

Al Hilal Global Sukuk Fund

Factsheet – February 2021

NAV per share USD 10.43

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 118.05

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

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Investment commentary

Portfolio

Global sukuk prices weakened during the month, with issuers preferred to stay on the sidelines amidst volatile market sentiment dampened by a weak US Treasury market, as environment. The portfolio took this opportunity to buy sukuk on a investors price in expectations of faster economic growth and dip, at cheap entry level and cautiously add higher yielding sukuk inflation in the US in line with Biden's stimulus package and for extra yield pick-up. The portfolio continues to overweight vaccine rollouts exercise globally. Higher beta sukuk which corporate sukuk against sovereign in view of positive economic tend to track US Treasury movements more closely were badly outlook globally. During the month, the portfolio added Indois 30 hit, particularly Asian names and the long maturities. The and Sharjah 29 while taking profit on short and lower yielding primary global sukuk market was also relatively quiet as sukus such as SIB 21, EIB 21, DUGB 22 and Al Hilal 23.

Market

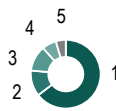
The US Treasury (UST) 10-year yield touched 1.60% mark during the month, the highest level since the pandemic began as investors started pricing in earlier than expected US rate hikes, underpinned by expectations of faster growth and inflation. The selloff in UST was exacerbated by a weak 7-year UST auction on 25 Feb. However, Powell dismissed the sharp run-up in yields, calling it a "statement of confidence in the economic outlook". During the month, the shorter end of the UST yield curve edged 1-10bps higher, while yields on the longer end rose significantly by 30-40bps, causing the curve to shift higher and bear steepened. M-o-m, benchmark 10-year UST yields closed the month 33bps higher from 1.07% at end-January to 1.40% at end-February. Brent crude oil prices continued to recover, posting gains of 18.0% m-o-m from USD 55.89/bbl at end-Jan to USD65.97/bbl at end-Feb. Crude oil prices have risen steadily since November as the rollout of coronavirus vaccines gathers pace globally, and as continued supply curbs from OPEC and its allies spur hopes that global stockpiles will continue to slide. Brent crude oil prices rose amidst tightening global supplies and signs of strength in physical markets, underpinned by a brightening outlook for consumption. Sentiment was also buoyed by hopes for a new US stimulus package and a major winter storm in US and Texas, which amplified demand for fuel. The rare deep freeze prompted the state's electric grid operator to impose rotating blackouts, leaving nearly 3 million customers without power, and creating a tighter supply situation that has been absent for most of the pandemic.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	Perusahaan Penerbit SBSN 4.35% 10/09/2024	Sovereign	Indonesia	7.09%
2.	MAFUAE 3.9325 02/28/30	Real Estate	UAE	6.06%
3.	SHARJAH GOVT SUKUK 17/09/2024	Sovereign	UAE	5.93%
4.	DPWDU 6 PERP	Transport and Logistics	UAE	5.56%
5.	DUBAEE 3 3/4 02/15/26 Corp	Transport and Logistics	UAE	4.87%

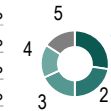
Regional allocation

1	UAE	57.83%
2	Indonesia	11.01%
3	Saudi	10.80%
4	Kuwait	5.86%
5	Oman	4.17%



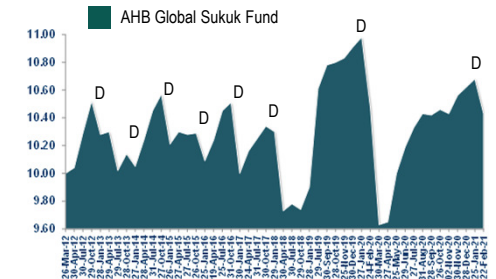
Sector allocation

1	Sovereign	25.47%
2	Financial	20.54%
3	Real Estate	16.67%
4	Transportation and Logistics	14.84%
5	Utilities	14.44%



Fund performance		Dividend	
Performance (net)	Fund	Date	%
Return (Month)	-0.09%	Jan '18	3.93%
Return (YTD)	0.48%	Jan '20	6.00%
Return (SI) Cumulative	37.02%	Feb '21	2.42%

Source: Bloomberg



Monthly performance (net)

2020	February	0.37%
2020	March	-8.02%
2020	April	0.21%
2020	May	3.63%
2020	June	1.90%
2020	July	1.37%
2020	August	0.97%
2020	September	-0.10%
2020	October	0.38%
2020	November	0.96%
2020	December	0.57%
2021	January	0.57%
2021	February	-0.09%

Fund characteristics

Average Coupon	3.94%
Yield to Maturity	2.57%
Duration (years)	4.93

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