



Qatar Asset Manager - 2018



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Best ETF Issuer - 2019

Al Rayan GCC Fund (F)



February 2020

NAV/unit: USD 1.688

Performance YTD: **-4.6%**

Overview: While Covid-19 continued to spread in China throughout February, global markets only reacted sharply towards month-end when the infection appeared in Italy. Concerns about the impact to global growth triggered panic. US and European equities both plunged 8% over the month. EM equities were similar: Brazil -8% and India -6%. China was only -3%. Investors rushed to safety as 10-year US Treasury yields fell 0.36% to 1.51%. Gold ended flat (\$1,586) after losing 3.5% on 28 February. Brent crude was the biggest victim, dropping 12% to \$49.7 (after a similar collapse in January). Other commodities: ethylene -7%, Henry Hub gas -6% and wheat -5%, while steel (+7%) and urea (+4%) were exceptions.

Falling oil coupled with global risk aversion was not good news for Gulf equities: Qatar (-9%), KSA (-7.5%), Dubai (-7.2%) and Kuwait (-4.3%). Fixed income issuance from the region was \$7bn (including \$3bn from QNB), of which \$2.65bn was sukuk. Sukuk returned -0.4% during the month as spreads rose sharply.

ERES 2021, CBB 2025 and SECO 2043 helped the fund most during the month while Kuwait Finance House, Mabane Co and Medicare Corp were key laggards.

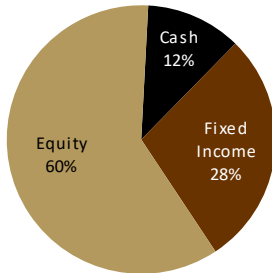
Outlook: Faced with a simultaneous demand and supply side shock, Covid-19 has taken the world to uncharted territory. The social-media fueled spread of hysteria and misinformation does not help and governments may have to take drastic measures similar to those in China. While we unfortunately expect the situation to deteriorate further over the coming months, in time, 2020 may well be seen as an historic buying opportunity.

Fund Facts

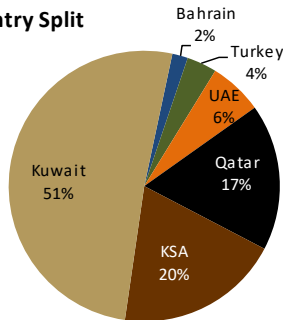
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance 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	ARYGCCF QD/ 68048992
Net Asset Value (NAV)	USD 15.8m

Investments

Asset Class Split



Country Split



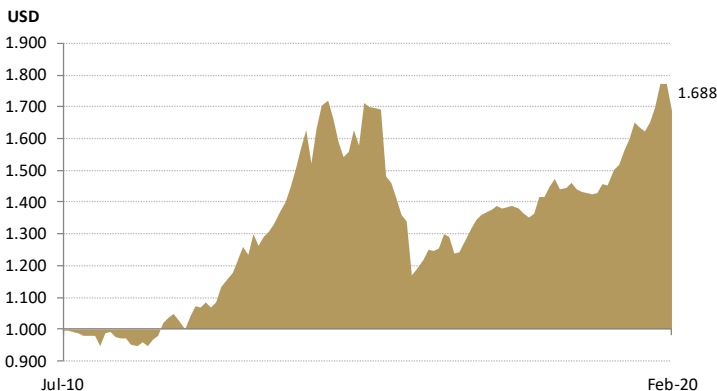
Fund Indicators (Equity)

Indicator	February 2020
P/E 2020E	16.6x
P/BV 2020E	2.2x
Dividend Yield 2020E	3.5%
ROE 2020E	14.9%
Weighted Market Cap (USD)	6.0bn

Fund Indicators (Fixed Income)

Indicator	February 2020
Weighted yield to maturity	6.5%
Weighted maturity (Years)	4.8

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Kuwait Finance House	Kuwait	Equity	12.2%
Boubyan Bank	Kuwait	Equity	11.8%
Mabane Co	Kuwait	Equity	11.2%
Dar Al Arkan 2025	KSA	Fixed Income	8.4%
Dar Al Arkan 2023	KSA	Fixed Income	7.5%

Performance# (since inception 68.8%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
-4.7%	-0.5%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%	4.6%	23.9%

Performance is calculated net of fees