

Arqaam Islamic Funds (OEIC) PLC

Arqaam Islamic Income Fund

July 2023



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 5%, net of Fees.

Fund Manager's Commentary

The "C" share class was up 0.03% in July while the FTSE Ideal Ratings Sukuk index was up 0.33%. On a YTD basis, the fund is up 1.87% while the index is up 2.88%. This month's underperformance which is discussed in the next paragraph also explains almost half of the YTD underperformance versus the index. The remainder of the YTD underperformance is caused by our overweight positioning in the longer duration part of the curve which has been done in preparation for rate declines in the future.

In July, the fund's biggest position TFG was in the news when management approached the Sukuk holders to reprofile the Sukuk's amortization schedule. A 20% amortization payment was due in August with a further 20% next February and the final maturity next August. The Company is asking for an adjustment to this repayment schedule. The Company remains current on all profit payments. Negotiations with the Company are on-going, and we expect a conclusion within the next three months. At this point we don't foresee any long-term impact on the NAV of the fund. However, the impact in July was about .4% and explains the entire underperformance vs the index for the month. We are involved in negotiations with the Company which are governed by an NDA. However, we will endeavor to keep our investors informed as best as we can.

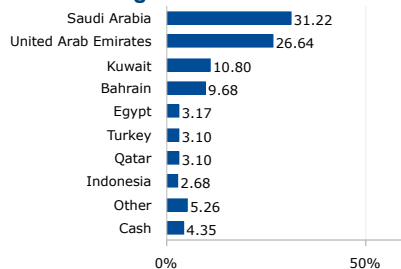
Fund Return

	MTD	YTD	1 Yr	3 Yrs	5 Yrs	SI
Class A Accumulation Shares	-0.04%	1.41%	2.22%	2.99%	9.14%	8.60%
Class B Distribution Shares	-0.04%	1.41%	2.22%	2.99%	9.14%	8.61%
Class C Institutional Accumulation Shares	0.03%	1.87%	3.03%	5.45%	13.52%	13.86%
Class D Distribution Shares	0.01%	1.72%	2.76%	3.44%	9.04%	8.69%
Class E Distribution Shares	-0.08%	1.16%	2.08%	2.21%	-	4.32%
Class F Distribution Shares	-0.06%	1.33%	2.07%	2.73%	-	-0.23%
Class G Distribution Shares	0.00%	1.65%	2.65%	-	-	-1.93%
Class H Distribution Shares	-0.09%	-0.10%	-	-	-	-0.10%
Class I Distribution Shares	0.01%	1.72%	-	-	-	1.49%
Class J Distribution Shares	0.00%	1.65%	-	-	-	1.42%

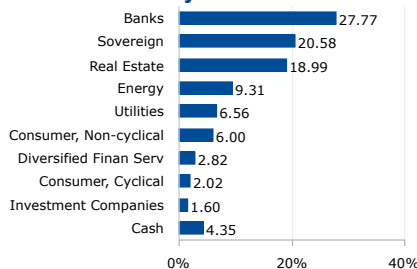
Annual Returns

	2019	2020	2021	2022	2023
Class A Accumulation Shares	8.59%	2.49%	-0.52%	-3.95%	1.41%
Class B Distribution Shares	8.59%	2.49%	-0.52%	-3.95%	1.41%
Class C Institutional Accumulation Shares	9.44%	3.30%	0.27%	-3.19%	1.87%
Class D Distribution Shares	8.37%	2.16%	-0.78%	-3.45%	1.72%
Class E Distribution Shares	6.02%	2.18%	-0.81%	-4.04%	1.16%
Class F Distribution Shares	0.76%	2.41%	-0.53%	-4.07%	1.33%
Class G Distribution Shares		0.13%	-0.10%	-3.55%	1.65%
Class H Distribution Shares					-0.10%
Class I Distribution Shares				-0.23%	1.72%
Class J Distribution Shares				-0.23%	1.65%

Regional Allocation



Industry Allocation



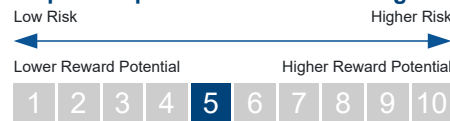
Total Distribution per share

	Frequency	2017	2018	2019	2020	2021	2022	2023 (YTD)
Class B Distribution Shares	Quarterly	-	1.29%	6.89%	3.33%	1.79%	1.07%	1.61%
Distribution Target		-	5%	5%	5%	5%	5%	6.5%
Class D Distribution Shares	Quarterly	-	2.26%	4.88%	5.14%	5.15%	3.97%	3.83%
Class E Distribution Shares	Monthly	-	-	3.72%	4.73%	5.55%	5.11%	4.39%
Class F Distribution Shares	Monthly	-	-	0.84%	4.80%	5.23%	5.20%	4.48%
Class G Distribution Shares	Monthly	-	-	-	0.42%	5.10%	5.05%	4.32%
Class H Distribution Shares	Monthly	-	-	-	-	-	-	0.54%
Class I Distribution Shares	Monthly	-	-	-	-	-	-	4.38%
Class J Distribution Shares	Monthly	-	-	-	-	-	-	4.47%

*Excluding cash except for Average Credit Rating

Note: Figures are derived from Arqaam Islamic Income Fund NAV report as of 31st July 2023. 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.

Arqaam Capital Product Risk Rating



Source: Arqaam Capital Limited. Based on Arqaam internal product risk rating

Net Asset Value per share

Class A Shares	USD 108.6048
Class B Shares	USD 92.3073
Class C Shares	USD 113.8642
Class D Shares	USD 83.1401
Class E Shares	USD 82.9671
Class F Shares	USD 81.3772
Class G Shares	USD 84.6115
Class H Shares	USD 99.9047
Class I Shares	USD 83.4691
Class J Shares	USD 81.6650

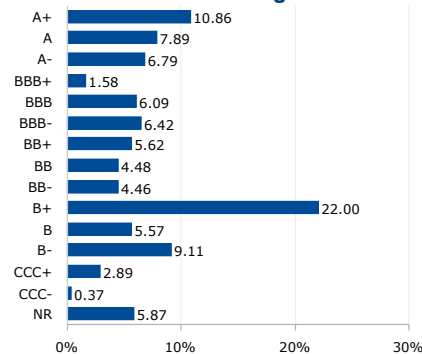
Top Holdings*

TFG SUKUK I LTD	4.63%
DP WORLD SALAAM	4.01%
SA GLOBAL SUKUK LTD	3.55%
CBB INTL SUKUK PROG WLL	3.33%
EGYPT TASKEEK COMPANY	3.32%

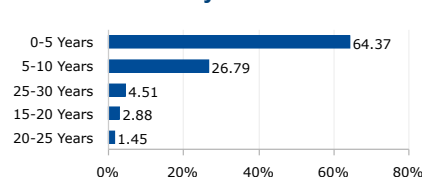
Fund Statistics*

Average Coupon	5.38%
Average Credit Rating	BB
Average Maturity	5.80
Average Yield	6.92%
Modified Duration	4.28

Credit Rating



Maturity Profile*



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Monthly Performance (%)

Class A Accumulation Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.41	-0.61	-0.05	0.33	-0.07	0.45	-0.04						1.41
2022	-0.56	-0.60	-1.13	-0.88	-0.64	-1.12	0.12	0.62	-2.09	-0.61	2.43	0.49	-3.95
2021	0.81	-0.10	-0.24	1.04	-0.55	-1.16	0.14	0.34	0.18	-0.13	-0.97	0.14	-0.52
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	2.49
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	8.59
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	0.67
2017								-0.29	0.09	-0.04	-0.19	0.48	0.04

Class B Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.41	-0.61	-0.05	0.33	-0.07	0.45	-0.04						1.41
2022	-0.56	-0.60	-1.13	-0.88	-0.64	-1.12	0.12	0.62	-2.09	-0.61	2.43	0.49	-3.95
2021	0.81	-0.10	-0.24	1.04	-0.55	-1.16	0.14	0.34	0.18	-0.13	-0.97	0.14	-0.52
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	2.49
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	8.59
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	0.67
2017								-0.29	0.09	-0.04	-0.20	0.48	0.04

Class C Institutional Accumulation Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.48	-0.55	0.02	0.39	0.00	0.51	0.03						1.87
2022	-0.49	-0.54	-1.06	-0.82	-0.57	-1.05	0.18	0.70	-2.02	-0.55	2.50	0.56	-3.19
2021	0.88	-0.04	-0.17	1.10	-0.48	-1.10	0.21	0.41	0.25	-0.06	-0.91	0.21	0.27
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	3.30
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	9.44
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	1.46
2017										-0.03	-0.13	0.55	0.38

Class D Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.46	-0.57	0.00	0.37	-0.03	0.49	0.01						1.72
2022	-0.51	-0.56	-1.08	-0.84	-0.60	-1.07	0.16	0.67	-2.04	-0.57	2.48	0.54	-3.45
2021	0.79	-0.12	-0.26	1.01	-0.58	-1.19	0.12	0.31	0.16	-0.16	-1.00	0.17	-0.78
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	2.16
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	8.37
2018			-0.11	-0.42	-0.27	-0.10	0.60	0.25	0.37	-0.02	0.07	0.39	0.75

Class E Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.38	-0.63	-0.08	0.29	-0.11	0.42	-0.08						1.16
2022	-0.59	-0.63	-1.15	-0.91	-0.68	-1.14	0.11	0.63	-2.09	-0.62	2.42	0.62	-4.04
2021	0.78	-0.12	-0.26	1.01	-0.58	-1.18	0.11	0.32	0.15	-0.16	-1.00	0.12	-0.81
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	2.18
2019			0.68	0.53	0.49	1.24	1.17	1.21	-0.15	0.18	0.25	0.28	6.02

Class F Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.40	-0.63	-0.06	0.31	-0.07	0.44	-0.06						1.33
2022	-0.56	-0.61	-1.13	-0.89	-0.65	-1.13	0.11	0.61	-2.10	-0.63	2.42	0.49	-4.07
2021	0.81	-0.11	-0.25	1.03	-0.56	-1.16	0.15	0.34	0.17	-0.10	-0.98	0.13	-0.53
2020	1.14	-0.15	-9.40	0.03	1.87	1.78	1.56	2.01	0.38	1.01	1.43	1.28	2.41
2019										0.20	0.26	0.30	0.76

Class G Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.45	-0.58	-0.01	0.36	-0.04	0.48	0.00						1.65
2022	-0.52	-0.57	-1.09	-0.85	-0.61	-1.08	0.15	0.66	-2.05	-0.58	2.47	0.53	-3.55
2021	0.85	-0.07	-0.20	1.07	-0.51	-1.13	0.18	0.38	0.22	-0.09	-0.94	0.18	-0.10
2020												0.13	0.13

Class H Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023						0.00	-0.09						-0.10

Class I Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.46	-0.57	0.00	0.37	-0.03	0.49	0.01						1.72
2022												-0.23	-0.23

Class J Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2023	1.45	-0.58	-0.01	0.36	-0.04	0.48	0.00						1.65
2022												-0.23	-0.23

Arqaam Islamic Funds (OEIC) PLC

Arqaam Islamic Income Fund

July 2023



Fund Highlights*

Fund Type	DFSA Public Domestic Fund
Launch Date	August 22, 2017
Domicile	Dubai International Financial Centre, Dubai
DFSA Ref	C000047A
Currency	USD
Benchmark	NIL
Fund Manager	Arqaam Capital Limited - Regulated by Dubai Financial Services Authority
Administrator	Apex Fund Services (Dubai) Limited
Custodian	Standard Chartered Bank, DIFC Branch
Valuation Day	Each Business Day
Dealing Day	Each Business Day
ISIN	Class A Shares - AEDFXA3ON005 Class B Shares - AEDFXA3ON021 Class C Shares - AEDFXA3ON039 Class D Shares - AEDFXA3TN004 Class E Shares - AEDFXA3TN038 Class F Shares - AEDFXA3TN046 Class G Shares - AEDFXA05C088 Class H Shares - AEDFXA05C195 Class I Shares - AEDFXA05C179 Class J Shares - AEDFXA05C187
Bloomberg Ticker	Class A Shares - ARQAIIA UH Class B Shares - ARQAII B UH Class C Shares - ARQAII C UH Class D Shares - ARQAII D UH Class E Shares - ARQAII E UH Class F Shares - ARQAII F UH Class G Shares - ARQAII G UH Class H Shares - ARQAII H UH Class I Shares - ARQAII I UH Class J Shares - ARQAII J 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
Subscription Fee	Class A Shares - Up to 5% Class B Shares - Up to 5% Class C Shares - 0% Class D Shares - 0% Class E Shares - 0% Class F Shares - 0% Class G Shares - 0% Class H Shares - 0% Class I Shares - 0% Class J Shares - 0%

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 (Closed for new subscriptions).
Class E Shares - USD 3,000 and in multiples of USD 3,000 thereafter (Closed for new subscriptions).
Class F Shares - USD 3,000 and in multiples of USD 3,000 thereafter (Closed for new subscriptions).
Class G Shares - USD 3,000 and in multiples of USD 3,000 thereafter.
Class H Shares - USD 3,000 and in multiples of USD 3,000 thereafter.
Class I Shares - USD 3,000 and in multiples of USD 3,000 thereafter.
Class J Shares - USD 3,000 and in multiples of USD 3,000 thereafter.

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% Class H Shares - 1.1% Class I Shares - 1% Class J Shares - 1.10%
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Performance Fee	NIL
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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%
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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%

Class H shares follows the below schedule, if the redemption is processed within:
12 months: 3.0%
13 - 24 months: 2.0%
25 - 36 months: 1.0%

Deferred Sales Fee	Class D shares - 2.5% Class E shares - 2.5% Class F shares - 1.5% Class H shares - 3.0%
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Deferred Services Fee	Class D shares follows the below schedule, if the redemption is processed within: 12 months: 2.5% 13 - 24 months: 1.7% 25 - 36 months: 0.90%
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VAT/Taxes	5% VAT and any other applicable taxes
Other Standard Costs, Fees & Expenses	As detailed in the Prospectus

* These are only the key highlights of this fund. Further details, including all additional standard fees, costs and expenses and other terms are set out in the prospectus. The prospectus' terms, rates and conditions shall prevail in the event of any discrepancies or errors.

Follow our LinkedIn page <https://www.linkedin.com/company/arqaam-capital/> for all the latest updates and our monthly commentary from the Fixed Income Asset Management desk

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Arqaam Capital Limited is authorized & regulated by the Dubai Financial Services Authority Ref F000407



July 2023

Disclaimer and Risk Warning

1. Author, regulator and responsibility

This document has been issued by Arqaam Capital Limited ("Arqaam") in its capacity as Fund Manager of the Fund. Arqaam is incorporated in the Dubai International Financial Centre ("DIFC") and authorised and regulated by the Dubai Financial Services Authority ("DFSA") to carry on financial services in and from the DIFC.

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