

Al Hilal Global Sukuk Fund



Factsheet – September 2020

NAV per share USD 10.42

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 84.64

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 portfolio's returns were slightly weaker during the month as some profit taking activities were seen in the global sukuk market amid rangebound movement in US Treasuries. As we move closer to the US election in November, the portfolio will stay defensive by shortening the portfolio's duration to mitigate any potential market fluctuations that could arise in the run-up to

Market

US Treasuries (UST) traded sideways in September with 10-year yields edging 2bps lower from 0.70% at end August to 0.68% by the end of September. 10-year UST rallied 8bps lower to 0.62% in the early part of the month following a sell down in US equity technology sectors which saw the Nasdaq dropped 10% due to concerns of an overbought market. Nevertheless, UST yields corrected back up to 0.70% level after the US employment numbers continued to show strong recovery, adding 1.37 million jobs in August. US unemployment rate declined from 10.2% to 8.4%. Demand for safe-haven assets remain well-supported as the US Federal Reserve stated that they would maintain interest rates at near zero level until there is evidence of a tighter labor market and inflation runs moderately above the 2.0% level for some time, to support the labor market and broader economy. Meanwhile, Brent crude oil prices declined 10.6% m-o-m from USD45.81/bbl at end-August to USD40.95/bbl at end-September

the election. During the month, the portfolio participated in the primary issuance of the Kingdom of Bahrain 27, the Government of Dubai 30 and Emirates Islamic Bank 25 sukuk. The portfolio also added sovereign names such as Ras-Al-Khaimah 25, and other corporate credits such as DIB 26, Aldar 25 and SECO 30; while taking profit on Oman 24.

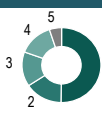
as optimism about oil demand recovery cooled down amidst a resurgence of new Covid-19 cases in India and across Europe. During the month, there was a healthy number of global sukuk issuances coming into the market. Saudi Electricity Co. (SECO) issued two tranches of 5-year and 10-year sukuk with a total issuance size of \$1.3 billion at yields of 1.74% and 2.41% respectively. The Kingdom of Bahrain issued \$1.0 billion in 7-year sukuk as well as a \$1.0 billion 12-year conventional bond during the month and were 3.8 times oversubscribed with buying interest mostly skewed towards the sukuk issuance. The Government of Dubai issued \$1.0 billion in 10-year sukuk and \$1.0 billion in 30-year bond with combined final orderbook of \$10 billion. The 10-year sukuk saw an over subscription rate of 6.6 times. Meanwhile, Emirates Islamic Bank also issued a \$500 million 5-year sukuk during the month.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	SAUDI ELECTRICITY GLOBAL 5.06% 04/08/2043	Utilities	Saudi	3.76%
2.	MALAYS 4.08 04/27/46	Sovereign	Malaysia	3.30%
3.	SOQ Sukuk A QSC 3.241% 18/01/2023	Sovereign	Qatar	3.29%
4.	DIBUH 2.95 01/16/26	Financial	UAE	3.22%
5.	INDOIS 2.8 06/23/30 Corp	Sovereign	Indonesia	3.21%

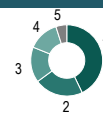
Regional allocation

#	Region	Weight
1	UAE	47.02%
2	Malaysia	14.55%
3	Indonesia	14.09%
4	Saudi	13.40%
5	Qatar	4.63%



Sector allocation

#	Sector	Weight
1	Sovereign	39.87%
2	Financial	20.43%
3	Real Estate	15.02%
4	Utilities	13.10%
5	Transportation and Logistics	4.51%



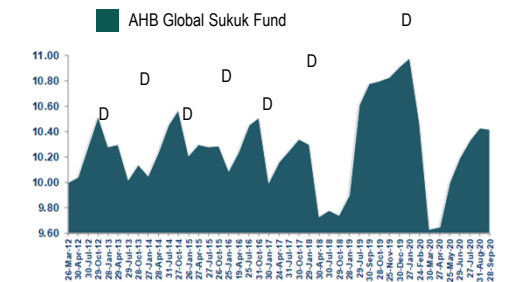
Fund performance

Performance (net)	Fund
Return (Month)	-0.10%
Return (YTD)	0.53%
Return (SI) Cumulative	33.81%

Dividend

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

Source: Bloomberg



Monthly performance (net)

Year	Month	Return (%)
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%
2020	July	1.37%
2020	August	0.97%
2020	September	-0.10%

Fund characteristics

Average Coupon	3.83%
Yield to Maturity	2.49%
Duration (years)	6.12

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