



Qatar Asset
Manager - 2018



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Manager - 2019



Best ETF Issuer -
2019

Al Rayan GCC Fund (Q)



August 2019

NAV/unit: QAR 1.687

Performance YTD: +14.1%

Overview: August was a month of worry. US-China trade concerns accelerated, German and Chinese economic data deteriorated and instability continued in Hong Kong. Equities and most commodities were sold for the safety of gold and US/ European government bonds. US and European equities each lost 1.5% while within EM equities, China -1.6% and Brazil -1%. The US Dollar rose another 1-2% against major currencies and the Chinese yuan fell 4%. 10-year US Treasury yields plunged 51bps and, for the first time since 2008, yielded less than 2 year Treasuries (ie. an inverted yield curve). Gold soared 7% (\$1,523) while Brent crude fell 8% (\$59.3). Silver +13%, but corn, sugar and steel each fell 9-10% and copper -5%.

August was difficult for Gulf equities too. The second and final leg of MSCI's EM upgrade to Saudi led to profit taking while other markets faced passive outflows: KSA -8%, Dubai -5.5%, Abu Dhabi -3% and Qatar -2.6%. Sukuk rallied along with global bonds, ending up 2%. There was no fixed income issuance in the Gulf but we expect September to be busy.

Medicare Group, Air Arabia and Kuveyt Turk 2026 helped the fund most during the month, while Integrated Holding, Kuwait Finance House and Boubyan Bank were key laggards.

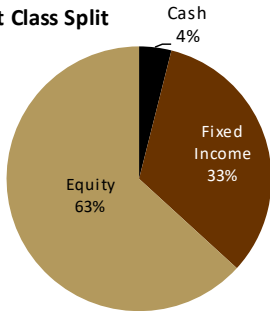
Outlook: With the Saudi EM index event now behind us, regional investors will refocus on fundamentals. The exception to this is Kuwait, which is set to enter MSCI EM in May 2020. Q3 results in the region are likely to offer much excitement.

Fund Facts

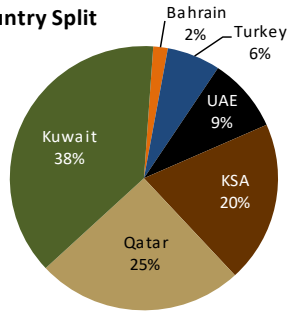
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 100,000 initially, QAR 5,000 thereafter
- Institution	QAR 1,000,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase above 24%, over 2-years
Lock-in period	Six months
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 217.0 m

Investments

Asset Class Split



Country Split



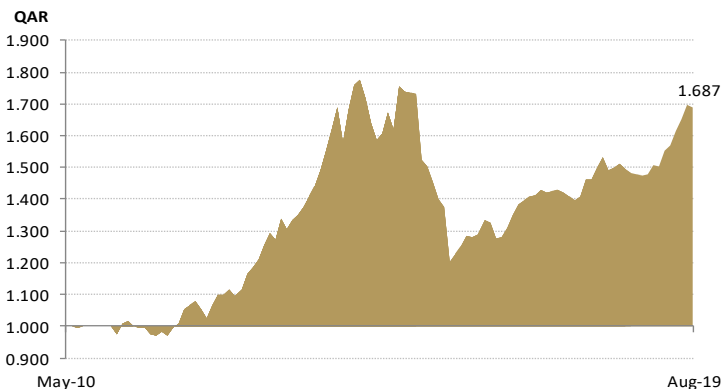
Fund Indicators (Equity)

	August 2019
P/E 2019E	18.1x
P/BV 2019E	2.5x
Dividend Yield 2019E	2.8%
ROE 2019E	13.2%
Weighted Market Cap (QAR)	19.1bn

Fund Indicators (Fixed Income)

	August 2019
Weighted maturity (years)	3.5
Weighted yield to maturity	6.9%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	13.2%
Kuwait Finance House	Kuwait	Equity	11.3%
Boubyan Bank	Kuwait	Equity	11.1%
Medicare Group	Qatar	Equity	8.2%
Jazeera Airways	Kuwait	Equity	6.3%

Performance[#] (since inception 68.7%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
-0.6%	4.5%	0.1%	-0.6%	12.0%	26.5%	12.6%	-13.2%	-2.0%	4.4%	4.9%

Performance is calculated net of fees