

Al Hilal Global Sukuk Fund



Factsheet – March 2021

NAV per share USD 10.31

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 114.11

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 sentiment dampened by a weak US Treasury market. The weak sentiment outlook, the portfolio reduced duration during the month by was driven by better than expected US economic data, optimism cutting down exposure in higher beta Asian corporate names and about vaccine rollouts, and concerns of a potential increase in US Treasury supply. Issuance in the primary global sukuk market overweight corporate sukuk over sovereigns for the additional grade issues. This include new issuance in Boubyan Tier 1 current market volatility. During the month, the portfolio sold longer dated Axiata 30, Indois 30 and DUGB 30, while reinvesting into shorted dated high yielding Warba Bank Perp.

Market

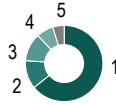
In March, US Treasury (UST) yields rose across the board, with the 10-year yield briefly touching 1.77% on 30th March, the crude oil prices continued to rally, gaining 8.2% from USD 65.97/bbl at end-February to touch an intraday high of USD71.38/bbl on 8th March. The rally was driven by OPEC+'s Fed continued to reiterate that it will maintain rates at near zero surprise decision to hold production steady at current levels for levels until at least 2024. The spike in UST yields were anchored by better-than-expected US economic data, investor optimism its additional 1 million bpd voluntary production cut that took about the rollout of coronavirus vaccines in the US, and expectations that President Joe Biden's new USD 2.3trillion infrastructure plan may result in higher UST supply. M-o-m, 10- oil price recovery. In mid-March, oil prices plummeted by more year UST yields closed the month 34bps higher from 1.40% at than 7% to around USD 61/bbl, triggered by large European end-February to 1.74% at end-March. The US ISM manufacturing economies suspending use of the AstraZeneca Covid-19 index increases from 58.7 in January to 60.8 in February, vaccine, triggering worries that a bumpy rollout of vaccines in services index fell sharply from 58.7 to 55.3, the lowest level in Europe, and rising cases in other parts of the world may weaken demand for fuel. Brent oil prices closed the month -3.6% lower nine months, as companies grapple with logistical challenges and m-o-m from USD65.97/bbl to USD63.57/bbl at end-March.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	Perusahaan Penerbit SBSN 4.35% 10/09/2024	Sovereign	Indonesia	7.19%
2.	MAFUAE 3.9325 02/28/30	Real Estate	UAE	6.07%
3.	SHARJAH GOVT SUKUK 17/09/2024	Sovereign	UAE	5.99%
4.	DPWDU 6 PERP	Transport and Logistics	UAE	5.59%
5.	DUBAEE 3 3/4 02/15/26 Corp	Transport and Logistics	UAE	4.90%

Regional allocation

1	UAE	58.27%
2	Indonesia	10.90%
3	Saudi	10.82%
4	Kuwait	6.46%
5	Oman	4.31%



Sector allocation

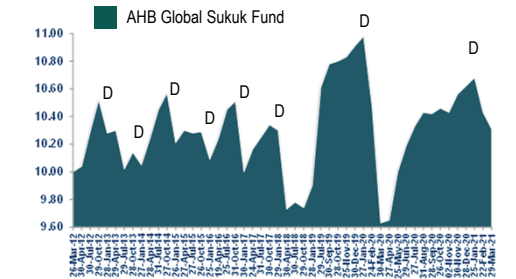
1	Sovereign & Quasi-sovereign	36.99%
2	Financial	20.94%
3	Real Estate	16.97%
4	Transportation and Logistics	15.04%
5	Utilities	3.21%



Fund performance

Performance (net)	Fund	Date	%
Return (Month)	-1.15%	Jan'18	3.93%
Return (YTD)	-0.68%	Jan'20	6.00%
Return (SI) Cumulative	35.45%	Jan'21	2.55%

Source: Bloomberg



Monthly performance (net)

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%
2021	March	-1.15%

Fund characteristics

Average Coupon	3.89%
Yield to Maturity	2.69%
Duration (years)	4.58

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