

Fund Facts

Fund Manager
ASB Capital Limited
DIFC, Dubai, UAE
Prudential Supervision: DFSA

Investment Manager
Arqaam Capital Limited
DIFC, Dubai, UAE
Prudential Supervision: DFSA

Inception Date
1 May 2025

Asset Class
Global Sukuk

Benchmark
Dow Jones Sukuk Index

Investment Universe
Global Sukuk Issuances

Issue Currency
USD

AUM
USD 24.38 million

Liquidity
Weekly NAV

Administrator & Custodian
First Abu Dhabi Bank

Fund Brief

ASBC Sukuk Fund (the **Fund**) is a sub-fund (protected cell) under ASBC Cross-Asset Fund Open-Ended PCC PLC, a public fund incorporated in the DIFC and regulated by the DFSA.

The Fund seeks to maximize profit income and capital appreciation by investing in fixed and floating rate Sukuk of Government, Government-related issuers, supranational entities and corporate issuers. The Fund is suitable for investors who seek a diversified Sukuk portfolio, active management and an average Investment-Grade profile.

Investment Strategy & Guidelines

The Fund focuses on fundamental analysis with a strong emphasis on credit conviction. Its core credit positions are designed to deliver attractive income generation while staying within established volatility targets. The Fund will also invest in pull-to-par trades, special situations and re-rating opportunities, all backed by high-conviction and favorable risk reward profiles.

The strategy also incorporates a global macro-overlay, with emphasis on duration management, portfolio protection and risk factor exposure. The macro approach focuses on global economic drivers, as well as opportunistic investments in rates and spread duration.

The primary objective of the Fund will be to invest in Sukuk securities and/or instruments that meet the Investment Guidelines in accordance with the Standards as approved by the Shari'a Supervisory Board.

Subscription & Fees

Minimum Subscription Amount*	- Share Class A: USD 100,000 - Share Class B: USD 10,000 - Share Class C: USD 1,000,000 - Share Class D: USD 100,000 (Dividend Distributing, Quarterly)
Subscription Fee	Up to 5%
Management Fee	- Share Class A: 1.00% - Share Class B: 1.50% - Share Class C: 0.75% - Share Class D: 1.00% (Dividend Distributing, Quarterly)
Performance Fee	10% of profits - Hurdle Rate of 8% per annum - High-Water Mark

Diversification Rules

Average Credit Quality	Investment Grade
Average Maturity	Maximum 7 Years
Maximum Position in an Issuer	15%
Maximum Position in Any Security	15%
Maximum Participation in Private Placement	20%
Maximum Allocation to High Yield Sukuk	50%
Maximum Participation in Un-Rated Sukuk	25%
Minimum Issue Size (notional)	USD 100,000,000

Fund Performance

Fund	Opening NAV	NAV	MTD	YTD*	ITD
Benchmark	210.85*	214.41	0.65%	1.69%	1.69%
Share Class A	100	100.52	0.57%	0.52%	0.52%
Share Class B	99.34	100.44	0.52%	1.11%	1.11%
Share Class C	99.53	100.58	0.59%	1.05%	1.05%
Share Class D	99.34	100.07	0.10%	0.74%	0.74%

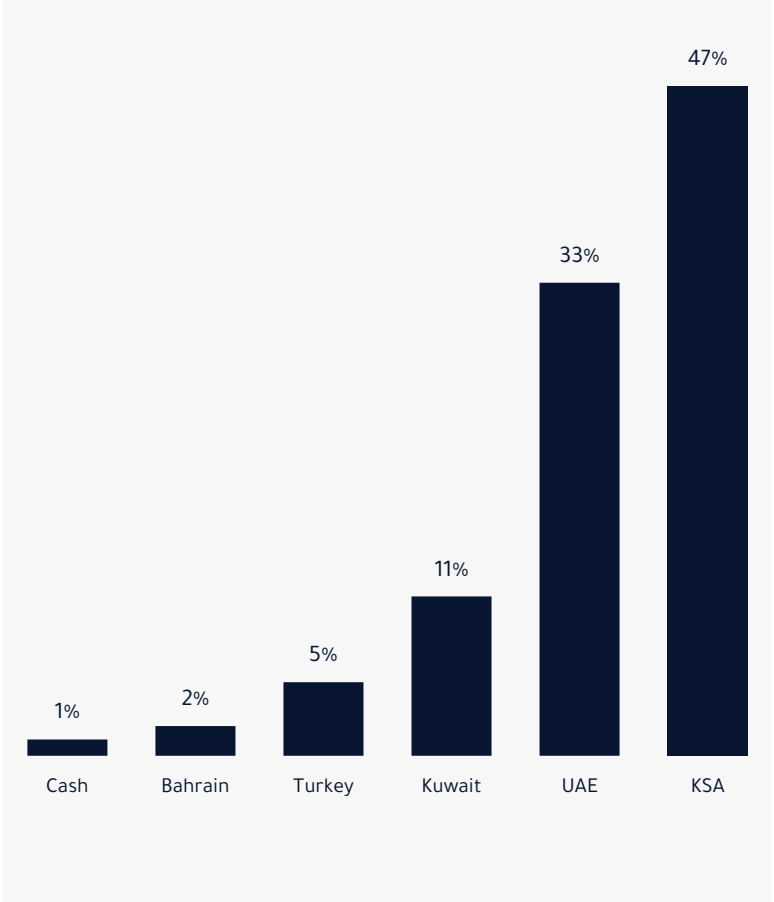
Current Allocations

Number of Holdings	40
Average Coupon	5.67%
Average Yield	5.51%
Average Credit Rating	BBB
Average Maturity	4.86
Modified Duration	3.96

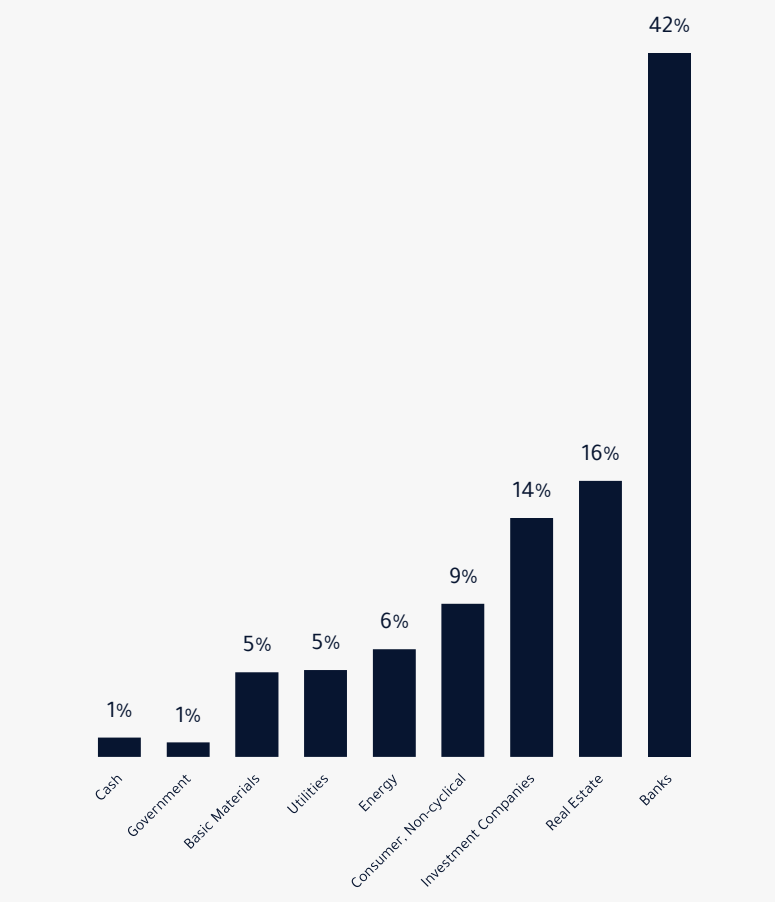
* NAV of benchmark at launch of the Fund

Current Allocation

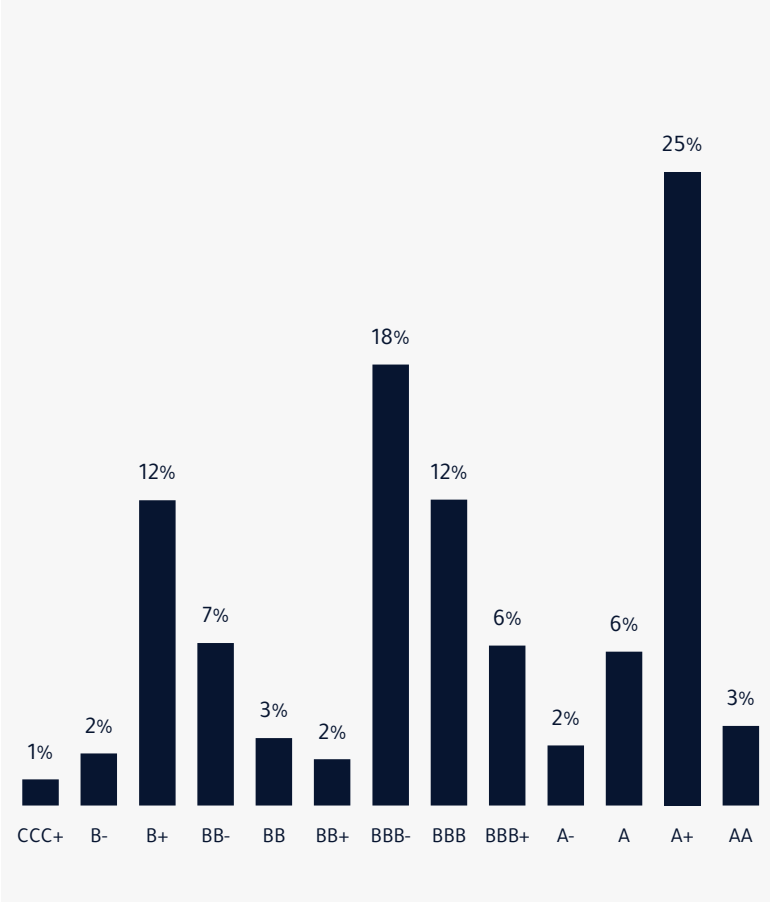
Regional Allocation



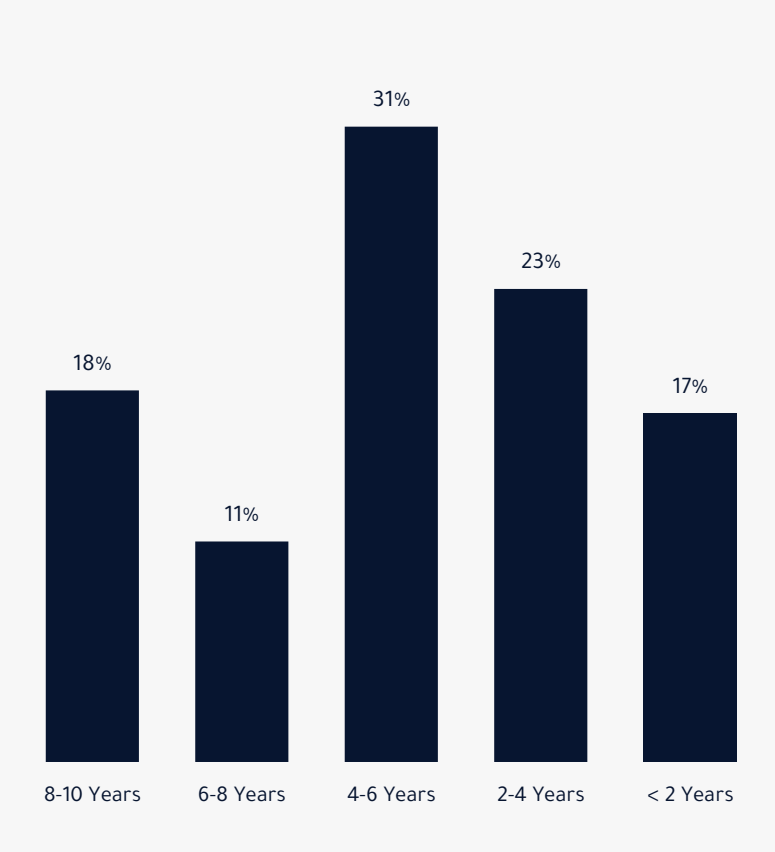
Industry Allocation



Credit Rating



Maturity Profile
(excluding cash)



Monthly Commentary

Despite upward pressure on global rates—U.S. 5-year and 10-year Treasury yields rose by 14 and 13 basis points respectively—Sukuk markets delivered a positive return in July, with the Dow Jones Sukuk Index advancing 0.65%. The performance was supported by stable carry and modest spread compression across high-grade, investment-grade, and high-yield segments.

Our focus remains on building a high-conviction, income-generating Sukuk portfolio that balances credit strength, liquidity, and interest rate sensitivity. In light of a fluid macroeconomic backdrop and ongoing policy uncertainty, we increased portfolio duration from 3.60 to 3.96 years during the month. However, we are deliberately positioned in the belly of the curve, where we see a better risk-reward tradeoff than in the long end. We believe that rising U.S. fiscal imbalances and growing political pressure on the Federal Reserve to cut rates more aggressively could steepen the yield curve—an outcome that traditional spread tightening may not fully cushion.

While the fund remains in its ramp-up phase, periodic cash inflows—briefly held in reserve before deployment—may temporarily affect yield or return metrics. As assets grow, these distortions will become less material and the portfolio will increasingly reflect our target positioning.

As of end-July, Class C of the Fund delivered a return of 0.59%. The portfolio offered a yield-to-maturity of 5.51%, with a duration of 3.96 years and an average credit quality of BBB.

We remain selective and forward-looking in our allocation process, aiming to capture resilient income while positioning the portfolio to benefit from improving technicals and attractive long-term valuations in the Sukuk market.

Disclaimer

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