

Fund Facts	
<b>Fund Manager</b> ASB Capital Limited DIFC, Dubai, UAE Prudential Supervision: DFSA	
<b>Investment Manager</b> Arqaam Capital Limited DIFC, Dubai, UAE Prudential Supervision: DFSA	
<b>Inception Date</b> 1 May 2025	
<b>Asset Class</b> Global Sukuk	
<b>Benchmark</b> Dow Jones Sukuk Index	
<b>Investment Universe</b> Global Sukuk Issuances	
<b>Issue Currency</b> USD	
<b>AUM</b> USD 63.61 million	
<b>Liquidity</b> Weekly NAV	
<b>Administrator &amp; Custodian</b> 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.

**Subscription & Fees**

<b>Minimum Subscription Amount*</b>	<ul style="list-style-type: none"> <li>Share Class A: USD 100,000</li> <li>Share Class B: USD 10,000</li> <li>Share Class C: USD 1,000,000</li> <li>Share Class D: USD 100,000 (Dividend Distributing, Quarterly)</li> </ul>
<b>Subscription Fee</b>	Up to 5%
<b>Management Fee</b>	<ul style="list-style-type: none"> <li>Share Class A: 1.00%</li> <li>Share Class B: 1.50%</li> <li>Share Class C: 0.75%</li> <li>Share Class D: 1.00% (Dividend Distributing, Quarterly)</li> </ul>
<b>Performance Fee</b>	<ul style="list-style-type: none"> <li>10% of profits</li> <li>Hurdle Rate of 8% per annum</li> <li>High-Water Mark*</li> </ul>

**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.

**Diversification Rules**

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

**Fund Performance**

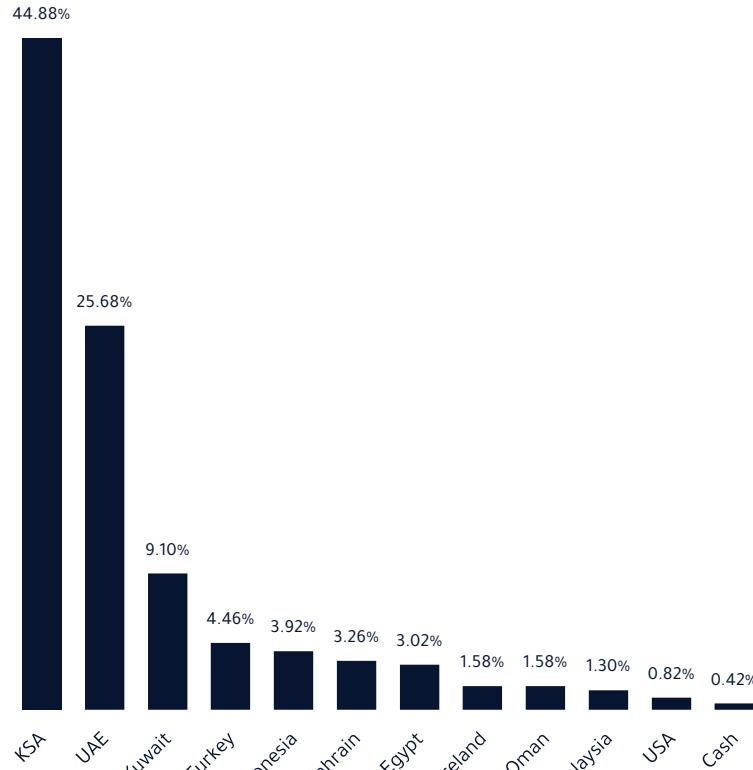
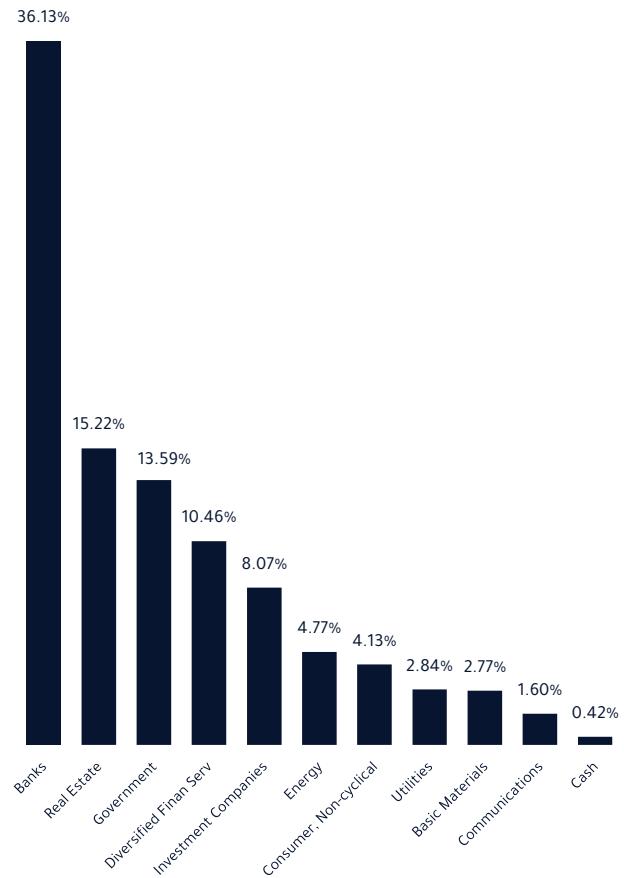
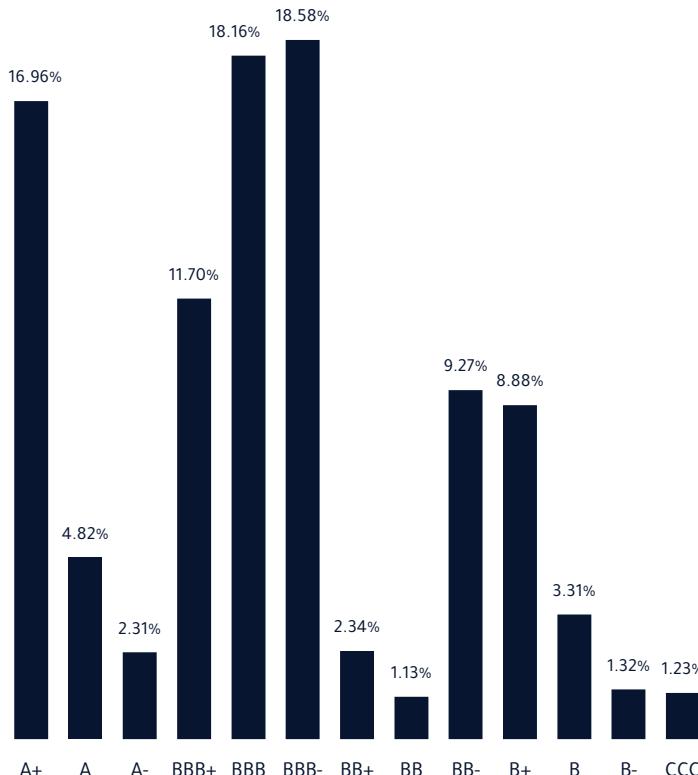
Fund	Opening NAV	NAV	MTD	YTD	ITD
<b>Benchmark</b> FIGI: BBG002VGWMW4	210.85**	220.43	0.13%	4.54%	4.54%
<b>Share Class A</b> ISIN: AEDFXA76C006	100	103.45	0.33%	3.45%	3.45%
<b>Share Class B</b> ISIN: AEDFXA76C014	99.34	103.13	0.27%	3.82%	3.82%
<b>Share Class C</b> ISIN: AEDFXA76C022	99.53	103.62	0.36%	4.11%	4.11%
<b>Share Class D</b> ISIN: AEDFXA76C030	99.34	101.50	0.35%	3.71%	3.71%

**Current Allocations**

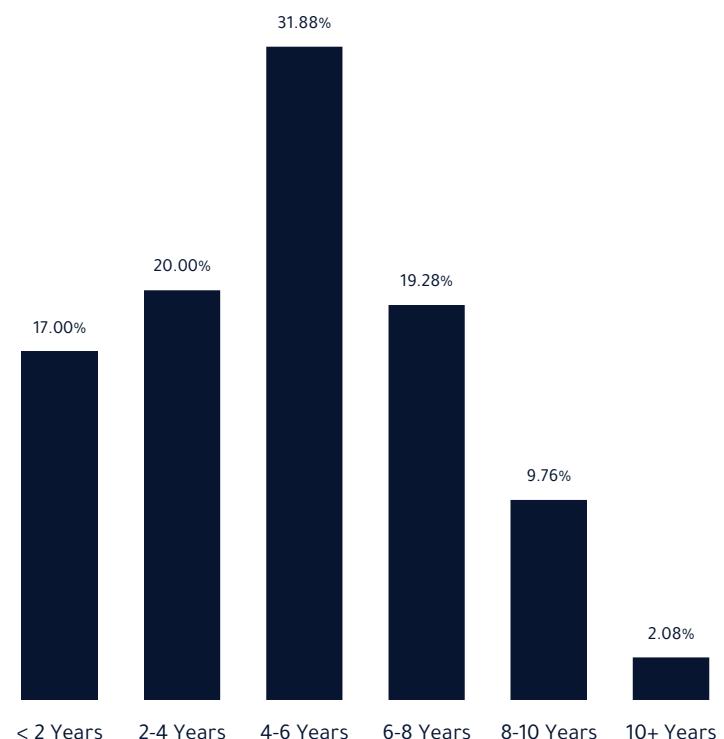
<b>Number of Holdings</b>	64
<b>Average Coupon</b>	5.64%
<b>Average Yield</b>	5.36%
<b>Average Credit Rating</b>	BBB
<b>Average Maturity</b>	4.83
<b>Modified Duration</b>	3.97

\* 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

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December brought the year to a close with a classic "Bull Steepener" in US rates. Following the Federal Reserve's "Hawkish Cut" on December 10 (lowering rates by 25bps but signaling a pause for Q1 2026), front-end yields rallied while long-end yields held firm. This divergence created a distinct performance gap in the market: long-duration sovereign assets lagged, while credit-sensitive, shorter-duration assets outperformed.

Against this backdrop, the Dow Jones Sukuk Index returned +0.13%. The ASBC Global Sukuk Fund (Class C) successfully navigated this environment to deliver a robust +0.36%, generating +16 bps of alpha for the month.

This strong finish cements a successful year for the Fund. By correctly identifying the steepening trend and positioning the portfolio accordingly, we protected capital from the duration drag that plagued passive strategies while capturing the upside in high-quality credit.

Our outperformance in December was structural, driven by two deliberate positioning choices:

1. **Duration Discipline:** The Index was weighed down by its heavy exposure to 5Y+ Sovereigns, which returned -0.09% as the yield curve steepened. The Fund avoided this trap. By maintaining a shorter duration (3.97 years vs. Index 4.46 years), we shielded the portfolio from the volatility at the long end of the curve.
2. **Sector Selection:** While high-grade sovereigns lagged, the credit spread environment remained constructive for our key overweights.
  - **Banks:** Our overweight in Tier 1 and Senior Financials (36.1% vs. Index 16.9%) contributed significantly as the sector benefited from the "soft landing" narrative confirmed by the post-shutdown data.
  - **Real Estate:** The sector continued its Q4 recovery. Our allocation (15.2%) captured the spread compression in high-grade GCC names, contrasting sharply with the Index's underweight (3.5%).
3. **Carry Contribution:** The Fund's superior yield profile (5.36% YTM vs. Index 4.52%) provided a consistent performance floor, ensuring positive returns even on days when price action was muted.

Looking back at 2025, our strategy was defined by resilience. We navigated the "Data Vacuum," the "Refinancing Wall," and volatile rate expectations by sticking to a core philosophy: avoid empty duration and focus on fundamental credit stories. This active management, amidst the scaling up of the AUM (0 to 60mio+ in less than 6 months) allowed us to navigate a challenging year with consistent stability.

We believe the "Beta Trade" (buying the market) is behind us. 2026 will be the year of dispersion. With US rates likely rangebound and sovereign supply increasing, the market will distinguish the real victors from the rest based on credit fundamentals. We remain committed to delivering superior risk-adjusted returns through active, high-conviction selection.

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