Arqaam Fixed Income Funds (OEIC) Limited
Arqaam MENA Bond Income Fund

September 2026

Fund Description

The investment objective of the Arqaam MENA Bond Income Fund (formerly known as Arqaam High Income Fund) is to invest in fixed income securities and instruments listed or traded in, or issued by entities from the MENA region and Türkiye. The Arqaam MENA Bond Income Fund will in particular invest in fixed and floating rate investments originating from target markets pre-identified by the investment team with an emphasis on higher yielding instruments in order to enhance the risk-adjusted returns and will generally invest in fixed income securities that generally have a high level of market liquidity.

Fund Manager's Commentary

The MENA credit universe witnessed a pullback in prices in September, with the Bloomberg MENA index recording a total return of -2.89% — its worst monthly performance since March's conflict-driven drawdown. The Fund's total net returns stood at -2.99%, in line with the index. The dominant driver was an exceptionally large and broad-based sell-off in US Treasuries. Unlike the bear flattening that had characterised the earlier months of the year, September's move was essentially parallel in nature: 2Y yields surged by c. 55 bps, 5Y yields by c. 59 bps, and 10Y yields by c. 53 bps, while even the 30Y rose by c. 39 bps — pushing it through 5.60% for the first time this cycle. 2s10s was virtually unchanged at c. -1-2 bps, while 10s30s narrowed by c. 14 bps, pointing to a wholesale repricing of the rate curve rather than the concentrated front-end moves seen in prior months. The Fund's high carry and limited duration profile buffered total returns from the large moves in underlying rates. Measures of interest rate volatility surged from 75 to 110 — a level not seen since the height of the conflict period — signalling the disorderly character of the move and the attendant uncertainty around the terminal rate. In contrast to August, when MENA and EM credit spreads were a source of positive return, September saw spreads widen in concert with rates — a distinctly risk-off configuration but one that historically does not remain in place for long. MENA credit OAS widened by c. 13 bps over the month, EM OAS by c. 10 bps, and US IG OAS by c. 3 bps; the relative containment in US IG spread widening, in the context of a much larger move in EM and MENA OAS, underscores the degree to which the latter were also pricing a geopolitical and oil-driven inflationary risk premium on top of the pure rates shock. The primary catalysts for September's dislocation were Brent crude's sharp recovery and a significant rebound in US economic momentum. Brent rose c. 11% over the month from $88/bbl to $98/bbl — approaching the psychologically significant $100/bbl threshold and reigniting concerns about supply-side inflationary pressures at a time when the conflict-era energy premium had not fully dissipated. Concurrently, aggregate measures of the extent to which US economic data is outperforming expectations rebounded sharply from c. 17 to c. 47, dispelling any residual softening narrative and reinforcing the case for further monetary tightening. FFTR expectations repriced strongly: from 2 full hikes plus a c. 35% probability of a third at end-August to 3 full hikes plus a c. 75% probability of a fourth by end-September — one of the most pronounced single-month hawkish repricings of the current cycle. For the GCC specifically, Brent approaching $100/bbl provides a meaningful positive for sovereign fiscal and external accounts, partially offsetting any curtailment in production and export volumes. Looking forward, the pace at which Chairman Warsh's Fed moves to implement the hikes now priced by the market will be an important variable for MENA credit performance, with a measured data-dependent approach allowing for spreads to re-anchor following September's move.

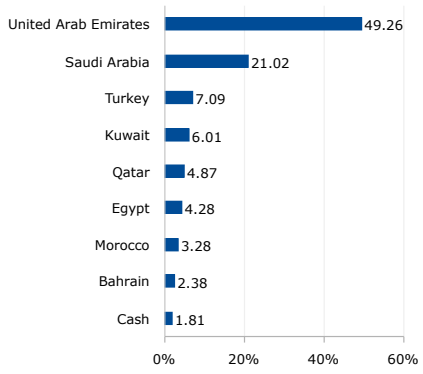
Fund Return

	MTD	YTD	1 Yr	3 Yrs	5 Yrs	SI
Class B Distribution Shares - Initial Series	-2.99%	-3.90%	-2.39%	-	-	5.14%
Class C Inst Accumulation Shares - Initial Series	-2.99%	-3.90%	-2.39%	12.93%	0.13%	22.70%
Class E Institutional Distribution Shares	-3.02%	-4.74%	-	-	-	-4.74%

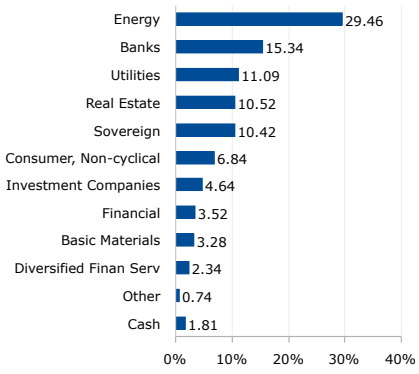
Annual Returns

	2022	2023	2024	2025	2026
Class B Distribution Shares - Initial Series			0.55%	8.81%	-3.90%
Class C Inst Accumulation Shares - Initial Series	-7.85%	5.56%	1.37%	8.93%	-3.90%
Class E Institutional Distribution Shares					-4.74%

Regional Allocation



Industry Allocation



Total Distribution per share**

	Frequency	2021	2022	2023	2024	2025	2026 (YTD)
Distribution Target		5%	5%	6.5%	6.5%	5.5%	6%
Class B Distribution Shares - Initial Series	Quarterly	-	-	-	6.05%	6.08%	4.43%
Distribution Target		-	-	-	-	-	5.5%
Class E Institutional Distribution Shares	Monthly	-	-	-	-	-	4.12%

Arqaam Capital Product Risk Rating

Low Risk — Higher Risk

Lower Reward Potential — Higher Reward Potential

1 2 3 **4** 5 6 7 8 9 10

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

Net Asset Value per share

Class B Shares	USD 90.3897
Class C Shares	USD 122.6951
Class E Shares	USD 91.8268

Top Holdings

ADNOUH 4.6 11/02/47	6.52%
ADNOCM 5 1/8 09/11/54	4.30%
GASBCM 6.129 02/23/38	3.91%
BGBKKK 2 3/4 12/15/31	3.52%
QATIQD 6 3/4 PERP	3.52%

Fund Statistics*

Average Coupon	6.57%
Average Credit Rating	BBB+
Average Maturity	11.45
Average Yield	8.17%
Modified Duration	5.71

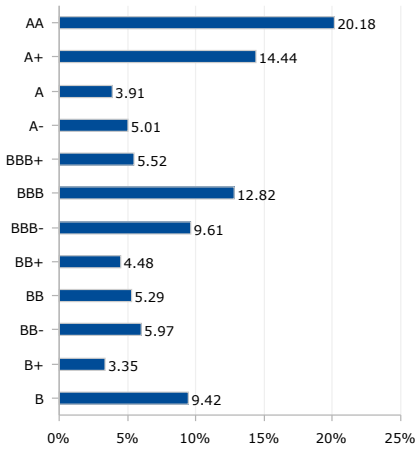
Investment Team***

CIO: Abdul Kadir Hussain, CFA

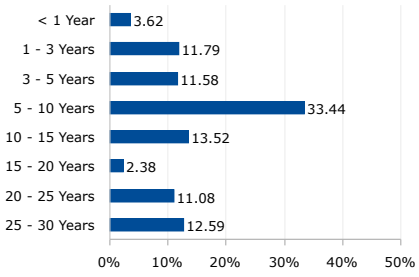
CITYWIRE A

PM: Fady Gendy, CFA

Credit Rating



Maturity Profile*



*Excluding cash except for Average Credit Rating

**The dividend returns reported are calculated based on the Average NAV/unit over the period.

***Source and Copyright: Citywire. Abdul Kadir Hussain is A rated by Citywire for his rolling three-year risk-adjusted performance across the fund he manages, as of 31 August 2026.

Note: Arqaam MENA Bond Income Fund NAV figures derived are as of 30 September 2026. All info & opinions obtained from Bloomberg, Fund Administrator and/or Fund Manager and believed to be fair and not misleading. But Arqaam does not guarantee their accuracy or completeness. Past performance not a guarantee of future returns.

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September 2026

Monthly Performance (%)

Class B Distribution Shares - Initial Series

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	0.11	1.19	-4.64	2.62	-0.65	1.41	-1.94	1.15	-2.99				**-3.90**
2025	0.45	1.49	-0.10	-0.44	-0.01	1.50	1.14	1.43	1.47	1.03	0.15	0.38	**8.81**
2024		0.04	0.92	-2.17	-0.26	-0.79	1.20	1.04	1.22	-0.63	1.06	-1.02	**0.55**

Class C Inst Accumulation Shares - Initial Series

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	0.11	1.19	-4.64	2.62	-0.65	1.41	-1.94	1.15	-2.99				**-3.90**
2025	0.47	1.51	-0.08	-0.41	0.01	1.51	1.14	1.43	1.47	1.03	0.15	0.38	**8.93**
2024	-0.86	1.68	0.93	-2.17	-0.26	-0.79	1.20	1.04	1.22	-0.63	1.08	-1.00	**1.37**
2023	3.88	-1.93	-0.44	0.46	-0.94	0.96	0.17	-0.85	-2.01	-1.82	4.79	3.44	**5.56**
2022	-2.21	-3.70	0.55	-1.82	-0.03	-4.12	0.17	2.22	-4.88	-0.35	5.56	0.94	**-7.85**
2021	0.97	0.38	-0.32	1.42	1.13	0.27	-0.59	1.46	-0.45	-0.70	-3.35	1.07	**1.20**
2020	0.84	-0.83	-18.21	3.39	4.44	5.04	1.79	3.16	0.21	1.15	3.46	2.05	**4.26**
2019	2.23	1.03	-0.16	1.11	-0.34	1.24	1.55	0.47	1.61	0.95	0.60	1.35	**12.24**
2018	0.96	-0.52	-0.46	-0.16	-1.54	-1.33	2.10	-0.80	1.49	-0.38	-0.50	0.43	**-0.78**
2017								0.40	0.51	0.86	-0.81	0.19	**1.15**

Class E Institutional Distribution Shares

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2026	0.18	1.07	-4.77	2.47	-0.72	1.24	-2.09	1.02	-3.02				**-4.74**

Fund Highlights*

Fund Type	Exempt Domestic Fund
Launch Date	August 03,2017
Domicile	Dubai International Financial Centre, Dubai
DFSA Ref	C000048A
Investment Team**	CIO: Abdul Kadir Hussain, CFA CITYWIRE A PM: Fady Gendy, CFA
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 - AEDFXA3ON013 (New Subscriptions to Class "A" Shares are subject to Fund Manager's prior approval) Class B Shares - AEDFXA3ON047 Class C Shares - AEDFXA3ON054 Class D Shares - AEDFXA3ON062 Class E Shares - AEDFXA05C070 Class F Shares - AEDFXA58C004
Bloomberg Ticker	Class A Shares - ARQAHIA UH (New Subscriptions to Class "A" Shares are subject to Fund Manager's prior approval) Class B Shares - ARQAHIB UH Class C Shares - ARQAHIC UH Class D Shares - ARQAHID UH Class E Shares - ARQAHIE UH Class F Shares - AFLMBIF UH
Subscription Fee	Class A & B Shares - Up to 5% Class C, D, E & F Shares - 0%
Minimum Subscription	Class A, B & E Shares - USD 50,000 and in multiples of USD 50,000 thereafter; Class C Shares - USD 500,000 and in multiples of USD 100,000 thereafter; Class D Shares - EUR 500,000 and in multiples of EUR100,000 thereafter. Class F Shares - AED 200,000
Management Fee	Class A Shares - 0.25% Class B & C Shares - 0.50% Class D & F Shares - 0.75% Class E Shares - 1.2%
Performance Fee	NIL
Redemption Fee	Share Class A, B, C, D and F - NIL Share Class E will follow the below fee schedule Within 12 months: 3% After 12 months but until 24 months: 2% After 24 months but until 36 months: 1%
Deferred Sales Fee	Class E Shares - 3%
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
Taxes	Applicable VAT, withholdings and/or other taxes may apply
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.*

***Source and Copyright: Citywire. Abdul Kadir Hussain is A rated by Citywire for his rolling three-year risk-adjusted performance across the fund he manages, as of 31 August 2026.*

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