



Al Rayan GCC Fund



July 2022

NAV/unit: QAR 2.291

Performance YTD: +12.6%

Overview: After the worst H1 in many decades, US and European equities bounced 8-9% in July. While worries of an impending recession intensified, markets responded to expectations that interest rates will not rise as much as previously expected and rate cuts are now priced in during Q1 2023. In EM, Brazil +5% and India +9% but China and Russia equities -4% and -16% respectively. US 10-year Treasury yields plunged 36bps to 2.65%, US Dollar +1% against major currencies and most commodities dropped: Brent -2% (\$104), gold -2% (\$1,765), copper -4%, ethylene -17% and urea -21%. However, US and European gas prices soared as Russian supplies to Europe reduced.

Gulf equity markets followed: Oman and Qatar +10%, Saudi +6%, Kuwait +4%, Dubai, Bahrain and Abu Dhabi +3%. During July, First Abu Dhabi Bank issued a \$310m bond. Within sukuk, average spreads +29bp, average yield to maturity -9bp to 4.90%, sukuk returned 0.81% in July.

Bawan Co., Air Arabia PJSC and Qatar Navigation helped the fund most in July; Sahara International Petrochemical Co., Industries Qatar and Aramex were key laggards.

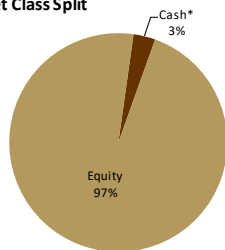
Outlook: Cash was deployed to benefit from the rise in equities. Company results for Q2 2022, albeit mixed, were not as bad as market expectations. Our key investment themes remain the rebound in travel and tourism, elevated oil prices and government spending, and the impact of higher US/regional interest rate. The fund maintains zero sukuk holdings.

Fund Facts

Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment - Individual - Institution	QAR 35,000 initially, QAR 5,000 thereafter 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 334.7m
Dividend Distribution	Semi-annual (January & July)

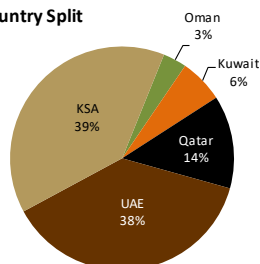
Investments

Asset Class Split



* including accrued expense

Country Split



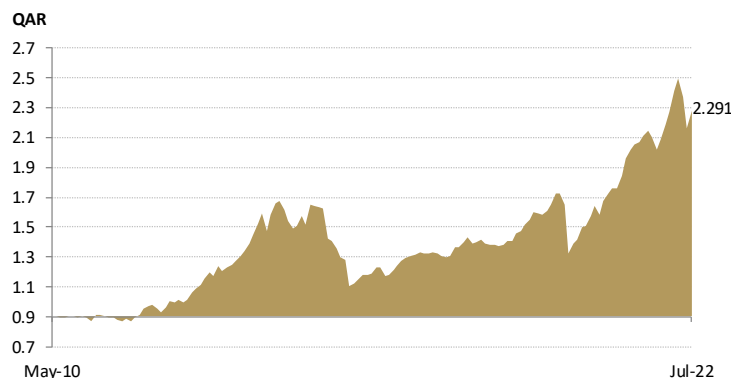
Fund Indicators (Equity)

Indicator	July 2022
P/E 2022E	20.7x
P/BV 2022E	4.2x
Dividend Yield 2022E	2.8%
Weighted Market Cap (QAR)	429.9bn

Fund Indicators (Fixed Income)

Indicator	July 2022
Weighted yield to maturity	-
Weighted maturity (Years)	-

Net Asset Value/Unit (adjusted for dividends)



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Air Arabia	UAE	Equity	10.2%
Emaar Properties	UAE	Equity	9.4%
Jazeera Airways Co	Kuwait	Equity	6.2%
Budget Saudi	KSA	Equity	5.6%
Saudi Airlines Catering Co.	KSA	Equity	5.0%

Performance net of fees

Period	2017	2018	2019	2020	2021
1 month	5.4%	-4.9%	146.2%	4.4%	4.9%
3 months	-	-	-	23.3%	0.2%
Inception	-	-	-	0.2%	19.7%