



Qatar Asset Manager - 2018



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Best ETF Issuer - 2019

# Al Rayan GCC Fund (F)



August 2019

NAV/unit: USD 1.634

Performance YTD: +15.6%

**Overview:** August was a month of worry. US-China trade concerns accelerated, German and Chinese economic data deteriorated and instability continued in Hong Kong. Equities and most commodities were sold for the safety of gold and US/ European government bonds. US and European equities each lost 1.5% while within EM equities, China -1.6% and Brazil -1%. The US Dollar rose another 1-2% against major currencies and the Chinese yuan fell 4%. 10-year US Treasury yields plunged 51bps and, for the first time since 2008, yielded less than 2 year Treasuries (ie. an inverted yield curve). Gold soared 7% (\$1,523) while Brent crude fell 8% (\$59.3). Silver +13%, but corn, sugar and steel each fell 9-10% and copper -5%.

August was difficult for Gulf equities too. The second and final leg of MSCI's EM upgrade to Saudi led to profit taking while other markets faced passive outflows: KSA -8%, Dubai -5.5%, Abu Dhabi -3% and Qatar -2.6%. Sukuk rallied along with global bonds, ending up 2%. There was no fixed income issuance in the Gulf but we expect September to be busy.

Medicare Group, Air Arabia and Kuveyt Turk 2026 helped the fund most during the month, while Integrated Holding Co, Kuwait Finance House and Boubyan Bank were key laggards.

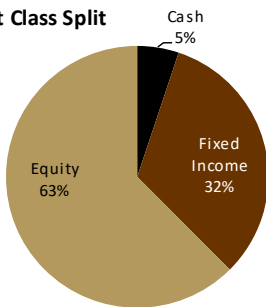
**Outlook:** With the Saudi EM index event now behind us, regional investors will refocus on fundamentals. The exception to this is Kuwait, which is set to enter MSCI EM in May 2020. Q3 results in the region are likely to offer much excitement.

## Fund Facts

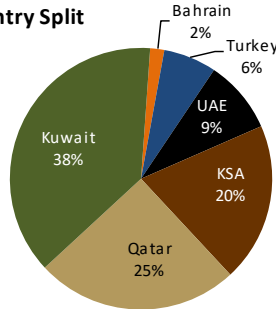
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	20% of NAV increase above 24%, over 2-years
<b>Lock-in period</b>	Six months
<b>Fund Duration</b>	Open-ended
<b>Founder</b>	Masraf Al Rayan QPSC
<b>Fund Manager</b>	Al Rayan Investment LLC
<b>Regulator</b>	Qatar Central Bank
<b>Custodian</b>	HSBC Bank Middle East
<b>Auditor</b>	Deloitte & Touche
<b>Bloomberg/ Lipper</b>	ARYGCCF QD/ 68048992
<b>Net Asset Value (NAV)</b>	USD 15.5 m

## Investments

### Asset Class Split



### Country Split



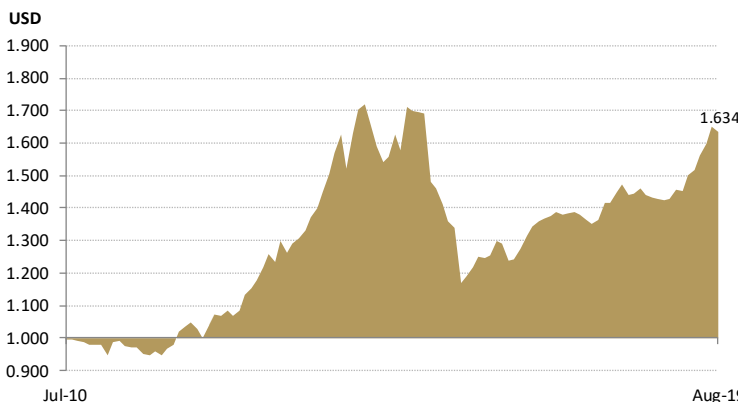
### Fund Indicators (Equity)

Indicator	August 2019
P/E 2019E	18.1x
P/BV 2019E	2.5x
Dividend Yield 2019E	2.8%
ROE 2019E	13.2%
Weighted Market Cap (USD)	5.2bn

### Fund Indicators (Fixed Income)

Indicator	August 2019
Weighted maturity (years)	3.5
Weighted yield to maturity	6.9%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	13.0%
Kuwait Finance House	Kuwait	Equity	11.2%
Boubyan Bank	Kuwait	Equity	10.9%
Medicare Group	Qatar	Equity	8.2%
Jazeera Airways	Kuwait	Equity	6.2%

## Performance<sup>#</sup> (since inception 63.4%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
-1.0%	4.7%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%	4.6%

# Performance is calculated net of fees

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**Disclaimer:** Past performance is not an indication of future results. The value of investments can go up as well as down. Investors should consider carefully information contained in the Fund prospectus, including investment objectives, risks, charges and expenses. Please read the prospectus carefully before investing. An investment is neither insured nor guaranteed by the Bank nor any other government agency. Although the Fund seeks to preserve and grow the value of your investment, it is possible to lose money by investing in the Fund. If in doubt please seek independent professional financial advice.