



Qatar Asset  
Manager - 2019



Best ETF Issuer -  
2019



Qatar Asset  
Manager - 2020

# Al Rayan GCC Fund (F)



June 2020

NAV/unit: USD 1.522

Performance YTD: **-14.0%**

**Overview:** In June, global risk assets continued to recover from their Covid-19 setback earlier in the year, helped by unprecedented support from central banks; there was some hesitation mid-month on second wave concern. US equities rose 2% and Europe +3%. EM equities rallied harder with Brazil +9%, India +8% and China +5%. 10-year US Treasury yields remained range bound and ended +1bps at 0.66%. Gold added another 3% (\$1,783) and Brent +8% (\$41.3). For the quarter, Brent was soared 82% from Q1's depressed levels. Other commodities: ethylene +38%, copper +12% and sugar +9, while steel -9% and wheat -6%.

Gulf equities gained given some stability in oil with Dubai (+6%) the top gainer followed by Abu Dhabi (+3.5%), Kuwait (3.4%) and Qatar (1.7%). The region's largest equity market, KSA, ended flat. Regional sukuk issuance was strong in June with \$4.3bn printed (only \$600m was conventional); sukuk gained 2.16% in June.

Mabane Co, Islamic Holding Group and ERES 2021 helped the fund most during the month while Dubai Islamic Bank, Kuwait Finance House and Industries Qatar were key laggards.

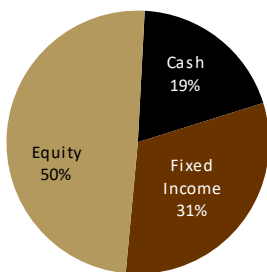
**Outlook:** Oil is now back above \$40 and lock-downs have begun to end. But with \$15 Brent crude and Covid-related restrictions, Q2 results will be exceptionally poor. Medium term investors view Q2 as a 'one-off' (with questions on the pace of recovery) but it will be interesting to see how markets react to very weak results.

## Fund Facts

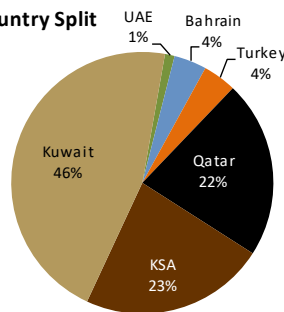
|                              |   |
|------------------------------|---|
| <b>Asset class</b>           | Shari'a compliant GCC listed equities and sukuk |
| <b>Investment Objective</b>  | 18-24 month capital appreciation                |
| <b>Minimum investment</b>    |   |
| - Individual                 | \$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>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 14.2m                                       |

## Investments

### Asset Class Split



### Country Split



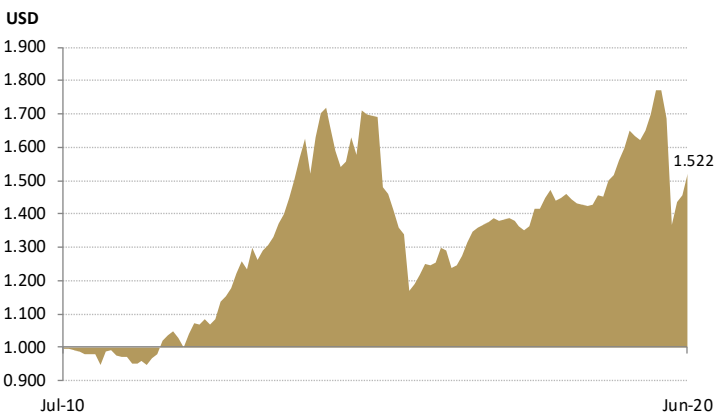
### Fund Indicators (Equity)

|                           | June 2020 |
|---------------------------|-----------|
| P/E 2020E                 | 35.0x     |
| P/BV 2020E                | 1.8x      |
| Dividend Yield 2020E      | 3.0%      |
| ROE 2020E                 | 10.2%     |
| Weighted Market Cap (USD) | 6.2bn     |

### Fund Indicators (Fixed Income)

|                            | June 2020 |
|----------------------------|-----------|
| Weighted yield to maturity | 10.2%     |
| Weighted maturity (Years)  | 4.5       |

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

| Company              | Country | Instrument   | %     |
|----------------------|---------|--------------|-------|
| Boubyan Bank         | Kuwait  | Equity       | 11.5% |
| Kuwait Finance House | Kuwait  | Equity       | 11.4% |
| Mabane Co            | Kuwait  | Equity       | 10.4% |
| Dar Al Arkan 2025    | KSA     | Fixed Income | 8.4%  |
| Dar Al Arkan 2023    | KSA     | Fixed Income | 7.8%  |

## Performance# (since inception 52.2%)

| Last 1mth | Last 3mth | 2010  | 2011  | 2012  | 2013  | 2014  | 2015   | 2016  | 2017 | 2018 | 2019  |
|-----------|-----------|-------|-------|-------|-------|-------|--------|-------|------|------|-------|
| 4.4%      | 11.2%     | -1.9% | -1.5% | 12.4% | 26.2% | 12.3% | -13.0% | -1.9% | 3.9% | 4.6% | 23.9% |

# Performance is calculated net of fees