

Regional Fund
Performance - 2015GCC Fund >\$50m
- 2016Qatar Asset
Manager - 2016Qatar Asset
Manager - 2016Qatar Asset
Manager - 2017

Al Rayan GCC Fund (F)

**May 2018****NAV/unit: USD 1.441****Performance YTD: +5.6%**

Overview: May witnessed political uncertainty in Italy and an emerging market sell-off following US Dollar strength (+2-3% vs major currencies). The worst hit EM currencies were Argentine Peso -18%, Turkish Lira -11% and Brazil Real -6%. Among major EM equity markets: Brazil -11%, Mexico -8%, Turkey -3.5% while China and India were broadly flat. US equities +2% while European equities -0.6%. In a flight to safety, 10-year US Treasury yields ended at 2.86% (-9bps) after high intra-month volatility. Within commodities, gainers included Brent crude +5% (\$78), steel +9% and Henry Hub gas +6%, while sugar (-8%), ethylene (-7%) and gold (-1% to \$1,302) were among the decliners.

Regional equities ended down, led by Dubai (-3%), following MSCI rebalancing related outflow. Despite \$1bn in passive inflows, Qatari equities -2.5% as local investors booked profits. Among other regional markets, KSA -0.6% and Kuwait -2%. May saw \$2.5bn of debt issued; \$200m was sukuk. Issuers included QNB (\$1.5bn), CBQ (\$500m) and QIB (\$200m). Regional sukuk returned +0.16% in May.

Qatar Islamic Bank, Jarir Marketing Co and Dar Al Arkan 2022 helped the fund most during the month while Industries Qatar, United Electronics Co and Medicare Corp were key laggards.

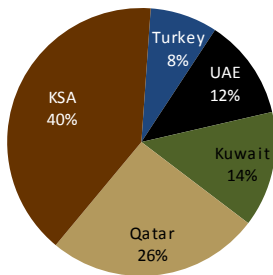
Outlook: Post the FTSE rebalance, expect weakness in Qatari equities before Eid. Saudi is likely to lead regional markets ahead of expected passive inflows in 2019.

Fund Facts

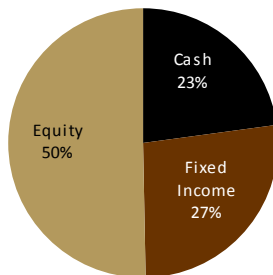
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase above 24%, over 2-years
Lock-in period	Six months
Fund Duration	Open-ended
Founder	Masraf Al Rayan QPSC
Fund Manager	Al Rayan Investment LLC
Regulator	Qatar Central Bank
Custodian	HSBC Bank Middle East
Auditor	Deloitte & Touche
Bloomberg/ Lipper	ARYGCCF QD/ 68048992
Net Asset Value (NAV)	USD 14.4 m

Investments

Country Split



Asset Class Split



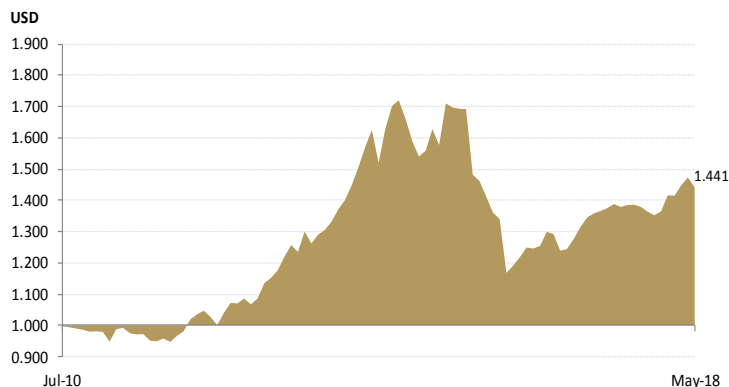
Fund Indicators (Equity)

	May 2018
P/E 2018E	15.0x
P/BV 2018E	3.1x
Dividend Yield 2018E	4.6%
ROE 2018E	20.4%
Weighted Market Cap (USD)	5.9bn

Fund Indicators (Fixed Income)

	May 2018
Weighted maturity (years)	3.8
Weighted yield to maturity	7.0%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2022	KSA	Fixed Income	6.7%
Kuveyt Turk 2026	Turkey	Fixed Income	6.3%
Barwa Real Estate	Qatar	Equity	6.2%
Mouwasat Medical Services Co	KSA	Equity	5.5%
Dar Al Arkan 2019	KSA	Fixed Income	5.1%

Performance[#] (since inception 44.1%)

Last 1mth	Last 3mth	YTD 2018	2010	2011	2012	2013	2014	2015	2016	2017
-2.2%	1.8%	5.6%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%

[#] Performance is calculated net of expenses