



Qatar Asset Manager - 2016



Qatar Asset Manager - 2017



Qatar Asset Manager - 2018



ETF provider of the year



Best New Fund

# Al Rayan GCC Fund (F)



May 2019

NAV/unit: USD 1.560

Performance YTD: +9.2%

**Overview:** May was a very poor month for risk assets globally as worries of expanding US trade wars led to serious concerns about world growth. US and European equities lost 5% each while, within EM, China -6% but India gained 2% post the Modi reelection. Within commodities, Brent crude plummeted 13% (to \$62) on rising US inventories and growth fears, steel -10% and copper ended 9% lower. There was panic-buying of safer assets as 10-year US Treasury yields dropped 38bp to 2.12% and gold rose 2% (\$1,305). Among other key commodities, corn +18%, wheat +17% and urea +7%. The US Dollar was 2-3% stronger vs GBP and CNY but 2-3% weaker against CHF and JPY.

Equity markets across the Gulf were weaker as Saudi fell 9% as investors booked profit after the MSCI EM inclusion while Dubai and Abu Dhabi fell around 5% as oil was weaker. Qatar -1% on MSCI EM related outflows. Kuwait was an exceptional performer on expectations it will be upgraded to EM by MSCI. EM credit continued to perform with the help of \$2.15bn of sukuk issuance during May. As global fixed income rallied, regional sukuk returned +0.66%.

Mesaieed Petrochemical Holding, Boubyan Bank and Qatar International Islamic Bank helped the fund most during the month while Integrated Holding Company, DP World Ltd, and Medicare Group were key laggards.

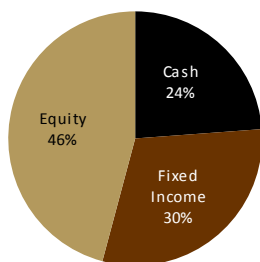
**Outlook:** While weak oil prices are a drag, the recent sharp sell-off is likely to attract buyers to regional equities, especially in battered KSA. All eyes will be on MSCI's decision on Kuwait this month; an upgrade to EM would attract \$2.5bn+ index-related buying in mid-2020.

## Fund Facts

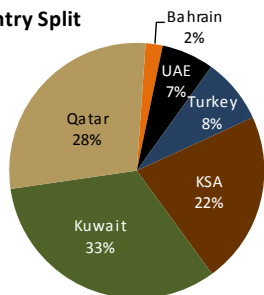
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management 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>	ARYGCCF QD/ 68048992
<b>Net Asset Value (NAV)</b>	USD 14.8 m

## Investments

Asset Class Split



Country Split



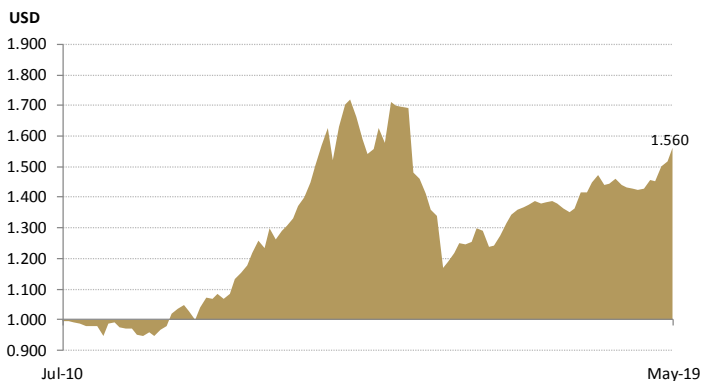
## Fund Indicators (Equity)

Indicator	May 2019
P/E 2019E	18.1x
P/BV 2019E	2.7x
Dividend Yield 2019E	3.6%
ROE 2019E	16.1%
Weighted Market Cap (USD)	5.1bn

## Fund Indicators (Fixed Income)

Indicator	May 2019
Weighted maturity (years)	4.0
Weighted yield to maturity	7.3%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	9.4%
Qatar International Islamic Bank	Qatar	Equity	9.0%
Kuwait Finance House	Kuwait	Equity	8.8%
Boubyan Bank	Kuwait	Equity	8.5%
Dar Al Arkan 2022	KSA	Fixed Income	7.2%

## Performance<sup>#</sup> (since inception 56.0%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
2.8%	7.5%	-1.9%	-1.5%	12.4%	26.2%	12.3%	-13.0%	-1.9%	3.9%	4.6%

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