



# Al Rayan GCC Fund



June 2024

NAV/unit: QAR 2.644

Performance YTD: +3.8%

**Overview:** US equities continued to rise +3.5% in June, while European equities fell 1.3%. The 'magnificent 7' US technology stocks continue to be the driving force. In EM, India, Brazil and Russia rose 7%, 2% and 1.5%, respectively, while China continued to decline, -4%. Expectations of US interest rate cut started to gather momentum again, which lead to 10-year US Treasury yields dropping 10bp over the month to 4.39%. European interest rates were cut 0.25% and helped the US Dollar gain 0.5% against major currencies. Commodities were mixed with Gas (Henry Hub) + 46%, urea +12%, Brent Crude +5.1%, while steel dropped 13%, along with copper and aluminum down 5%. Gold was flat at \$2,326.

GCC equity markets were mixed in June, with Qatar soaring 7%, followed by Abu Dhabi +2%, Saudi Arabia and Dubai approx. +1.5%, while Oman and Kuwait were down 3% and 2% respectively for the month. \$9bn regional fixed income issuance in June, \$2.35bn in sukuk from the Government of Indonesia, across 30-year \$0.6bn, 10-year \$1bn and 5-year \$0.75bn, Energy Development Oman \$0.75bn, Sharjah Islamic Bank \$0.5bn and \$0.4bn from Arada. Within the remaining \$5bn of bonds issued, the Government of Dubai \$1.5bn, Rajhi Bank \$1bn in certificates of deposits and National Bank of Kuwait \$0.885bn. Within sukuk, average spreads were up 7bp to 142bp, average yield to maturity -0.08% to 5.78%, and sukuk returned +0.7% over the month. Mouwasat, Emaar Development and Middle East Healthcare helped the fund most in June; Aramex, Dubai Taxi and Burjeel Holding were key laggards.

**Outlook:** Overhang from the \$10bn sale of Aramco shares dispersed in June. We continue to take advantage of secular growth opportunities in sectors including tourism, health, education, and technology in Saudi and UAE specifically. We also see opportunities in GCC sukuk.

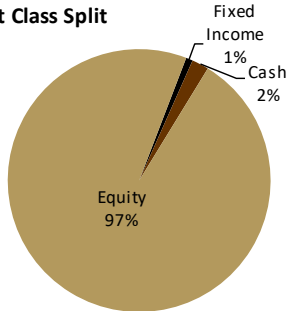
## Fund Facts

<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>	QAR 35,000 initially, QAR 5,000 thereafter
- <b>Individual</b>	QAR 350,000 initially, QAR 50,000 thereafter
- <b>Institution</b>	up to 1%
<b>Subscription Fees</b>	1.25% pa
<b>Management Fees</b>	20% of NAV increase above 24%, over 2-years
<b>Performance Fees</b>	Open-ended
<b>Fund Duration</b>	Masraf Al Rayan QPSC
<b>Founder</b>	Al Rayan Investment LLC
<b>Fund Manager</b>	Qatar Central Bank
<b>Regulator</b>	HSBC Bank Middle East
<b>Custodian</b>	PricewaterhouseCoopers
<b>Auditor</b>	ARYGCCQD/ 68048996
<b>Bloomberg/ Lipper</b>	QAR 410.2m
<b>Net Asset Value (NAV)</b>	Semi-annual (January & July)
<b>Dividend Distribution</b>	

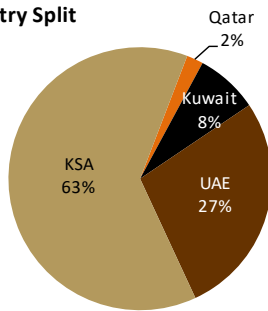
In June 2024, the fund declared a dividend to unit-holders (QAR 0.050/unit). This was for the first half of 2024.

## Investments

### Asset Class Split



### Country Split



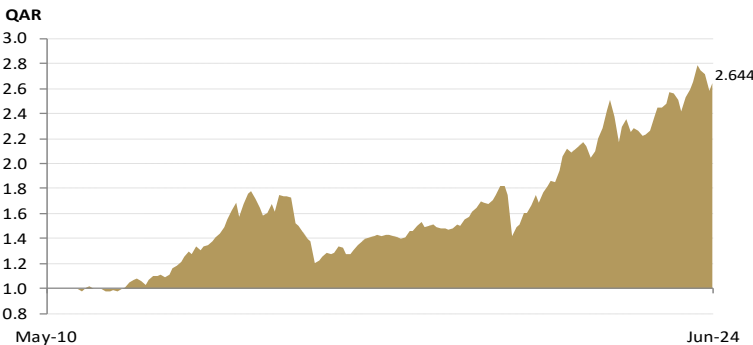
## Fund Indicators (Equity)

Fund Indicators (Equity)	June 2024
P/E 2024E	23.2x
P/BV 2024E	5.3x
Dividend Yield 2024E	2.2%
Weighted Market Cap (QAR)	24.7bn

## Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	June 2024
Weighted yield to maturity	8.7%
Weighted maturity (Years)	2.3

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Emaar Development	UAE	Equity	5.7%
ADNOC Drilling	UAE	Equity	5.6%
Integrated Holding	Kuwait	Equity	5.3%
United International Transport	KSA	Equity	4.7%
Mouwasat	KSA	Equity	4.1%

## Performance net of fees

1 month	3 months	Inception	2019	2020	2021	2022	2023
4.5%	-1.9%	213.9%	23.3%	0.2%	19.6%	11.4%	24.3%