

June 2023

NAV/unit: QAR 2.479

Performance YTD: +15.2%

**Overview:** June brought happiness for most global markets after the US put a pause to interest rate increases and the US debt ceiling issue was resolved. Tech stocks led, helping US equities +6.5% and Europe +2.3% in June after a weak May. Across EM, Russia -7%, China flat, while, India and Brazil +3% and +9% respectively. Inflation remained stubbornly high and 10-year US Treasury yields rose 19bp over the month to 3.84% yet the US Dollar index declined fell 1-2% against major currencies. Commodities were a mixed bag with, ethylene declining 12% and gold and aluminium down 2-4%. Brent crude +4% (\$75.4), gas (Henry Hub) +18%, while copper and steel +3-9%.

Gulf equities had a stellar performance: Dubai +6%, Saudi Arabia and Kuwait +4%, Oman +3% and Abu Dhabi +1.5%; Qatar -1%. Regional fixed income issuance in June was \$1.6bn, of which \$500m was a Majid Al Futtaim sukuk. Within sukuk, average spreads were 19bp tighter, average yield to maturity +14bp to 5.57%, and sukuk returned -0.1% over the month.

Saudi Aramco Base Oil Co, Al Hammadi Holding, Saudi Airlines Catering Co helped the fund most in June; Qatar Aluminium Manufacturing Co, Salik Co & Jarir Marketing Co were key laggards.

**Outlook:** With further interest rate increases to come, companies with high leverage will remain burdened. We remain unenthusiastic about banks (the largest sector) and most commodity stocks. But with aggressive spending plans in many Gulf countries, we see ample opportunities, especially in Saudi. We see secular growth opportunities in sectors including tourism, health, education and hydrocarbon exploration.

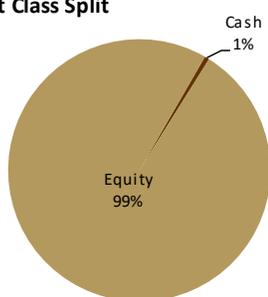
## Fund Facts

|                              |   |
|------------------------------|---|
| <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                 | QAR 35,000 initially, QAR 5,000 thereafter      |
| - Institution                | 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>               | 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 368.7m                                      |
| <b>Dividend Distribution</b> | Semi-annual (January & July)                    |

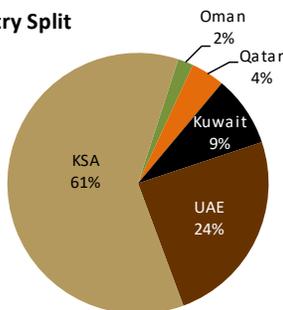
In June 2023, the fund declared a dividend to unit-holders (QAR 0.076/unit). This was for the first half of 2023.

## Investments

### Asset Class Split



### Country Split



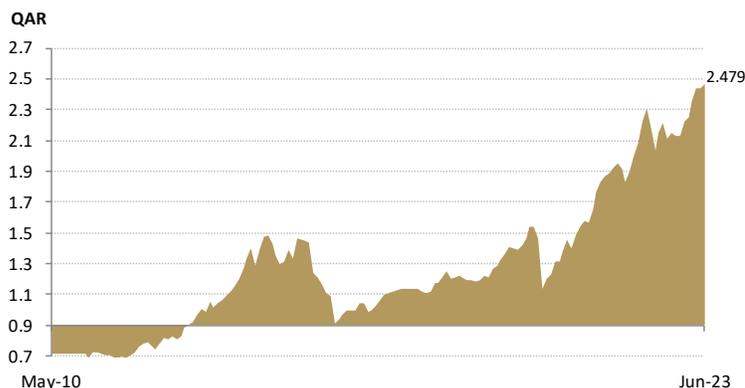
### Fund Indicators (Equity)

| Fund Indicators (Equity)  | June 2023 |
|---------------------------|-----------|
| P/E 2023E                 | 25.7x     |
| P/BV 2023E                | 5.3x      |
| Dividend Yield 2023E      | 2.4%      |
| Weighted Market Cap (QAR) | 15.4bn    |

### Fund Indicators (Fixed Income)

| Fund Indicators (Fixed Income) | June 2023 |
|--------------------------------|-----------|
| Weighted yield to maturity     | -         |
| Weighted maturity (Years)      | -         |

## Net Asset Value/Unit (adjusted for dividends)



## Top 5 Holdings (% of total portfolio)

| Company                 | Country | Instrument | %    |
|-------------------------|---------|------------|------|
| Emaar Properties        | UAE     | Equity     | 6.5% |
| Al Hammadi Holding      | KSA     | Equity     | 6.4% |
| Saudi Airlines Catering | KSA     | Equity     | 5.7% |
| Arabian Drilling        | KSA     | Equity     | 5.1% |
| ADNOC Drilling          | UAE     | Equity     | 4.8% |

## Performance net of fees

| 1 month | 3 months | Inception | 2018 | 2019  | 2020 | 2021  | 2022  |
|---------|----------|-----------|------|-------|------|-------|-------|
| 4.2%    | 7.7%     | 180.9%    | 4.9% | 23.3% | 0.2% | 19.7% | 11.5% |