

Fund Details

ISIN	AEA003430021
Domicile	UAE
Currency	USD
Asset Class	Fixed-Income
Ongoing Charges (OC)	NA
Management Fee (Included in OC)	0.85%
AUM, as of Sep 30, 2019 (USD, mn)	35.42

Figure 1: Sector Allocation, Sep 2019

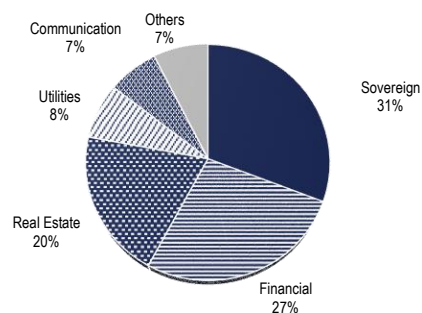
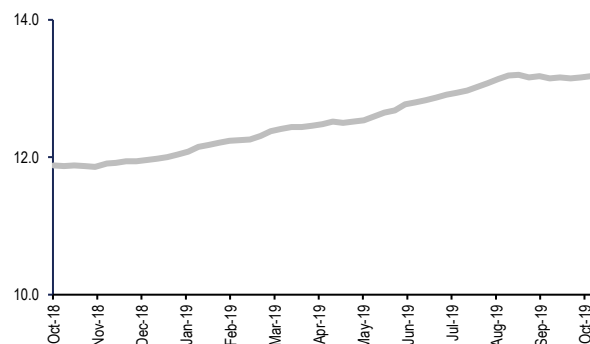


Figure 2: Fund's 1 year Performance (USD)



Source: Figure 1 – Al Hilal Global Sukuk Fund Factsheet; Figure 2 – Bloomberg

Fund Management

Al Hilal is Islamic bank headquartered in Abu Dhabi. It was founded by the Abu Dhabi Investment Council, an investment arm of the Abu Dhabi government. In 2019 Al Hilal Bank was acquired by ADCB. However the bank has remained a separate Islamic banking entity and will continue to focus on serving retail customers through digital channels under its own brand.

Fund

Investment Objective: The Al Hilal Global Sukuk Fund aims to provide investors with periodic returns on its investments giving them 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.

Investment Process: The Fund follows its philosophy of superior returns to its clients through the integration of fundamental research, an iterative investment process, a global perspective and disciplined risk management. The persistent structural advantages are achieved through - breadth of market coverage; depth of specialized expertise; disciplined portfolio construction and maintenance; and innovation in evolving markets.

The Fund is managed by Al Hilal Bank, Investment Banking Group and is advised by Principal Islamic Asset Management. The fund follows a dual-path investment process which is forward looking and iterative. It believes in the micro selection of securities considering the macro overlay. The investment process includes

- Global Macro Factors (Macro) which include GDP, currencies, interest rates; Issuer Credit Evaluation (Micro) which includes Financial & Non-Financial, Credit Outlook, Issue Structure
- Domestic Economies & Sectors (Macro) which include Monetary/Fiscal policies, borrowing requirements, demand/supply; Bond Reviews (Micro) which include Rating, Duration suitability, Spread analysis
- Asset Allocation, Sector & Duration Positioning (Macro) which includes Risk Parameters, VaR, Sectors, Yield Curve position; Security Selection (Micro) which includes Qualifying Bond List, Liquidity, Yield Curve dynamics, quality execution
- Fundamentals, Technicals, Valuations (FTV) Framework: Apart from the above steps the process includes a comparative framework, based on independent internal research, which facilitates communication as well as portfolio positioning

Investment Parameters: The key investment parameters of the Fund are,

- The Fund may make its core investment in Investment Grade USD denominated securities
- The Fund may invest less than 10% in each Unrated Sovereign and Unrated Corporates
- The Fund may invest in non-USD denominated securities
- The Fund may invest less than 20% in Unrated & Below Investment Grade combined
- The Fund may invest less than 60% in the UAE and less than 50% in all other countries
- The Fund may invest into derivatives, such as Shariah-compliant foreign exchange contracts and profit rate-swaps for efficient portfolio management purposes



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Sources: 1. Al Hilal Global Sukuk Factsheet, GSF Report, Fund Term sheet 2.Principal Islamic Asset Management Presentation, 3. Al Hilal Bank website