



Qatar Asset  
Manager - 2018



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Best ETF Issuer -  
2019

# Al Rayan GCC Fund (Q)



July 2019

NAV/unit: QAR 1.698

Performance YTD: +14.9%

**Overview:** July saw mixed returns across global assets ahead of US and European interest rate decisions and an ailing world economy. US interest rates were cut 0.25% on 31st July. US equities rose further, but at a slower pace (+1.3%), while Europe was broadly flat. EM equities were weaker: India -5%, China -2%. The US Dollar was 1-2% stronger against key currencies; the British Pound plunged 4% on worries about new PM Johnson's plan for a 'hard Brexit' in October 2019. 10-year US Treasury yields remained flat ahead of the FOMC meeting. Silver (+6%) and gold pushed higher (+1% to \$1,424) however Brent crude (-2% to \$65.1) and other key commodities were lower: ethylene -11%, Henry Hub gas -6% and copper -1%.

July was good for UAE and Kuwait equities: Dubai was the star (+10%), Abu Dhabi rose 7% while Kuwait +6%. Qatar was muted (+0.5%) while Saudi (-1%) and Oman (-3%) fell again. Saudi earnings disappointed and investors rotated to value in the UAE. Regional sukuk performed in line with EM/ global bonds, +1.5%. \$7.2bn of debt (7 conventional and 2 sukuk) was issued in the Gulf during July.

Kuwait Finance House, Medicare Group and Mabane Co helped the fund most during the month, while DP World Ltd, Integrated Holding Co and Gulf Warehousing were key laggards.

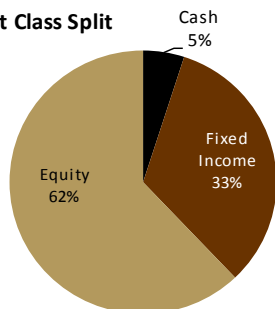
**Outlook:** We expect net foreign inflows into Saudi Arabia as investors position for the second tranche of MSCI. Other regional markets could see net outflows from both active and passive investors due to the overhang of global issues and regional geopolitics.

## Fund Facts

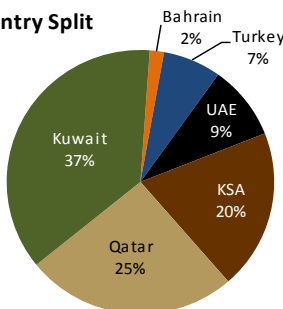
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	QAR 100,000 initially, QAR 5,000 thereafter
- Institution	QAR 1,000,000 initially, QAR 50,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	20% of NAV increase above 24%, over 2-years
<b>Lock-in period</b>	Six months
<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 221.2 m

## Investments

### Asset Class Split



### Country Split



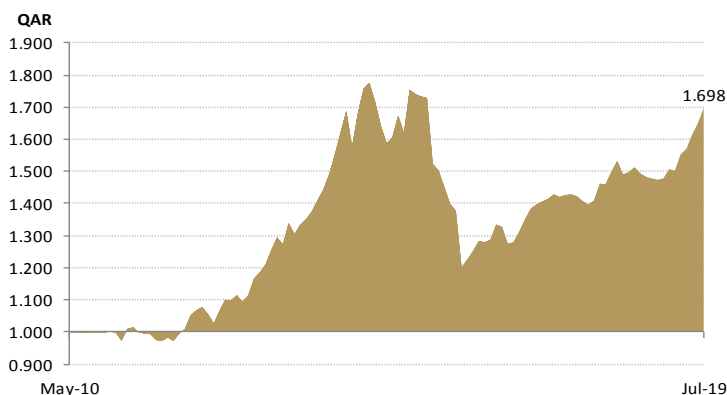
### Fund Indicators (Equity)

Indicator	July 2019
P/E 2019E	18.1x
P/BV 2019E	2.4x
Dividend Yield 2019E	2.9%
ROE 2019E	11.8%
Weighted Market Cap (QAR)	21.2bn

### Fund Indicators (Fixed Income)

Indicator	July 2019
Weighted maturity (years)	3.7
Weighted yield to maturity	6.8%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	13.0%
Kuwait Finance House	Kuwait	Equity	11.5%
Boubyan Bank	Kuwait	Equity	11.4%
Medicare Group	Qatar	Equity	8.6%
Ezdan 2021	Qatar	Fixed Income	6.0%

## Performance<sup>#</sup> (since inception 69.8%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
2.9%	8.2%	0.1%	-0.6%	12.0%	26.5%	12.6%	-13.2%	-2.0%	4.4%	4.9%

<sup>#</sup> Performance is calculated net of expenses