



Al Rayan GCC Fund



March 2023

NAV/unit: QAR 2.372

Performance YTD: + 6.9%

Overview: What a March! Silicon Valley Bank, Signature Bank and Silvergate Bank collapsed in the US, followed by Credit Suisse being absorbed by UBS in Switzerland. In the face of such dramatic events, global assets would have potentially plunged, especially with another 0.25% interest increase in the US (now at 5%), as the war against inflation continues. But aggressive central bank liquidity injections calmed investors and US equities ended March +3.5%; Europe was -0.70%. In EM equities, Russia +3%, India and China flat while Brazil -3%. 10-year US treasury yields ended the month -0.45%, to 3.47% and the US Dollar fell 2-3% vs major currencies. Apart from gold, +8% to \$1,969, commodities were generally weak: gas (Henry Hub) -16%, urea -10%, steel -4%, and Brent crude -4% (\$79.9).

Gulf equity were lower Abu Dhabi -4%, Qatar and Kuwait -3%, Bahrain -2%, Dubai -1%, while Saudi was up 5%, followed by Oman +2%. Regional fixed income issuance of \$1.8bn included a \$1bn green sukuk from Al Rajhi Bank. Within sukuk, average spreads rose 49bp, average yield to maturity was 0.08% lower to 5.44%, and sukuk returned +0.71% over the month.

Mouwasset, ADNOC Drilling and Americana Restaurants helped the fund most in March; Ooredoo, Qatar Aluminum Manufacturing & Alamar were key laggards.

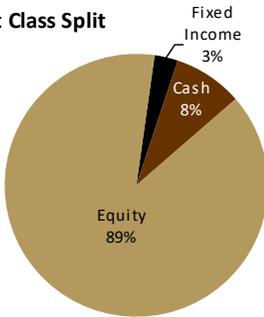
Outlook: Global economic and inflation indicators continue to show strength which suggests more rate hikes. We expect markets to remain volatile and remain unenthusiastic about banks (the largest sector) and most commodity stocks. Higher finance costs will be an overhang on the profitability for highly indebted companies but we find ample opportunities across our universe, gaining exposure to numerous secular growth trends across the region.

Fund Facts

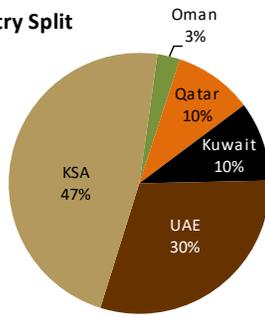
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
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	PricewaterhouseCoopers
Bloomberg/ Lipper	ARYGCCQ QD/ 68048996
Net Asset Value (NAV)	QAR 350.9m
Dividend Distribution	Semi-annual (January & July)

Investments

Asset Class Split



Country Split



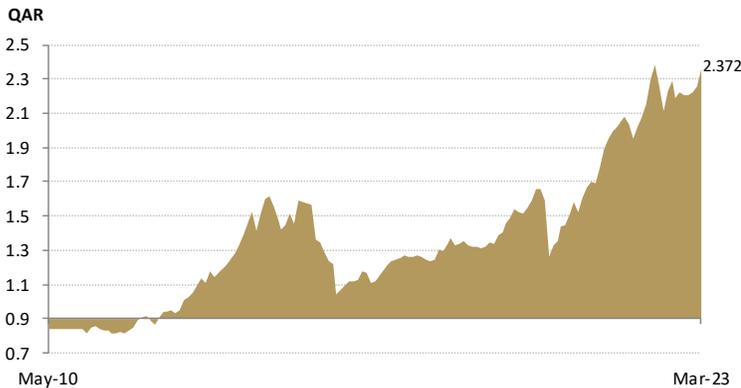
Fund Indicators (Equity)

Fund Indicators (Equity)	March 2023
P/E 2023E	15.9x
P/BV 2023E	5.8x
Dividend Yield 2023E	2.8%
Weighted Market Cap (QAR)	16.8bn

Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	March 2023
Weighted yield to maturity	7.8%
Weighted maturity (Years)	1.2

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Emaar Properties	UAE	Equity	6.0%
Arabian Drilling	KSA	Equity	5.6%
Al Hammadi Holding	KSA	Equity	5.4%
Saudi Airlines Catering	KSA	Equity	5.2%
Americana Restaurants	UAE	Equity	5.0%

Performance net of fees

1 month	3 months	Inception	2018	2019	2020	2021	2022
4.6%	6.9%	160.8%	4.9%	23.3%	0.2%	19.7%	11.5%