

Al Rayan GCC Fund (F)

April 2011

AuM: USD 9.95 million

NAV/share: USD 0.992

Overview: Following a robust March, most GCC equity markets rose modestly in April. Q1 results led to greater differentiation among winners and losers at the stock level. Dubai stood out, up 5% after +10% in March as it continued to benefit from the 'flight to safety' (bank deposits, tourists, etc). Brent crude added its support, averaging above \$122 over the month as tensions in Libya, Syria and Yemen continued, and EURUSD plunged another 4.5%.

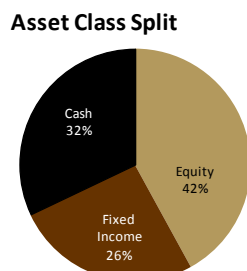
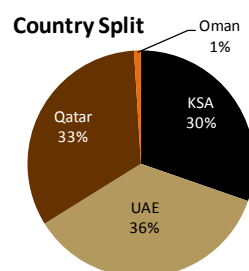
Fixed income markets remained much better bid helped by significantly improved liquidity within UAE banks. With bank lending still mediocre, Treasury desks are deploying cash across longer maturities to enhance yields.

Outlook: There are no longer major worries about GCC political stability with investor focus back on growth driven by high oil and government spend; inflation is more likely to be an issue over the year.

Despite short term risks after the aggressive bounce from February's lows, we remain structurally positive on both equities and fixed income. We expect to hear more on Qatar and UAE's potential MSCI entry in the coming weeks which will likely fuel volatility. As expected, the Fund deployed significant capital in April; we remain vigilant to new opportunities while retaining our usual focus on capital preservation.

Fund Facts	
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	USD 30,000
- Institution	USD 300,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV increase greater than 36%, over 3-years
Redemption Fees	0.25%
Lock-in period	18 months
Fund Duration	Open-ended
Founder	Masraf Al Rayan QSC
Fund Manager	Al Rayan Investment LLC
Regulation	Qatar Central Bank

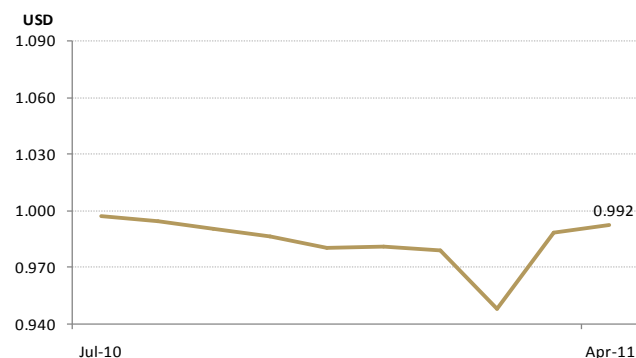
Investments



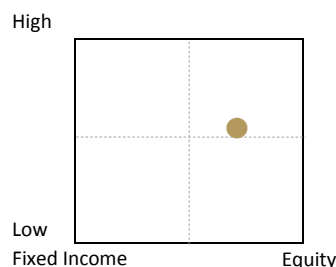
Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Aldar Sukuk 2011	UAE	Fixed Income	18.5%
Etihad Etisalat	KSA	Equity	9.4%
Barwa Real Estate	Qatar	Equity	8.3%
Qatar Islamic Bank	Qatar	Equity	6.0%
Aldar Sukuk 2013	UAE	Fixed Income	5.0%

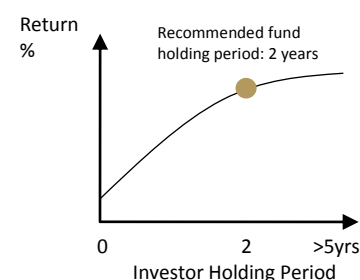
Net Asset Value/Unit



Risk Metrix™



Optimum Return™



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Disclaimer: Past performance is not an indication of future results. The value of investments can go up as well as down. Investors should consider carefully information contained in the Fund prospectus, including investment objectives, risks, charges and expenses. Please read the prospectus carefully before investing. An investment is neither insured nor guaranteed by the Bank nor any other government agency. Although the Fund seeks to preserve and grow the value of your investment, it is possible to lose money by investing in the Fund. If in doubt please seek independent professional financial advice.