

Al Hilal Global Sukuk Fund



Factsheet – June 2020

NAV per share USD 10.19

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 58.46

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

The portfolio recorded another month of positive returns as sentiments in the global sukuk market continues to improve, with Brent crude oil price surging 16.5% higher m-o-m to USD 41.14/bbl.

Asset allocation and security selection continue to be the main contributor during the month with top performing sukuku including Malays 46, ESIC 24, Malays 45, MAF 29 and SECO 43.

Market

In June, the US Treasury ("UST") yield curve closed the month largely unchanged, with the shorter end 1-2bps lower m-o-m while the longer end was flat, amid concerns around a second wave of Covid-19 infections in the US as individual states gradually reopened their economies. Demand for safe-haven assets remained well supported after US Fed Chairman Jerome Powell reiterated that interest rates will remain at near zero levels for the foreseeable future, as the committee anticipates economic growth to be protracted, with unemployment remaining high for several years. During the month, Brent crude oil prices jumped by 19.1% from USD 35.31/bbl at end-May to USD 42.07/bbl on 5th June, in line with gains in equity markets following the strong US nonfarm payroll numbers for May. Gains were also supported by expectations that OPEC+ members will extend the current pace of supply cuts for another month until end-July, ahead of the meeting on 6th June. Brent crude oil prices pared gains towards month-end amid a resurgence of Covid-19 infections in the US, to close the month at USD 41.14/bbl (16.5% higher m-o-m). International Monetary Fund (IMF) released its updated projections for global growth, and

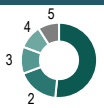
now expects a deeper downturn in 2020, citing far more severe economic damage from the pandemic than estimated just two months ago. For 2020, the IMF projects global growth to shrink by -4.9%, lower than the -3.0% it estimated in April. Meanwhile, Global Sukuk market continued to stage a strong rebound in June, buoyed by the continued uptrend in oil prices and stable UST yields. The primary Global Sukuk space was lively, as issuers capitalized on improved investor sentiment to raise funding. Notable issuances include USD 1.0 billion 7-year Emirate of Sharjah (4.4x bid to cover ratio, "BTC"), USD 1.0 billion 5.5-year Dubai Islamic Bank (4.5x BTC), USD 500 million 5-year Sharjah Islamic Bank (7.2x BTC), and USD 1.5 billion DP World Perpetual non-callable 5.5years (2.5x BTC). Additionally, the Republic of Indonesia also tapped the sukuk market, raising USD 2.5 billion in 5, 10 and 30-year sukuk to part finance their stimulus package to soften the impact of the Covid-19 pandemic. The issuance garnered overwhelming demand of USD 16.7 billion in total (6.7x BTC), with strong interest seen from European investors, especially on the 30-year tenure.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	SOQ Sukuk A QSC 3.241% 18/01/2023	Sovereign	Qatar	5.38%
2.	MALAYS 4.08 04/27/46	Sovereign	Malaysia	4.60%
3.	INDOIS 4.45 02/20/29	Sovereign	Indonesia	4.17%
4.	STCAB 3.89 05/13/29	Communication	Saudi	4.12%
5.	SIB SUKUK CO III LTD 3.08 09/08/21	Financial	UAE	3.95%

Regional allocation

#	Region	Weight
1	UAE	48.65%
2	Malaysia	14.69%
3	Saudi	10.80%
4	Indonesia	9.78%
5	Qatar	7.34%



Sector allocation

#	Sector	Weight
1	Sovereign	36.37%
2	Financial	26.31%
3	Real Estate	19.57%
4	Utilities	9.80%
5	Communication	4.63%



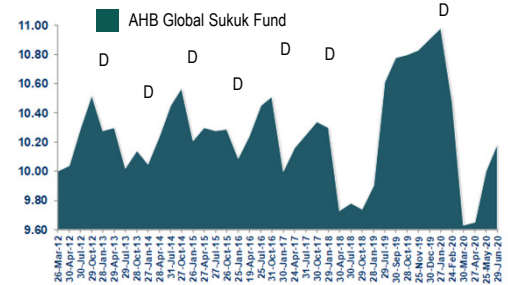
Fund performance

Performance (net)	Fund
Return (Month)	1.90%
Return (YTD)	-1.69%
Return (SI) Cumulative	30.85%

Dividend

Date	%
Jan'17	3.82%
Jan'18	3.93%
Jan'20	6.00%

Source: Bloomberg



Monthly performance (net)

Year	Month	Performance (%)
2019	June	1.85%
2019	July	1.34%
2019	August	1.51%
2019	September	0.09%
2019	October	0.19%
2019	November	0.28%
2019	December	0.74%
2020	January	0.64%
2020	February	0.37%
2020	March	-8.02%
2020	April	0.21%
2020	May	3.63%
2020	June	1.90%

Fund characteristics

Average Coupon	3.92%
Yield to Maturity	2.85%
Duration (years)	5.37

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