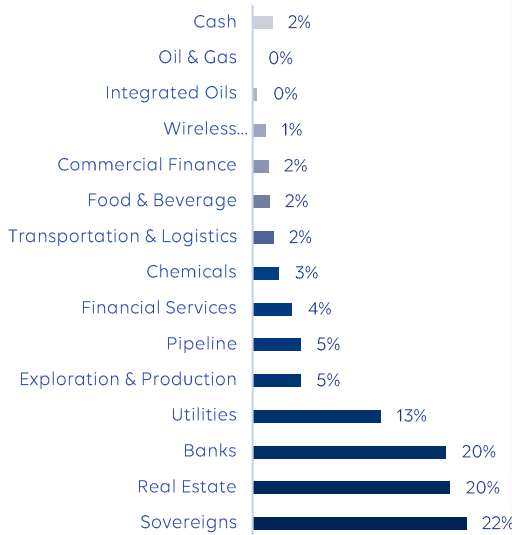
Portfolio Statistics

Fund AUM	\$ 85.7mn
NAV per Share	116.3

Performance (Net of fees & expenses)

Annualised return	3.9%
Sharpe ratio	-0.6
Tracking error	1.7%
2025 returns	6.2%

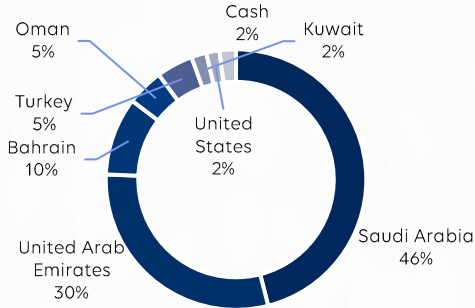
Sector Allocation (% of Portfolio)



Fund Metrics (Sukuk)

Yield to Maturity	6.7%
Avg. Yearly Coupon (%)	6.1%
Avg. Credit Rating	BBB-
Avg. Maturity (Years)	6.1
Avg. Duration (Years)	4.4

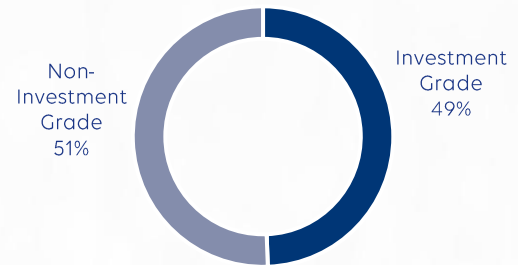
Country Allocation (% of Portfolio)



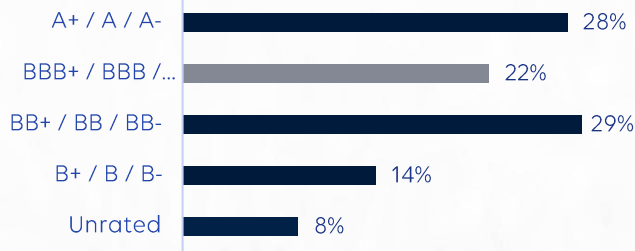
Top 5 Holdings (Excluding cash)

SECO 5.684 04/11/53 Corp	5.8%
SECO 5.06 04/08/43 Corp	5.0%
GRPIBI 5.78 08/23/32 Corp	4.9%
RIBL 6.209 07/14/35 Corp	3.8%
KSA 5.268 10/25/28 Corp	3.7%

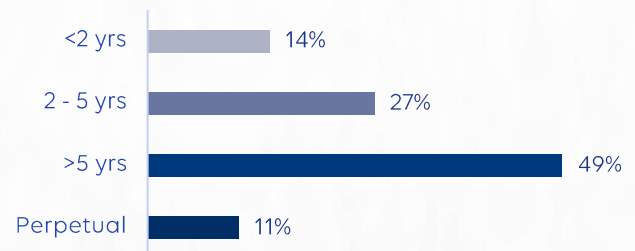
Sukuk Credit Rating (% of Portfolio)



Sukuk Credit Rating Breakdown



Sukuk Duration



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