



Shar'i'a Fund Manager  
of the Year 2012



MENA Sukuk Manager  
of the Year 2013

# Al Rayan GCC Fund (Q)



September 2013

NAV/unit: QAR 1.333

Performance YTD: 19.7%

**Overview:** After August's EM driven worries, September was initially impacted by rising tension in Syria (which then eased) followed by anxiety ahead of the expected start of Fed tapering (which didn't happen). Global markets were encouraged by 'no taper' but then focus shifted to the US political stalemate over the budget and debt ceiling. Over the month, the US dollar fell after last month's spike; most commodities were lower (Brent -3.5% to \$108, gold -5% to \$1,332); US Treasuries rallied (10-year yield down to a 6-week low of 2.61%); while key global equity markets rose 3-5%. September also saw the largest bond issue in history with US telecom operator Verizon's \$49 billion issue topping the previous record of \$17bn by Apple.

For a change, most GCC equities underperformed global equities in September. Dubai saw the most aggressive relief rally after Syria worries eased, +9.5% on the month (+70% YTD). Abu Dhabi (+2.9%) followed, while Oman (-0.7%) and Qatar (-0.1%) lagged. After several months of poor performance, regional bonds rebounded and several issuers, taking advantage of considerable pent up demand, began to launch deals.

Mouwasat, Dar Al Arkan and Extra helped the fund most in September while Industries Qatar, Yanbu Cement and Dar Al Arkan 2018 were key laggards.

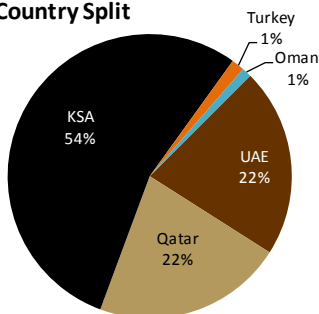
**Outlook:** Although the economic prospects of our focus GCC markets of Saudi Arabia, Qatar and the UAE continue to get better, we believe the recent bounce may have been too rapid in some names. The fund has taken advantage of the rally and increased the cash position, looking to benefit from buying opportunities that may emerge during Q3 results season.

## Fund Facts

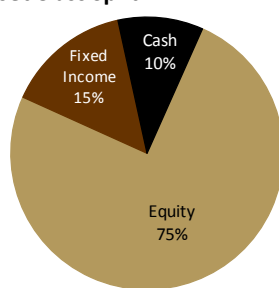
<b>Asset class</b>	Shar'i'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum initial investment</b>	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	20% of NAV increase greater than 24%, over 2-years
<b>Lock-in period</b>	Six 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>Custodian</b>	HSBC Bank Middle East
<b>Auditor</b>	KPMG
<b>Bloomberg Ticker</b>	ARYGCCQ QD
<b>Lipper ID</b>	68048996
<b>AUM (QAR m)</b>	169.8

## Investments

### Country Split



### Asset Class Split



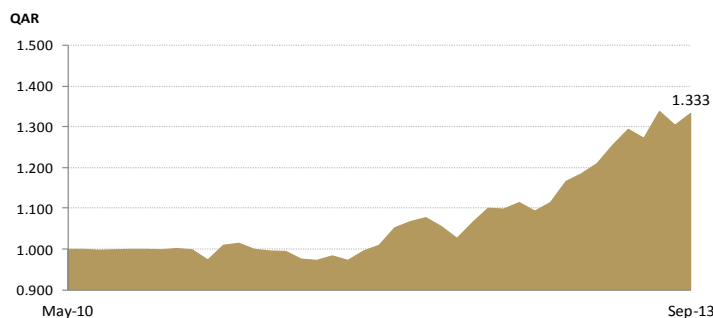
### Fund Indicators (Equity)

Fund Indicators (Equity)	September 30
P/E 2013E	12.1x
P/BV 2013E	2.9x
Dividend Yield 2013E	4.7%
Weighted Market Cap (QAR)	27.9bn

### Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	September 30
Average Maturity (Years)	3.1
Average Yield to Maturity	6.8%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Nakheel 2016	UAE	Fixed Income	7.3%
Emaar Properties PJSC	UAE	Equity	7.0%
Etihad Etisalat (Mobily)	KSA	Equity	6.9%
Industries Qatar QSC	Qatar	Equity	6.6%
Al Mouwasat Medical Services	KSA	Equity	6.3%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	2.2%	4.8%	0.1%	-0.6%	12.0%	33.3%

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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.