

Al Hilal Global Sukuk Fund



Factsheet – April 2024

NAV per share USD 9.32

Investment objective

The Fund aims to generate appropriate periodic returns on its investments giving the investors a chance to receive periodic coupons in addition to achieving long-term capital growth by investing in a diversified portfolio of Shariah-compliant global fixed-income securities (Sukuk) and in accordance with the controls stipulated in the investment guidelines.

Net asset value

AUM (Mln)

USD 25.95

Investment information

Inception Date	27 March 2012
Base Currency	USD
Benchmark	LIBOR + 100bps
Fund Structure	Open Ended - Abu Dhabi, UAE
Investment Manager	Al Hilal Bank, Investment Banking Group
Investment Advisor	Principal Islamic Asset Management Sdn Bhd
Custodian	Standard Chartered Bank
Administrator	Apex Fund Services Ltd
Min. Subscription	USD 10,000
Dealing Frequency	Weekly
Management Fee	0.85%
Subscription Fee	0.75%
Redemption Fee	None
Bloomberg	ALHGSUK:UH

For further information please contact:

Asset Management Department
P.O.Box 63111
Abu Dhabi, UAE
Tel (Int'l): +971 2 499 4220 | Tel (UAE): 800 66 66 66
Email: assetmanagement@alhilalbank.ae



Investment commentary

Portfolio

The US Treasury (UST) market weakened further in April, with benchmark 10-year UST yields soaring from 4.20% at end-March to touch 4.74%, before closing the month at 4.68% (m-o-m 48bps higher). Sentiment in the UST market continued to be dampened by a surprisingly robust US labour market and elevated inflation, drawing hawkish comments from US Fed members. Chairman Powell also shifted to a more hawkish tone and avoided providing any guidance on when the committee may begin cutting rates, stating that monetary policy needs to be restrictive for longer.

Market

In the first half of April, 10-year UST yields rose from 4.20% at end-March to touch 4.59%, as investors continued to recalibrate their expectations of potential rate cuts amid persistently strong US economic data. In March, US ISM manufacturing rose from 47.8 in February to 50.3 (consensus 48.3), the first expansion since September 2022, driven by a sharp rebound in production and stronger demand, while input costs climbed. Meanwhile, the US economy added 303,000 new jobs in March, beating consensus estimates of 214,000. The unemployment rate fell from 3.9% to 3.8% despite an increase in the labour force participation rate from 62.5% to 62.7%, while average hourly earnings grew from 0.2% (revised up from 0.1%) to 0.3% m-o-m. Furthermore, US headline CPI accelerated from 3.2% in February to 3.5% y-o-y in March (consensus 3.4%), while core CPI remained sticky at 3.8% as Americans continued to pay more for fuel and housing rental. 10-year UST yields continued to march higher to 4.74%, after US retail sales also smashed expectations, illustrating still robust consumer demand. In response, US Fed members adopted a more hawkish

tone, with Chairman Powell emphasizing that policymakers will need to wait longer than previously indicated before cutting rates. Minutes of the US Fed meeting in March also highlighted policymakers' uncertainty over persistently high inflation. In 1Q24, core PCE inflation accelerated from 2.0% in 4Q23 to 3.7% q-o-q (consensus 3.4%), driven largely by services sector inflation. Meanwhile, US GDP slid from 3.4% to 1.6% q-o-q (consensus 2.5%), the slowest in almost two years, denting hopes for a soft landing and raising concerns over signs of stagflation in the economy. Personal consumption, the US economy's main growth engine, slowed from 3.3% to 2.5% (consensus 3.0%). Towards month-end, 10-year UST rebounded to close the month at 4.68% (m-o-m 48bps higher). Meanwhile, Brent oil prices initially rallied from USD 87.48/bbl at end-March to surpass USD 92/bbl in mid-April, driven by prospects of tightening crude oil supplies amid heightened tensions in the Middle East, as well as expectations of reduced supply from non-OPEC members. However, prices subsequently fell to close the month at USD 87.86/bbl (m-o-m 0.4% higher), as tensions in the Middle East abated.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	Saudi Electricity 5.500 08/04/44 - GSF	Sovereign & Quasi-sovereign	Saudi	9.94%
2.	NBAD_OTELSU 5 3/8 01/24/31 - GSF	Telecommunication	Oman	7.54%
3.	MUBAUH 4.959 04/04/34 - GSF	Sovereign & Quasi-sovereign	UAE	7.52%
4.	BHRAIN 4 1/2 03/30/27 - GSF	Sovereign & Quasi-sovereign	Bahrain	7.39%
5.	SAUDI ELECTRICITY GLOBAL 5.06% 04/08/2043 - GSF	Sovereign & Quasi-sovereign	Saudi	7.19%

Regional allocation

1 Saudi	27.70%
2 UAE	23.48%
3 Oman	13.86%
4 Bahrain	12.25%
5 Indonesia	6.80%



Sector allocation

1 Sovereign & Quasi-sovereign	60.22%
2 Financial	13.55%
3 Real Estate	12.93%
4 Telecommunication	7.54%



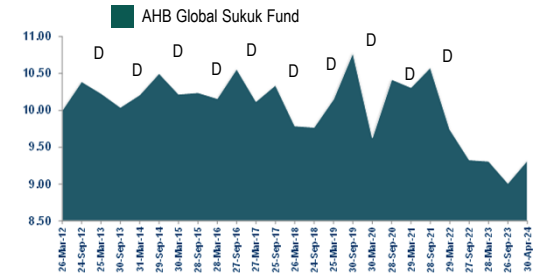
Fund performance

Performance (net)	Fund
Return (Month)	-1.48%
Return (YTD)	-1.89%
Return (SI) Cumulative	27.89%

Dividend

Date	%
Jan'21	2.55%
Jan'22	4.24%

Source: Bloomberg



Monthly performance (net)

2023	April	0.43%
2023	May	-1.07%
2023	June	0.65%
2023	July	-0.21%
2023	August	-1.61%
2023	September	-1.42%
2023	October	-3.44%
2023	November	3.45%
2023	December	5.56%
2024	January	-1.37%
2024	February	0.21%
2024	March	0.75%
2024	April	-1.48%

Fund characteristics

Average Coupon	4.77%
Yield to Maturity	5.43%
Duration (years)	6.25

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