

# iBoxx Tadawul SAR Government Sukuk Indices – Q4 2025

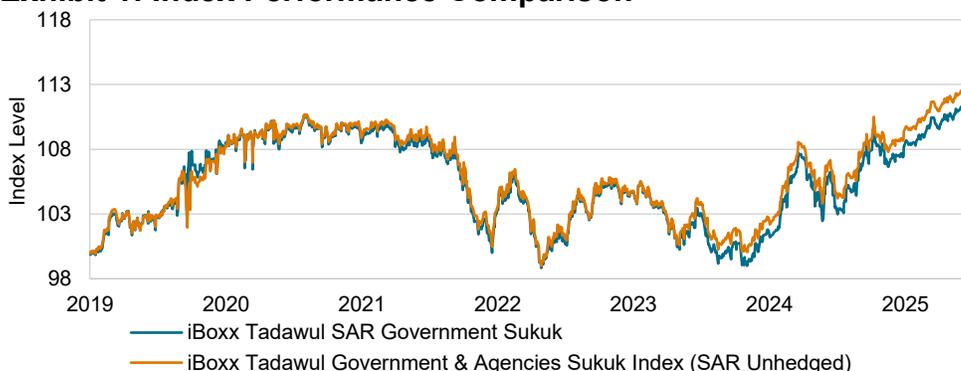
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## Featuring the iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)

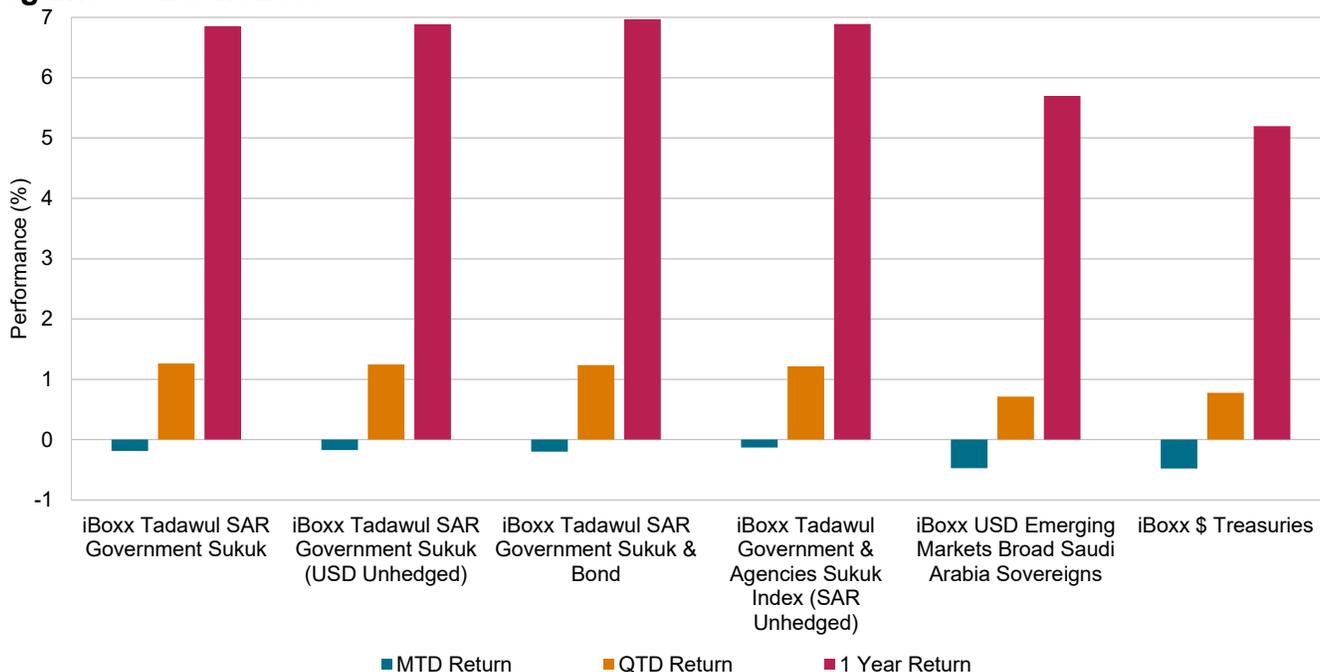
The iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged) was launched on May 6, 2025, and it measures the performance of SAR-denominated government sukuk and USD-denominated government and agencies sukuk. The index reflects Shariah-compliant fixed income securities issued by government and agency issuers domestically and internationally. Notably, as of Dec. 31, 2025, SAR sukuk comprised approximately 80% of the index weight, with the remainder being USD sukuk. This composition allowed 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 Dec. 31, 2025. Indices were rebased to 100 on June 30, 2019. 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.

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



Source: S&P Dow Jones Indices LLC. Data as of Dec. 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. 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 Q4 2025, the Saudi Central Bank lowered its repo rate by 25 bps twice to 4.25%. In the same quarter, the iBoxx Tadawul SAR Government Sukuk Index posted a slight loss of 0.19%. 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 Dec. 31, 2025, SAR-denominated bonds made up less than 1% of the iBoxx Tadawul SAR Government Sukuk & Bond Index, resulting in a small difference in overall index performance. These bonds are due to mature by Q2 2026; the index will only contain sukuk if there is no new issuance of SAR-denominated bonds.

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 Q3 2025	iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)	Change since Q3 2025	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q3 2025
Annual Yield (%)	5.33	0.02	5.22	0.00	5.27	0.05
Coupon (%)	3.80	0.04	3.93	0.05	4.44	0.04
Duration (Years)	6.21	-0.05	5.78	-0.05	6.63	-0.11
Expected Remaining Life (Years)	7.95	-0.05	7.33	-0.07	10.96	-0.18
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 Dec. 31, 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 Q3 2025	iBoxx Tadawul Government & Agencies Sukuk Index (SAR Unhedged)	Change since Q3 2025	iBoxx USD Emerging Markets Broad Saudi Arabia Sovereigns	Change since Q3 2025
Rebalancing Frequency	Quarterly	-	Quarterly	-	Monthly	-
Number of Instruments	46	-1	61	-3	38	-1
Notional Amount (SAR Billions)	634.65	19.64	736.80	-21.65	-	-
Notional Amount (USD Billions)	169.20	5.22	196.44	-5.79	117.46	-2.33

Source: S&P Dow Jones Indices LLC. Data as of Dec. 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.

Post rebalance on Dec. 31, 2025, the annual yield of the SAR-denominated indices rose by 2 bps to 5.33% while the USD-denominated debt yield rose by 5 bps to 5.27%. Duration for SAR-denominated and USD-denominated indices both narrowed as a few instruments matured. The number of iBoxx Tadawul SAR Government Sukuk Index constituents fell from 47 to 46 after 1 sakk with a notional of approximately SAR 750 million matured.

In Q4, Saudi Arabia did not issue any new SAR-denominated sukuk, choosing instead to tap existing issuances. There were no new USD-denominated debts after two Ijara sukuk with notional of approximately USD 20.6 billion were issued in Q3.

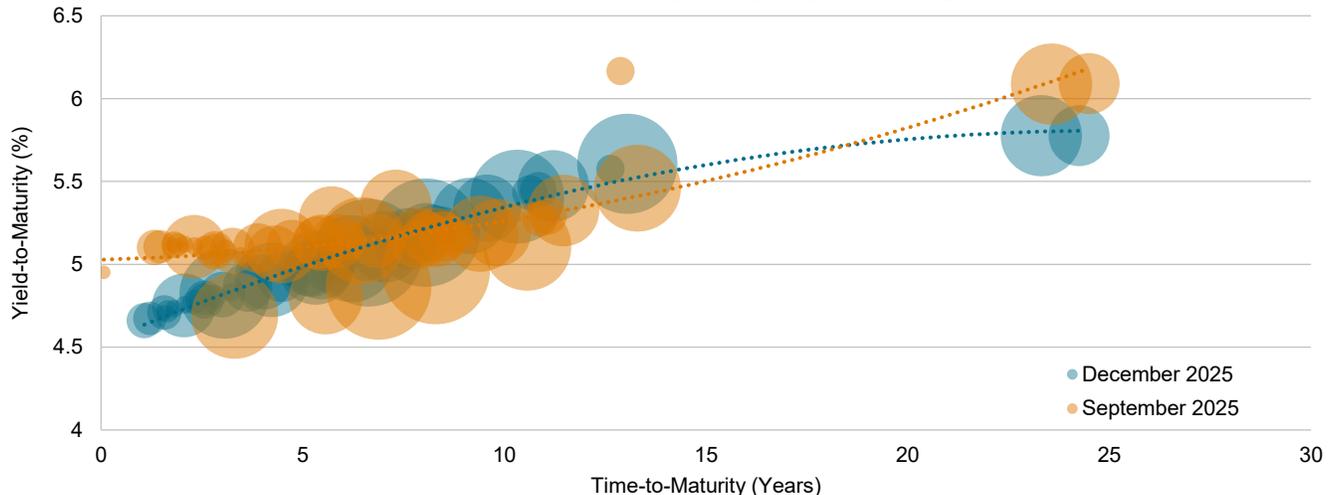
**Exhibit 4: iBoxx Tadawul SAR Government Sukuk Index Monthly, Quarterly and One-Year Performance by Maturity**



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 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 1-3 years segment delivered the strongest performance (up 1.93%) while the ultrashort (0-1 year) segment posted the weakest results, given that the only sakk that qualified for the maturity range matured in October. During Q4, all maturity buckets recorded positive performance. In 2025, all maturity buckets posted more than 4% in gains, with 7-10 years leading the way (up 8.22%).

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

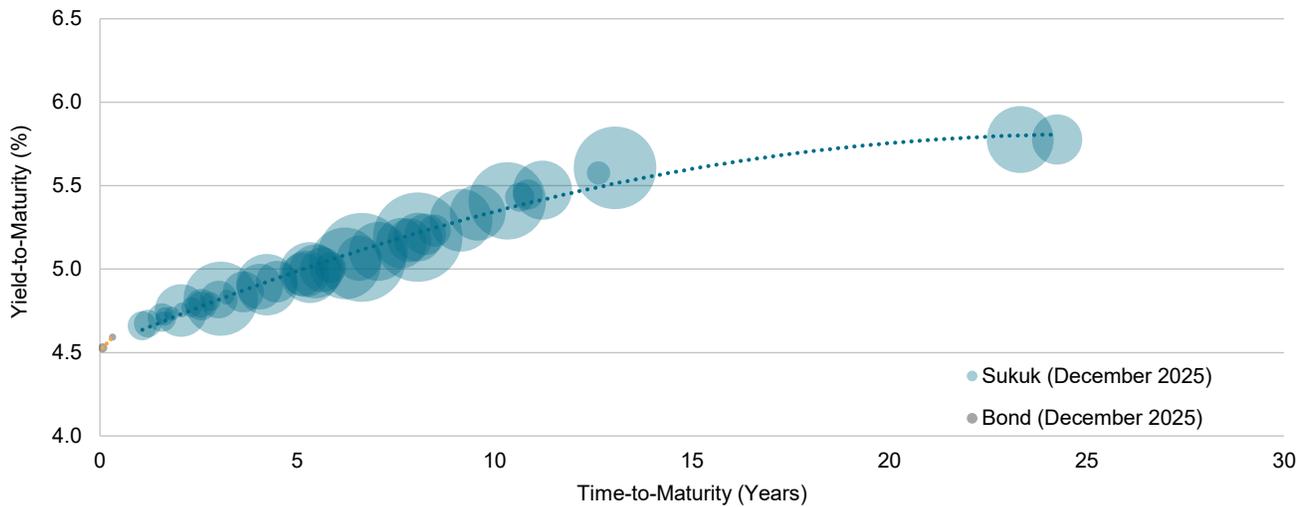


(Bubble Scale = Notional Amount Outstanding in SAR)

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

Following the Saudi Central Bank’s 50 bps repo rate cut, the short-dated sukuk yield lowered from approximately 5.00% to the 4.70% region, and the ultra-long end of the yield curve declined from approximately 6.00% to the 5.75% region. This resulted in a slight negative butterfly shift across 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 Dec. 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 iBoxx Tadawul SAR Government Sukuk and Bond Index was notably shorter (0 to 0.3 years) compared to the sukuk in the index (1 to 25 years). Three bonds of SAR 7 billion matured in Q4 without any new SAR bond issuances qualifying for the index. With a total notional amount of SAR 800 million and an ultrashort time-to-maturity, the yields on SAR government bonds lowered to around the 4.50% range, in line with the short end of the sukuk yield curve, while the SAR government sukuk yields in the 5-15 year range hover between 5.00% and 5.50%. The long-dated SAR government sukuk yields declined from approximately 6.00% to 5.75%.

## 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](http://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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