



Qatar Asset
Manager - 2019



Best ETF Issuer -
2019



Qatar Asset
Manager - 2020

Al Rayan GCC Fund

Previously Al Rayan GCC Fund (Q)



الريان للاستثمار
AL RAYAN INVESTMENT

October 2020

NAV/unit: QAR 1.684

Performance YTD: **-7.6%**

Overview: In October, volatility returned as risk assets witnessed their first broad based melt-down after a six-month rally. A resurgence of Covid cases in the US and Europe and the absence of new US fiscal support caused nervousness. US equities -3% while Europe slipped 5%. EM equities were mixed: India +4%, China flat and Brazil -1%. 10-year US Treasury yields rose 19bps to 0.87% while gold was flat at \$1,868 (+24% YTD). The US Dollar gained against major EM currencies. Economic uncertainty combined with a rise in OPEC+ and Libya oil exports left Brent reeling, -11% (\$38.3). However some commodities were higher: Henry Hub gas +86%, steel +15%, sugar +6%.

Falling oil and a weaker global outlook did not bode well for Gulf equities, as, except for Abu Dhabi (+3%), other markets ended red: Saudi Arabia (-5%), Dubai (-4%), Qatar (-3%). Kuwait was flat. October's regional fixed income issuance of \$9.8bn (\$7.7bn bonds, \$2.1bn sukuk) included Galaxy Pipeline of Abu Dhabi \$4bn, Oman \$2bn, QIB \$750m and ICD \$750m. Sukuk returned 0.62% during the month.

Al Arkan 2025, Kuwait Finance House and Al Arkan 2027 helped the fund most during the month while City Cement, Saudi Ceramic Co and Mabane Co were key laggards.

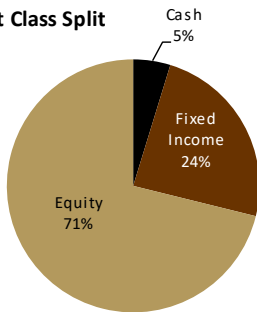
Outlook: Near term hurdles for regional markets include weaker oil, challenging global markets and the uncertainty of US elections. Better entry points will likely emerge. Kuwait will finally enter MSCI EM on 30th November.

Fund Facts

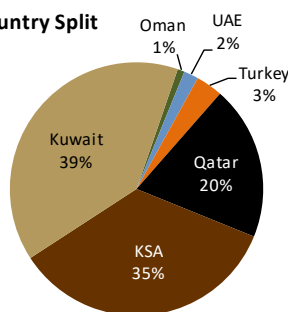
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
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	Deloitte & Touche
Bloomberg/ Lipper	ARYGCCQ QD/ 68048996
Net Asset Value (NAV)	QAR 255.4 m

Investments

Asset Class Split



Country Split



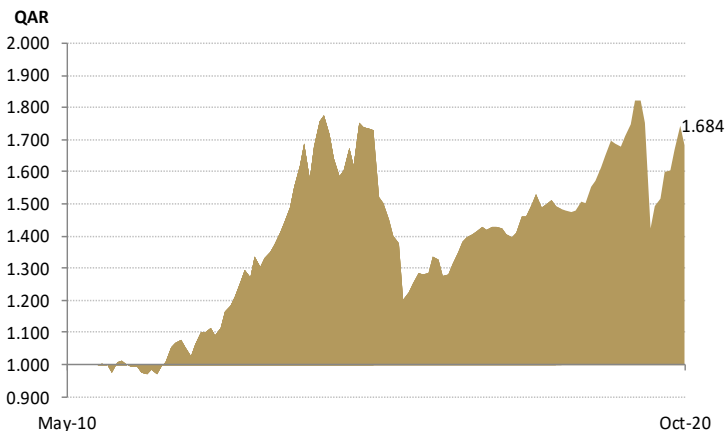
Fund Indicators (Equity)

Indicator	October 2020
P/E 2020E	29.5x
P/BV 2020E	2.2x
Dividend Yield 2020E	2.6%
ROE 2020E	8.2%
Weighted Market Cap (QAR)	20.3bn

Fund Indicators (Fixed Income)

Indicator	October 2020
Weighted yield to maturity	10.4%
Weighted maturity (Years)	4.5

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Boubyan Bank	Kuwait	Equity	14.8%
Kuwait Finance House	Kuwait	Equity	10.1%
Mabane Co	Kuwait	Equity	10.0%
Dar Al Arkan 2025	KSA	Fixed Income	7.1%
ERES 2021	Qatar	Fixed Income	6.6%

Performance[#] (since inception 68.4%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
-3.4%	4.9%	0.1%	-0.6%	12.0%	26.5%	12.6%	-13.2%	-2.0%	4.4%	4.9%	23.3%

[#] Performance is calculated net of fees