

Boubyan Islamic Global Sukuk Fund

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

31 May 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 10.1801



Performance

1 Month Return	1.10%
12 Months Return	3.11%
Cumulative YTD Return	0.67%
2 Year Return	3.60%
Annualized Since Inception Return	0.95%
Cumulative Since Inception Return	4.30%
Standard Deviation	1.09%
Sharpe Ratio	2.426



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	10.54%
PIFKSA 6 ¼ 10/25/33	9.49%
DIBUH 2.95 02/20/25	5.64%
RAKS 3.094 03/31/25	5.39%
MAFUAE 3.9325 02/28/30	5.11%



Key Metrics

Yield to Maturity	5.83%
Coupon	4.12%
Duration	3.16
Weighted Average Credit Rating	BBB+



Fund IDs

Bloomberg	BBYIGSF KK
Morningstar	F000014RDD
Lipper	68593166

Boubyan Islamic Global Sukuk Fund

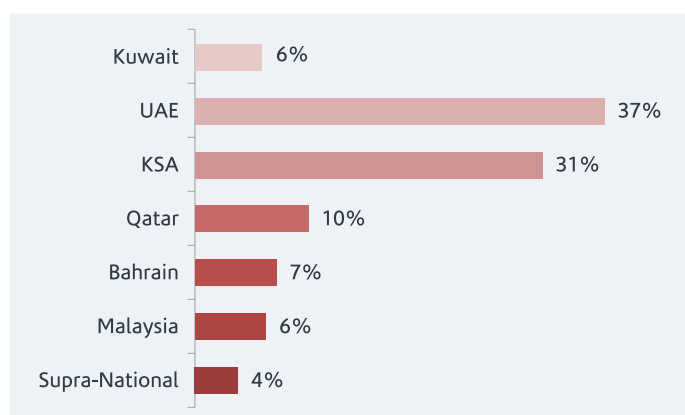
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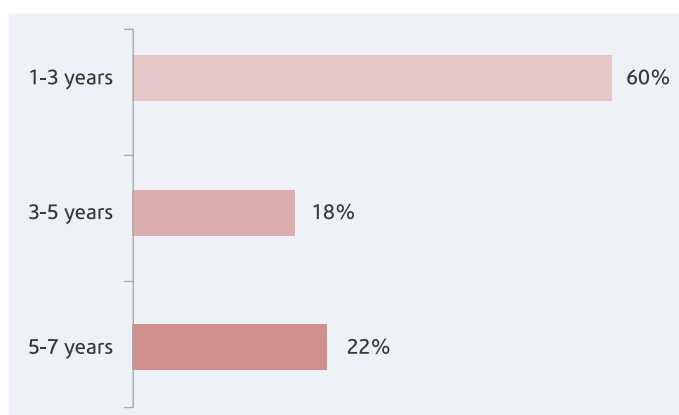
Monthly Performance (%)

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								0.67

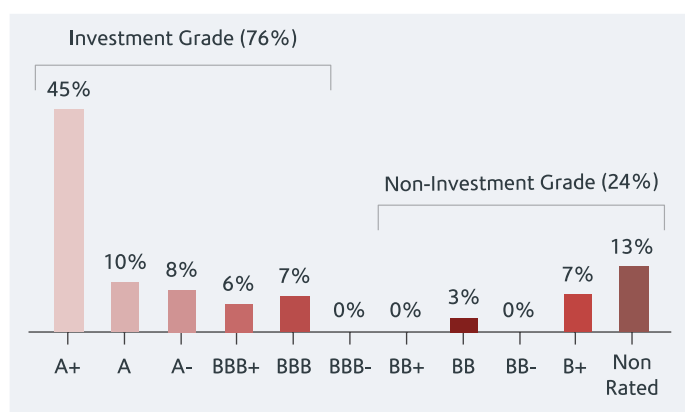
Geographic Weights



Maturity Profile



Credit Rating



USD 5,000 Invested Since Inception



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31 May 2024



Islamic Global Sukuk Fund Commentary

GCC

In May, 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.

The MENA primary market recorded an issuance volume of USD 15.3 Billion across 28 deals. On the sovereign side, Qatar government came to the market and priced USD 2.5 Billion for 5- and 10-year tenors at yields of 4.74% and 4.82% respectively. Similarly, KSA government issued a triple tranche sukuk for a combined size of USD 5 Billion for 3-, 6- and 10-year tenors at profit rates ranging between 5.35% and 5.40%. Financial issuances were quite active as well with NBK, GIB and BBK all issuing USD 500 Million 5 to 6 year conventional bonds while Emirates Islamic Bank raised USD 750 Million in Sukuk. Mubadala issued USD 750 Million for a tenor of 10 years at a yield of 5.29%. Similarly, Aldar priced USD 500 Million sukuk for a matching tenor at a profit rate of 5.58%. Finally, AlRajhi raised USD 1 Billion in a perpetual sukuk offering at a yield of 6.375%.

5-Year sovereign CDS spreads in the GCC ended the month broadly unchanged on the investment grade side, while the equivalent spreads on the high yield side for Oman and Bahrain tightened by 8 and 15 basis points respectively.

The S&P MENA Sukuk Index increased by 1.02% during the month, underperforming global conventional investment grade peers due to its shorter duration.

Asia

Outside the GCC, the USD Sukuk markets in Indonesia and Malaysia outperformed due to their longer average duration. During May, the CDS spread of both Indonesia and Malaysia remained broadly unchanged as well.

U.S. Rates

The benchmark 10-year U.S. Treasury yield closed the month at 4.50% down by 18 basis points from the previous period.

Macroeconomic data released during the month was broadly softer with the continued focus on the stickier inflation narrative. Headline CPI rose by 0.3% MoM and 3.4% YoY with no major deviations from consensus expectations. On the other hand, headline PPI delivered a negative surprise MoM with a print of 0.5% but was in line with the YoY figure at 2.2%. U.S. GDP's revised figures came in weaker as well with 1.3% QoQ, in line with expectations. Economic activity showed weakness collectively for this month with both the ISM Manufacturing and Services indices falling below the 50 mark at 49.2 and 49.4 respectively. On the consumer side, retail sales were flat MoM. Finally, on the labor front, the U.S. economy added 175,000 jobs coming in below expectations, and the unemployment rate ticked up to 3.9%.

On the monetary front, the Federal Reserve kept the policy rate unchanged at 5.25% - 5.50% in line with market expectations. The statement indicated that data remains key for the Fed as "... the committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%." The message has been a staple for the Fed for their meetings this year. By the end of the month, Fed Funds futures were pricing in than 2 rate cuts for the remainder of the year.

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