



Qatar Equities Manager - 2015



Regional Fund Performance - 2015



GCC Fund >\$50m - 2016



Qatar Asset Manager - 2016



Qatar Asset Manager - 2016

# Al Rayan GCC Fund (F)



January 2017

NAV/unit: USD 1.345

Performance YTD: +2.4%

**Overview:** While the year began with heightened focus on US politics, global equities brushed this off, gaining on US economic data and expectations of improved US growth. S&P 500 +2% while Europe -0.4%. EM rallied as Brazil +7% and India +4%. 10-year US Treasury yields were less volatile, ending flat at 2.45%. Yet the USD was 2-3% weaker against most major currencies as the US Finance Secretary acknowledged the need for a weaker USD. Commodities were mixed, with Brent crude -3% (\$55.6), while Gold +5% (\$1,211) on the weaker Dollar. Among other key commodities, Henry Hub gas (-18%) and steel (-2%) lost while urea (+15%), copper (+8%) and aluminum (+7%) gained.

GCC equities were mixed as KSA (-1.5%) eased after an almost 30% bounce in Q4 2016. Qatar rose 1.5% ahead of the FTSE EM upgrade in March while Dubai (+3.2%) gained. Kuwait ended January +19%, the best performing equity market in the world in 2017. January saw two public bonds deals (Shelf Drilling and Gulf International Bank) and no sukuk. GCC sukuk returned +0.86% in January.

Arabian Shield Cooperative Insurance Co, United Development Co and DP World helped the fund most during the month while Saudi Telecom Co, Aldrees Petroleum and Transport and DXB Entertainments were key laggards.

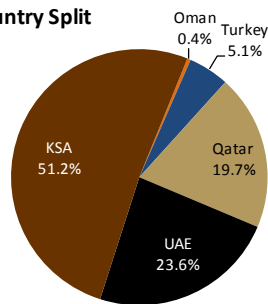
**Outlook:** 2016 was challenging for GCC companies, a trend reflected in annual results which are ongoing. Markets are set to remain volatile in 2017 on expected moves in oil and further spending rationalisation by governments. However we see considerable opportunity in many sectors as better managed and superior positioned companies rapidly take market share from their weaker competitors.

## Fund Facts

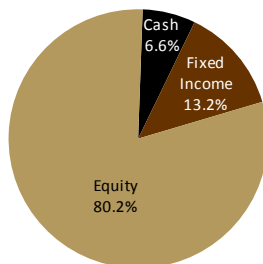
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	20% of NAV increase greater than 24%, over 2-years
<b>Lock-in period</b>	Six months
<b>Fund Duration</b>	Open-ended
<b>Founder</b>	Masraf Al Rayan QSC
<b>Fund Manager</b>	Al Rayan Investment LLC
<b>Regulator</b>	Qatar Central Bank
<b>Custodian</b>	HSBC Bank Middle East
<b>Auditor</b>	KPMG
<b>Bloomberg Ticker</b>	ARYGCCF QD
<b>Lipper ID</b>	68048992
<b>Net Asset Value (NAV)</b>	USD 15.1 m

## Investments

### Country Split



### Asset Class Split



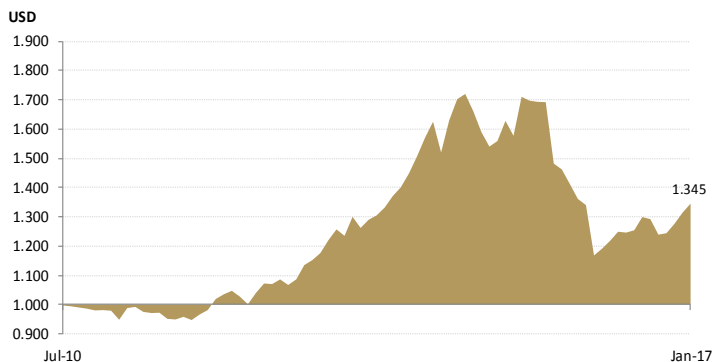
## Fund Indicators (Equity)

Indicator	January 2017
P/E 2017E	14.9x
P/BV 2017E	2.4x
Dividend Yield 2017E	3.9%
ROE 2017E	15.1%
Weighted Market Cap (USD)	16.0bn

## Fund Indicators (Fixed Income)

Indicator	January 2017
Average Maturity (Years)	4.7
Average Yield to Maturity	6.9%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Saudi Basic Industries Corp	KSA	Equity	8.2%
Mouwasat Medical Services Co	KSA	Equity	8.2%
Industries Qatar QSC	Qatar	Equity	6.6%
Al Rajhi Bank	KSA	Equity	6.3%
DIB Tier 1 Sukuk Ltd	UAE	Fixed Income	6.2%

## Performance

Last 1mth	Last 3mth	YTD 2017	2010	2011	2012	2013	2014	2015	2016	Inception
2.4%	8.1%	2.4%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	34.5%