

Al Hilal Global Sukuk Fund



Factsheet – April 2022

NAV per share USD 9.65

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 63.61

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 US Treasury market continued to weaken in April, with yields pressured higher across the curve, as the US Fed ratcheted up its fight against inflation. Minutes from the US Fed's meeting in March showed that the committee was considering raising rates by a larger 50bp at upcoming meetings, particularly if inflation pressures remained elevated or intensified. During the month, policymakers continued to show support for a 50bp rate hike in May and June (in line with market expectations), with St. Louis Fed President James Bullard mulling an even larger 75bp increase if needed, dampening

Market

In early April, 10-year US Treasury yields continued to climb from 2.34% at end-March to around 2.80%, after minutes from the US Fed meeting in March revealed that "many" policymakers are in favor of a larger 50bp rate hike at upcoming meetings. The minutes also detailed the Fed's balance sheet reduction plans: policymakers agreed to roll off a maximum of USD 95bil in US Treasuries and mortgage-backed securities per month, to be phased in over three months and likely starting in May. In March, the US economy added 431,000 new jobs, slightly lower than consensus expectations of 490,000 (Feb revised higher from 678,000 to 750,000). Nevertheless, average hourly earnings continued to rise from 5.2% y-o-y in February to 5.6% in March, while the unemployment rate improved from 3.8% to 3.6%, the lowest since March 2020. Meanwhile, US ISM manufacturing dipped from 58.6 in Feb to 57.1 in March, while ISM services gained from 56.5 to 58.3 as employment and orders strengthened, indicating the economy is on solid footing despite high inflation. In line with expectations, headline CPI continued to jump from 7.9% in Feb to 8.5% in March, the

market sentiment. After inverting in March, the US Treasury yield curve shifted higher and bear steepened in April. M-o-m, shorter-tenured 1-3-year yields climbed by 37-46bps, while the longest 20 and 30-year yields corrected by 55-61bps. Meanwhile, benchmark 10-year US Treasury yields rose by 59bps m-o-m, from 2.34% to 2.93%. GCC sukuk weakened in tandem with US Treasuries, and as market activities slowed ahead of Eid holidays. We continue to hold a neutral duration profile amid persistent market fluctuations, while maintaining our overall overweight in GCC, as the region remains the prime beneficiary of elevated oil prices.

highest since late 1981. 10-year US Treasury yields continued to rise to touch 2.98% on 20th April, as Fed members (including Chairman Powell) showed support for a larger 50bp hike at upcoming meetings in May and June, in line with its commitment to move "expeditiously" to control inflation. Towards month-end, 10-year US Treasuries took a breather, with yields tumbling to touch 2.71% on 27th April as new Covid lockdowns in China, as well as aggressive monetary tightening by major central banks sparked concerns over global growth, before closing the month at 2.93% (m-o-m 59bps higher). In 1Q22, the US economy contracted by -1.4% q-o-q (consensus +1.0%, 4Q21 +6.9%), dragged down by slower private inventory investment and a wider trade deficit. Meanwhile, Brent oil prices gained 1.4% from USD 107.91/bbl at end-March to USD 109.40/bbl at end-April, as it continues to benefit from expectations of a tighter supply market amid the Russia-Ukraine war, despite dampened demand due to Covid lockdowns in China. On 31st March, OPEC+ ratified a 432,000 bpd production increase for April, as scheduled earlier, as most members continue to grapple with capacity constraints.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	PERUSAHAAN PENERBIT SBSN INDONESIA III 4.35%	Sovereign & Quasi-sovereign	Indonesia	8.65%
2.	DUBAEE 3 3/4 02/15/26 - GSF	Transportation and Logistics	UAE	7.04%
3.	KIBKK 2 3/8 11/30/25 Corp - GSF	Financial	Kuwait	6.20%
4.	DPWDU 4.848 09/26/28 - GSF	Transportation and Logistics	UAE	5.07%
5.	TABRED 5 1/2 10/31/25 - GSF	Sovereign & Quasi-sovereign	UAE	4.71%

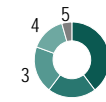
Regional allocation

1 UAE	45.19%
2 Saudi	14.25%
3 Indonesia	11.58%
4 Kuwait	10.16%
5 Oman	5.26%



Sector allocation

1 Sovereign & Quasi-sovereign	37.13%
2 Financial	19.45%
3 Transportation and Logistics	18.85%
4 Real Estate	14.16%
5 Utilities	4.05%



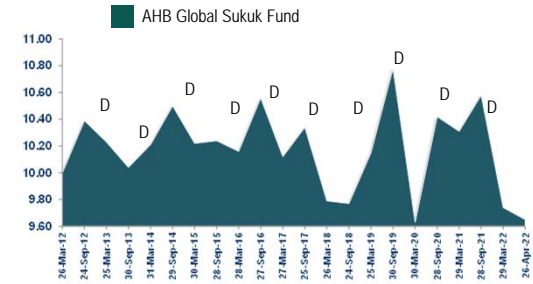
Fund performance

Performance (net)	Fund
Return (Month)	-0.92%
Return (YTD)	-4.37%
Return (SI) Cumulative	32.41%

Dividend

Date	%
Jan'20	6.00%
Jan'21	2.55%
Jan'22	4.24%

Source: Bloomberg



Monthly performance (net)

2021	April	0.97%
2021	May	0.48%
2021	June	0.57%
2021	July	-0.10%
2021	August	0.38%
2021	September	0.28%
2021	October	-0.28%
2021	November	-0.19%
2021	December	0.10%
2022	January	-0.95%
2022	February	-0.76%
2022	March	-1.81%
2022	April	-0.92%

Fund characteristics

Average Coupon	4.07%
Yield to Maturity	4.49%
Duration (years)	4.17

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