



Shar'i'a Fund Manager  
of the Year 2012

# Al Rayan GCC Fund (F)



August 2013

NAV/unit: USD 1.262

Performance YTD: **16.2%**

**Overview:** August started positively until strong economic data worried investors the Fed will reduce the \$85 billion of monthly asset purchases in September. A collapse in confidence in key emerging markets was also a feature with the Indian and Indonesian currencies down 9% in August. Worries about an escalation in Syria dominated in the last week, triggering general risk aversion. This drove in a 3.1% drop for the S&P500. Brent jumped 7% to \$114, initially on Egypt concerns, and then Syria. Gold (\$1,398) also +7% and silver spiked 19% (but still -22.5% YTD). US Treasuries were weaker again, with 10-year yields rising to 2.78%.

GCC equities were able to digest headlines from Egypt but not Syria as a month-end sell-off led to Kuwait -5.4%, Abu Dhabi -3% and Dubai -2.5%. Oman managed a gain of 0.7%. Institutional investor dominated stocks bounced back sharply, while stocks with larger retail ownership did not. GCC fixed income remained under pressure by weakness in US Treasuries; there was no regional issuance in August.

Yanbu Cement, Dar Al Arkan 2015 and Qatar International Islamic Bank helped the fund most in August while Dar Al Arkan (equity), Mouwasat and Emaar were key laggards.

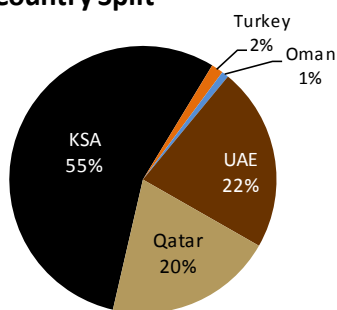
**Outlook:** Although sudden, the retreat in regional equities was healthy and brought many names to attractive levels. The fund took advantage of this, especially in the UAE, and shall continue to do so. We aim to keep allocating from sukuk towards equities, where we see greater medium term value.

## Fund Facts

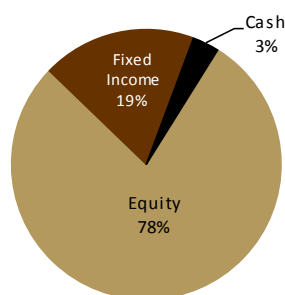
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 months capital appreciation
<b>Minimum initial investment</b>	
- Individual	USD 30,000
- Institution	USD 300,000
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	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>	ARYGCCF QD
<b>Lipper ID</b>	68048992
<b>AUM (USD m)</b>	14.5

## Investments

### Country Split



### Asset Class Split



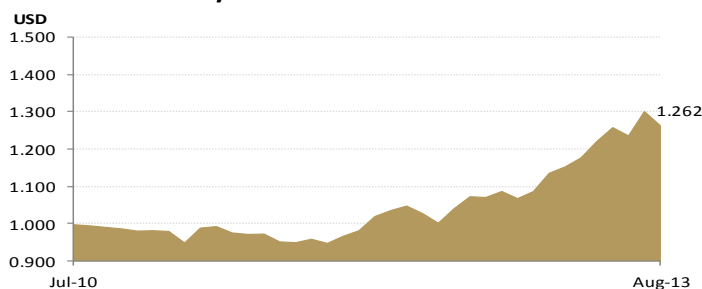
### Fund Indicators (Equity) August 29

P/E 2013E	11.4x
P/BV 2013E	2.8x
Dividend Yield 2013E	4.9%
Weighted Market Cap (USD)	7.5bn

### Fund Indicators (Fixed Income) August 29

Average Maturity (Years)	3.1
Average Yield to Maturity	7.5%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Nakheel 2016	UAE	Fixed Income	8.6%
Emaar Properties PJSC	UAE	Equity	7.9%
Etihad Etisalat (Mobily)	KSA	Equity	7.4%
Industries Qatar QSC	Qatar	Equity	7.2%
Al Mouwasat Medical Services	KSA	Equity	6.0%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	-2.9%	0.4%	-1.9%	-1.5%	12.4%	26.2%

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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.