

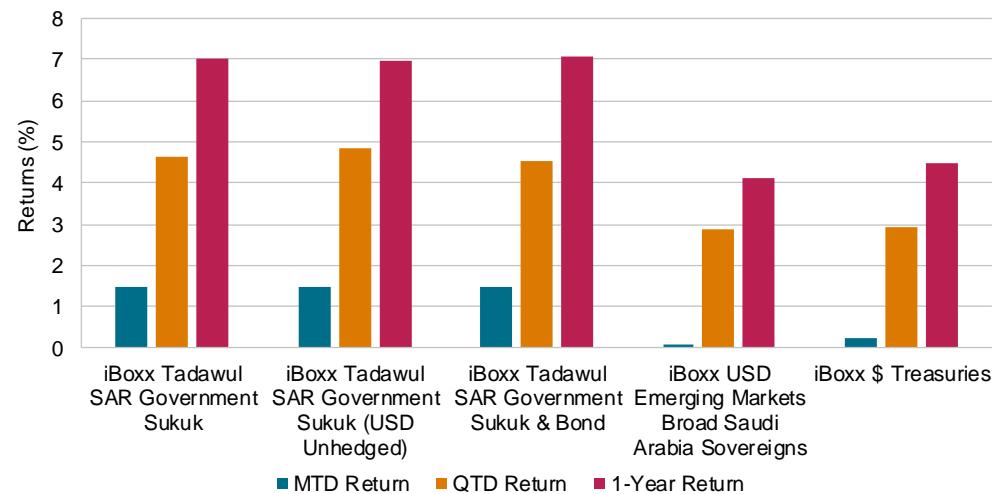
iBoxx Tadawul SAR Government Sukuk Indices – Q1 2025

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Featuring iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns

Exhibit 1: Comparison of iBoxx Tadawul SAR Government Sukuk Index Returns against Other Indices



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. The iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns was launched June 15, 2024. The iBoxx Tadawul SAR Government Sukuk (USD Unhedged) was launched Feb. 27, 2025. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

In Q1 2025, the iBoxx Tadawul SAR Government Sukuk Index recorded three consecutive months of gains and concluded the quarter up 4.66%. Since the Saudi riyal is pegged to the U.S. dollar, the local currency and USD unhedged versions of the iBoxx Tadawul SAR Government Sukuk Index exhibited similar performance due to only negligible currency fluctuations.

SAR-denominated bonds make up less than 2% of the iBoxx Tadawul SAR Government Sukuk & Bond Index, resulting in minimal deviations in performance when compared to the sukuk-only index.

The Kingdom of Saudi Arabia diversifies its debt portfolio between domestic and international financing, with USD-denominated debt being the primary source of international issuances. The iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns Index tracks the performance of USD-denominated government sukuk and bonds.

The performance of USD-denominated securities resembles that of U.S. Treasuries more closely than other indices shown in Exhibit 1. This similarity stems from the USD-denominated debt interest rate curve reflecting the prevailing U.S. Treasuries interest curve with a credit spread compensating for the additional risk associated with the Saudi Government compared to the U.S. government, which is the issuer of the U.S. dollar.

Exhibit 2a: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index and Other Indices

Key Analytics	iBoxx Tadawul SAR Government Sukuk Index	Change since Q4 2024	iBoxx Tadawul SAR Government Sukuk and Bond Index	Change since Q4 2024	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q4 2024
Annual Yield (%)	5.16	-0.53	5.16	-0.53	5.58	-0.25
Coupon (%)	3.63	0.06	3.63	0.04	4.39	0.11
Duration (Years)	6.48	0.02	6.31	-0.04	6.64	-0.35
Expected Remaining Life (Years)	8.29	-0.12	8.07	-0.19	11.23	-0.85
Average Rating	A		A		A	
Currency	SAR		SAR		USD	
Debt Type	Domestic Sovereign Sukuk		Domestic Sovereign Sukuk and Bonds		USD Sovereign Sukuk and Bonds	
Minimum Amount Outstanding	SAR 100 million		SAR 100 million		USD 250 million	

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Table is provided for illustrative purposes.

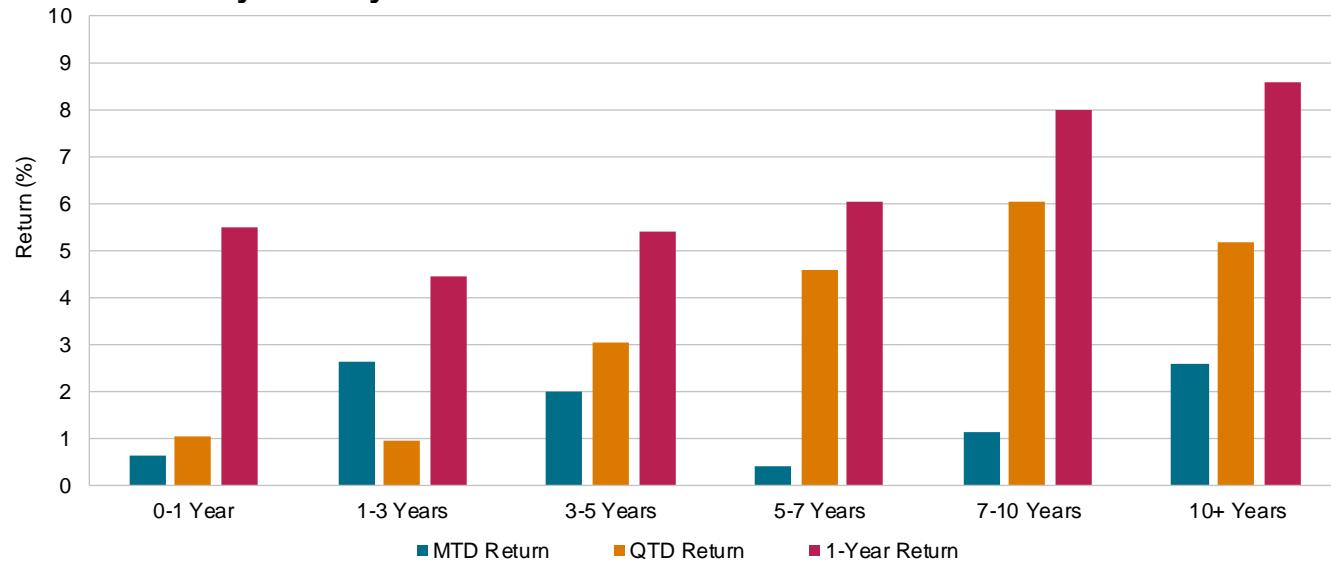
Exhibit 2b: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index and Other Indices Post Rebalancing

Key Analytics	iBoxx Tadawul SAR Government Sukuk Index	Change since Q4 2024	iBoxx Tadawul SAR Government Sukuk and Bond Index	Change since Q4 2024	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q4 2024
Rebalancing Frequency	Quarterly	-	Monthly	-	Monthly	-
Number of Instruments	49	-2.00	56	-2.00	38	3.00
Notional Amount (SAR Billions)	577.76	4.24	589.31	4.24	-	-
Notional Amount (USD Billions)	154.02	1.39	157.10	1.39	118.54	12.00

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Index performance based on total return in currency of the indices. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Diving into index analytics in Exhibit 2, the annual yield of the SAR-denominated indices reduced by 53 bps to 5.16% while the USD-denominated debt yield only decreased by less than half of the SAR-denominated debt (down 25 bps). Duration for SAR-denominated indices remained largely unchanged while the USD-denominated debt duration shortened by 0.35 years. Post rebalancing, the number of iBoxx Tadawul SAR Government Sukuk Index constituents fell from 51 to 49, after two sukuk with notional amounts of approximately SAR 7.00 billion and SAR 3.78 billion matured. Saudi Arabia did not issue any new SAR-denominated sukuk in Q1, choosing instead to tap existing issuances. However, they did issue new USD-denominated debt totaling USD 12 billion through three bond offerings during the same period.

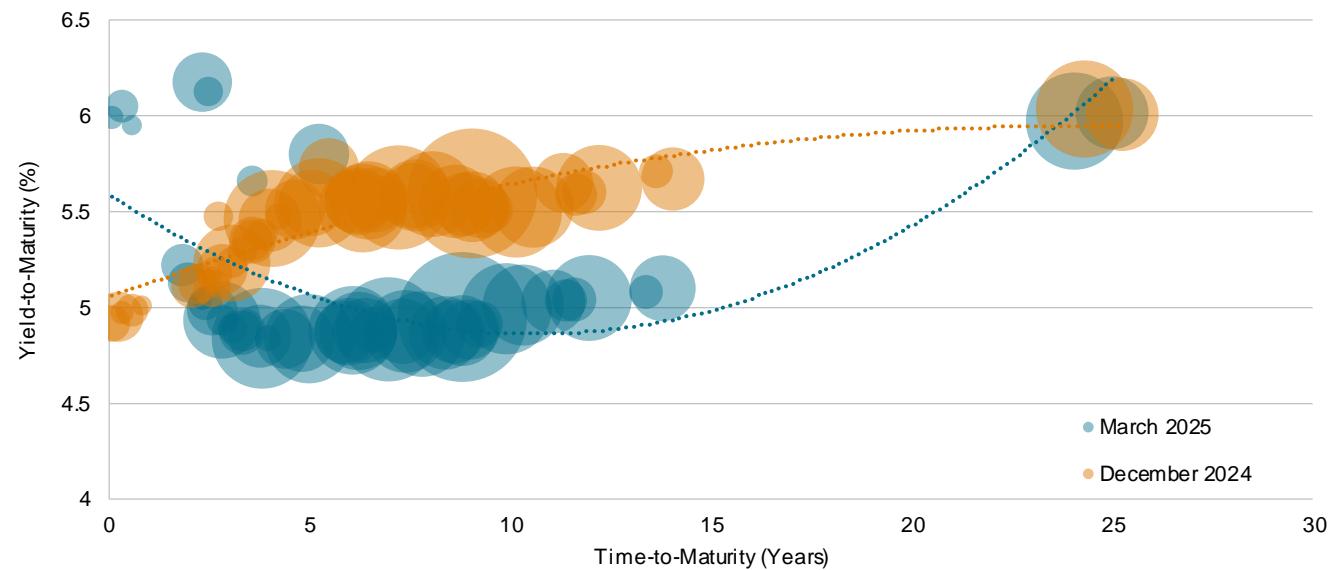
Exhibit 3: iBoxx Tadawul SAR Government Sukuk Index Monthly, Quarterly and One-Year Returns by Maturity



Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Among the various maturity buckets shown in Exhibit 3, the short-end (1-3 years) and the long-end (10+ years) sukuk performed the best in March (up 2.63% and 2.60%, respectively). In Q1, the sukuk with the longest remaining time-to-maturity (7-10 years and 10+ years) performed the best (up 6.04% and 5.16%, respectively). This trend was also evident in the one-year returns, with both maturity buckets providing more than 8% in gains, particularly after the yield curve shifted downward following the three repo rate cuts from the Saudi Central Bank in 2024.

Exhibit 4: Yield Curve of the iBoxx Tadawul SAR Government Sukuk Index

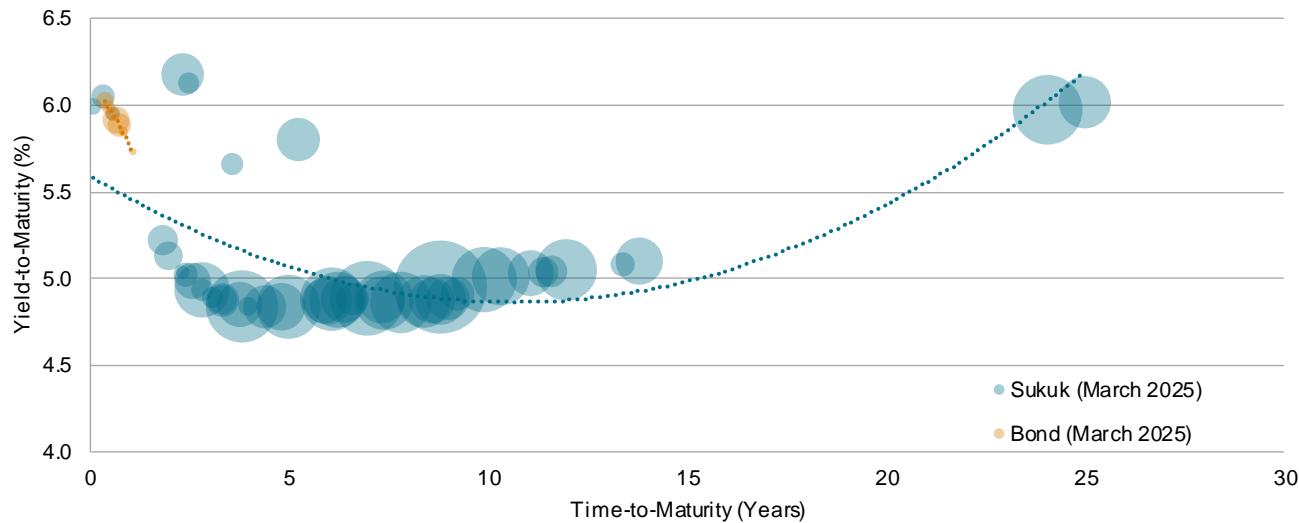


(Bubble Scale = Notional Amount Outstanding in SAR)

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Influenced by the global bond market moves, the yield curve shifted downward and returned to the range observed at the end of Q3 2024 (see Exhibit 4). The medium-dated segment (5-10 years) of the curve concaved upward as the yields of these sukuk fell by approximately 67 bps, while the shorter-dated (0-5 years) and longer-dated (10+ years) sukuk experienced a smaller reduction in yield (38 bps each). Despite the Saudi Central Bank maintaining its repo rate at 5%, the ultrashort-dated sukuk yields climbed back to the 6% region, leading to an inversion of the yield curve once again.

Exhibit 5: Bond versus Sukuk Yields in the iBoxx Tadawul SAR Government Sukuk and Bond Index



(Bubble Scale = Notional Amount Outstanding in SAR)

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

The time-to-maturity range of the bonds in the index was notably shorter (0 to 2 years) compared to the sukuk in the index (0 to 25 years). With a total notional amount of SAR 11.55 billion and a shorter time-to-maturity, the yield on SAR government bonds bounced back to the 6% region in line with the ultra-short sukuk, while the other short- to medium-dated SAR government sukuk yields dropped from the 5.5% region to the 5.0% region. The long-dated SAR government sukuk yields remained unchanged at approximately 6%.

Performance Disclosure/Back-Tested Data

The iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns was launched June 15, 2024. The iBoxx Tadawul SAR Government Sukuk (USD Unhedged) was launched February 27, 2025. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

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