

Al Rayan GCC Fund (F)

February 2011

AuM: USD 9.5 million

NAV/share: QAR 0.948

Overview: GCC markets sold off in the last few days of January after protests started in Egypt, and then recovered. However following protests in Libya, Bahrain and Oman and the fear of a spread to Saudi Arabia, markets plunged in the second half of February.

The Fund has taken advantage of this volatility to increase exposure to both equity and sukuk with a focus on medium term capital appreciation. Of particular concern to the Fund Manager is capital preservation and the prices investments are entered at. We have accelerated the rate of investments in recent weeks and this should continue.

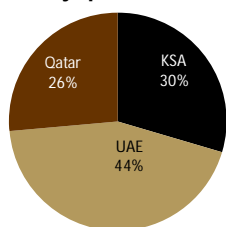
Outlook: Although we believe regional politics will remain in the news in the coming months, our central scenario is that the GCC will not see cuts in GDP growth expectations as has been seen in Egypt. In fact with GCC governments benefitting from higher oil prices we believe they will be incentivised to further increase domestic spending.

We continue to expect 2011 will be positive for most of the regional equity markets: we still favour Saudi Arabia and Qatar and see value emerging in the UAE. Although we remain disciplined, we expect the current environment to provide opportunities to deploy more of the fund's capital.

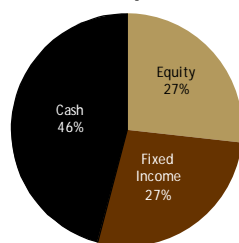
Fund Facts	
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	USD 30,000
- Institution	USD 300,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV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

Country Split



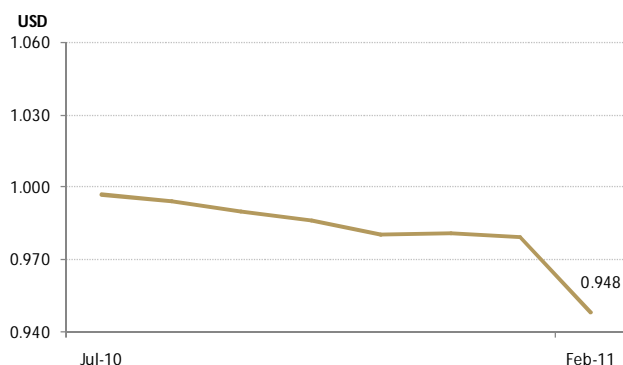
Asset Class Split



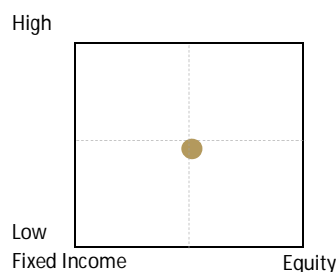
Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Aldar Sukuk 2011	UAE	Fixed Income	19.0%
Etihad Etisalat	KSA	Equity	8.5%
Barwa Real Estate	Qatar	Equity	6.2%
Aldar Sukuk 2013	UAE	Fixed Income	5.2%
Dar Al Arkan 2012	KSA	Fixed Income	3.6%

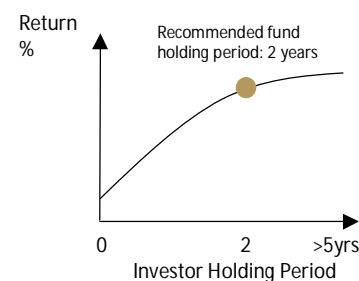
Net Asset Value/Unit



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.