



Qatar Asset Manager - 2018



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Best ETF Issuer - 2019

# Al Rayan GCC Fund

Previously Al Rayan GCC Fund (Q)



December 2019

NAV/unit: QAR 1.822

Performance YTD: +23.3%

**Overview:** 2019 was a rare (but wonderful) year for global investors as equities, fixed income and commodities all did very well. The year was marred by multiple US trade wars which fueled economic concerns however, led by the US, numerous central banks responded by lowering interest rates. US and European equities ended 2019 at +29% and +23%, while in EM, Russia soared 45%, Brazil +32%, China +22% and India +14%. 10 year US Treasury yields closed at 1.92% (2.68% at end-2018). Economic and political concerns helped gold add 19% (\$1,523); Brent crude also +19% (\$66), largely on supply discipline. The trade-weighted US Dollar index was flat over the year but USD +2% vs the Euro (1.123), -1% vs the Chinese yuan (6.96) and -4% vs GBP (1.326). Some commodities did suffer in 2019, such as Henry Hub gas (-34%), steel (-16%), urea (-15%) and ethylene (-9%).

Gulf equities underperformed global equities in 2019; Kuwait (+32%) was followed by Bahrain (+20%), Dubai (+9%), and Saudi Arabia (+7%). Qatar ended +1% while Oman fell 8%. December saw no regional fixed income issuance but 2019 was a great year for Gulf investors and issuers: a record \$87.4bn debt was issued (\$67.7bn bonds, \$19.7bn sukuk) and sukuk appreciated almost 12%, on average.

Kuwait Finance House, Boubyan Bank and Air Arabia helped the portfolio most during the month while Aramex, Medicare Group and Mezzan Holding Co were key laggards.

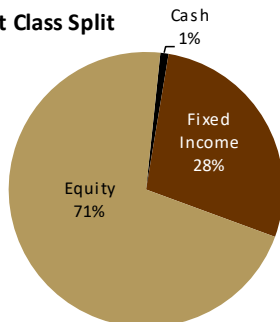
**Outlook:** The first half of 2020 will be dominated by Kuwait's upgrade to the MSCI EM index. Saudi companies leveraged to social reforms and home building are likely to benefit while, in Qatar, we favour medium-sized stocks to larger ones.

## Fund Facts

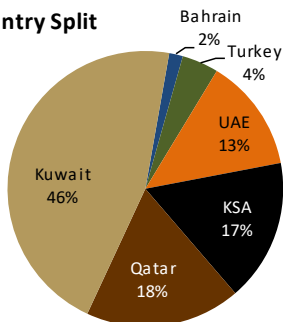
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
<b>Subscription Fees</b>	up to 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>	Deloitte & Touche
<b>Bloomberg/ Lipper</b>	ARYGCCQ QD/ 68048996
<b>Net Asset Value (NAV)</b>	QAR 234.4 m

## Investments

### Asset Class Split



### Country Split



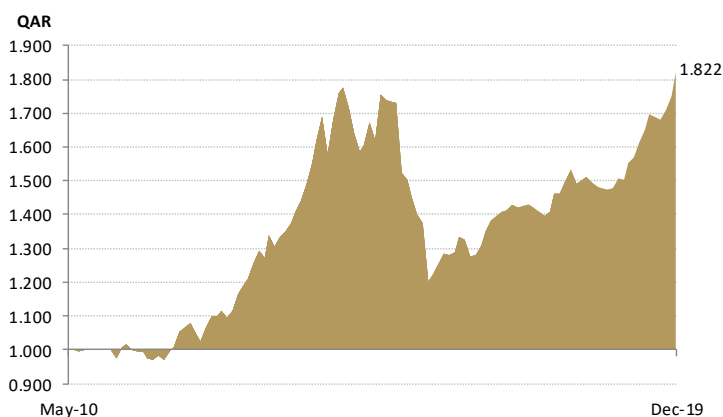
### Fund Indicators (Equity)

Fund Indicators (Equity)	December 2019
P/E 2019E	16.8x
P/BV 2019E	2.3x
Dividend Yield 2019E	4.0%
ROE 2019E	14.7%
Weighted Market Cap (QAR)	20.4bn

### Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	December 2019
Weighted yield to maturity	7.4%
Weighted maturity (Years)	3.7

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	12.2%
Kuwait Finance House	Kuwait	Equity	12.1%
Boubyan Bank	Kuwait	Equity	11.6%
Mabane Co	Kuwait	Equity	11.3%
Air Arabia	UAE	Equity	8.5%

## Performance# (since inception 82.2%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
4.2%	8.5%	0.1%	-0.6%	12.0%	26.5%	12.6%	-13.2%	-2.0%	4.4%	4.9%

# Performance is calculated net of fees