

Boubyan Islamic Global Sukuk Fund

Fund Licensed by the Kuwaiti CMA (LCIS/F/DI/2019/0087)

30 September 2024



Fund Objective & Strategy

The Fund seeks to generate positive returns on the long term with a balanced risk level. The Fund aims to distribute profits, if any, on a quarterly basis upon the discretion of the Fund Manager.

The Fund's strategy is to Invest in local, GCC and global Sukuk denominated in US Dollar or any other currency as deemed fit by the Fund Manager in addition to money market funds or any other debt instrument funds which are sharia compliant and licensed by the CMA or any foreign entity as per regulatory standards and conditions similar to the ones adopted by the CMA at least, and the Fund may further invest in the equivalent of deposits in Islamic banks.



Fund Features

- Balanced risk level with returns higher than fixed-deposits
- Weekly liquidity
- Quarterly distributions (if applicable)



Fund Facts

Fund Structure	Open ended
Inception Date	11 December 2019
Currency	US Dollars (USD)
Liquidity	Weekly
Minimum Subscription	USD 5,000
Subscription fees	None
Redemption fees	None
Management fees	<ul style="list-style-type: none">0.40% p.a, if 1-month annualized return below 3%.0.60% p.a, if 1-month annualized return between 3% to 4%.0.75% p.a, if 1-month annualized return above 4%.
Fund manager	Boubyan Capital Investment Company K.S.C.C.
Fund advisor	Watani Investment Company K.S.C.C. (NBK Capital)
Distributor	Boubyan Bank K.S.C.
Custodian & Investment Controller	Kuwait Clearing Company K.S.C.
Sharia Auditor	Shura Sharia Consultancy
Auditor	Ernst & Young (Kuwait)
Domicile	State of Kuwait
Executive Committee	<ul style="list-style-type: none">Badria Hamad ALHumaidhiAbdulmohsen Samir ALGharaballiMohammad Manea ALAjmiOmar Abdulaziz AlRasheedAsok Kumar Nayer

NAV | USD 10.5411



Performance

1 Month Return	0.68%
12 Months Return	7.66%
Cumulative YTD Return	4.24%
2 Year Return	10.73%
Annualized Since Inception Return	1.62%
Cumulative Since Inception Return	7.53%
Standard Deviation	0.97%
Sharpe Ratio	0.275



Profit Distribution

Date	January 2021	January 2022
Type of distribution	Cash	Cash
Percentage	1%	1.5%



Fund's Top Five Holdings

Name	Weight
KSA 4.303 19/01/2029	10.67%
PIFKSA 6 ¼ 10/25/33	9.82%
RAKS 3.094 03/31/25	5.36%
MAFUAE 3.9325 02/28/30	5.26%
ISCODV 1.81 10/15/25	4.90%



Key Metrics

Yield to Maturity	4.77%
Coupon	4.48%
Duration	3.38
Weighted Average Credit Rating	BBB+



Fund IDs

Bloomberg	BBYIGSF KK
Morningstar	F000014RDD
Lipper	68593166

Boubyan Islamic Global Sukuk Fund

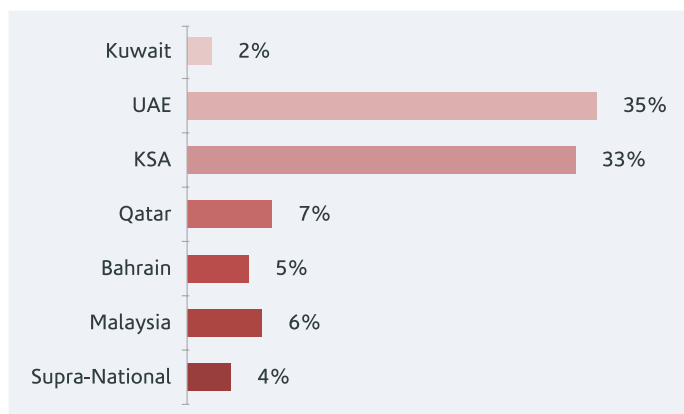
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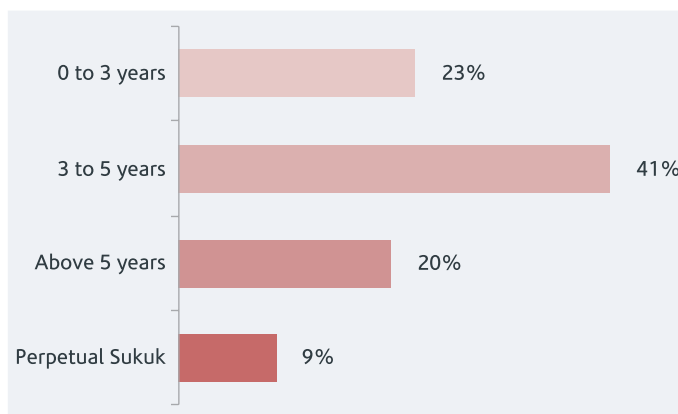
Monthly Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Return for the year
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.24	-0.24
2020	0.75	0.23	-6.31	2.26	2.43	1.53	1.92	0.97	-0.10	0.47	1.11	0.79	5.91
2021	0.31	-0.17	-0.82	0.77	0.49	0.32	0.23	0.36	-0.04	-0.39	-0.24	0.26	1.07
2022	-1.18	-0.96	-2.08	-1.19	-0.28	-1.54	0.67	0.97	-2.60	-2.03	2.18	0.08	-7.35
2023	1.89	-0.96	1.07	0.70	-0.25	-0.40	0.23	0.02	-0.61	-0.46	2.03	1.87	4.94
2024	-0.02	-0.06	0.67	-1.01	1.10	0.31	1.28	1.22	0.68				4.24

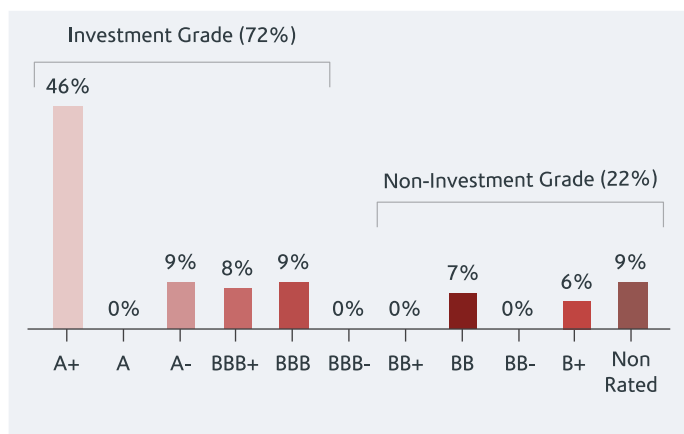
Geographic Weights



Maturity Profile



Credit Rating



USD 5,000 Invested Since Inception



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30 September 2024



Islamic Global Sukuk Fund Commentary

GCC

In September, the global sukuk market performed positively as U.S. treasury yields decreased. During the month, the drop in yields was driven by macroeconomic data released and commentary from FOMC members.

Primary market activity picked up during September with a total of USD 15 Billion issued across 28 deals. In Saudi Arabia, Aramco issued a dual-tranche sukuk for 5 and 10 years for a total size of USD 3 billion and profit rates of 4.xx and 4.78% respectively. PIF raised USD 500 million for 5 years at a yield of 5.4% and another USD 1.5 billion through a 3-year sukuk at a profit rate of 4.48%. In the U.A.E., ADQ combined to issue USD 2 billion for 7 and 30 years at yields of 4.48% and 5.33% respectively. ADNOC came to the market with a triple tranche issuance totaling USD 5 billion for 5, 10 and 30 years. In the subordinated financials space, ADCB issued a 500 million 10-year Tier 2 bond at a yield of 5.36% and the National Bank of Ras AlKhaimah came to the market with a similar USD 250 million issuance at 5.87%. Bank of Sharjah issued a 5-year senior secured bond at 5.47% and managed to partially tender their 2024 maturity. QIB in Qatar priced a similar deal for a USD 750 million sukuk maturing in 2029 at a profit rate of 4.48. In the perpetual space, Al Ahli Bank in Kuwait raised USD 300 million at 6.5% while QIIB issued a sukuk perp at 5.45%.

5-Year sovereign CDS spreads in the GCC ended the month broadly unchanged on the investment grade side except for KSA spreads that widened by 7 basis points. The investment grade universe in the GCC now includes Oman following the latest upgrade by S&P from BB+ to BBB-. On the high yield side, the CDS spreads of Bahrain widened by around 16 basis points.

The S&P MENA Sukuk Index increased by 1.22% during the month, underperforming global conventional investment grade peers due to its shorter duration.

Asia

Outside the GCC, the USD Sukuk markets in Malaysia outperformed the region. During September, the CDS spread in both Indonesia and Malaysia remained unchanged.

U.S. Rates

The benchmark 10-year U.S. Treasury yield closed the month at 3.78% down by 12 basis points from the previous period.

The soft-landing narrative for the U.S. economy remained broadly intact as seen by September's macroeconomic data released. Headline inflation came in line with expectations with 0.2% MoM and 2.5% YoY. Similarly on the producers' side, PPI prints were generally in line with forecasts recording 0.2% and 1.7% for MoM and YoY respectively. Economic activity data improved slightly from their previous prints recording 47.2 on the ISM Manufacturing Index and 51.5 on its services counterpart. On the consumers' side, retail sales delivered a positive surprise with a +0.1% MoM increase compared to an expected -0.2% decrease. Finally on the labor front, the economy added 142,000 jobs, falling short of market expectations with the unemployment rate ticking lower to 4.2%.

On the monetary front, the Federal Reserve delivered a more aggressive rate cut of 50 basis points, taking the policy rate to 4.75% - 5.00%. The committee hinted that "risks to achieving its employment and inflation goals are roughly in balance". The release of September's updated Summary of Economic Projections guided to a further 50 basis points decrease by the end of the year. By the end of the month, market participants were pricing in around 2-3 rate cuts for the year.

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