

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 51.63 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*	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 FIGI: BBG002VGYMW4	210.85**	219.64	0.61%	4.17%	4.17%
Share Class A ISIN: AEDFXA76C006	100	102.98	0.56%	2.98%	2.98%
Share Class B ISIN: AEDFXA76C014	99.34	102.75	0.53%	3.44%	3.44%
Share Class C ISIN: AEDFXA76C022	99.53	103.09	0.60%	3.58%	3.58%
Share Class D ISIN: AEDFXA76C030	99.34	101.00	0.59%	3.20%	3.20%

Current Allocations

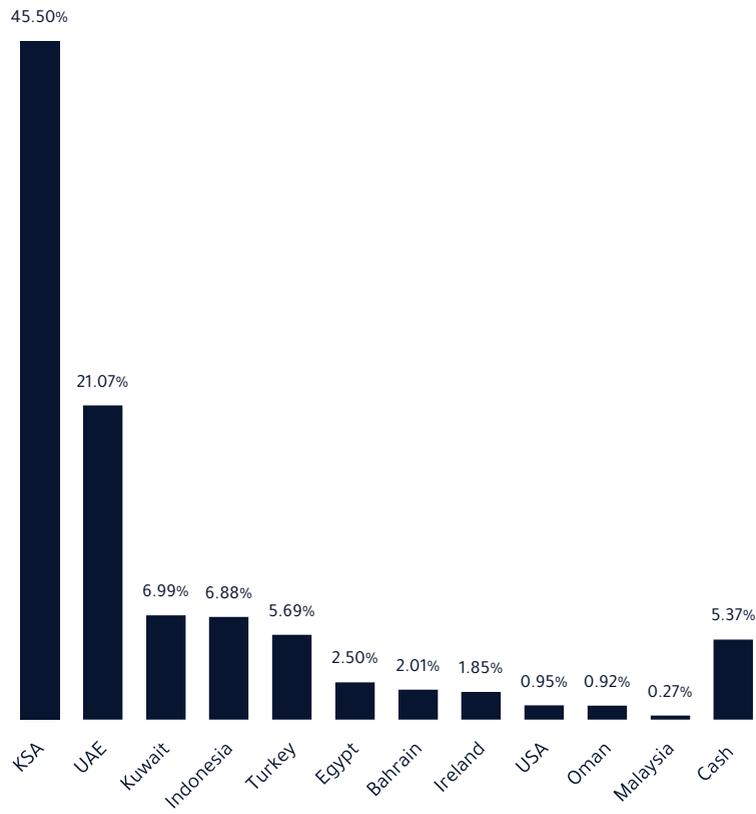
Number of Holdings	60
Average Coupon	5.30%
Average Yield	5.06%
Average Credit Rating	BBB
Average Maturity	5.06
Modified Duration	4.12

* No annual reset for high-water mark

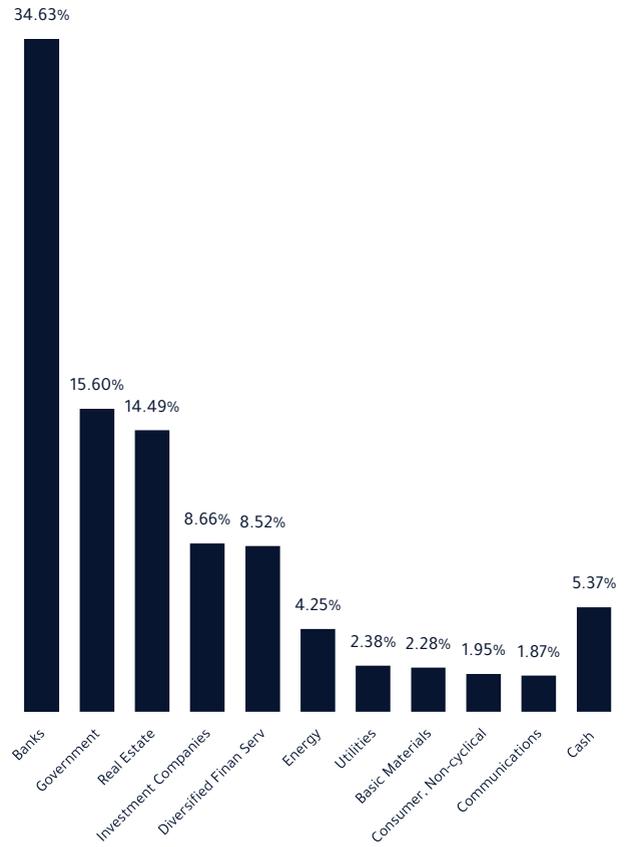
** NAV of benchmark as of launch of the Fund

Current Allocation

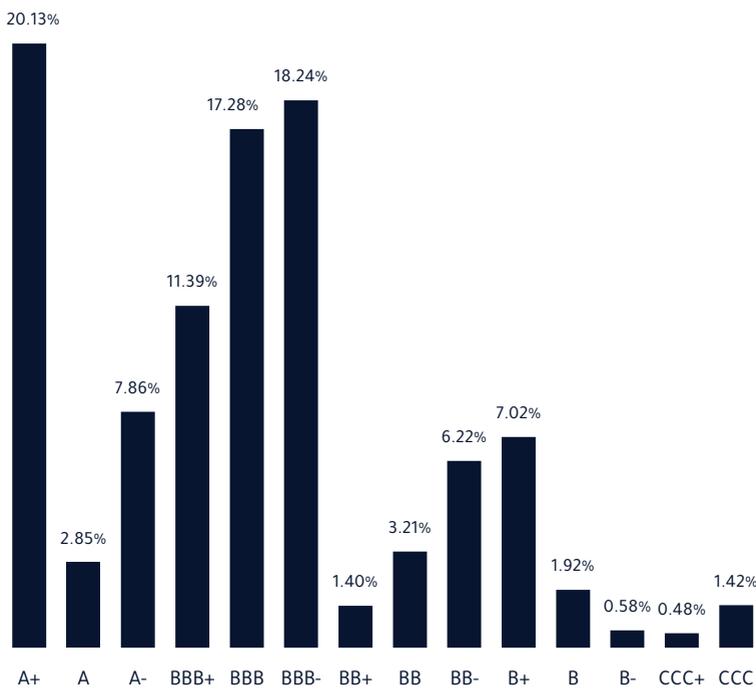
Regional Allocation



Industry Allocation

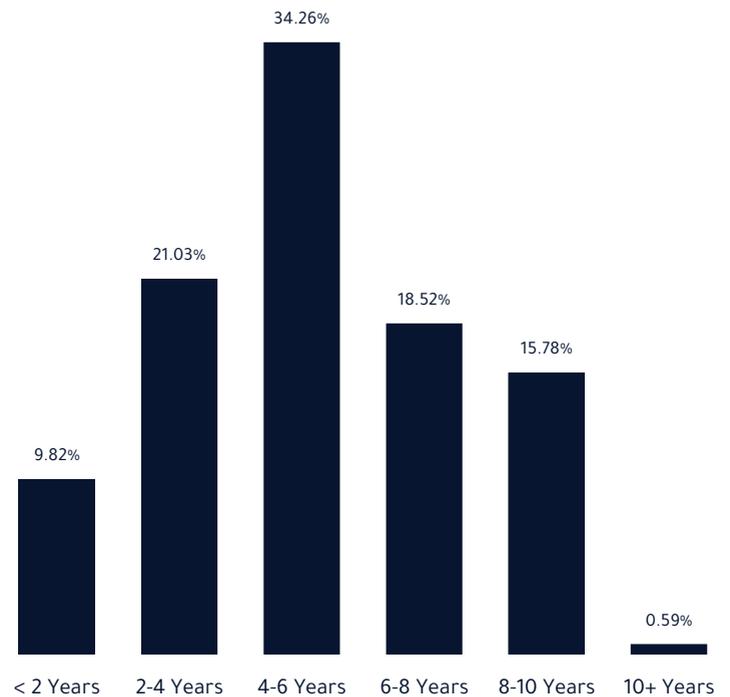


Credit Rating



Maturity Profile

(excluding cash)



Monthly Commentary

October presented a challenging and divergent market for Sukuk investors. A flight to quality, driven by global growth concerns, caused US Treasury yields to fall, providing a powerful tailwind for duration-sensitive assets. This pushed the Dow Jones Sukuk Index to a positive return of +0.61%.

In this complex environment, the ASBC Global Sukuk Fund (Class C) delivered a highly resilient performance, returning +0.60% to finish the month directly in line with the benchmark. This result is particularly noteworthy as it was achieved despite two significant market headwinds running directly counter to our core strategic positioning. The Fund's ability to neutralize these impacts and protect capital is a clear testament to the value of our active, high-conviction management style and the alpha generated from our specific, catalyst-driven country selection.

The Fund's performance in October was a direct result of our strategic positioning. We entered the month with a clear house view: underweight duration (preferring the belly over the long end) in favor of harvesting higher, more sustainable alpha from high-quality, spread-generating credit.

This positioning faced two distinct challenges:

1. **A Duration-Led Rally:** The market's "risk-off" tone rewarded passive duration. Our structural underweight to the Government sector (15.6% vs. the Index at 39.0%), especially in the long end, meant we did not capture the full, passive benefit of this rates rally. This was a deliberate strategic choice, as we believe that the yield curve is ultimately deemed to steepen further (US fiscal worries) and credit selection offers a more robust source of long-term alpha.
2. **A Technical Credit Sell-Off:** A technical, non-fundamental contagion originating from a poorly received new issuance hammered the HY Real Estate sector, where the Fund holds a core strategic overweight (14.4% vs. the Index at 3.3%). This malaise quickly spilled over into the AT1 (Perpetual) market, another key overweight for the Fund within our 34.6% banking allocation.

And yet, despite these dual headwinds, the Fund's performance remained robust. This resilient outcome was not accidental. The negative mark-to-market impact from our core GCC credit positions was almost entirely offset by the significant alpha generated from our out-of-benchmark allocations. Our long-held, high-conviction overweight positions in Turkiye complex (5.6% vs. Index at 0%) and Egypt (2.5% vs. Index at 0%) were the month's standout performers, delivering powerful, catalyst-driven returns that vindicated our fundamental research.

This outcome demonstrates the core strength of our investment process: building a diversified portfolio of uncorrelated, high-conviction ideas, allowing the Fund to successfully navigate temporary, non-fundamental shocks.

During the month, we acted on this conviction. We trimmed profits from our successful and now-rich positions in Turkiye and Egypt and redeployed that capital, adding exposure to fundamentally strong issuers in these dislocated sectors at attractive valuations.

Looking ahead to the year-end, this constructive view is balanced by a disciplined approach to risk. While we remain highly confident in our ability to identify attractive, spread-product names, we are also cognizant of a potential strengthening in global risk-off sentiment. Therefore, while we have capitalized on what we see as clear mispricing, our new deployment, particularly in the HY segment, will be highly selective and cautious as we navigate the final months of the year.

The Fund's core strength lies in its active management and superior yield profile (5.06% vs. the Index at 4.42%). We continue to receive regular and sizeable subscription (between 3% & 5% of NAV) which temporarily acts as a drag on the fund metrics and performance, but we are strategically positioned to protect capital while retaining the flexibility to capture the significant upside from high-quality credit sectors that were unfairly mispriced by last month's technical volatility.

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