

# Islamic Global Sukuk Fund

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

30 August 2021



## 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	Legitimate Audit House Company
Auditor	Ernst & Young (Kuwait)
Domicile	State of Kuwait

Net Asset Value | USD 10.6225

## Performance

Month to Date (26/7/2021 to 30/8/2021)	0.36%
12 Months Return (31/8/2020 to 30/8/2021)	3.81%
Cumulative YTD Return	1.48%
Annualized Since Inception Return	4.14%
Cumulative Since Inception Return	7.23%
Standard Deviation	4.66%
Sharpe Ratio	0.045

## Profit Distribution

Date	January 2021
Type of distribution	Cash
Percentage	1%

## Fund's Top Five Holdings

Name	Weight
KSA 4.303 19/01/2029	11.78%
INDOIS 2.8 06/23/30	4.79%
MAFUAE 3.9325 02/28/30	4.68%
STCAB 3.89 05/13/29	4.59%
RAKS 3.094 03/31/25	4.58%

## Key Metrics

Yield to Maturity	2.32%
Coupon	3.71%
Duration	5.18
Weighted Average Credit Rating	BBB+

## Fund IDs

Bloomberg	BBYIGSF KK
Morningstar	F000014RDD
Lipper	68593166

## Executive Committee

- Badria Hamad Al Humaidhi
- Asok Kumar Ayinikkal
- Ali Habeeb Atesh
- Mohammad Mane Alajmi

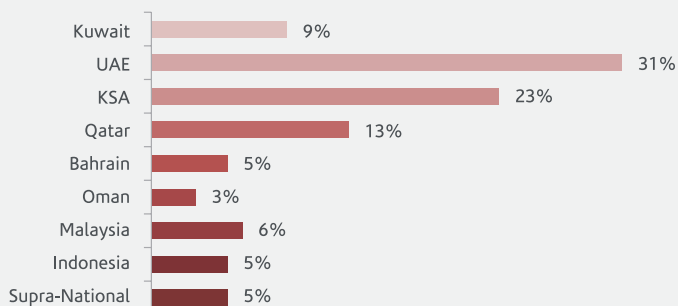
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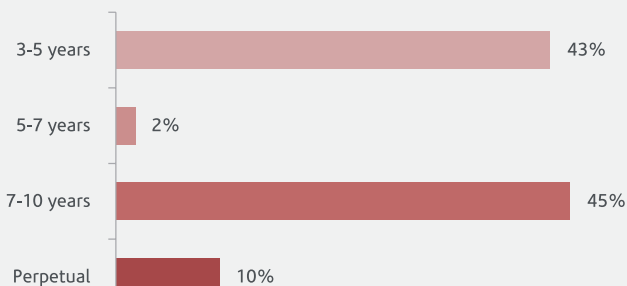
30 August 2021



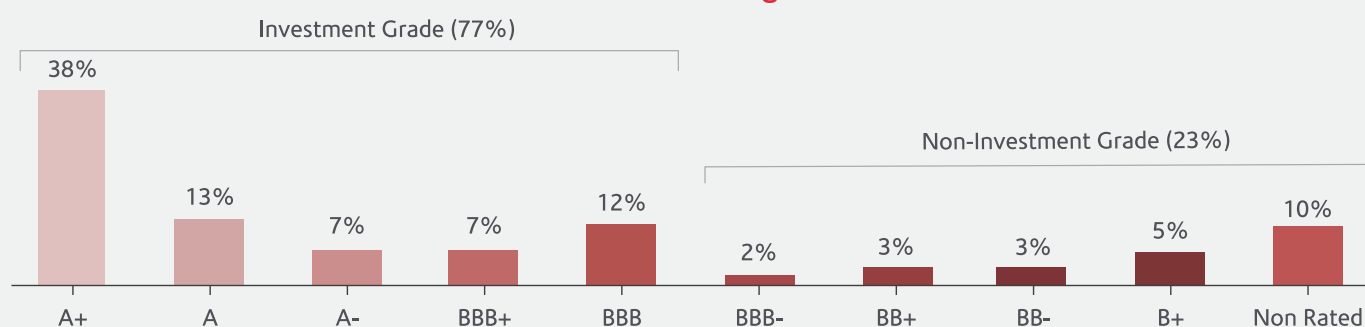
## Geographic Weights



## Maturity Profile



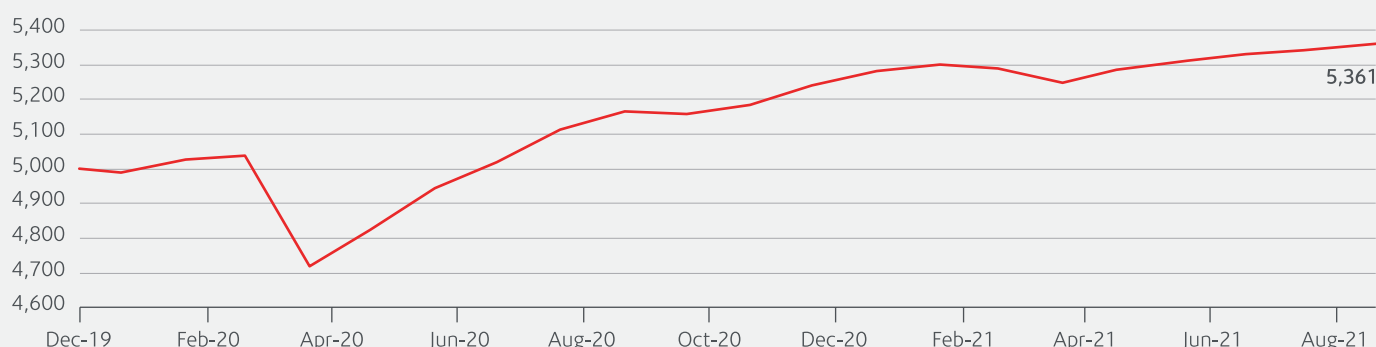
## Credit Rating



## 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%					1.48%

## USD 5,000 Invested Since Inception



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**Towards perfection**

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## Islamic Global Sukuk Fund Commentary

### GCC

Activity in the regional primary market came to a halt in August with no transaction in the USD sukuk market.

The USD sukuk markets in the KSA closed up 0.24% in August, outperforming the rest of the region. The equivalent market in Kuwait, UAE, and Qatar closed up 0.12%, 0.17% and 0.15%, respectively. On the high yield side, Oman and Bahrain USD sukuk markets were up 0.52% and 0.58%, respectively.

The 5-year sovereign CDS of investment and sub-investment grade GCC countries declined marginally between 1 to 6 bps during the month.

The S&P MENA Bond & Sukuk Index closed up by 0.16% in August.

### Asia

Outside the GCC, the Indonesian USD sukuk market outperformed global peers and closed up 0.40% in August. The Malaysian USD Sukuk market was marginally down -0.02% during the same period.

### US Rates

The benchmark 10-year treasury yield closed the month of August up 9 bps at 1.31%, reversing a downtrend that started in March this year. An improving macroeconomic backdrop prompted market participants to anticipate a hawkish tone at the next Fed meeting, putting upward pressure on rates.

At the annual Jackson Hole symposium, Federal Reserve Chair Jerome Powell delivered a balanced speech in which he confirmed the consensus around starting tapering this year – set to start around November - while at the same time showing that the Fed is in no rush to do so. Chair Powell also emphasized the distinction between tapering and liftoff, and managed to avoid a much-feared “taper tantrum”.

On the economic data front, ISM non-manufacturing PMI came in at 61.2, slightly below consensus expectations of 62.0. Non-farm payrolls surprised positively to the upside at 943K, comfortably beating expectations of 870K in terms of job creation. Additionally, the unemployment rate fell to 5.40%, down 0.50PP from the previous reading, indicating a stronger job market

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