



Qatar Asset Manager - 2018



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Best ETF Issuer - 2019

# Al Rayan GCC Fund (F)



September 2019

NAV/unit: USD 1.621

Performance YTD: **+13.5%**

**Overview:** During September, global equities markets recovered as central banks responded to weaker economic data with rates cuts both in US and Europe. US equities rallied 2% while Europe +3.6%. Within EM equities, India and Brazil both gained 3.5% while China was 1% higher. The US Dollar rose 1% against developed market currencies. 10-year US Treasury yields recovered 16bps to 1.66% during a volatile month. Gold lost 3.5% (\$1,470) as there was a pause in investor worries while Brent crude added 1.4% (\$59.3). Among other key commodities, wheat +7%, corn +5% and sugar +3% while steel fell 5% and urea and aluminum each lost 2%.

Gulf equities were a story of two halves where Qatar, Saudi and Dubai bounced 1% but Kuwait fell 5.4% on concerns over the Emir's health. Abu Dhabi (-2%) and Bahrain (-1%) were weaker. Despite a 25bp interest rate cut in the US, additionally supply and a late attack on Aramco's oil facility did not bode well for the Gulf, resulting in sukuk returning -0.5%; the first down month since October 2018. Gulf issuers raised \$17.5bn (\$15bn conventional, \$2.5bn sukuk) in September.

Qatar International Islamic Bank, Gulf Warehousing and Air Arabia helped the fund most during the month, while Boubyan Bank, Medicare Group and Kuwait Finance House were key laggards.

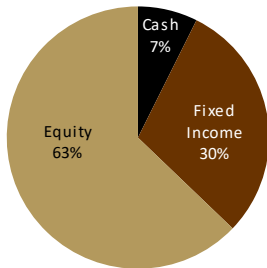
**Outlook:** Despite the attack on a major Saudi oil facility, both oil and regional tensions have cooled. Attention now turns to Q3 results in October/ November where we expect continued negative growth for the region as a whole. Numerous companies will report positive growth and these are likely to shine.

## Fund Facts

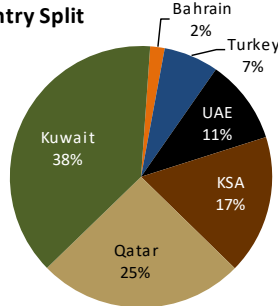
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management 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 15.3 m

## Investments

### Asset Class Split



### Country Split



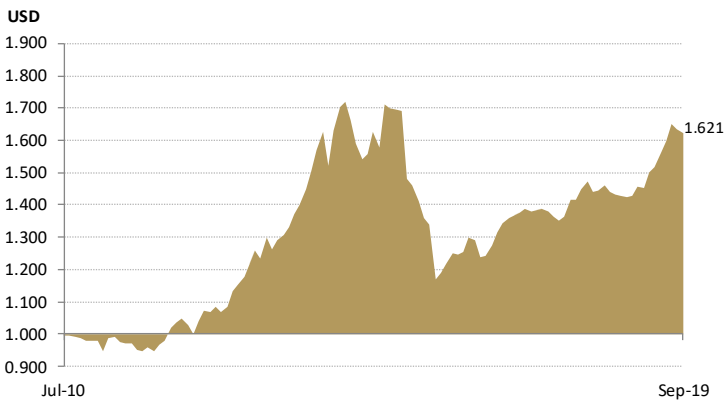
### Fund Indicators (Equity)

Fund Indicators (Equity)	September 2019
P/E 2019E	15.8x
P/BV 2019E	2.4x
Dividend Yield 2019E	3.2%
ROE 2019E	13.7%
Weighted Market Cap (USD)	5.0bn

### Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	September 2019
Weighted yield to maturity	3.5
Weighted maturity (Years)	7.3%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	13.1%
Kuwait Finance House	Kuwait	Equity	10.8%
Boubyan Bank	Kuwait	Equity	10.7%
Qatar International Islamic Bank	Qatar	Equity	7.8%
Jazeera Airways	Kuwait	Equity	6.4%

## Performance# (since inception 62.1%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
-0.8%	1.4%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%	4.6%

# Performance is calculated net of fees