

# Al Rayan GCC Fund (F)

August 2012

AuM: USD 11.6million

NAV/unit: USD 1.072

**Overview:** Although global economic data remained weak, August was another 'green' month. Some of the initial momentum was lost during the latter stages of the month on uncertainty ahead of updates from the Fed and ECB in September. Key global equities +2% in August even though volumes were subdued, while China -3% to a 4-year low. The USD was softer helping oil bounce 10% and gold almost +5%.

August was a good month for GCC equities as all markets were up apart from Bahrain (-1.2%). KSA led the way at +3.8% with other markets rose 2-2.5%. YTD, Dubai is +14% and KSA +11% while Bahrain, Oman and Qatar are in negative territory. Regional bonds saw some profit taking but liquidity remained low and buyers eventually emerged for higher yielding names after the Eid break. For a change, after the flood of recent issuance, there were no new bonds for the market to digest.

Mobily, Dar Al Arkan '15 and Almarai helped August's performance most; Emaar and Yanbu Cement were the only stocks in negative territory.

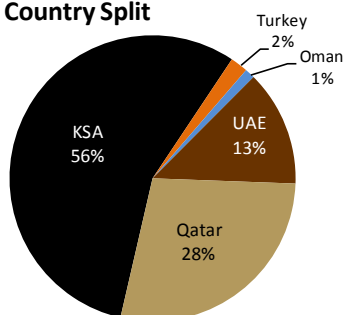
The fund's cash is largely unchanged as although Saudi consumer names were added to, profits were also taken on some strong performers.

**Outlook:** Equity volumes will pick up in September with local investors back in town. The 2013 outlook remains strong for our focus markets of KSA, UAE & Qatar; we continue to seek the best ways to capture upside.

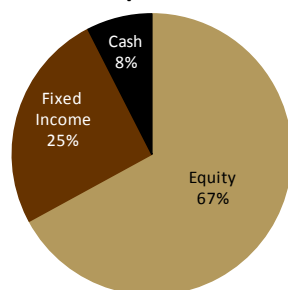
Fund Facts	
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	USD 30,000
- Institution	USD 300,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV 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
Regulator	Qatar Central Bank

## Investments

### Country Split



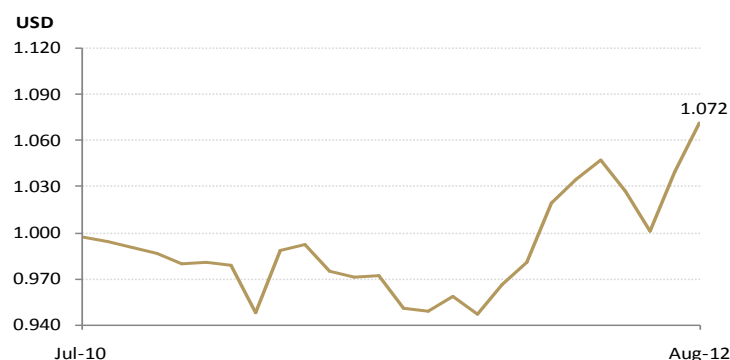
### Asset Class Split



Fund Indicators (Equity)	August 30
P/E 2012E	10.7x
P/BV 2012E	2.0x
Dividend Yield 2012E	4.7%
Average Market Cap (USD)	5.0bn

Fund Indicators (Fixed Income)	August 30
Average Maturity (Years)	2.2
Average Yield to Maturity	6.3%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2015	KSA	Fixed Income	17.7%
Etihad Etisalat Co (Mobily)	KSA	Equity	11.9%
Barwa Real Estate Co	Qatar	Equity	9.0%
Industries Qatar QSC	Qatar	Equity	7.7%
Qatar Industrial Manufacturing Co	Qatar	Equity	6.4%