

# Al Rayan GCC Fund

December 2024

NAV/unit: QAR 2.676

Performance YTD: +6.3%

**Overview:** December saw another 0.25% interest cut in the US with far less than previously guided easing in 2025. Markets reacted unfavourably and US equities fell 3% (+23% YTD), while Europe -1% (+6% YTD). In EM, China +1% (+13% YTD) while India -2% (+8% YTD) and Brazil -4% (-10% YTD). 10-year US Treasury yields rose 40bps over the month to 4.57% (+0.69% YTD) and the US Dollar added 2% against major currencies. Most commodities declined, with steel -5%, copper -3%, aluminum -2% and gold -1% to \$2,624 (+27% YTD). Brent crude rose 6% to \$74.6 (-3% YTD), and urea gained 5%.

Most GCC equity markets rallied during the month, with Dubai +6%, (+27% YTD), Saudi Arabia +3%, Abu Dhabi and Qatar +1.5% and Kuwait +1%. New issuance was weaker with \$1.54bn in sukuk: \$800mn Rajhi Bank, \$500mn InfraCorp, \$205mn Emirates REIT and QAR 145 mn Estithmar Holdings. Additionally, \$1.13bn worth of bonds were issued. Within sukuk, average spreads -10bp to 131bp (-29bp over 2024), average yield to maturity +0.25% to 5.78% (+0.31% over 2024), and sukuk returned -0.39% over the month (+4.78% for 2024).

Emaar Properties, Emaar Development and Savola helped the fund most in December; Mouwasat, Almarai and Integrated Holdings Integrated were key laggards.

**Outlook:** We continue to take advantage of secular growth opportunities in sectors including industrial, tourism, health, and technology in Saudi and UAE specifically, maintaining a low cash position. We also see opportunities in GCC sukuk.

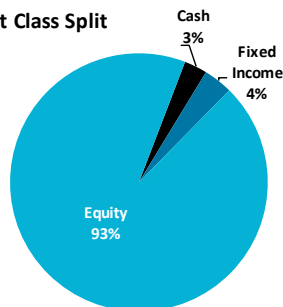
## Fund Facts

<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>	
- <b>Individual</b>	QAR 35,000 initially, QAR 5,000 thereafter
- <b>Institution</b>	QAR 350,000 initially, QAR 50,000 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>	AlRayan Bank (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>	PricewaterhouseCoopers
<b>Bloomberg/ Lipper</b>	ARYGCCQD/ 68048996
<b>Net Asset Value (NAV)</b>	QAR 423.1m
<b>Dividend Distribution</b>	Semi-annual (January & July)

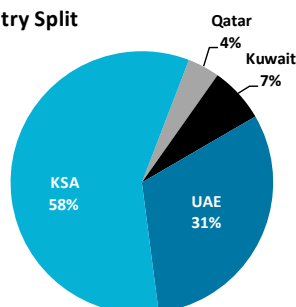
The fund has declared a dividend of QAR 0.032/unit for the second half of 2024, to be paid in January 2025. This takes the total dividends for 2024 to QAR 0.082/unit, equivalent to 3% of NAV.

## Investments

### Asset Class Split



### Country Split



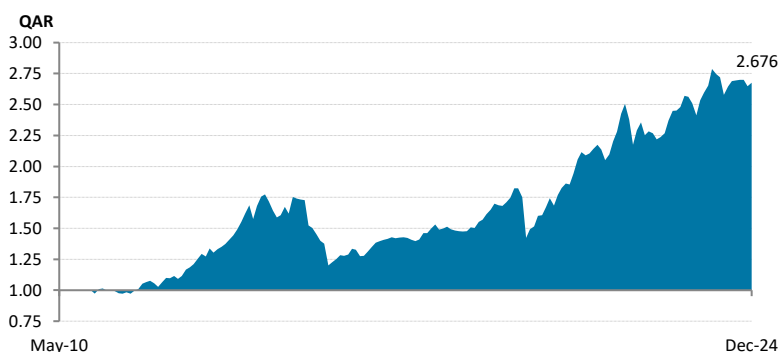
### Fund Indicators (Equity)

Fund Indicators (Equity)	December 2024
P/E 2024E	20.1x
P/BV 2024E	4.8x
Dividend Yield 2024E	2.2%
Weighted Market Cap (QAR)	43.5

### Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	December 2024
Weighted yield to maturity	8.7%
Weighted maturity (Years)	2.5

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
ADNOC Drilling	UAE	Equity	6.8%
Emaar Development	UAE	Equity	6.0%
Emaar Properties	UAE	Equity	5.1%
United International Transport	KSA	Equity	4.8%
Integrated Holding	Kuwait	Equity	4.5%

## Performance net of fees

1 mth	3 mths	Inception	2019	2020	2021	2022	2023
2.3%	0.4%	214.3%	23.3%	0.2%	19.6%	11.4%	24.3%