

## ES: SUKUK USD - MODEL PORTFOLIO

### About Us

Enigma Strategy is a London-based, discretionary fund manager (DFM), authorised and regulated by the Financial Conduct Authority (FCA). Since inception, our mission has remained constant; to innovatively create value for our clients by bridging the gap between traditional and modern investment strategies. Our bespoke services are meticulously crafted to cater to a diverse clientele, including retail, high net-worth individuals, professionals, institutions, corporations, funds, trusts, and charities. At Enigma, we prioritise the personal touch. With an unwavering focus on customer service and transparency, we guide our clients through well informed investment decisions.

### Investment Objective

The primary objective of this investment is growth, with an investment horizon of 3 to 5 years. Enigma Strategy has meticulously curated a portfolio of Sukuk investments from some of the world's leading financial institutions. These Sukuk investments offer clients daily liquidity and a balanced potential for growth and income, serving as an alternative to an interest-free cash account.

The underlying investments are fully Sharia-compliant, as certified by the large institutions whose investments are included in the portfolio. Our asset allocation strategy ensures diversification across various asset classes and geographical regions, optimizing potential returns while adhering to Sharia principles.

### Structure & Fees

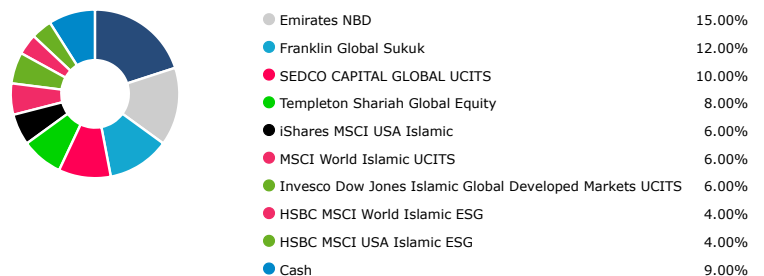
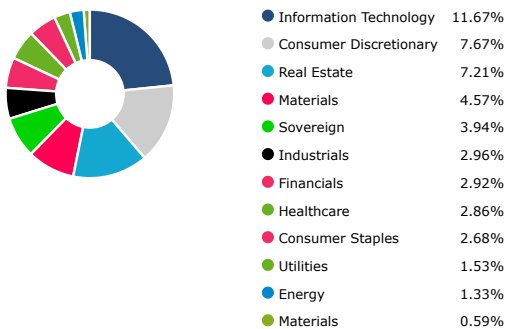
- Daily & monthly statements (sent via custodian/broker)
- No withdraw / exit penalty
- No entry fee
- Performance fee is charged monthly
- Annual management fee charged monthly (pro rata)
- Daily liquidity\*

|                    |                            |
|--------------------|----------------------------|
| Minimum Investment | 100,000 USD                |
| Management Fee     | 1.00%                      |
| Performance Fee    | 10.00%                     |
| Company            | Enigma Strategy Ltd.       |
| E-mail             | support@enigmastrategy.com |
| Website            | www.enigmastrategy.com     |
| Highwater Mark     | Yes                        |
| Leverage Used      | None                       |
| Legal Structure    | Managed Account            |

\*The liquidity of the model depends on the underlying funds' policies, which may not always offer daily liquidity. Redemption requests may face delays or restrictions due to market conditions or the underlying funds' terms. No guarantee of immediate liquidity is provided.

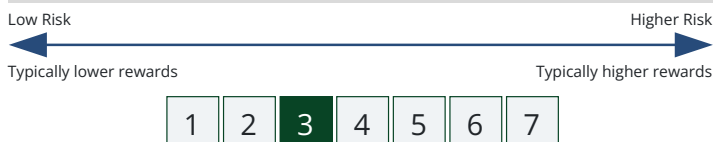
### Sector Allocation

### Asset Allocation



As of January 16, 2025. This is presented for illustrative purposes only and is subject to change. The source of the data is Morningstar external fund provider. Sector allocation, and asset allocation were calculated using the same methodology, applying a weighted average to ensure that each component's contribution accurately reflects its proportion within the portfolio.

### Risk & Reward Profile



**Past performance is not a guide to future performance. Please ensure that you fully understand the risks involved. If in any doubt, please seek independent financial advice.**

The summary risk indicator is a guide to the level of risk of this product compared to other products. This rating assesses the potential losses from future performance based on the inherent risks associated with Sukuk investments. The risk profile is based on the risk ratings of the Sukuk investment funds within this model portfolio. The overall risk rating of the model portfolio is determined by calculating a weighted average, reflecting the proportion of investment in each Sukuk fund. This model portfolio will be periodically restructured and rebalanced, which may cause changes to the risk rating over time.

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## Performance

|      | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul  | Aug   | Sep   | Oct   | Nov   | Dec   | Year         |
|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|--------------|
| 2025 | 0.83  |       |       |       |       |       |      |       |       |       |       |       | <b>0.83</b>  |
| 2024 | 0.11  | 0.74  | 0.73  | -0.70 | 0.81  | 0.59  | 0.47 | 0.82  | 1.10  | -2.03 | 1.40  | -1.23 | <b>2.81</b>  |
| 2023 | 1.63  | -0.25 | 1.57  | 0.86  | 0.24  | 1.35  | 0.99 | -0.05 | -0.46 | -0.32 | 2.36  | 1.48  | <b>9.40</b>  |
| 2022 | -0.78 | -0.70 | -0.59 | -1.35 | -0.13 | -1.46 | 0.13 | -0.72 | -1.71 | -0.17 | 0.98  | -0.55 | <b>-7.05</b> |
| 2021 | 0.26  | 0.37  | 0.26  | 0.36  | 0.23  | 0.13  | 0.07 | 0.18  | -0.03 | 0.31  | -0.05 | 0.42  | <b>2.52</b>  |
| 2020 | 0.05  | -0.30 | -2.14 | 1.18  | 0.79  | 0.59  | 0.77 | 0.45  | -0.03 | -0.01 | 1.29  | 0.82  | <b>3.46</b>  |
| 2019 | 1.15  | 0.71  | 0.67  | 0.46  | -0.02 | 1.19  | 0.29 | 0.59  | 0.46  | 0.62  | 0.47  | 0.77  | <b>7.35</b>  |

Performance was calculated by taking the performance of all funds over the period and applying a weighted average. Performance is quoted net of investment. Investment is subject to various risk factors as outlined in page 3. There is no certainty that investment objectives will be achieved, and no warranty or representation is given to this effect.

The simulated model portfolio performance has been prepared by Enigma, using Morningstar external fund provider sources As of Septmeber 1, 2024. Upon launch, the model portfolio will be periodically restructured and/or rebalanced.

**Calculations include high water mark. A 10% performance fee applies to this model portfolio, charged only on new profits above the highest previously achieved value (High-Water Mark). Past performance is not a reliable indicator of future performance.**

| Monthly Returns  | Statistics                    | Top 10 Holdings |                   |       |
|--|-------------------------------|-----------------|-------------------|-------|
| <p>ES: SUKUK USD - MODEL PORTFOLIO<br/>SP Funds Dow Jones Global Sukuk ETF</p> | 3 Month ROR                   | 1.00%           | Microsoft Corp    | 5.41% |
|  | Average Monthly Return        | 0.26%           | SAUDI ELEC SUKUK  | 2.05% |
|  | Alpha Monthly                 | 0.29%           | Tesla Inc         | 1.24% |
|  | Best Month                    | 2.36%           | Apple Inc         | 0.47% |
|  | Total Return Annualized       | 3.17%           | NVIDIA Corp       | 0.45% |
|  | Tracking Error                | 3.56%           | Exxon Mobil Corp  | 0.44% |
|  | Sharpe Ratio                  | 1.09            | DP World Crescent | 0.41% |
|  | Standard Deviation Annualized | 2.91%           | ROP Sukuk Trust   | 0.37% |
|  | Jensen Alpha Annualized       | 3.41            | Procter & Gamble  | 0.35% |
|  | R Square                      | 0.59            | Abobe Inc         | 0.28% |

As of January 16, 2025. Holding allocations may vary monthly. This model portfolio will undergo periodic restructuring and rebalancing, leading to potential changes in the holding allocations over time. The source of the data is Morningstar external fund provider.

## Risk Warnings

**Past performance:** Not a reliable indicator of future performance. Investors should remember that the value of an investment and the income received from an investment can go down as well as up, and they may not get back the amount they invested. Changes in exchange rates or taxation may have an adverse effect on the price, value or income of the investments. Investment returns may be constrained by charges levied and inflation may reduce the value of investments.

**Understanding risk:** All forms of investment, which we may undertake on your behalf, involve risk. The value of investments and the income derived from them is not guaranteed and it can fall as well as rise. Our full Terms of Business provide detailed information on investment risks. In deciding your objectives and any restrictions that you wish to impose, we would draw your attention to the terms below and to our interpretation of the generic risks associated with the asset classes we use and may impact your investment.

**Market risk:** The risk that the value of an individual investment or portfolio will fall as a result of a fall in markets.

**Counterparty risk:** The risk that a party connected to an investment or transaction is unable to meet its commitment. We aim to have a prudent diversification of holdings within each asset class. Portfolios may contain a proportion of higher-risk investments and exposure to non-base currency markets. The descriptions above are intended to provide a summary only of the main risks associated with investment services. More detailed information can be found in the full Terms of Business please contact us if you would like our full risk disclaimer.

**Sharia Compliance:** It is important to note that in selecting Sheria compliant investments, a screening out process has taken place which eliminates many investments potentially providing good financial returns. By reducing the universe of possible investments, the investment performance of Sheria-compliant portfolios might be less than that potentially produced by selecting from the larger unscreened universe.

**Sukuk Compliance:** Sukuk compliance ensures adherence to Sharia law, prohibiting interest and requiring assets to be tangible and ethically sound. Risks include fluctuations in asset performance, potential changes in Sharia compliance standards, and limited liquidity. Investors should review these risks and consult a financial advisor if my any doubt.

**Over Diversification Risk:** Over diversification occurs when an investment portfolio is spread across too many assets or asset classes, potentially diluting overall returns. While diversification aims to reduce risk, excessive diversification may limit potential gains and increase complexity.

**Underlying Fund Performance:** The performance of individual funds within your portfolio may not meet expectations or benchmarks, which could impact the overall performance of the portfolio. This risk arises from various factors, including but not limited to, fund manager decisions, market conditions, and economic factors that may affect specific funds differently. Underperformance in one or more funds may lead to lower-than-expected returns for the entire portfolio. It is important to regularly review and assess the performance of each fund and if appropriate consult with your financial advisor to ensure alignment with your investment goals and risk tolerance.

**Currency Risk:** This model portfolio is traded in United States Dollars (USD). Please be aware that currency fluctuations can significantly impact the value of your investments. Changes in exchange rates may cause the value of your portfolio to increase or decrease. As a result, returns may be higher or lower than initially anticipated when converted to your home currency.

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**When is the annual management charge applied?**

The 1% Annual Management Charge (AMC) is charged quarterly on a pro rata basis, regardless of the portfolio's performance. This AMC is a fixed fee for managing the portfolio and is applied consistently, whether the portfolio gains or loses value.

**How have the Performance, sector allocation, and asset allocation been calculated?**

Performance, sector allocation, and asset allocation were calculated using the same methodology, applying a weighted average to ensure that each component's contribution accurately reflects its proportion within the portfolio.

**How has the risk calculator been determined?** We have analysed the risk ratings (ranging from 1 to 7) of the Sukuk investment funds in our model portfolio. By applying a weighted average formula, we have determined the overall risk rating to be 3.

**Is this document a Key Investor Information Document (KIID)?**

No a KIID document is a mandatory document required for all UCITS funds. It follows a standardised format. This model portfolio is not a UCITS Therefore, this document is a fact sheet and not KIID.

**When is the annual management fee charged?**

The Annual Management Charge (AMC) is applied quarterly on a pro rata basis.

**What are the transaction costs based on, and where can I find more details about these costs?**

Transaction costs are incurred when you decide to rebalance or reallocate your portfolio, typically done every six to twelve months. It's important to note that these transaction fees are covered by the 1% Annual Management Charge (AMC) we charge.

**What is a high water mark?**

The highest peak in value that an investment fund or account has reached. If the value of the fund or account drops after reaching a peak, the manager must return to that peak (the high-water mark) before earning performance fees on subsequent gains.

**How are high water recalculated?**

The high-water mark is recalculated at the end of each performance period by comparing the current value of the investment to the previous high-water mark. It ensures that performance fees are only charged on new net gains, preventing fees on recovery of losses.

A high-water mark tracks the highest investment value reached. Performance fees are charged only on new profits above this mark.

**How will a 10% performance fee applied to this model portfolio affect my returns?**

A 10% performance fee, applied only on new profits above the highest previously achieved value (High-Water Mark), will reduce the portion of gains you retain. For instance, if your portfolio gains \$10,000 above the high-water mark, \$1,000 will be deducted as a performance fee, leaving you with \$9,000. This fee structure ensures you are only charged on net new profits but can still reduce your overall returns.

**What do entry, withdrawal, and exit fees/penalties mean, and how do they apply?**

We do not charge any entry/exit fees or penalties. Once you register with our counterparty/broker, any brokerage fees will be specified in the rate card provided by the specific broker.

**When is the performance fee charged?**

The performance fee is subject to a high water mark and is charged monthly and is calculated on the first day of each month.

**Are there any transaction costs associated with this investment?**

Transaction costs will be incurred at the start of the investment and during any portfolio rebalancing. These costs are charged by the counterparty we use, not by Enigma. You will receive monthly statements, or daily statements upon request, detailing all transaction costs. Additionally, you can request a rate card from the counterparties for a detailed breakdown of costs and charges related to your investment account.

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## Marketing Communication

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