

Al Rayan GCC Fund (F)



May 2018

NAV/unit: USD 1.441

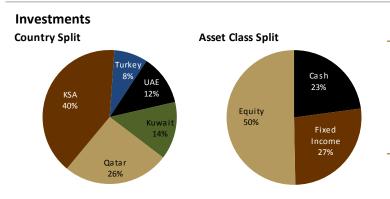
Performance YTD: +5.6%

Overview: May witnessed political uncertainty in Italy and an emerging market sell-off following US Dollar strength (+2-3% vs major currencies). The worst hit EM currencies were Argentine Peso -18%, Turkish Lira -11% and Brazil Real -6%. Among major EM equity markets: Brazil -11%, Mexico -8%, Turkey -3.5% while China and India were broadly flat. US equities +2% while European equities -0.6%. In a flight to safety, 10-year US Treasury yields ended at 2.86% (-9bps) after high intra-month volatility. Within commodities, gainers included Brent crude +5% (\$78), steel +9% and Henry Hub gas +6%, while sugar (-8%), ethylene (-7%) and gold (-1% to \$1,302) were among the decliners.

Regional equities ended down, led by Dubai (-3%), following MSCI rebalancing related outflow. Despite \$1bn in passive inflows, Qatari equities -2.5% as local investors booked profits. Among other regional markets, KSA -0.6% and Kuwait - 2%. May saw \$2.5bn of debt issued; \$200m was sukuk. Issuers included QNB (\$1.5bn), CBQ (\$500m) and QIB (\$200m). Regional sukuk returned +0.16% in May.

Qatar Islamic Bank, Jarir Marketing Co and Dar Al Arkan 2022 helped the fund most during the month while Industries Qatar, United Electronics Co and Medicare Corp were key laggards.

Outlook: Post the FTSE rebalance, expect weakness in Qatari equities before Eid. Saudi is likely to lead regional markets ahead of expected passive inflows in 2019.



Net Asset Value/Unit

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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 14.4 m

Fund Indicators (Equity)	May 2018
P/E 2018E	15.0x
P/BV 2018E	3.1x
Dividend Yield 2018E	4.6%
ROE 2018E	20.4%
Weighted Market Cap (USD)	5.9bn
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Fund Indicators (Fixed Income)	May 2018
Weighted maturity (years)	3.8
Weighted yield to maturity	7.0%

Top 5 Holdings (% of total portfolio)

JSD		
.900		Company
.800		Dar Al Ark
.700		Kuveyt Tu
.600		Barwa Rea
.500 -		Mouwasat
.400		Dar Al Ark
.300 -		Perform
.200		
.100 ·		Last La
.000 -		1mth 3r
).900 ·		-2.2% 1.
	-10 May	-18 [#] Performa

company					country		mour	ament		70	
Dar Al Arkan 2022					KSA Fixed Ir		Income	come 6.7%			
Kuveyt Turk 2026					Turkey	ey Fixed Income		(6.3%		
Barwa Real Estate					Qatar		Equity			5.2%	
Mouwasat Medical Services Co)	KSA		Equity			5.5%	
Dar Al Arkan 2019					KSA		Fixed	Income		5.1%	
Performance [#] (since inception 44.1%) Last Last YTD											
1mth	3mth	2018	2010	2011	2012	2013	2014	2015	2016	2017	
-2.2%	1.8%	5.6%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%	

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Country

[#] Performance is calculated net of expenses

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Instrument

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Disclaimer: Past performance is not an indication of future results. The value of investments can go up as well as down. Investors should consider carefully information contained in the Fund prospectus, including investment objectives, risks, charges and expenses. Please read the prospectus carefully before investing. An investment is neither insured nor guaranteed by the Bank nor any other government agency. Although the Fund seeks to preserve and grow the value of your investment, it is possible to lose money by investing in the Fund. If in doubt please seek independent professional financial advice.