

October 2023

NAV/unit: QAR 2.413

Performance YTD: +12.2%

**Overview:** Markets continued to sell-off in October, on increase geopolitical uncertainty along with data signaling the US economy is still resilient with GDP coming in at 4.9% annualised for the third quarter. US equities -2% and Europe -4%. In EM, Russia jumped 7%, while India, Brazil and China dropped 3%. 10-year US Treasury yields spiked 36bp over the month to 4.93%, while the US\$ was flattish against major currencies. Commodities were mixed with Gold in the bright spot +7% to \$1,983, steel +10% and Henry Hub gas +25%. Ethylene plummeted -14%, followed by Brent crude -6% (\$85) as regional tension escalated and aluminium -4%.

Losses across Gulf equities outstripped international markets, with Qatar and Dubai both -7%, Kuwait and Abu Dhabi -5%, followed by Saudi Arabia -3%. Issuance picked up, despite the move higher in rates. \$4.55bn was issued from the region, of which \$3.8bn was sukuk (\$3.5bn from Public Investment Fund of Saudi Arabia split across 5-year (\$2.25bn) and 10-year (\$1.25bn) maturities and \$300mn 5-year sukuk from Damac). Within sukuk, average spreads were up 8bp, average yield to maturity +0.29% to 6.46%, and sukuk returned -0.68% over the month.

Middle East Healthcare, ADES Holding and Al Hammadi Holding helped the fund most in October; Ali Alghanim Sons Automotive Co, Emaar Development and Emaar Properties were key laggards.

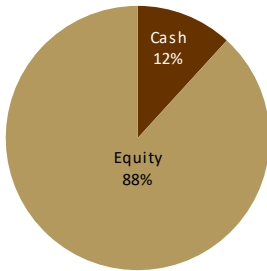
**Outlook:** We believe interest rates to stay higher for longer which means companies with high leverage will continue to feel the pain. We see ample of opportunities in Saudi Arabia and UAE on the back of aggressive spending plans. With most of the Q3 2023 results season now behind us which was mixed, we continue to maintain our positive stance and see secular growth opportunities in sectors including tourism, health, education and hydrocarbon exploration.

## Fund Facts

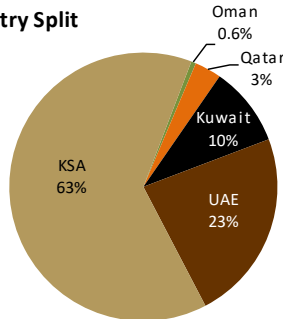
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
<b>Subscription Fees</b>	up to 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 363.1m
<b>Dividend Distribution</b>	Semi-annual (January & July)

## Investments

### Asset Class Split



### Country Split



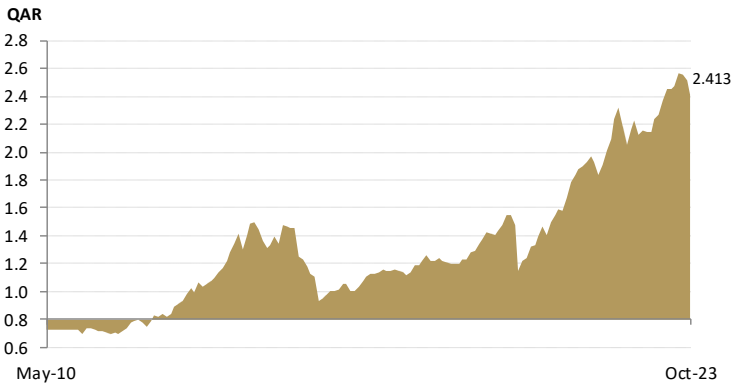
### Fund Indicators (Equity)

	October 2023
P/E 2023E	19.7x
P/BV 2023E	4.7x
Dividend Yield 2023E	2.8%
Weighted Market Cap (QAR)	14.5bn

### Fund Indicators (Fixed Income)

	October 2023
Weighted yield to maturity	-
Weighted maturity (Years)	-

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



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Al Hammadi Holding	KSA	Equity	5.8%
Ali Alghanim Sons Automotive Co	Kuwait	Equity	5.2%
Saudi Airlines Catering	KSA	Equity	5.1%
Adnoc Drilling Co	UAE	Equity	5.0%
Air Arabia	UAE	Equity	4.9%

## Performance net of fees

1 month	3 months	Inception	2018	2019	2020	2021	2022
-3.9%	-6.1%	173.7%	4.9%	23.3%	0.2%	19.7%	11.5%