

# Boubyan Islamic Global Sukuk Fund

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

31 January 2025



## 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"><li>0.40% p.a, if 1-month annualized return below 3%.</li><li>0.60% p.a, if 1-month annualized return between 3% to 4%.</li><li>0.75% p.a, if 1-month annualized return above 4%.</li></ul>
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"><li>Badria Hamad ALHumaidhi</li><li>Abdulmohsen Samir ALGharaballi</li><li>Mohammad Manea ALAjmi</li><li>Omar Abdulaziz AlRasheed</li><li>Asok Kumar Nayer</li></ul>

NAV | USD 10.4564



## Performance

1 Month Return	0.37%
12 Months Return	3.42%
Cumulative YTD Return	0.37%
2 Year Return	6.49%
Annualized Since Inception Return	1.35%
Cumulative Since Inception Return	7.06%
Standard Deviation	0.94%



## 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 01/19/2029	10.46%
PIFKSA 6 ¼ 10/25/33	9.48%
KSA 2 ¼ 05/17/31	5.60%
ISCODV 1.81 10/15/25	5.03%
ADIBUH 5.695 11/15/28	4.72%



## Key Metrics

Yield to Maturity	5.47%
Coupon	4.58%
Duration	3.39
Weighted Average Credit Rating	BBB+



## Fund IDs

Bloomberg	BBYIGSF KK
Morningstar	F000014RDD
Lipper	68593166

# Boubyan Islamic Global Sukuk Fund

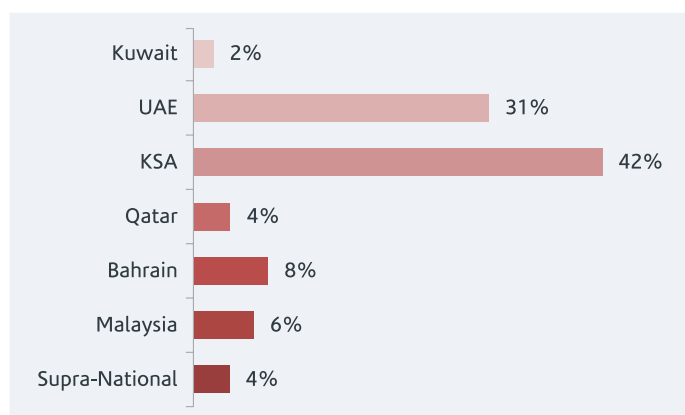
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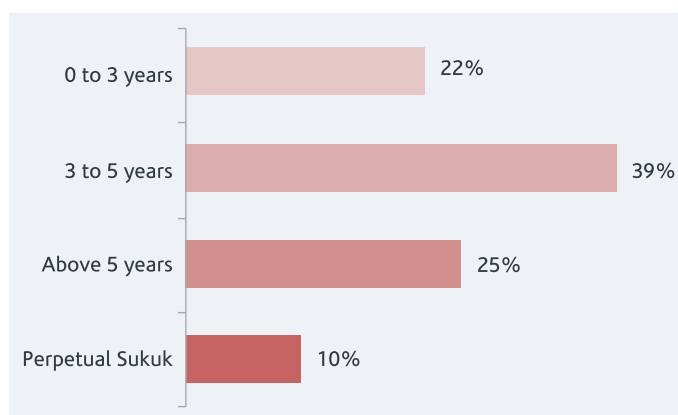
## Monthly Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Return for the year
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	-1.13	0.51	-0.55	3.03
2025	0.37												0.37

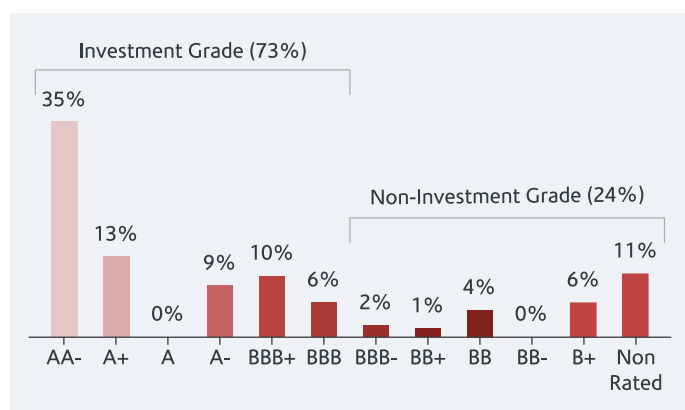
## Geographic Weights



## Maturity Profile



## Credit Rating



## USD 5,000 Invested Since Inception



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31 January 2025



## Islamic Global Sukuk Fund Commentary

### GCC

In January, the global sukuk market's performance was positive as U.S. treasury yields decreased.

The MENA primary market activity picked up to start the year raising USD 26.6 billion across 31 deals with the majority coming from Saudi. The Kingdom came to the market with a triple tranche issuance totaling USD 12 billion for 3-, 5- and 10-years at a yield of 5.625% for the longest tenor. Similarly, PIF issued a total of USD 4 billion for 5 and 10 years at a yield of 5.39% and 5.71% respectively. On the financials side, KFH, BSF and FAB issued benchmark sized 5-year sukuk at profit rates of 5.37%, 5.45% and 5.15% respectively while AlRajhi issued a perpetual sukuk at a rate of 6.25% with an option to call in 5 years. In Bahrain, Oil&Gas raised USD 1 billion via a 10-year sukuk at a rate of 6.25% following a partial tender of its conventional 2027 bond. Aldar issued a USD 1 billion 30-year subordinated bond at a yield of 6.625% and an option to call in 7.5 years. Finally, the Government of Egypt returned to the market and raised USD 2 Billion across 2 deals at yields of 8.625% for 5 years and 9.45% for 8 years.

5-Year sovereign CDS spreads remained mostly unchanged during January across both the GCC investment grade while the equivalent spread of Bahrain tightened by 12 basis points on the high yield side.

The S&P MENA Sukuk Index increased by 0.43% during the month, underperforming global conventional investment grade peers on a relative basis.

### Asia

Outside the GCC, the USD Sukuk markets in Indonesia and Malaysia outperformed the GCC. During the month, the CDS spread of both Indonesia and Malaysia were broadly unchanged.

### U.S. Rates

The benchmark 10-year U.S. Treasury yield closed the month at 4.54% down by 3 basis points from the previous period after reaching an intra-month high of 4.79%.

Macroeconomic data released during the month was generally in line with recent trends. Headline CPI printed 0.4% MoM and 2.9% YoY, both in line with market expectations. On the producers' side, PPI delivered a positive surprise with figures of 0.2% and 3.3% for MoM and YoY respectively. Resilient economic activity was supported by the data as ISM Manufacturing recorded 49.3, above expectations, and its services counterpart came in at 54.1 remaining in expansionary territory. Retail sales dipped MoM to 0.4%, coming short of consensus expectations. January delivered to Advance print for Q4 2024 GDP which recorded 2.3% vs. 2.6% expectation. A bright spot is the personal consumption component which stood at 4.2% compared to 3.2% expectation. Finally on the labor market, the U.S. economy added 256,000 jobs – another strong figure surpassing expectations. The unemployment rate dropped to 4.1%.

On the monetary front, the Fed kept rates unchanged in their January meeting, in line with market expectations. The post-meeting statement acknowledged the resilience in the labor market stating that "labor market conditions remain solid" and hinted at the committee's inflationary concerns as "Inflation remains somewhat elevated". Market participants remain aligned with the committee's expectations of two rate cuts for 2025.

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