



Qatar Asset Manager - 2018



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Best ETF Issuer - 2019

Al Rayan GCC Fund

Previously Al Rayan GCC Fund (Q)



October 2019

NAV/unit: QAR 1.709

Performance YTD: +15.6%

Overview: During October, risk assets continued to march higher helped by news of progress in US-China trade talks, reduced risks of a hard Brexit and another US rate cut. US equities gained 2% while Europe was up 1%. Within EM, India jumped 4%, Brazil +2.4% and China +1%. Despite 10 year US Treasuries yield swinging 0.3% intra-month, they ended 0.03% higher at 1.69%. Gold gained 3% and Brent crude continued last month's positive run, adding 2% (\$59.6). Other commodity returns were also strong with Henry Hub gas, aluminium and copper closing up 15%, 2% and 1%, respectively. Ethylene was among the losers, declining 7%.

Gulf equities were a story of two halves where Saudi fell 4% following MSCI EM inclusion, followed by Qatar -1.7% and Dubai -1%, while Abu Dhabi and Kuwait both gained 1%. Debt issuance from the region was again strong with \$9.2bn being raised (\$4.25bn conventional, \$4.95bn sukuk). While the market struggled to soak up the surge in supply, a 25bp interest rate cut in the US at month end helped returns. Performance wise, average spreads on sukuk rose 5bp during October, while average yield to maturity rose 4bp to 3.84%; sukuk returned 0.2% during October.

Medicare Group, Air Arabia and Qatar International Islamic Bank helped the fund most during the month, while Mezzan Holding Co, Emaar Properties and Dar Al Arkan 2023 were key laggards.

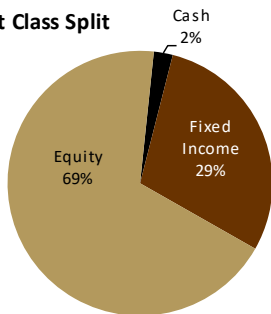
Outlook: MSCI's quarterly rebalance is due on 26 November and the region will see net outflows. However, QIIF in Qatar will be included in MSCI EM and will benefit from more than \$150 million in passive inflows.

Fund Facts

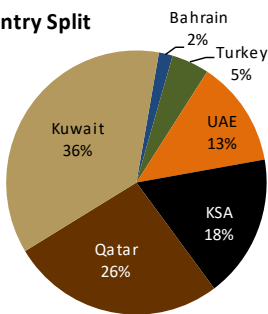
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	QAR 35,000 initially, QAR 5,000 thereafter
- Institution	QAR 350,000 initially, QAR 50,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
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 219.8 m

Investments

Asset Class Split



Country Split



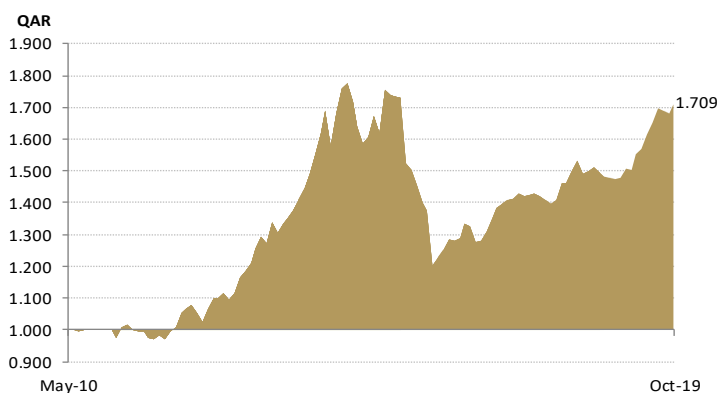
Fund Indicators (Equity)

Indicator	October 2019
P/E 2019E	16.2x
P/BV 2019E	2.5x
Dividend Yield 2019E	2.8%
ROE 2019E	12.9%
Weighted Market Cap (QAR)	17.6bn

Fund Indicators (Fixed Income)

Indicator	October 2019
Weighted yield to maturity	8.0%
Weighted maturity (Years)	3.9

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Dar Al Arkan 2023	KSA	Fixed Income	12.7%
Boubyan Bank	Kuwait	Equity	10.7%
Kuwait Finance House	Kuwait	Equity	10.7%
Qatar International Islamic Bank	Qatar	Equity	10.4%
Air Arabia	UAE	Equity	7.7%

Performance[#] (since inception 70.9%)

Last 1mth	Last 3mth	2010	2011	2012	2013	2014	2015	2016	2017	2018
1.7%	0.6%	0.1%	-0.6%	12.0%	26.5%	12.6%	-13.2%	-2.0%	4.4%	4.9%

Performance is calculated net of fees