

# Al Rayan GCC Fund

February 2025

NAV/unit: QAR 2.711

Performance YTD: +1.3%

**Overview:** February was volatile for global markets: US equities hit an all-time high but ended the month -1.4% on trade tariff concerns. Meanwhile European equities added 3% on hopes of greater government spending. In EM, Brazil and India fell 6% and 3%, respectively, while China rose 2%. 10-year US Treasury yields fell 33bps over the month to 4.21% and the US Dollar lost 1% against major currencies. Most commodities rose, gas (henry hub) +34%, steel +16%, urea +9%, while Brent crude dropped 2% to \$72.8. Gold continued to rise, +7% to \$2,858.

GCC equities were led by Kuwait +4.7%, and Dubai +2.6%, while Saudi Arabia -2.4%, Qatar -2.1% and Abu Dhabi flat. Fixed income issuance was very strong at \$18.2bn, of which \$9.3bn in sukuk: \$1.4bn Al Rajhi Bank private placements, \$2.75bn Saudi Electricity, \$2bn Saudi Real Estate Refinancing Company, \$1.25bn Maaden, \$750m Damac and \$700m National Cooling. Within sukuk, average spreads +14bp to 151bp, average yield to maturity -0.17% to 5.60%, and sukuk returned +1.1% over the month.

East Pipes Integrated, Talabat Holding and ADNOC Drilling helped the fund most in February; Sustained Infrastructure Holding Co, Middle East Specialised Cables and Lulu Retail Holding and Emaar Development were key laggards.

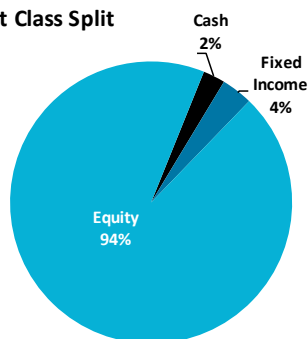
**Outlook:** Global market sentiments are weak, and we expect markets to be volatile. We continue to take advantage of select growth opportunities in sectors including services, industrial, tourism, health, and technology in Saudi and UAE specifically. We also see opportunities in GCC sukuk and invest tactically.

## Fund Facts

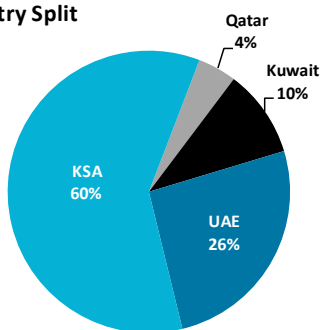
|                              |   |
|------------------------------|---|
| <b>Asset class</b>           | Shari'a compliant GCC listed equities and sukuk |
| <b>Investment Objective</b>  | 18-24 month capital appreciation                |
| <b>Minimum investment</b>    |   |
| - <b>Individual</b>          | 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>     | ARYGCCQ QD/ 68048996                            |
| <b>Net Asset Value (NAV)</b> | QAR 429.2m                                      |
| <b>Dividend Distribution</b> | Semi-annual (January & July)                    |

## Investments

### Asset Class Split

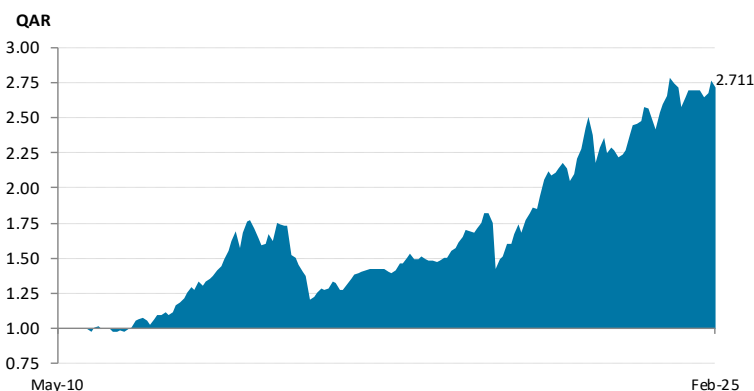


### Country Split



| Fund Indicators (Equity)       | February 2025 |
|--------------------------------|---------------|
| P/E 2025E                      | 19.4x         |
| P/BV 2025E                     | 4.6x          |
| Dividend Yield 2025E           | 1.9%          |
| Weighted Market Cap (QAR)      | 48.0bn        |
| Fund Indicators (Fixed Income) | February 2025 |
| Weighted yield to maturity     | 9.4%          |
| Weighted maturity (Years)      | 2.3           |

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

| Company               | Country | Instrument | %    |
|-----------------------|---------|------------|------|
| Emaar Properties      | UAE     | Equity     | 6.4% |
| East Pipes Integrated | KSA     | Equity     | 5.8% |
| Emaar Development     | UAE     | Equity     | 5.6% |
| ADNOC Drilling        | UAE     | Equity     | 5.0% |
| Integrated Holding    | Kuwait  | Equity     | 5.0% |

## Performance net of fees

| 1 mth | 3 mths | Inception | 2020 | 2021  | 2022  | 2023  | 2024 |
|-------|--------|-----------|------|-------|-------|-------|------|
| -1.8% | 3.6%   | 225.7%    | 0.2% | 19.6% | 11.4% | 24.3% | 6.3% |