

Global Sukuk Fund - USD I Class Income Shares

31 August 2023

Investment manager

Principal Islamic Asset Management Sdn Bhd (Principal Islamic) is the Investment Manager of the Fund. Principal Islamic constitutes a partnership between Principal Financial Group and CIMB Group Holdings Berhad.

Fund managers

Mohd Fadzil Bin Mohamed
26 Yrs Industry Exp
Elyzza Syazreen Zailan
14 Yrs Industry Exp

Investment objective

The Fund seeks to maximize total return over the medium to long term through a combination of capital growth and income by investing in global Sukuk. The Fund invests primarily in a diversified portfolio of Shariah-compliant fixed income securities. All investments made by the Fund will be compliant with Shariah Investment Guidelines.

Index

Dow Jones Sukuk Price Return Index*

Fund facts

Fund size \$7.4m
Base currency USD
Fund domicile IRELAND
UCITS qualifying Yes
Dealing 10:00 AM GMT
SFDR Categorisation Daily Article 6

Unit class facts

Launch date 11 Jun 2019
Currency USD
Minimum investment US\$ 1,000,000
Management fee(s) 0.70% pa
Income distribution Distributing
Distribution frequency: Quarterly

Fund grading

3 Star Overall Morningstar Rating™ as of 31 August 2023

★ ★ ★

Performance (%)

	1M	3M	YTD	1YR	3YR	5YR	SI
Fund Cumulative Net	-0.82	-1.05	0.32	-1.74	-2.30	-	4.64
Index Cumulative	-0.55	-1.41	-0.42	-3.19	-12.31	-	-7.01
Fund Annualised Net	-0.82	-1.05	0.32	-1.74	-0.77	-	1.08
Index Annualised	-0.55	-1.41	-0.42	-3.19	-4.29	-	-1.70

12-month rolling return (%)

Sep 18 - Aug 19	Sep 19 - Aug 20	Sep 20 - Aug 21	Sep 21 - Aug 22	Sep 22 - Aug 23
-	2.06	5.40	-5.67	-1.74

Risk analysis

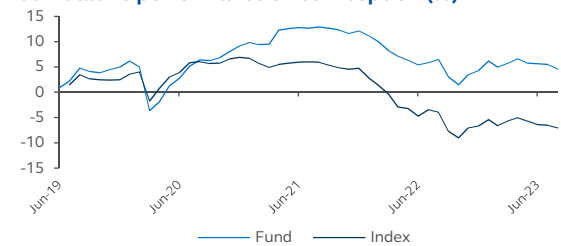
	1YR	3YR
Information Ratio	1.2	1.8
Alpha	0.7	2.6
Tracking Error	1.2	1.9
Standard Deviation	4.8	3.7
Beta	0.9	0.9

Past performance is not a reliable indicator of future performance.

Source: Fund Administrator: BNY Mellon Fund Services (Ireland) DAC since February 2011, performance data prior to this date is sourced from PGI and/or its affiliates; and the Index.

Data: From December 2018, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. The performance data shown is net of fees and other charges but excludes any potential entry/exit charges- as such the return an investor receives may be lower. Prior to December 2018, the performance data shown is based upon the Fund's month-end market close prices. (See performance note for further details.)

Cumulative performance since inception (%)



Fund analysis

	Fund
Average Coupon	3.8
Average Life	10.8
Yield to Worst	5.3
Yield to Maturity	5.3

Any yields quoted on the fact sheet are calculated at portfolio level gross of tax and expenses.

- Yield to Worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making the worst-case scenario assumptions on the issue.
- Yield to Maturity is a concept used to determine the rate of return an investor will receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date. Please note that this is not the return or dividend to be received by investors in the fund.

Top 10 holdings (%)

	Fund
SA GLOBAL SUKUK LTD 2031	9.1
KSA SUKUK LTD 2031	8.9
TMS ISSUER SARL 2032	7.9
MALAYSIA WAKALA SUKUK 2051	7.8
PERUSAHAAN PENERBIT SBSN 2050	7.0
SAUDI ELECTRICITY SUKUK 2053	6.9
MALAYSIA WAKALA SUKUK 2031	6.0
PERUSAHAAN PENERBIT SBSN 2031	6.0
PERUSAHAAN PENERBIT SBSN 2032	3.7
AIR LEASE CORP SUKUK LTD 2028	3.6
Total	66.8

No. of holdings

21

Geographic allocation (%)

	Fund
Saudi Arabia	38.0
United Arab Emirates	18.8
Indonesia	15.9
Malaysia	13.2
Cash Equivalent	4.5
United States	3.5
Bahrain	3.5
Oman	2.7
Other	0.0

Credit quality (%)

	Fund
AAA	4.5
AA	-
A	47.7
BBB	41.6
BB	2.7
B	3.5

Credit Quality refers to the credit ratings for the underlying securities in the Fund as rated by Standard & Poor's or Moody's Investors Service, and typically range from AAA/Aaa (highest) to C/D (lowest). If Moody's and S&P assign different ratings, the higher rating is used. Ratings methodologies and individual ratings can change over time. Credit Quality: AAA includes cash.

Sector allocation (%)

	Fund
Sovereigns	44.3
Energy	16.2
Utilities	12.7
Transportation & Logistics	12.5
Real Estate	6.4
Consumer Staples	3.4
Other	0.0
Cash	4.5

In alliance with 

Source: Principal Global Investors and/or its affiliates and the Index.

Data: This data/analysis is not sourced from the Fund's official record. It is based upon data from the internal systems of Principal Global Investors and/or its affiliates. Performance shown in this section is gross which does not take into account any fees or other charges which, if taken into account, would reduce the figures shown.

<div><div>Fund codes</div><div><div>Bloomberg</div><div>ISIN</div><div>Lipper</div><div>SEDOL</div><div>Valoren</div></div><div><div>CPGSUII ID</div><div>IE00BZBXGB56</div><div>68557109</div><div>BZBXGB5</div><div>35245990</div></div></div> <div><div>Registration</div><div><div>Brunei, Ireland, Singapore, Switzerland, UAE and UK</div></div><div><div>Not all unit classes are registered in the listed countries, please contact your sales representative for more details. In Singapore, the Fund is registered as a Restricted Scheme for institutional investors and relevant persons defined in the SFA.</div></div></div>	
<div><div>Fund overview</div><div><div>The Fund seeks to maximize total return over the medium to long term through a combination of capital growth and income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of Shariah-compliant fixed income securities (Sukuk) issued by government, government-related entities such as their local authorities and public authorities, corporate or supranational entities located globally.</div><div><div>Organisation</div><div><div>Principal Islamic acts as a global partner to institutional global investors, providing a range of Islamic investment portfolios to suit differing needs. We offer separately managed portfolios for institutions and collective investments. The joint venture between Principal Islamic and Principal Financial Group allows Principal Islamic to leverage on the strong global Islamic credentials of Principal Islamic while Principal Global Investors (the asset management arm of Principal Financial Group) lends its expertise in global asset management. Headquartered in Kuala Lumpur, Malaysia, Principal Islamic is strategically located in the world's first country with a complete Islamic financial system operating in parallel to the conventional banking system. This allows the firm to leverage on Malaysia's comprehensive Islamic financial infrastructure and its adopted global regulatory, legal and Shariah best practices.</div></div><div><div>Risk warnings</div><div><div><div><div><div>Sukuk Investment Risk – Like for other fixed income securities, price changes in Sukuk are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors.</div><div>There is no guarantee that the investment objective of the Fund will be achieved.</div><div>This shareclass is unhedged. Unhedged shareclasses are exposed to greater risk and volatility.</div><div>The potential for profit is accompanied by the possibility of loss.</div><div>There are specific risks associated with the use of derivative instruments, including counterparty, position, liquidity, settlement, correlation and legal risk.</div><div>Contingent convertible securities risk is due by the substantially greater risk that these instruments may have compared to other forms of securities in times of credit stress and may result in a material loss to the Fund.</div><div>Mortgage and Asset-Backed Securities carry greater risk compared to other securities in times of market stress such as early payment and/or extension of the life of the underlying assets.</div><div>Liquidity risk: The risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets</div></div></div></div><div><div>Performance note</div><div><div>*Index Disclosure: The Fund is actively managed and aims to outperform the Dow Jones Sukuk Price Return Index* (the "Index"). The portfolio manager may reference the Index as part of the investment management process and the majority of the Fund's investments will be in securities that are components of the Index. However, the portfolio manager maintains full discretion to select investments for the Fund in line with the above investment policy and with prior approval from the Shariah Advisor. This document presents the performance of this particular unit class of the Fund from the date of inception of the unit class in its unit class currency, as specified on the front page. Prior to 31st December 2018, the data performance calculations reflect the month-end market close prices of the Fund's assets. After 1 January 2019, the performance data shown is based upon the Fund's Net Asset Value (NAV) prices of the last Irish business day of the month. For Funds not open for dealing on this day this will be an indicative NAV. As a result, it is possible that the stated performance and the actual investment returns available to investors will differ. Outperforming the Dow Jones Sukuk Price Return Index is not specifically included in the objective for the Fund, and the figures shown in the table are provided as a comparison only. Past performance is not indicative of future performance. All figures are stated in USD unless otherwise noted. Investments do not always add up to 100% due to rounding</div><div>This document presents the performance of this particular unit class of the Fund from the date of inception of the unit class in its unit class currency, as specified on the front page. Performance since inception date of the Fund, which precedes the inception date of the unit class, is available upon request.</div></div></div><div><div>Disclosure</div><div><div>Principal Islamic is the Investment Manager and coordinator of Funds distribution for Principal Islamic Asset Management (Ireland) PLC, and is a partnership between Principal Financial Group and CIMB Group Holdings Berhad.</div><div><div>Principal Islamic may not forward this document to retail clients. If you are viewing the material as a retail investor, you should seek independent investment advice before deciding whether the Fund in question is suitable to meet your investment needs and objectives as the language included has not been complied to a retail client standard. Full details of the risks of investing in the Fund are contained in the KIID and Prospectus. This is available at www.principalislamic.com. The current document is for information purposes only and shall not be used as an offer to buy and/or sell shares.</div><div><div>Investors are also advised to read and understand the contents of the prospectus before investing and consider the fees and charges involved. Principal Islamic is not authorised by the Financial Conduct Authority to directly deal with retail investors; any distribution of the Fund to retail investors in Europe is facilitated by Fund distributors with which Principal Islamic has entered distribution agreements, pursuant to advice provided to investors by those distributors, based on the documents Principal Islamic provides. 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All the investments carried out for the Fund are in accordance with Shariah requirements.</div><div>Unless specified in this document, the strategy does not: (i) promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of the Sustainable Finance Disclosure Regulation (EU) No. 2019/2088 ("SFDR"); nor (ii) have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.</div><div>Notwithstanding this, the strategy/product is managed in line with the Principal Global Investors responsible investment policy, incorporating its Sustainability Risk and Principal Adverse Impacts policies. These policies can be found at https://www.principalam.com/SFDR.</div></div></div></div></div></div></div></div></div></div></div></div></div>	