

Al Hilal Global Sukuk Fund



Factsheet – May 2023

NAV per share USD 9.25

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 41.16

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

As widely expected, the US Fed raised rates by 25bps to 5.00-5.25% on 3rd May, and signaled that rate increases may be nearing an end. Despite the more dovish tone, US Treasury (UST) prices weakened in May, with benchmark 10-year yields climbing by 22bps m-o-m to 3.64%, after a series of US economic data surprised on the upside, drawing hawkish remarks from several US Fed members. Sentiment was also weighed by concerns over the US debt ceiling crisis, which deepened after Treasury Secretary Janet Yellen warned that the US government may "highly likely" run out of money by early

Market

In early May, 10-year UST yields initially fell from 3.42% at end-April to touch 3.29% on 4th May amid softer US jobs opening data and lingering worries over the US banking sector. Furthermore, the US Fed raised rates by 25bps to 5.00-5.25% on 3rd May and signaled that its rate hiking cycle may be nearing an end. Nevertheless, UST yields started edging higher after US nonfarm payrolls added 253,000 new jobs in April, beating consensus expectations of 185,000. Average hourly earnings also grew from 4.3% to 4.4% y-o-y, signaling a still-tight labor market. Meanwhile, US headline CPI rose from 0.1% in March to 0.4% m-o-m in April amid higher gasoline prices, while core CPI steadied at 0.4% m-o-m as stubbornly elevated CPI components e.g. rent and services began receding. However, other US economic indicators such as industrial production and new home sales came in better than expected, dampening sentiment in the UST market. 10-year UST yields continued to march higher to touch 3.86% on 26th May, after US Treasury Secretary Janet Yellen warned that the government may "highly likely" run out of cash as early as 1st June, if Congress fails to suspend or raise the

debt limit. Furthermore, several US Fed members continued to hammer home hawkish remarks, while minutes of the US Fed's meeting in May showed some division in views among policymakers, with several members in favor of pausing, while others prefer to keep their options open. Nonetheless towards month-end, 10-year UST yields dived to close the month at 3.64% (m-o-m 22bps higher), following news that US President Joe Biden and House Speaker Kevin McCarthy reached a final agreement on 28th May to raise the debt ceiling, ultimately averting a potential US default. Sentiment was also lifted after several other US Fed members signaled a potential pause in June, pushing UST yields lower. Meanwhile, Brent oil prices fell 8.6% lower in May from USD 79.54/bbl at end-April to USD 72.66/bbl amid lingering concerns over the health of the global economy and oil demand prospects, reversing gains that followed the surprise announcement by OPEC+ in early April to cut output. This was despite OPEC maintaining its global oil demand forecast for a third month, citing potential growth from China to offset downside economic risks elsewhere.

Top 5 holdings

#	Name	Sector	Country	Weight
1.	Saudi Electricity 5.500 08/04/44 - GSF	Sovereign & Quasi-sovereign	Saudi	7.75%
2.	SAUDI ELECTRICITY GLOBAL 5.06% 04/08/2043 - GSF	Sovereign & Quasi-sovereign	Saudi	6.41%
3.	INDOIS 3.8 06/23/50 - GSF	Sovereign & Quasi-sovereign	Indonesia	6.24%
4.	OMANGS 4.875 06/15/30 - GSF	Sovereign & Quasi-sovereign	Oman	6.12%
5.	DP World Crescent Ltd 3.908 05/31/23 - GSF	Transportation and Logistics	UAE	6.07%

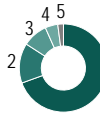
Regional allocation

1 Saudi	29.01%
2 UAE	22.82%
3 Indonesia	15.01%
4 Malaysia	10.31%
5 Bahrain	9.66%



Sector allocation

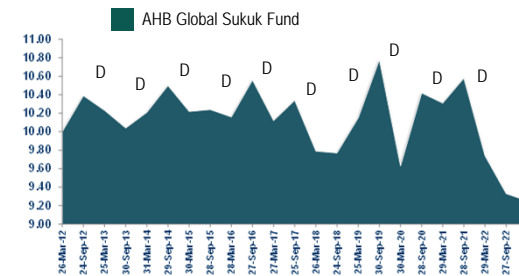
1 Sovereign & Quasi-sovereign	66.34%
2 Transportation and Logistics	14.01%
3 Real Estate	8.81%
4 Transportation & Logistics	4.42%
5 Financial	1.95%



Fund performance

Performance (net)	Fund
Return (Month)	-1.07%
Return (YTD)	0.87%
Return (SI) Cumulative	26.93%

Source: Bloomberg



Dividend

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

Monthly performance (net)

2022	May	-1.24%
2022	June	-1.05%
2022	July	-0.11%
2022	August	1.49%
2022	September	-2.41%
2022	October	-2.79%
2022	November	0.66%
2022	December	0.44%
2023	January	1.31%
2023	February	-0.97%
2023	March	1.20%
2023	April	0.43%
2023	May	-1.07%

Fund characteristics

Average Coupon	3.99%
Yield to Maturity	4.69%
Duration (years)	7.91

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