



Al Rayan GCC Fund



February 2023

NAV/unit: QAR 2.267

Performance YTD: + 2.2%

Overview: January's gains reversed during February as stubbornly strong US inflation and growth data led investors to reassess (upwards) where US interest rates may peak; bond yields jumped, most equities fell. US equities -2.6%, but European equities +2%. In EM equities, Brazil plunged 7.5%, Russia -5.5%, India -1%, while China +1%. 10-year US treasury yields surged 0.41% in February to 3.92% and the US Dollar rose 2-3% vs major currencies. Apart from steel +31% (to \$1,054), commodities were generally weak: urea -22%; aluminium and ethylene -10%; gold -5% (to \$1,826.9) and Brent crude -2% (\$83.5).

Gulf equity markets were mixed for the second month running, with Saudi Arabia and Qatar down 6.4% and 3.3% respectively. However, Dubai rose 4%, Oman +1%, while Abu Dhabi, Bahrain and Kuwait were flattish. Within sukuk, average spreads fell 0.26%, average yield to maturity rose 0.28% to 5.52% and sukuk returned -0.65% in February.

Abu Dhabi Islamic Bank, Theeb Rent a Car Co. and Alamar Foods helped the fund most in February; ADNOC Drilling Co., Qatar Aluminum Manufacturing & Mouwasat Medical Services Co. were key laggards.

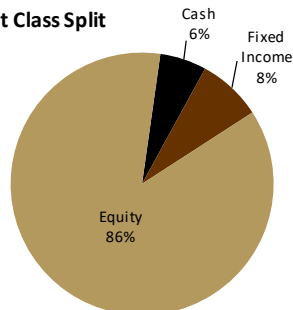
Outlook: Strength in global economic indicators points to '(even) higher for (even) longer' US interest rates. We expect regional markets to remain volatile, and still avoid banks. Higher finance costs are an added headwind for companies but we find numerous companies across our universe benefitting from medium-term, secular growth trends.

Fund Facts

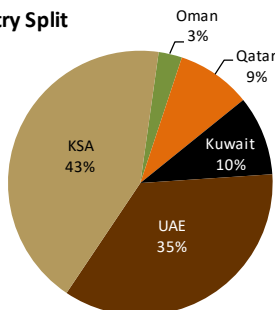
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase above 24%, over 2-years
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	ARYGCCQ QD/ 68048996
Net Asset Value (NAV)	QAR 335.3m
Dividend Distribution	Semi-annual (January & July)

Investments

Asset Class Split



Country Split



Fund Indicators (Equity)

February 2023

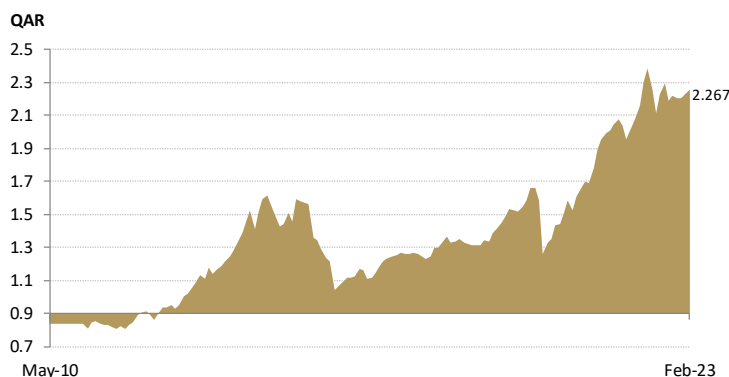
P/E 2023E	14.6x
P/BV 2023E	4.7x
Dividend Yield 2023E	3.1%
Weighted Market Cap (QAR)	14.3bn

Fund Indicators (Fixed Income)

February 2023

Weighted yield to maturity	9.5%
Weighted maturity (Years)	0.7

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Air Arabia PJSC	UAE	Equity	7.0%
Emaar Properties PJSC	UAE	Equity	6.5%
Al Yah Satellite Communications	UAE	Equity	5.9%
Al Hammadi Holding	KSA	Equity	5.5%
Arabian Drilling Co.	KSA	Equity	5.3%

Performance net of fees

1 month	3 months	Inception	2018	2019	2020	2021	2022
1.4%	0.2%	149.3%	4.9%	23.3%	0.2%	19.7%	11.5%