



Al Rayan GCC Fund



July 2021

NAV/unit: QAR 2.105

Performance YTD: **+18.9%**

Overview: Despite a Chinese crackdown on its own tech companies and a global pickup in Covid-19 infection rates, calming messages by central bankers helped US and European equities continue their positive streak for the 7 month, both up around 2% in July. In emerging markets, China (led mainly by tech), Brazil and Russia equities dropped 5%, 4% and 2%, respectively, while India was flat. US 10-year Treasury yields dropped 0.25% over the month, to 1.22% and in turn led to USD weakening 1-2% against most major currencies. The commodity rally continued however with Urea +8%, Henry Hub gas +5% and copper, aluminium and Gold (\$1,814) rose 2-3%. Brent crude was 1.6% higher at \$76.33.

Gulf equities booked another good month. Abu Dhabi, +7%, Kuwait +3%, while Qatar and Saudi Arabia were broadly flat, all on sluggish volumes. During the month, regional fixed income issuance of \$1.6bn (\$1.25bn sukuk from Dukhan Bank and the government of Sharjah, \$300m bond from QNB); sukuk returned +0.29%.

Saudi Ceramic Co, Al Moammar Information Systems Co and Saudi Arabian Mining Co helped the fund most during the month while Emaar Properties, Qatar Aluminium Manufacturing Co and Fawaz Abdulaziz Alhokair Co. were key laggards.

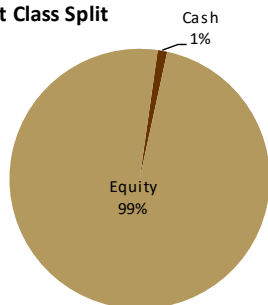
Outlook: There are numerous opportunities in regional markets with attractive valuations supporting our bullish view on equities; the fund still has no sukuk exposure. For Q2 results, we expect companies exposed to commodities to deliver very strong results and banks should generally benefit from lower provisions.

Fund Facts

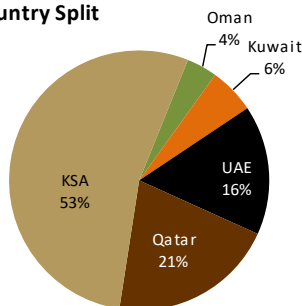
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase above 24%, over 2-years
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	ARYGCCQ QD/ 68048996
Net Asset Value (NAV)	QAR 283.6m
Dividend Distribution	Semi-annual (January & July)

Investments

Asset Class Split



Country Split



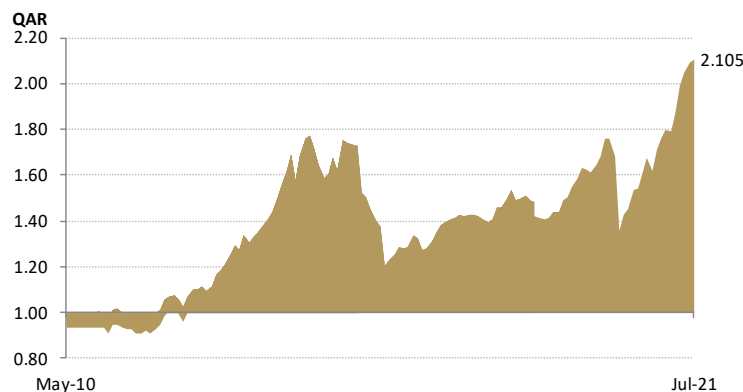
Fund Indicators (Equity)

Indicator	July 2021
P/E 2021E	27.5x
P/BV 2021E	2.6x
Dividend Yield 2021E	2.8%
Weighted Market Cap (QAR)	29.8bn

Fund Indicators (Fixed Income)

Indicator	July 2021
Weighted yield to maturity	-
Weighted maturity (Years)	-

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Saudi Ceramic Co	KSA	Equity	6.5%
Qatar Aluminium Co	Qatar	Equity	6.1%
City Cement	KSA	Equity	5.2%
Industries Qatar	Qatar	Equity	5.2%
Al Hassan Ghazi Ibrahim Shaker	KSA	Equity	5.2%

Performance net of fees

Period	2016	2017	2018	2019	2020
1 month	0.8%	5.6%	117.3%	-2.0%	4.4%
3 months	0.8%	5.6%	117.3%	-2.0%	4.4%
Inception	0.8%	5.6%	117.3%	-2.0%	4.4%
2016	-2.0%	4.4%	4.9%	23.3%	0.2%
2017	-2.0%	4.4%	4.9%	23.3%	0.2%
2018	-2.0%	4.4%	4.9%	23.3%	0.2%
2019	-2.0%	4.4%	4.9%	23.3%	0.2%
2020	-2.0%	4.4%	4.9%	23.3%	0.2%