

ARQAAM CAPITAL

Arqaam Islamic Funds (OEIC) PLC – Arqaam Islamic Income Fund

August 2021



Fund Description

The investment objective of the Arqaam Islamic Income Fund (a sub-Fund of Arqaam Islamic Funds (OEIC) PLC) is to invest in securities and or instruments with the aim to provide the Shareholders with Shari'ah compliant returns. The Arqaam Islamic Income Fund will only invest in Shari'ah compliant securities and instruments approved by the Shari'ah Supervisory Board. The Arqaam Islamic Income Fund will target an annual average return of 6%, net of Fees.

Fund Manager's Commentary

The Class C shares were up 0.41% in August versus the index return of 0.30% on the JP Morgan Mid-East Sukuk Index and 0.55% on the S&P Global High Yield Sukuk index. On a YTD basis the fund is up 0.79% versus 2.40% on the JP Index and 5.13% on the S&P Index.

YTD performance continues to be impacted by the positions in Serba Dinamik and Garuda, there was a slight weakness in price of both these positions in August, but not enough to impact the fund materially. We continue to remain actively involved in monitoring those positions. The new issue market was dormant in August but is expected to pick up again in September.

Fund Return

MTD

Class A Accumulation Shares			0.34%
Class B Distribution Shares			0.34%
Class C Institutional Accumulation Shares			0.41%
Class D Distribution Shares			0.31%
Class E Distribution Shares			0.32%
Class F Distribution Shares			0.34%
Class G Distribution Shares			0.38%

YTD	2017	2018	2019	2020	2021
Class A Accumulation Shares	0.05%	0.69%	8.29%	2.49%	0.26%
Class B Distribution Shares	0.05%	0.69%	8.29%	2.49%	0.26%
Class C Institutional Accumulation Shares	0.39%	1.45%	9.07%	3.30%	0.79%
Class D Distribution Shares	-	0.76%	8.07%	2.16%	0.05%
Class E Distribution Shares	-	-	5.88%	2.18%	0.07%
Class F Distribution Shares	-	-	0.76%	2.41%	0.24%
Class G Distribution Shares	-	-	-	0.13%	0.54%

Total Distribution per share

YTD	2017	2018	2019	2020	2021 (YTD)
Class A Accumulation Shares	-	-	-	-	-
Class B Distribution Shares	-	1.29%	6.89%	3.33%	0.94%
Class C Institutional Accumulation Shares	-	-	-	-	-
Class D Distribution Shares	-	2.26%	4.88%	5.14%	2.55%
Class E Distribution Shares	-	-	3.72%	4.73%	3.80%
Class F Distribution Shares	-	-	0.84%	4.80%	3.45%
Class G Distribution Shares	-	-	-	0.42%	3.37%

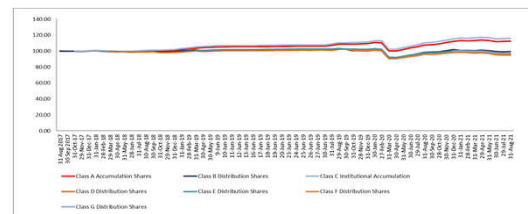
Top Holding*

DARALA 6 7/8 02/26/27	3.76%
TURKSK 5 1/8 06/22/26	3.66%
DPWDU 6 PERP	3.27%
DUBAEE 3 3/4 02/15/26	2.97%
TFGSUK 10 1/2 08/07/24	2.84%

Fund Statistics*

Average Coupon	4.99%
Fund Rating	BB-
Average Maturity	4.49
Average Yield	3.87
Modified Duration	3.82

Performance (Chart) for Class A ,B ,C ,D ,E ,F and G Shares



Arqaam Capital Product Risk Rating



Source: Arqaam Capital Limited. Based on Arqaam's internal product risk for suitability assessment

Net Asset Value per share

Class A Shares	USD 112.3769
Class B Shares	USD 99.3197
Class C Shares	USD 116.0553
Class D Shares	USD 96.2161
Class E Shares	USD 96.7751
Class F Shares	USD 94.9056
Class G Shares	USD 97.3368

Regional Allocation

UAE	40.51%
Saudi Arabia	15.76%
Kuwait	8.81%
Bahrain	8.74%
Turkey	6.56%
Oman	5.68%
Qatar	4.94%
Pakistan	2.81%
Indonesia	2.28%
Malaysia	1.55%
Maldives	0.50%
Supranational	0.23%
Cash	1.63%

Industry Allocation

Banks	25.44%
Real Estate	22.68%
Sovereign	22.02%
Consumer, Non-cyclical	9.14%
Financial	7.78%
Utilities	3.88%
Energy	3.58%
Consumer, Cyclical	3.08%
Basic Materials	0.53%
Supranational	0.24%
Cash	1.63%

Maturity Profile*

0-5	67.32%
5-10	32.68%

* Excluding Cash;

Note: Figures are derived from Arqaam Islamic Income Fund NAV report as of 31st August 2021. Past performance as illustrated herein is not a guarantee of future returns. The information contained herein, including any expression of opinion, has been obtained from Bloomberg, Fund Administrator and/or Fund Manager and is believed to be fair and not misleading. However, Arqaam Capital does not guarantee its accuracy or completeness.

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Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class A Accumulation Shares												
2017	-	-	-	-	-	-	-	-0.29	0.09	-0.04	-0.19	0.48
2018	0.37	-0.54	-0.27	-0.39	-0.24	-0.07	0.63	0.28	0.40	0.02	0.10	0.40
2019	1.19	0.92	0.76	0.56	0.52	1.25	1.20	1.24	-0.12	0.20	0.27	0.30
2020	1.15	-0.14	-9.40	0.04	1.88	1.79	1.57	2.02	0.38	1.02	1.43	1.29
2021	0.81	-0.10	-0.24	1.04	-0.55	-1.16	0.14	0.34	-	-	-	-
Class B Distribution Shares												
2017	-	-	-	-	-	-	-	-0.29	0.09	-0.04	-0.19	0.48
2018	0.37	-0.54	-0.27	-0.39	-0.24	-0.07	0.63	0.28	0.40	0.02	0.10	0.40
2019	1.19	0.92	0.76	0.56	0.52	1.25	1.20	1.24	-0.12	0.20	0.27	0.30
2020	1.15	-0.14	-9.40	0.04	1.88	1.79	1.57	2.02	0.38	1.02	1.43	1.29
2021	0.81	-0.10	-0.24	1.04	-0.55	-1.16	0.14	0.34	-	-	-	-
Class C Institutional Accumulation Shares												
2017	-	-	-	-	-	-	-	-	-	-0.03	-0.13	0.55
2018	0.43	-0.48	-0.21	-0.32	-0.18	-0.01	0.70	0.34	0.47	0.08	0.16	0.47
2019	1.26	0.98	0.82	0.62	0.58	1.32	1.27	1.30	-0.05	0.27	0.33	0.37
2020	1.21	-0.08	-9.33	0.10	1.95	1.86	1.63	2.09	0.45	1.08	1.51	1.36
2021	0.88	-0.04	-0.17	1.10	-0.48	-1.10	0.21	0.41	-	-	-	-
Class D Distribution Shares												
2018	-	-	-0.11	-0.42	-0.27	-0.10	0.60	0.25	0.37	-0.02	0.07	0.39
2019	1.19	0.85	0.73	0.53	0.49	1.21	1.17	1.21	-0.15	0.17	0.39	0.28
2020	1.12	-0.16	-9.42	0.01	1.85	1.76	1.54	1.99	0.36	0.99	1.41	1.26
2021	0.79	-0.12	-0.26	1.01	-0.58	-1.19	0.12	0.31	-	-	-	-
Class E Distribution Shares												
2019	-	-	0.68	0.53	0.49	1.24	1.17	1.21	-0.15	0.18	0.25	0.28
2020	1.12	-0.16	-9.42	0.02	1.85	1.76	1.54	1.99	0.36	1.00	1.40	1.26
2021	0.78	-0.12	-0.26	1.01	-0.58	-1.18	0.11	0.32	-	-	-	-
Class F Distribution Shares												
2019	-	-	-	-	-	-	-	-	-	0.20	0.26	0.30
2020	1.14	-0.15	-9.40	0.04	1.87	1.78	1.56	2.01	0.38	1.01	1.43	1.28
2021	0.81	-0.11	-0.25	1.03	-0.56	-1.16	0.15	0.34	-	-	-	-
Class G Distribution Shares												
2020	-	-	-	-	-	-	-	-	-	-	-	0.13
2021	0.85	-0.07	-0.20	1.07	-0.51	-1.13	0.18	0.38	-	-	-	-

Fund Details

Fund Size	USD 207.902 Million
Fund Type	DIFC Public Domestic Fund
Launch Date	August 22, 2017
Domicile	Dubai International Financial Centre, Dubai
FRN	F000407
Currency	USD
Benchmark	NIL
Fund Manager	Arqaam Capital Limited - Regulated by Dubai Financial Services Authority
Valuation day	Each Business Day
Dealing Day (Subscription / Redemption)	Each Business Day
ISIN	Class A Shares - AEDFXA30N005 Class B Shares - AEDFXA30N021 Class C Shares - AEDFXA30N039 Class D Shares - AEDFXA3TN004 Class E Shares - AEDFXA3TN038 Class F Shares - AEDFXA3TN046 Class G Shares - AEDFXA05C088
Bloomberg Ticker	Class A Shares - ARQAIIA.UH Class B Shares - ARQAIIA.UH Class C Shares - ARQAIIA.UH Class D Shares - ARQAIIA.UH Class E Shares - ARQAIIA.UH Class F Shares - ARQAIIA.UH Class G Shares - ARQAIIA.UH
Settlement for Subscription	2 Business days prior to Dealing Day
Settlement for Redemption	Within 5 Business days after the Dealing Day
Notice Period	2 Business days for Subscription and Redemption

Minimum Subscription	Class A Shares - USD 3,000 and in multiples of USD 3,000 thereafter; Class B Shares - USD 3,000 and in multiples of USD 3,000 thereafter; Class C Shares - USD 250,000 and in multiples of USD 100,000 thereafter; Class D shares - USD 3,000 and in multiples of USD 3,000 thereafter; Class E Shares - USD 3,000 and in multiples of USD 3,000 thereafter. Class F Shares - USD 3,000 and in multiples of USD 3,000 thereafter. Class G Shares - USD 3,000 and in multiples of USD 3,000 thereafter.
Performance Fee	NIL
Management Fee	Class A Shares - 1.5% Class B Shares - 1.5% Class C Shares - 0.75% Class D Shares - 1% Class E Shares - 1% Class F Shares - 1.1% Class G Shares - 1.1%
Deferred Sales Fee	Class D shares - 2.4% Class E shares - 2.5% Class F shares - 1.5%
Deferred Services Fee	Class D shares follows the below schedule, if the redemption is processed within: 12 months: 2.4% 13 - 24 months: 1.6% 25 - 36 months: 0.80%
Redemption Fee	Class E shares follows the below schedule, if the redemption is processed within: 12 months: 2.50% 13 - 24 months: 1.67% 25 - 36 months: 0.84% Class F shares follows the below schedule, if the redemption is processed within: 12 months: 1.50% 13 - 24 months: 1% 25 - 36 months: 0.5%

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