



Shar'i'a Fund Manager
of the Year 2012

Al Rayan GCC Fund (Q)



December 2012

AuM: QAR 168.2 million

Net Asset Value /unit: QAR 1.114

Overview: December was another positive month for risk assets helped by promises of intervention from various central banks, improved momentum in China and optimism around US fiscal cliff negotiations. Major global equity markets rose, led by EM which continues to bounce back (China +15% and Brazil +6% in Dec). Despite the USD hitting an 8 month low, gold was 2% lower (\$1,676), however Brent rose 1% to \$111. 2012 was far better than many feared 12 months ago because of greater than expected intervention from politicians and central banks.

GCC equities had a mixed end to 2012. Saudi (+4.1%) more than reversed November's drop; Oman also bounced 4%. Abu Dhabi lagged at -1.6% and Qatar was also slightly weaker. For the year 2012, Dubai was 20% higher, Abu Dhabi +10% while Qatar -5% and Bahrain -7% were the laggards. There were a few regional bond issues in December which were successful but, as expected, there was some modest profit taking in higher-grade names.

Mobily, Dar Al Arkan 2015 and Dar Al Arkan equity helped the fund most in December while Barwa Real Estate, Shaker and Almarai were the key laggards.

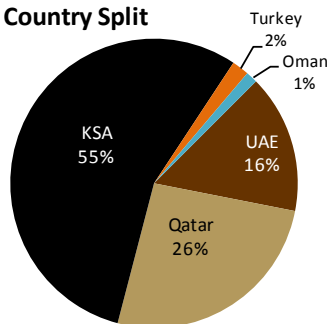
Outlook: We await Q4 results and, key to regional sentiment, dividend updates. We expect Saudi and UAE companies to impress the most. Qatar is dominated by financials which have had a forgettable year. Overall, 2013 prospects remain bright and we remain focused on bottom up opportunities. But risks are present and we argue the most notable are further potential laws to increase jobs and/or salaries for nationals.

Fund Facts

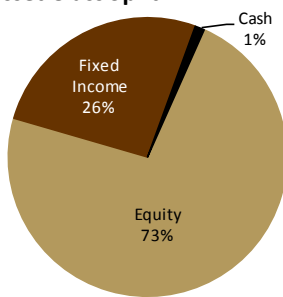
Asset class	Shar'i'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV increase 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	ARYGCCQ QD

Investments

Country Split



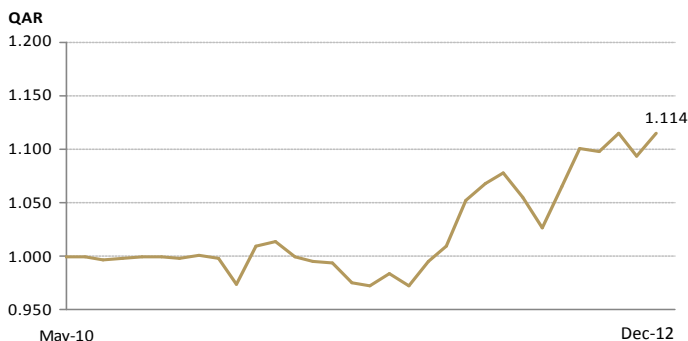
Asset Class Split



Fund Indicators (Equity)	December 31
P/E 2012E	10.9x
P/BV 2012E	2.2x
Dividend Yield 2012E	4.9%
Weighted Market Cap (QAR)	26.2bn

Fund Indicators (Fixed Income)	December 31
Average Maturity (Years)	2.4
Average Yield to Maturity	6.0%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2015	KSA	Fixed Income	15.7%
Etihad Etisalat (Mobily)	KSA	Equity	9.5%
Industries Qatar QSC	Qatar	Equity	7.9%
Barwa Real Estate Co	Qatar	Equity	7.4%
Qatar Industrial Mfg Co	Qatar	Equity	7.2%

	2010	2011	2012	YTD
Performance	0.1%	-0.6%	12.0%	12.0%