



Shari'a Fund Manager  
of the Year 2012

# Al Rayan GCC Fund (F)



May 2013

NAV/unit: USD 1.257

Performance YTD: 15.7%

**Overview:** A month dominated by comments from central bankers and markets second guessing their next moves. ECB lowered rates 25bp, to 50bp, with the message 'to do whatever it takes'. Federal Reserve members were less definitive, interpreted by markets as a slowdown in QE (money printing) is nearing. US Treasuries reacted aggressively with yield on the 10-year jumping 46bp to 2.13%. Global equities +1-2% (S&P500 hit another record high) and the USD continued to rally, especially vs EM currencies (Brazil Real and Indian Rupee -5%). The stronger Dollar meant commodities were mostly weaker with ethylene -6%, gold -5% (\$1,396) and Brent -2% (\$100). Interestingly, 14 central banks lowered rates in May.

GCC equities flew, led by Kuwait (+12%) and Dubai (+11%). Dubai (+46%), Kuwait (+38%) and Abu Dhabi (+35%) are the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> best performing equity markets globally in 2013 behind Ghana (+49%). Local and foreign investors continue to pour money in. The other GCC markets are up around 10% YTD. Fixed income had a big month with ADCD, CBD, Dar Al Arkan, ENBD, IDB, NBAD and QNB all issuing. However the spike in US Treasury yields was a dampener on longer duration, higher grade debt especially.

Barwa Real Estate, Dar Al Arkan and Emaar helped the fund most in May while Industries Qatar, Mobily and Nawras were the key laggards.

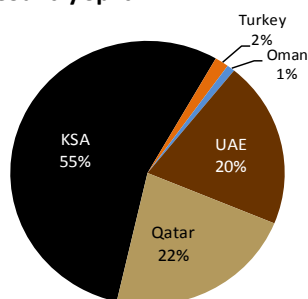
**Outlook:** The economies in our focus markets of KSA, Qatar and the UAE remain very strong. Despite considerable value remaining in many names, the equity 'melt-up' has left some stocks stretched and we aim to increase exposure at better levels. Some sukuk have softened but we see the hunger for yield bringing back buyers once Treasury yields settle.

## Fund Facts

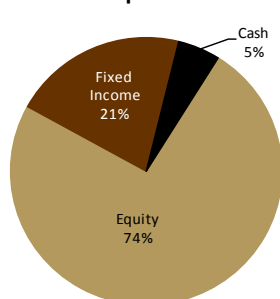
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	3-5 year capital appreciation
<b>Minimum initial investment</b>	
- Individual	USD 30,000
- Institution	USD 300,000
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	10% of NAV increase greater than 36%, over 3-years
<b>Redemption Fees</b>	0.25%
<b>Lock-in period</b>	18 months
<b>Fund Duration</b>	Open-ended
<b>Founder</b>	Masraf Al Rayan QSC
<b>Fund Manager</b>	Al Rayan Investment LLC
<b>Regulator</b>	Qatar Central Bank
<b>Bloomberg Ticker</b>	ARYGCCF QD
<b>Lipper ID</b>	68048992
<b>AUM (USD m)</b>	13.9

## Investments

### Country Split



### Asset Class Split



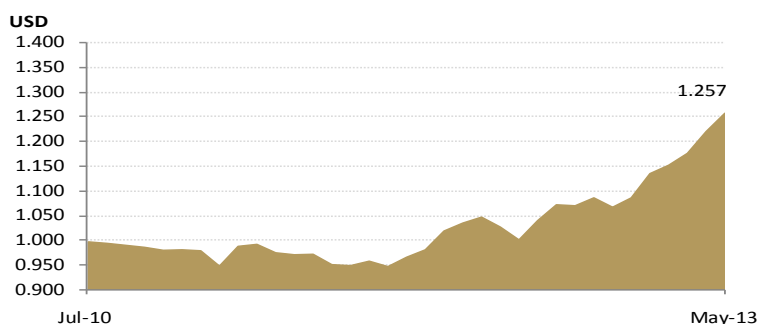
### Fund Indicators (Equity)

Indicator	May 30
P/E 2013E	11.1x
P/BV 2013E	2.5x
Dividend Yield 2013E	5.2%
Weighted Market Cap (USD)	8.1bn

### Fund Indicators (Fixed Income)

Indicator	May 30
Average Maturity (Years)	3.3
Average Yield to Maturity	6.3%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Nakheel 2016	UAE	Fixed Income	9.1%
Etihad Etisalat (Mobily)	KSA	Equity	8.9%
Emaar Properties PJSC	UAE	Equity	8.0%
Industries Qatar QSC	Qatar	Equity	7.6%
Barwa Real Estate Co	Qatar	Equity	6.0%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	3.0%	9.1%	-1.9%	-1.5%	12.4%	25.7%

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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.