



Al Rayan GCC Fund



May 2024

NAV/unit: QAR 2.578

Performance YTD: **-0.6%**

Overview: Equities were back in vogue with US and European equities rising 5% and 3%, respectively during the May. The 'magnificent 7' technology stocks continue to be the driving force. In EM, Russia, Brazil, India, and China declined, 4%, 3% and 0.5%, respectively. Expectations of US interest rate cut continued to decline, but on slightly weaker economic data, 10-year US Treasury yields dropped 16bp over the month to 4.50%, while the US Dollar declined 1-2% against major currencies. Overall, commodities were mostly stronger however ethylene -9%, and Brent crude and steel were both down 5%. Gas (Henry Hub) rose 11%, urea +8%, and aluminium and gold +2%.

Most GCC equity markets continued to fall, led by Saudi Arabia -7%, Qatar and Dubai -4%, Abu Dhabi -2%. Oman was up 1%. \$13.5bn regional fixed income issuance in April, \$7.25bn in sukuk from Saudi Arabia government across 10-year \$2.25bn, 6-year \$1.5bn and 3-year \$1.25bn, Rajhi Bank Perp \$1bn, Emirates Islamic \$750mn and Aldar \$500mn. The remainder of the fixed income issuances were bonds. Within sukuk, average spreads were up 6bp to 135bp, average yield to maturity -0.13% to 5.86%, and sukuk returned 1.0% over the month.

Integrated Holding, ADNOC Drilling and Dubai Taxi helped the fund most in May; Middle East Healthcare, Seera Group Holding and Mouwasat were key laggards.

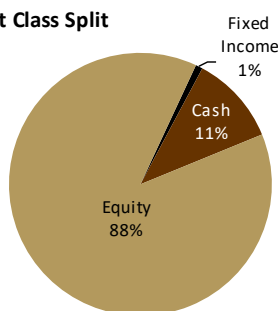
Outlook: The negative press on Saudi Arabia has taken a toll on the markets with investors shying away, compounded by rumours of a giant sell-down of Aramco shares. However, we continue to believe in the longer-term growth opportunities. We seek to take advantage of secular growth opportunities in sectors including tourism, health, education, and technology. We remain cautious and deploy selectively. We also see opportunities in the GCC sukuk space.

Fund Facts

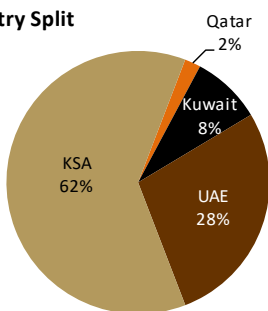
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
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 398.8m
Dividend Distribution	Semi-annual (January & July)

Investments

Asset Class Split

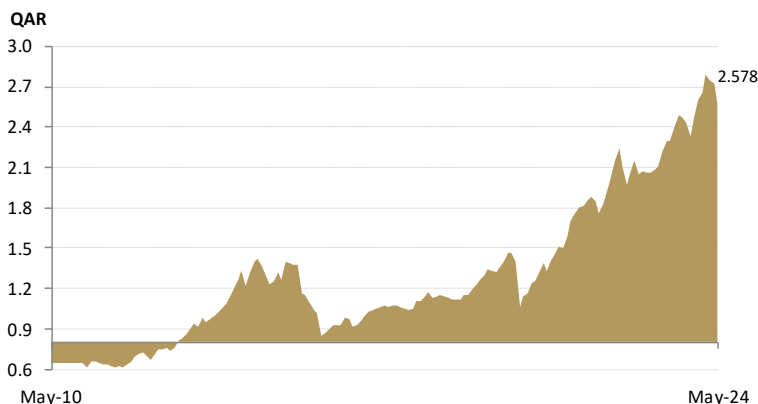


Country Split



Fund Indicators (Equity)	May 2024
P/E 2024E	21.9x
P/BV 2024E	5.3x
Dividend Yield 2024E	2.4%
Weighted Market Cap (QAR)	23.0bn
Fund Indicators (Fixed Income)	May 2024
Weighted yield to maturity	8.1%
Weighted maturity (Years)	2.3

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
ADNOC Drilling	UAE	Equity	5.5%
Emaar Development	UAE	Equity	5.4%
Integrated Holding	Kuwait	Equity	5.2%
Burjeel Holding	UAE	Equity	4.3%
Mouwasat	KSA	Equity	3.7%

Performance net of fees

1 month	3 months	Inception	2019	2020	2021	2022	2023
-5.2%	-7.5%	201.7%	23.3%	0.2%	19.7%	11.5%	24.5%