

NAV

USD 11.1899

Facts

Fund Structure: Open-ended
Liquidity: Wednesday, the day preceding the fourth Valuation Day
Currency: US Dollars
Inception Date: 10 July 2017
Minimum Investment: USD 10,000 and increments of USD 1,000 thereafter

Management Fee: 0.75% per annum

Custodian Fee: 0.0625% of the Fund's net asset value until USD 50 million, with a minimum of USD 11,250

0.045% of the Fund's net asset value for any amount above USD 50 million and up to USD 250 million, with a minimum of USD 25,000

0.035% of the Fund's net asset value for any amount above USD 250 million, with a minimum of USD 90,000

Investment Controller

Fee: USD 16,000 per annum
Subscription Period: Weekly
Redemption Period: Monthly
Registrar Fee: KD 1,000 per annum
External Auditor: Mr. Talal Yousef Al Muzaini – Deloitte & Touche, Al Wazzan & Co.
External Auditor Fee: KD 3,000 per annum
Fund Manager: Watani Investment Company KSCC.

Investment Controller: Kuwait Clearing Company K.S.C.

Custodian, Subscription (Selling) Agent and Registrar: National Bank of Kuwait, S.A.K.P

Fund Regulator: Capital Markets Authority - Kuwait

Executive Committee: Nabil Maroof
 Husayn Shahrur
 Tolga Ozkan
 Wajih Alboustany
 Islam Batrawy
 Khalil Salame

Fund Manager Contacts

35th Floor, Arraya II Building
 Al-Shuhada Street, Block 6, Sharq
 P.O. Box 4950 Safat, 13050 Kuwait
 Tel: +965 2224 6901
 MenAssetManagement@nbkcapital.com

Investment Objective

Regional Bond and Sukuk Investment Fund is an open-ended debt fund incorporated in Kuwait, licensed and supervised by the Capital Market Authority of Kuwait. The primary aim of the Fund is to enable investors to gain exposure to fixed-income securities either issued or guaranteed by governments, quasi-government entities or corporations registered in the MENA region.

The Fund seeks long-term capital appreciation with a low level of risk by providing its investor exposure to the liquid part of the regional bond and sukuk market and predominantly investing in investment-grade securities denominated in USD. It can also exploit opportunities in the sub-investment grade in which it can invest up to 25% of its capital.

Fund Performance ¹

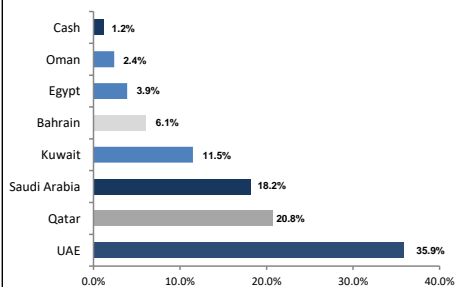
	Fund
1 Month return	2.05%
3 Months return	4.90%
YTD	11.79%
12 Months return	12.86%
Return since inception	11.90%
Annualized return since inception	5.62%
Annualized standard deviation	3.51%
First financial year	0.10%
End of Q2'19 (since inception)	9.66%

¹: Annualized Standard Deviation is calculated since inception.

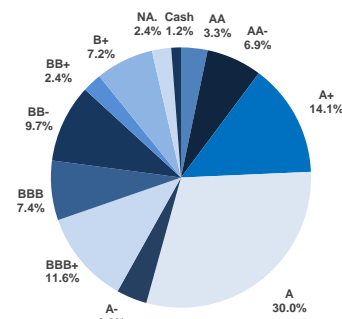
Top 5 Holdings

Issuer	Security	Country	Weight
ABU DHABI NATIONAL ENERGY	TAQA 4.875 04/23/30 MTN	UAE	6.31%
OOREDOO	ORDS 5.000 10/19/25 MTN	Qatar	5.73%
EQUATE Petrochemical B.V.	EQUA 4.250 11/03/26 MTN	Kuwait	5.46%
Kingdom of Saudi Arabia	SAGV 4.625 10/04/47 MTN	Saudi Arabia	4.74%
MAJID AL FUTTAIM	MAAFU 4.750 05/07/24 MTN	UAE	4.66%

Geographic Allocation



Rating Breakdown*



* S&P or equivalent rating form Moody's or Fitch. The highest credit rating is selected when different levels are available.

Fund's Attributes

W.A. YTM	3.90
W.A. Coupon	5.07
W.A. Duration	6.93

Manager's Comments

The Regional Bond and Sukuk Investment Fund was up 2.05% in July, outperforming regional and global investment grade indices by a comfortable margin. The main contributors to total performance were allocations to the UAE, Bahrain, Oman, Kuwait and Egypt. High yield sovereign bonds were supported by strong regional risk-on demand, while a relatively limited supply in the investment grade space squeezed overall spreads tighter. The 5-year sovereign credit default swap (CDS) of GCC countries declined more or less evenly by 10bps during the month. Oman was the only outlier as its CDS declined by 46bps to close at 290. Borgan Bank issued a USD 500 million AT1 perpetual bond with a coupon rate of 5.7492%. DP World raised USD 1.3 billion in a two-tranche deal, with tenors of 10 and 29 years to finance the recent acquisition of Topaz Marine. Emirates Strategic Investment Company (ESIC) borrowed USD 600 million in a debut 5 year sukuk. Oman raised USD 3 billion in a two-tranche deal and finally GEMS Education borrowed USD 900 million through a 7-year transaction.