

Al Hilal Global Sukuk Fund



Factsheet – April 2021

NAV per share USD 10.41

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 110.93

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

In April, global sukuk prices recovered in tandem with US to lock in gains on corporate sukuk. The portfolio continues to Treasury (UST) movements, amid expectations of a delayed overweight corporate sukuk over sovereigns for the additional global economic recovery due to hiccups in the ongoing vaccine yield pickup, while keeping the duration relatively low amidst rollouts; increased tensions between the US, Russia and China; current market volatility. In April, the portfolio sold some longer-coupled with increased appetite for US government debt among dated SECO, while reinvesting into shorter dated, high yielding foreign buyers. Notable new issuances in the primary market KIB Perp and Nogaholding. The portfolio also participated in the include DIB Bank Tier 1 perpetual and new Malaysian new USD 1.3bn Malaysia sovereign sukuk, which received sovereigns. During the month, the portfolio took the opportunity overwhelming demand of 6.4x bid to cover ratio, driving prices higher.

Market

In April, UST yields fell across the board, driven by some safe-haven inflows amid concerns of a delayed and uneven global economic recovery. Sentiment in the UST market was also buoyed by strong demand for USD86 billion worth of new primary benchmark 10-year UST rallied strongly by 21bps from 1.74% at end-March to touch 1.53% on 16th April, before drifting higher to close the month at 1.63% (m-o-m 11bps lower). In March, the US economy created 916,000 new jobs (consensus: 660,000, February revised upward from 379,000 to 468,000) amid easing data from the US and China, which strengthened expectations of a recovery in global fuel demand. On 2nd April, OPEC+ announced that it will boost oil production by 350,000 barrels per day (bpd) in May and June, before increasing it by 450,000 bpd in July; while Saudi Arabia's previous 1 million bpd cut will also be rolled back in phases over the next three months, reflecting optimism that global demand will continue to recover. Furthermore, Saudi reportedly raised May pricing for all oil grades to Asian customers, signaling confidence in Asia's recovery.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	Perusahaan Penerbit SBSN 4.35% 10/09/2024	Sovereign & Quasi-sovereign	Indonesia	7.13%
2.	DPWDU 6 PERP	Transport and Logistics	UAE	6.68%
3.	MAFUAE 3.9325 02/28/30	Real Estate	UAE	6.05%
4.	SHARJAH GOVT SUKUK 17/09/2024 Sukuk	Sovereign & Quasi-sovereign	UAE	5.95%
5.	DUBAEE 3 3/4 02/15/26 Corp	Transport and Logistics	UAE	4.87%

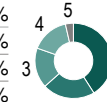
Regional allocation

1	UAE	58.82%
2	Indonesia	11.23%
3	Saudi	7.78%
4	Kuwait	7.15%
5	Bahrain	4.46%



Sector allocation

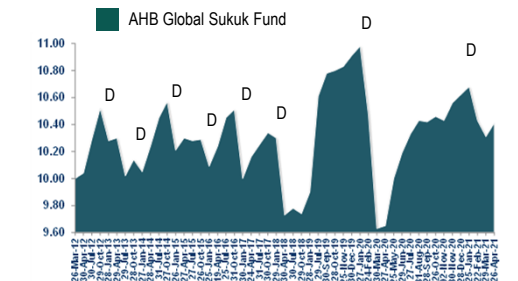
1	Sovereign & Quasi-sovereign	39.98%
2	Financial	21.44%
3	Transportation and Logistics	16.74%
4	Real Estate	15.56%
5	Utilities	3.32%



Fund performance

Performance (net)	Fund	Date	%
Return (Month)	0.97%	Jan'18	3.93%
Return (YTD)	0.28%	Jan'20	6.00%
Return (SI) Cumulative	36.76%	Jan'21	2.55%

Source: Bloomberg



Monthly performance (net)

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%
2021	April	0.97%

Fund characteristics

Average Coupon	4.12%
Yield to Maturity	2.75%
Duration (years)	4.44

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