



Sharif's Fund Manager
of the Year 2012



MENA Sukuk Manager
of the Year 2013



Qatar Asset Manager -
2014

Al Rayan GCC Fund (F)



December 2014

NAV/unit: USD 1.540

Performance YTD: **12.3%**

Overview: The carnage in oil markets continued in December as Brent crude plunged 20% to \$53, a five year low, on rising supply, weaker global demand and a stronger dollar. Russian and Brazilian assets were hit very hard, driving up risk aversion globally. The VIX 'fear index' jumped 44% while USD rose 3% vs the Euro to 1.21. S&P 500 shed 0.4% to close the year at +11% while European stocks were 1.4% lower, +4% for 2014. Chinese equities soared 21% in December (+53% for the year) while mounting problems in Greece left equities 14% lower. 10-year US Treasury yields were volatile but ended the month flat at 2.17%. Gold rose 2% (\$1,188), ending the year -1%.

GCC equity markets were relatively resilient to the collapse in oil during December, as with exception of Dubai (-12%), other markets capped losses at around 3.5%. Bahrain was the best performer at -0.1%. Markets were helped by the announcement of an expansionary Saudi budget announced late in the month. It was a dry month for regional credit as not a single issuer hit the market in GCC. Hampered by low liquidity and wide spreads, after a panic sell off over a few days, regional bonds recovered to end -1% on the month.

Saudi Catering, Al Hokair and Savola helped the Fund most in December while Dar Al Arkan, Medicare and Emaar Properties were key laggards.

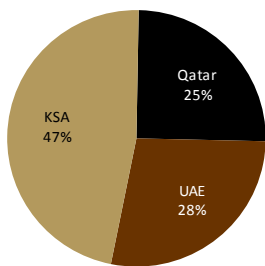
Outlook: While valuations for an increasing number of stocks are compelling, we see further downside to oil prices which would keep GCC assets under pressure. Equity investors are looking for safety with little regard to fundamentals. We believe OPEC's strategy is correct but will only bear fruit over several quarters, not weeks.

Fund Facts

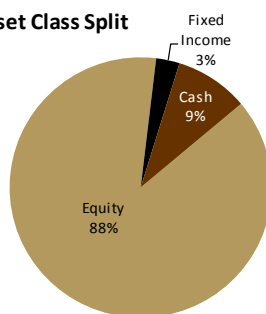
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase greater than 24%, over 2-years
Lock-in period	Six months
Fund Duration	Open-ended
Founder	Masraf Al Rayan QSC
Fund Manager	Al Rayan Investment LLC
Regulator	Qatar Central Bank
Custodian	HSBC Bank Middle East
Auditor	KPMG
Bloomberg Ticker	ARYGCCF QD
Lipper ID	68048992
Net Asset Value (NAV)	USD 22.2 m

Investments

Country Split



Asset Class Split



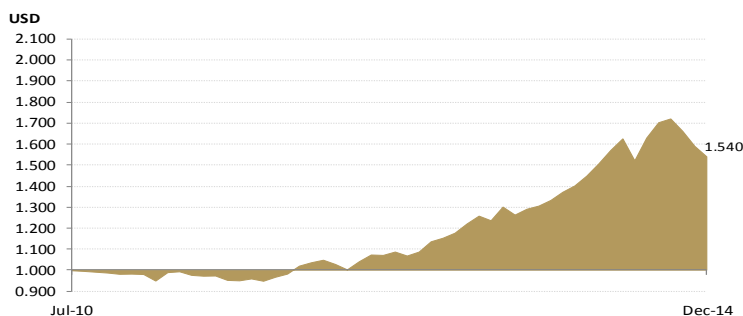
Fund Indicators (Equity)

Indicator	December 2014
P/E 2014E	18.6x
P/BV 2014E	3.7x
Dividend Yield 2014E	4.7%
Weighted Market Cap (USD)	5.9bn

Fund Indicators (Fixed Income)

Indicator	December 2014
Average Maturity (Years)	2.1
Average Yield to Maturity	5.2%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Mouwasat Medical Services Co	KSA	Equity	10.5%
Emaar Properties PJSC	UAE	Equity	6.3%
Barwa Real Estate Co	Qatar	Equity	6.3%
Saudi Catering Co	KSA	Equity	6.1%
Najran Cement Co	KSA	Equity	6.0%

	1 mth	3 mth	2010	2011	2012	2013	Since Inception
Performance	-3.1%	-10.5%	-1.9%	-1.5%	12.4%	26.2%	54.0%

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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.