



Sharfa Fund Manager  
of the Year 2012



MENA Sukuk Manager  
of the Year 2013



Qatar Asset Manager -  
2014

# Al Rayan GCC Fund (Q)



September 2014

NAV/unit: QAR 1.775

Performance YTD: **26.0%**

**Overview:** During September, volatility returned to risk markets on increasing caution on the global economy, worries over the spread of Ebola and rising tensions in the Middle East. The VIX volatility index, a gauge of fear, jumped 36% during the month. The S&P 500 lost 1.6% on concerns that the Federal Reserve may tighten policy sooner than expected while European equities were flat (+0.3%) as the ECB announced additional stimulus measures. US Treasuries dropped as 10-year yields increased to 2.5% and the US Dollar strengthened another 2-4% against major currencies. Gold fell 6% (\$1,207) while Brent crude lost 9% (\$95). Barring urea (+10%) and Henry hub gas (+3%), most major commodities were down, mainly on the strong Dollar. Key losers included ethylene (-10%), aluminum (-7%) and copper (-5%).

After a strong run over the past 8 months, GCC equities consolidated with Qatar edging up 1% while Dubai (-0.4%) and Abu Dhabi (+0.5%) were flat. However the region's largest market, Saudi Arabia, slipped 2% on profit taking. There were only two new issues in the region in September, Sharjah's debut sovereign sukuk (\$750m, 2024) and Bahrain's \$1.25bn, 2044. The sell-off in US Treasuries led to muted weakness in regional credit.

Najran Cement, Mouwasat Medical Services and Emaar Properties helped the fund most in September while Al Meera Consumer Goods, Saudi Airlines Catering Co and Dar Al Arkan Real Estate were key laggards.

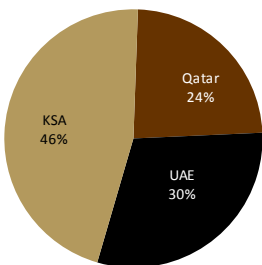
**Outlook:** The region is not immune to global sentiment and we expect volatility to remain in our focus markets. However equities are likely to find support with Q3 earnings and we see excellent entry opportunities.

## Fund Facts

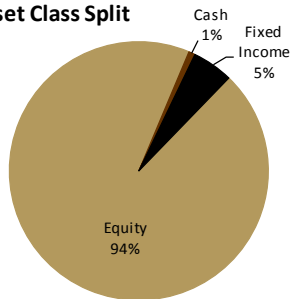
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	QAR 100,000 initially, QAR 5,000 thereafter
- Institution	QAR 1,000,000 initially, QAR 50,000 thereafter
<b>Subscription Fees</b>	up 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>Net Asset Value (NAV)</b>	QAR 256.7 m

## Investments

### Country Split



### Asset Class Split



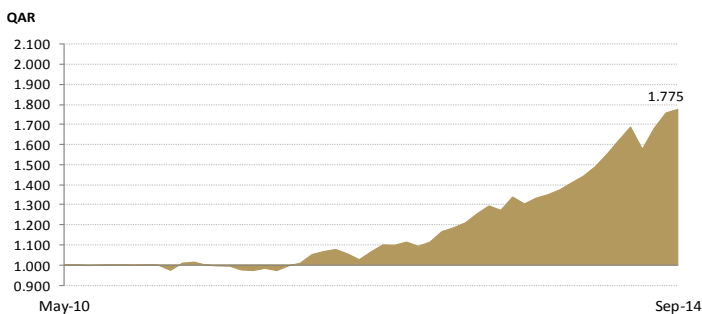
### Fund Indicators (Equity)

Indicator	Sep 2014
P/E 2014E	21.6x
P/BV 2014E	4.3x
Dividend Yield 2014E	3.5%
Weighted Market Cap (QAR)	30.1bn

### Fund Indicators (Fixed Income)

Indicator	Sep 2014
Average Maturity (Years)	2.5
Average Yield to Maturity	6.3%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Emaar Properties PJSC	UAE	Equity	11.0%
Mouwasat Medical Services Co	KSA	Equity	9.5%
Najran Cement Co	KSA	Equity	7.7%
Barwa Real Estate	Qatar	Equity	6.1%
Dubai Islamic Bank	UAE	Equity	5.6%

	1 mth	3 mth	2010	2011	2012	2013	Since Inception
Performance	1.0%	12.6%	0.1%	-0.6%	12.0%	26.5%	77.5%

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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.