

iBoxx Tadawul SAR Government Sukuk Indices – Q3 2025

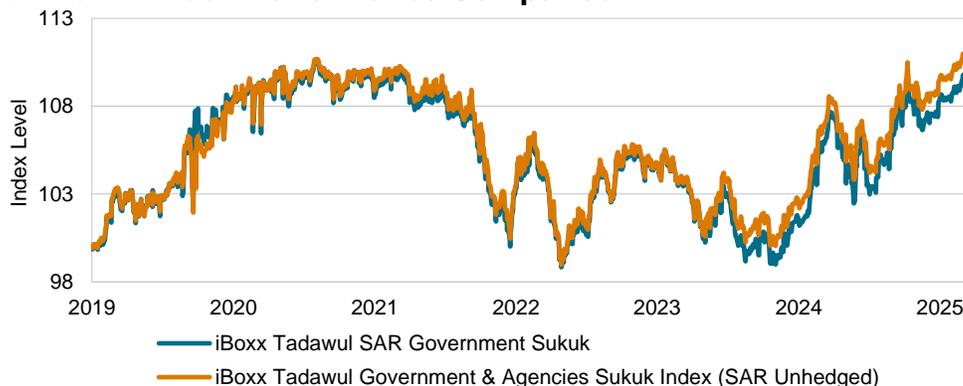
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Featuring the iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)

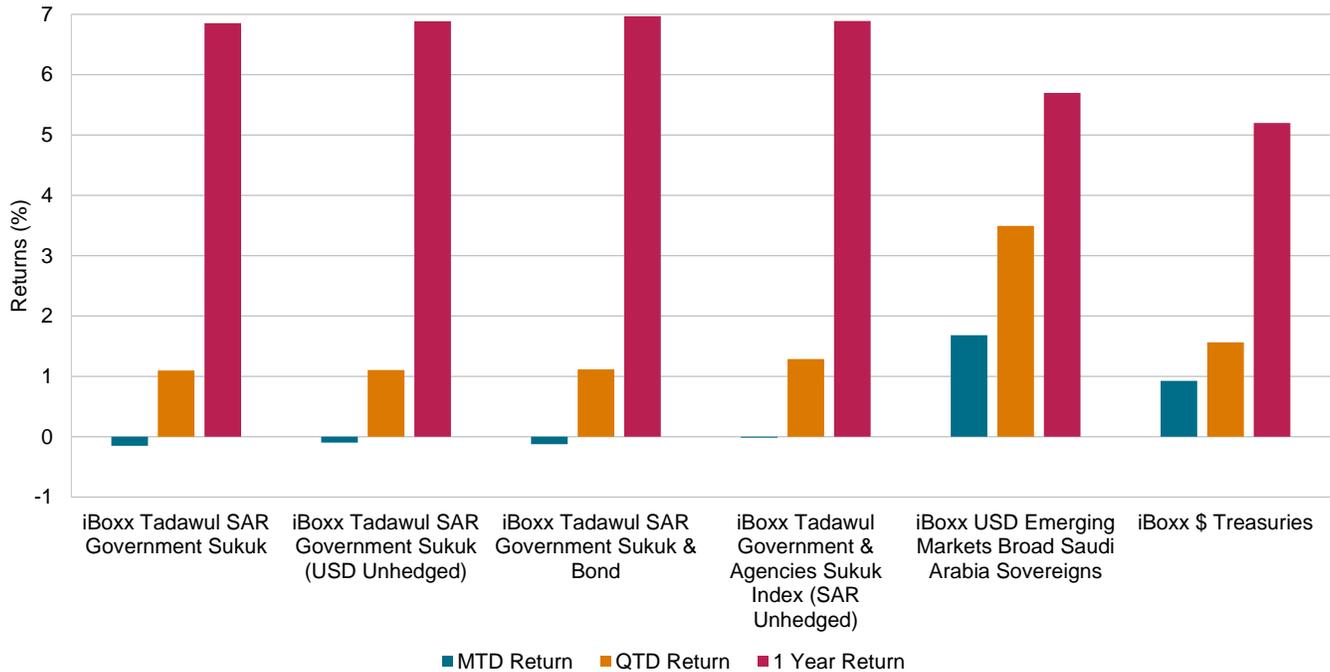
The iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged) was launched on May 6, 2025, and it measures the performance of SAR-denominated government sukuk and USD-denominated government and agencies sukuk. The index reflects Shariah-compliant fixed income securities issued by government and agency issuers domestically and internationally. Notably, as of Sept. 30, 2025, approximately 80% of the index weight comprised of SAR sukuk, with the remainder being USD sukuk. This composition allows the index to closely align with the performance characteristics of the iBoxx Tadawul SAR Government Sukuk Index, while also benefiting from diversification through its USD components.

Exhibit 1: Index Performance Comparison



Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 2025. The iBoxx Tadawul Government & Agencies Sukuk Index was launched May 6, 2025, with the base index level of 100 starting from June 30, 2019. 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.

Exhibit 2: Comparison of iBoxx Tadawul SAR Government Sukuk Index Returns against Other Indices



Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 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. The iBoxx Tadawul Government & Agencies Sukuk Index was launched May 6, 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 Q3 2025, the Saudi Central Bank lowered their repo rate by 25 bps to 4.75%. In the same quarter, the iBoxx Tadawul SAR Government Sukuk Index posted a gain of 1.10%. 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.

As of Sept. 30, 2025, SAR-denominated bonds made up less than 2% of the iBoxx Tadawul SAR Government Sukuk & Bond Index, resulting in a small difference in overall index performance.

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. USD-denominated bonds and sukuk from Saudi Arabia are tracked by the iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns Index.

The performance of USD-denominated securities resembled that of U.S. Treasuries compared to other indices shown in Exhibit 2. This similarity stems from the USD-denominated debt interest rate curve reflecting the prevailing U.S. Treasuries interest curve.

Exhibit 3a: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index and Other Indices

Key Analytics	iBoxx Tadawul SAR Government Sukuk Index	Change since Q2 2025	iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)	Change since Q2 2025	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q2 2025
Annual Yield (%)	5.32	0.03	5.22	0.00	5.21	-0.31
Coupon (%)	3.76	0.11	3.88	0.09	4.41	0.00
Duration (Years)	6.26	0.05	5.83	0.02	6.74	0.02
Expected Remaining Life (Years)	8.00	0.01	7.40	-0.01	11.15	-0.25
Average Rating	A	-	A	-	A	-
Currency	SAR	-	SAR & USD	-	USD	-
Debt Type	Domestic Sovereign Sukuk	-	SAR Sovereign Sukuk USD Sovereigns & Agencies Sukuk	-	USD Sovereign Sukuk and Bonds	-
Minimum Amount Outstanding	SAR 100 million	-	SAR 100 million USD 250 million	-	USD 250 million	-

Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 2025. Table is provided for illustrative purposes.

Exhibit 3b: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index and Other Indices Post Rebalancing

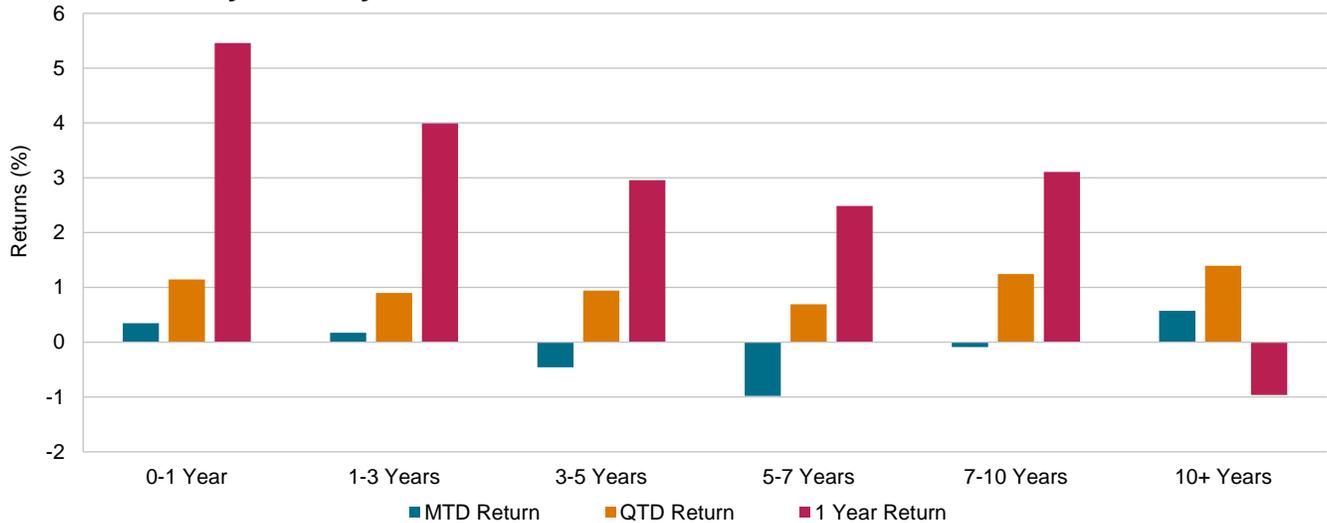
Key Analytics	iBoxx Tadawul SAR Government Sukuk Index	Change since Q2 2025	iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)	Change since Q2 2025	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q2 2025
Rebalancing Frequency	Quarterly	-	Quarterly	-	Monthly	-
Number of Instruments	47	-1	64	1	39	2
Notional Amount (SAR Billions)	615.01	-0.34	758.45	20.29	-	-
Notional Amount (USD Billions)	163.99	-0.09	202.24	5.41	119.79	5.50

Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 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.

Post rebalance on Sept. 30, 2025, the annual yield of the SAR-denominated indices rose by 3 bps to 5.32% while the USD-denominated debt yield fell by 31 bps to 5.21%. Duration for SAR-denominated and USD-denominated indices both lengthened as well. The number of iBoxx Tadawul SAR Government Sukuk Index constituents fell from 48 to 47 after 1 sakk with a notional of approximately SAR 3 billion matured.

In Q3, Saudi Arabia did not issue any new SAR-denominated sukuk, choosing instead to tap existing issuances. Two new USD-denominated debts with notional of approximately USD 20.6 billion were issued during the same period.

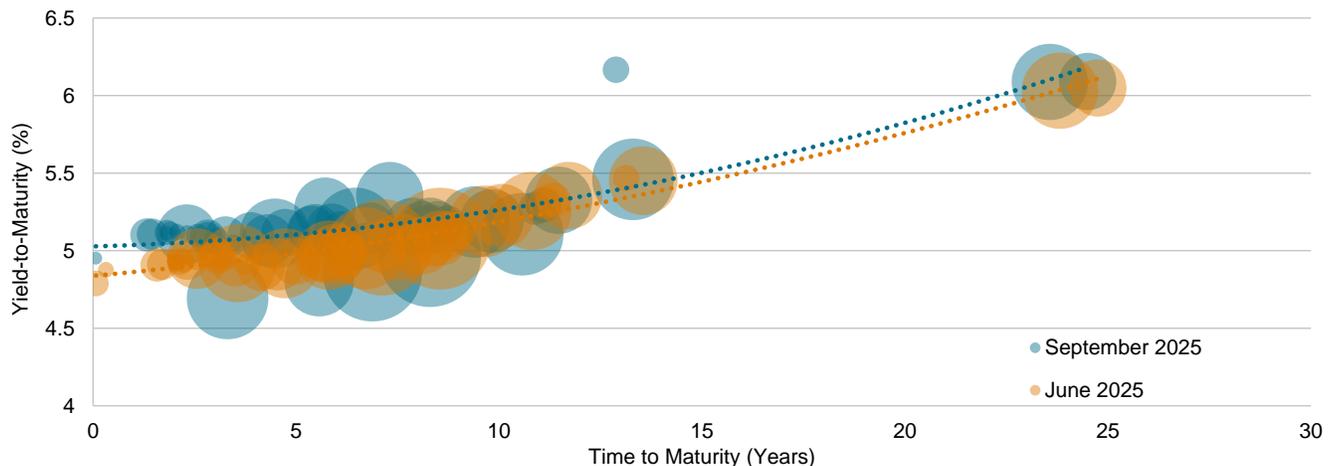
Exhibit 4: iBoxx Tadawul SAR Government Sukuk Index Monthly, Quarterly and One-Year Returns by Maturity



Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Among the various maturity buckets shown in Exhibit 4, the intermediate term (5-7 years) sukuk performed the worst in Q3 2025 (down 0.69%). In Q3, the sukuk with the longest remaining time-to-maturity (7-10 years and 10+ years) performed the best (up 1.25% and up 1.39%, respectively). In terms of the one-year returns, all maturity buckets posted more than 2% in gains except for the 10+ year sleeve, which was down 0.96%.

Exhibit 5: Yield Curve of the iBoxx Tadawul SAR Government Sukuk Index



(Bubble Scale = Notional Amount Outstanding in SAR)

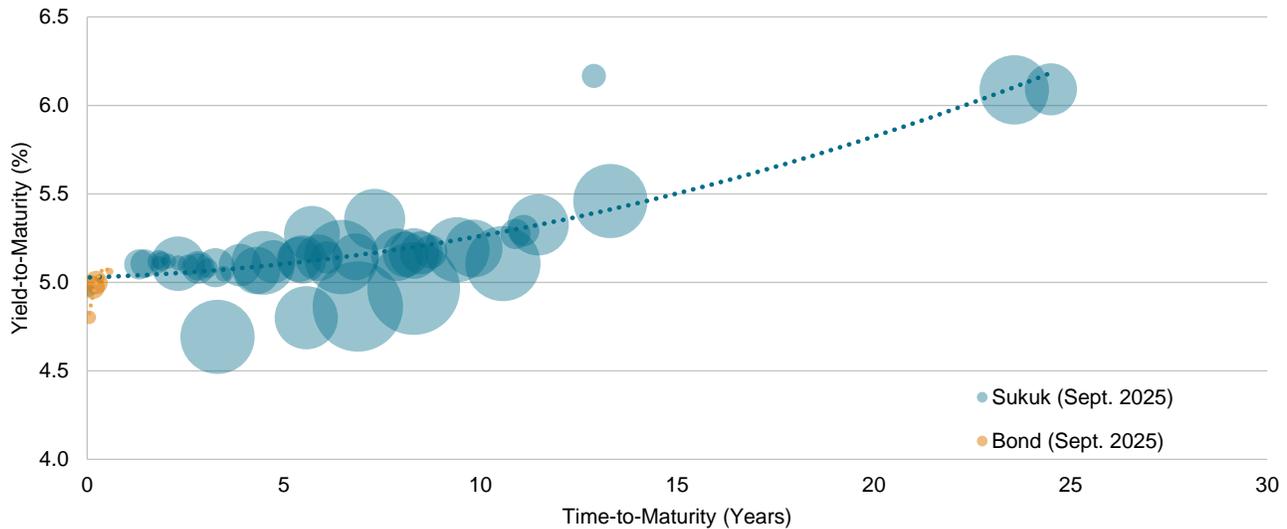
Source: S&P Dow Jones Indices LLC. Data as of Sept. 30, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Market Commentary

For use with institutions only, not for use with retail investors.

Contrary to the Saudi Central Bank’s 25 bps repo rate cut, the ultrashort-dated sukuk yield climbed from approximately 4.75% to the 5% region, while the rest of the yield curve shifted slightly upward, leading to minimal changes in the shape of the yield curve.

Exhibit 6: 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 Sept. 30, 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 iBoxx Tadawul SAR Government Sukuk and Bond Index was notably shorter (0 to 0.6 years) compared to the sukuk in the index (0 to 25 years). One bond of SAR 3 billion matured in July without any new SAR bond issuances qualifying for the index. With a total notional amount of SAR 7.8 billion and an ultrashort time-to-maturity, the yields on SAR government bonds hover around the 5% range, in line with the ultra-short sukuk, while the SAR government sukuk yields in the 10-15 year range remain between 5% and 5.5%. 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. The iBoxx Tadawul Government & Agencies Sukuk Index was launched May 6, 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.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

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