



Sharī'a Fund Manager
of the Year 2012

Al Rayan GCC Fund (F)



October 2012

AuM: USD 11.9 million

Net Asset Value/unit: USD 1.086

Overview: October was interesting for risk assets as despite the onset of QE3 it was the first month since May that the S&P500 fell (-2%), not helped by disappointing Q3 results. Also for a change, commodities were among the weakest asset class: gold (\$1,719) and Brent crude (\$109) both -3%. However European periphery equities and debt rallied as credit continued its upward move globally. The Dollar was slightly weaker vs the Euro.

October GCC equity performance was varied. Both UAE markets +2.6% followed by Oman (+2.3%) but while Qatar was flat, Saudi -0.7% and Kuwait -3.6%. UAE buoyed by Q3 results and real estate while Kuwait weakened as anti-government protests escalated. With a few exceptions, Qatar results were lackluster and financials weighed on both Qatar and KSA. Regional credit remained boring; yield hungry investors continue to steadily squeeze bonds tighter and little new supply is emerging.

Mobily, Industries Qatar, Dar Al Arkan 2015 sukuk and Emaar helped the fund the most in October while QIMC and Barwa RE were the main laggards. For a second month, the Saudi market was weak but the portfolio did well reflecting alpha generated by stock picking.

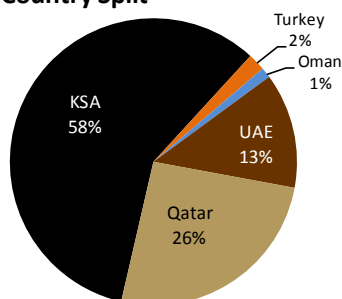
Outlook: With just two months left to the end of the year, bond investors will be aiming to preserve their profits while equity investors will start discounting 2013 growth. Our focus remains on the growth markets of KSA, Qatar and the UAE.

Fund Facts

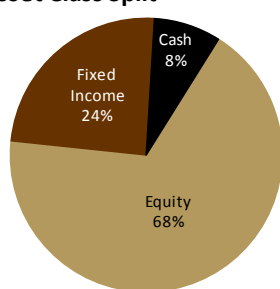
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	USD 30,000
- Institution	USD 300,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV increase greater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

Investments

Country Split



Asset Class Split



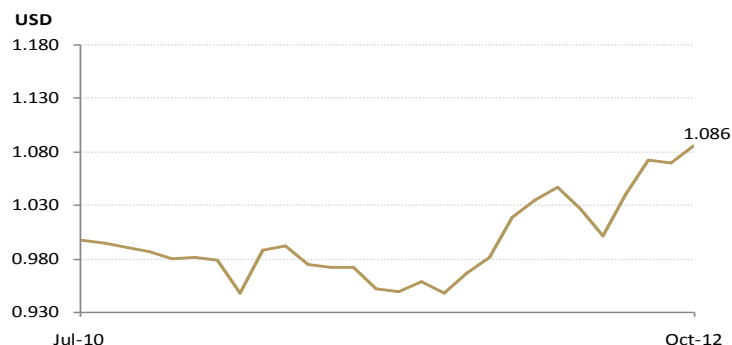
Fund Indicators (Equity)

Indicator	October 31
P/E 2012E	10.5x
P/BV 2012E	2.2x
Dividend Yield 2012E	4.8%
Average Market Cap (USD)	5.2bn

Fund Indicators (Fixed Income)

Indicator	October 31
Average Maturity (Years)	2.0
Average Yield to Maturity	5.3%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2015	KSA	Fixed Income	16.7%
Etihad Etisalat Co (Mobily)	KSA	Equity	10.6%
Industries Qatar QSC	Qatar	Equity	7.6%
Barwa Real Estate Co	Qatar	Equity	7.6%
Emaar Properties PJSC	UAE	Equity	6.1%

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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.