

### 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 68.7 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

<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>

### 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: BBG002VGYMW4	210.85	220.53	0.04%	0.04%	4.59%
<b>Share Class A</b> ISIN: AEDFXA76C006	100	103.62	0.17%	0.17%	3.62%
<b>Share Class B</b> ISIN: AEDFXA76C014	99.34	103.26	0.13%	0.13%	3.95%
<b>Share Class C</b> ISIN: AEDFXA76C022	99.53	103.81	0.19%	0.19%	4.31%
<b>Share Class D</b> ISIN: AEDFXA76C030	99.34	100.31	0.18%	0.18%	3.89%

### Current Allocations

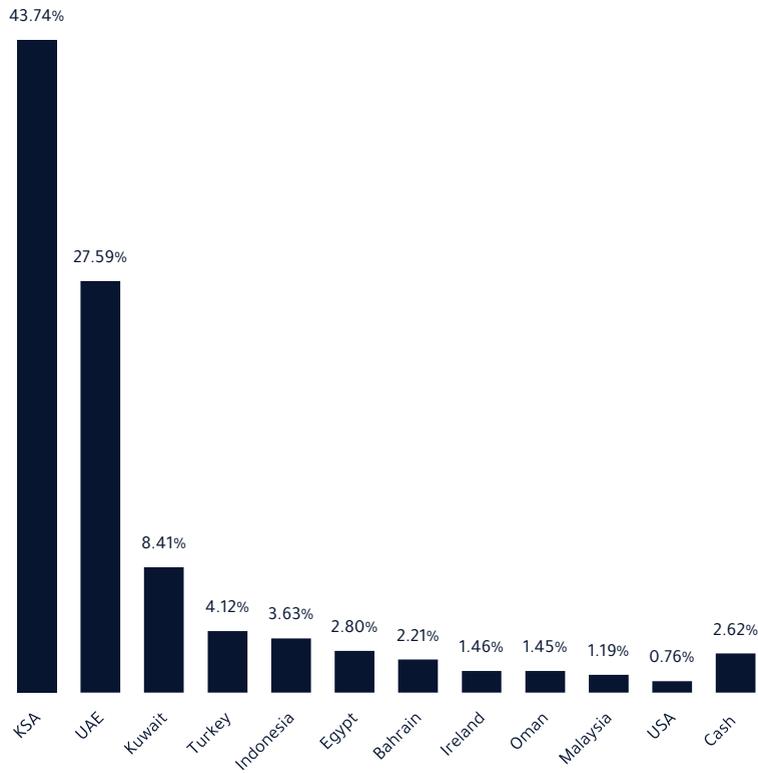
<b>Number of Holdings</b>	68
<b>Average Coupon</b>	5.59%
<b>Average Yield</b>	5.29%
<b>Average Credit Rating</b>	BBB-
<b>Average Maturity</b>	4.67
<b>Modified Duration</b>	3.82

\* No annual reset for high-water mark.

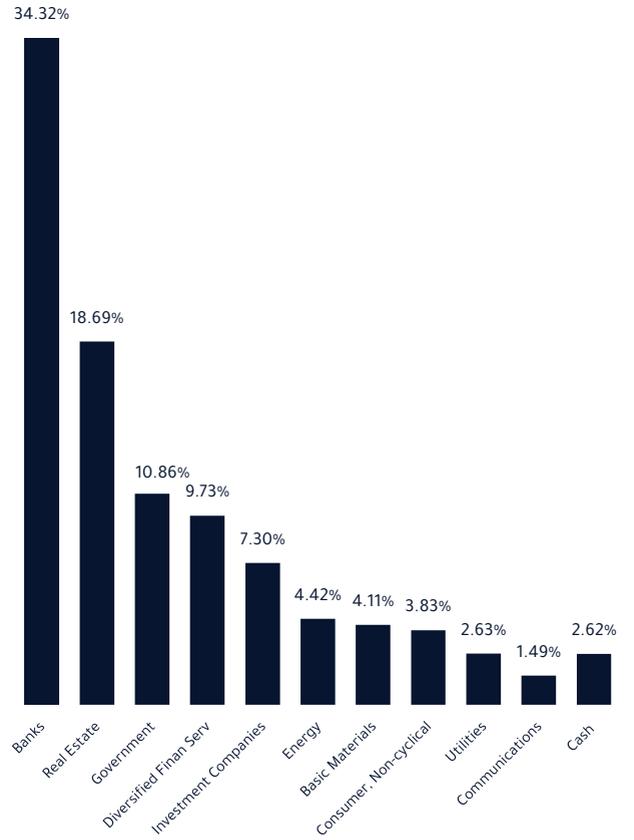
\*\* Opening NAV of benchmark as of launch of the Fund. Benchmark performance is aligned with the fund's closing NAV date for the relevant period.

Current Allocation

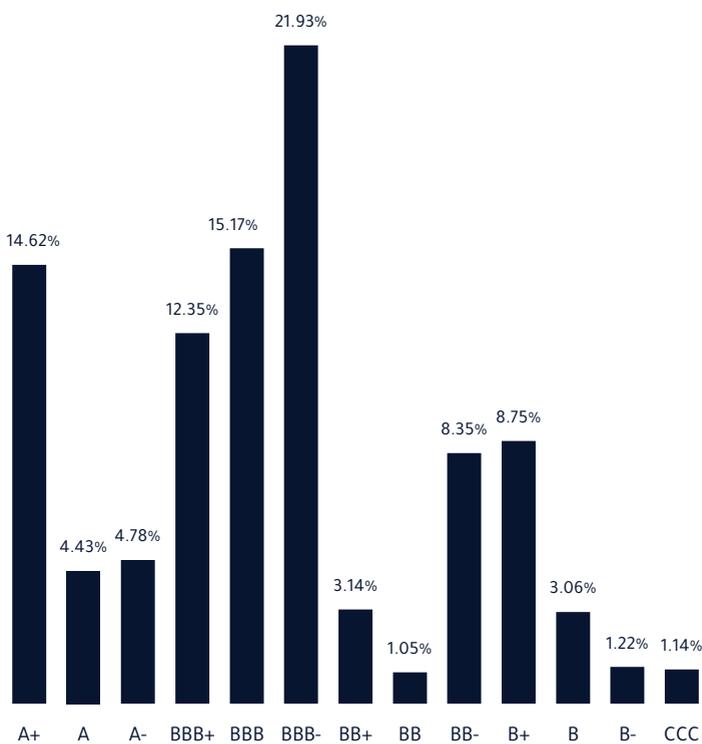
Regional Allocation



Industry Allocation

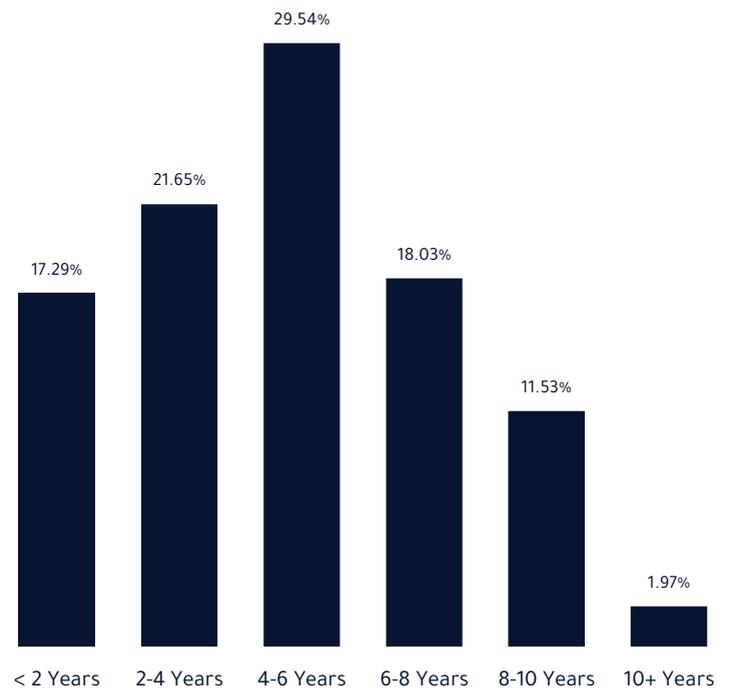


Credit Rating



Maturity Profile

(excluding cash)



**Market Backdrop: Trumped by Duration**

The opening month of 2026 delivered a stark message to fixed income investors: duration is expensive, but credit carry delivers. January was defined by a resurgence of rate volatility, driven by a "higher-for-longer" repricing in the US yield curve. With the US 5-year yield consolidating in the high-3% area, long-duration assets faced significant headwinds; the US Treasury 5-year benchmark, for instance, posted a negative total return of -0.30%.

Despite this challenging core rates backdrop, the Sukuk asset class demonstrated remarkable resilience. The Dow Jones Sukuk Index managed to protect capital, delivering a flat +0.04%. Against this volatile landscape, the ASBC Global Sukuk Fund (Class C) distinguished itself, delivering a robust +0.19%, generating +15 bps of alpha. This divergence underscores the effectiveness of our active, high-conviction approach in a market where passive exposure was punished by curve shifts.

**Performance Attribution: The Alpha Drivers**

Our outperformance was structural, built on avoiding the month's "pain trades" while capitalizing on specific pockets of credit strength:

- Sidestepping the Duration Trap: The broader Index was weighed down by its heavy exposure to long-dated sovereigns (10Y+), where names like KSA and Indonesia saw prices fall over 1% as yields rose. We avoided this volatility. By maintaining a shorter portfolio duration (3.82 years vs. 4.38 years for the Index), we insulated investor capital from the curve steepening, allowing our yield accrual to drive positive performance.
- Sector Conviction - Banks & Real Estate: While government bonds lagged, credit spreads compressed. Our strategic overweight in Banks (34.32% vs. 15.6% for the Index) was a key contributor, as short-dated Senior Financials delivered solid returns (+0.35%) supported by strong fundamentals. Simultaneously, our timely increased allocation to Real Estate (18.69% vs. 3.5% for the Index) captured the month's standout rally in high-grade GCC property names, which remained immune to the broader rates sell-off.
- The Carry Cushion: In a flat market, income is the primary engine of return. The Fund enters 2026 with a superior yield profile (5.29% Yield to Maturity), providing a massive +72 bps income advantage over the benchmark (4.57%). This structural carry ensured steady performance even on days when price action was muted.

**Strategy & Outlook: 2026 and Beyond**

We view January's "barbelled" performance—where short-dated credit rallied while long duration sold off—as a preview of the year ahead. The "Beta Trade" of simply owning the market is behind us. 2026 will be defined by dispersion.

The heavy primary supply seen in January (including major issuances from PIF and STC) is already creating pricing gaps between issuers. We see this as an opportunity. We are positioning the Fund as a "high-quality yield enhancer," utilizing our active mandate to rotate into "National Champions" issuers with fortress balance sheets—that have been unfairly repriced by supply. Our focus remains clear: delivering superior risk-adjusted income by prioritizing credit fundamentals over empty duration.

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