

May 2023

NAV/unit: QAR 2.451

Performance YTD: +10.5%

Overview: May was a busy month for news and broadly weaker. Another US bank failure, a 0.25% US interest rate increase, overhang from the US debt ceiling negotiations, inflationary US data releases and weak European economic data. US equities were flat (masking massive gains from 5 largest companies on excitement about artificial intelligence) and Europe -3.2%. Across EM, China -4%, while Russia, India and Brazil rose 2-5%, 10-year US Treasury yields rose 22bps over the month to 3.46% and the US Dollar rose 2% vs major currencies. Commodities continued to drop, ethylene plunged 21%, Brent crude -9% (\$72.6), gas (Henry Hub) -8%, gold -1% (\$1,963), while copper, steel and aluminium fell 2-6%.

In Gulf equities, Dubai added 1% and Qatar was flat, but other markets fell: Kuwait -5%, Abu Dhabi -4%, KSA -3%, Oman -2%. Regional fixed income issuance in May was \$10.55bn, of which \$8.15bn were sukuk (\$6bn from the government of Saudi Arabia) while \$2.4bn were bonds. Within sukuk, average spreads were 14bp tighter, average yield to maturity +8bp to 5.43%, and sukuk returned -0.2% over the month.

Saudi Aramco Base Oil Co, Saudi Ground Services Co, Ali Alghanim Sons Automotive Co helped the fund most in May; Al Hammadi Holding, Saudi Airlines Catering Co & ADNOC Drilling Co were key laggards.

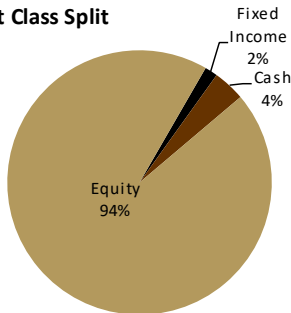
Outlook: While we expect interest rate increases to slowdown, companies with high leverage will feel added strain. We remain unenthusiastic about banks (the largest sector) and most commodity stocks. However with aggressive spending plans in many Gulf countries, we see ample opportunities, especially in Saudi. We see secular growth opportunities in sectors including tourism, health, education and hydrocarbon exploration.

Fund Facts

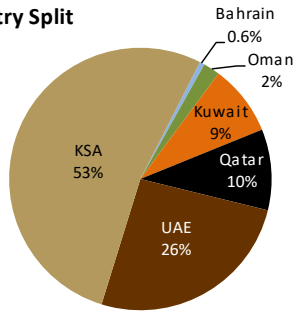
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
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 363.8m
Dividend Distribution	Semi-annual (January & July)

Investments

Asset Class Split



Country Split



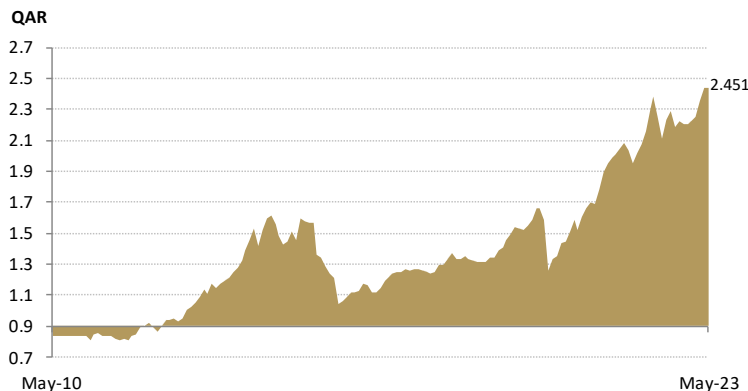
Fund Indicators (Equity)

Fund Indicators (Equity)	May 2023
P/E 2023E	22.3x
P/BV 2023E	6.0x
Dividend Yield 2023E	3.0%
Weighted Market Cap (QAR)	15.9bn

Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	May 2023
Weighted yield to maturity	5.9%
Weighted maturity (Years)	21.6

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Emaar Properties	UAE	Equity	6.2%
Al Hammadi Holding	KSA	Equity	5.5%
Arabian Drilling	KSA	Equity	5.3%
Saudi Airlines Catering	KSA	Equity	5.1%
Americana Restaurants	UAE	Equity	5.0%

Performance net of fees

1 month	3 months	Inception	2018	2019	2020	2021	2022
0.1%	8.1%	169.5%	4.9%	23.3%	0.2%	19.7%	11.5%