



Sher'a Fund
Manager - 2012



MENA Sukuk
Manager - 2013



Qatar Asset
Manager - 2014



Best Islamic Asset
Management Co -
2014



Qatar Asset
Manager - 2015

Al Rayan GCC Fund (F)



December 2015

NAV/unit: USD 1.340

Performance YTD: **-13.0%**

Overview: In many ways, December was like a summary of 2015: Brent fell 17% to \$37 (YTD -44%) following OPEC's decision to maintain production and worries about global demand; the US increased interest rates for the first time in a decade causing volatility in emerging markets. Many key asset classes ended the year in the red, with exceptions including the USD (+10% vs EUR), European equities and Chinese equities. In December, US equities -2%, European equities -5% while China +3%. USD diverged in December, -3% vs EUR and CHF but +2% vs GBP. US 10-year Treasury yields were unchanged immediately after the rate rise but added 6bp to 2.27% by end December. Among key commodities, gold dropped 11% in 2015, while steel, copper and aluminum all fell 37%, 25% and 19% respectively.

GCC equities were also mixed in December, as Qatar (+3.4%) and Abu Dhabi (+1.7%) gained while Saudi Arabia and Dubai lost 4.5% and 1.7% respectively. For the year, Saudi lagged (-17.1%), followed by Dubai (-16.5%), Qatar (-15.1%) and Oman (-14.8%). There was no new fixed income issuance during December and the GCC sukuk market returned +0.1% (+2.1% for 2015).

Mouwasat Medical Services Co, DP World and Barwa Real Estate Co helped the Fund most in the month while Savola Group, Medicare Group and Najran Cement Co were key laggards.

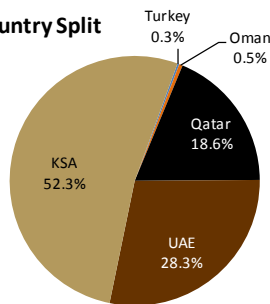
Outlook: GCC budgets for 2016 were announced and spending plans and subsidies have been cut. Qatar stands out for its continued focus on project spending while Dubai expects no deficit. Saudi Arabia, Oman and Kuwait expect major deficits. We believe oil remains vulnerable in the near term and have raised significant cash to cushion the fund.

Fund Facts

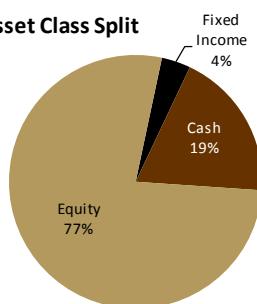
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum investment	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance 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 16.9 m

Investments

Country Split



Asset Class Split



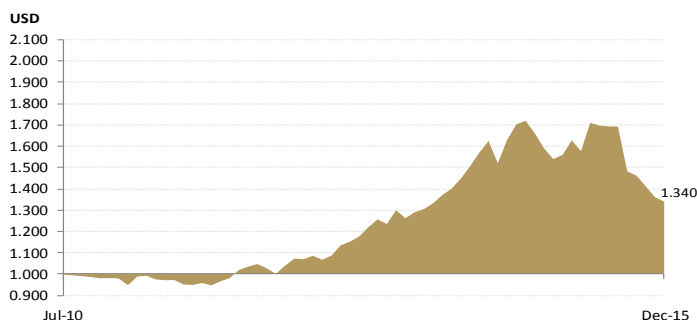
Fund Indicators (Equity)

	December 2015
P/E 2016E	14.5x
P/BV 2016E	3.0x
Dividend Yield 2016E	4.4%
ROE 2016E	22.4%
Weighted Market Cap (USD)	4.9bn

Fund Indicators (Fixed Income)

	December 2015
Average Maturity (Years)	2.6
Average Yield to Maturity	3.4%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Mouwasat Medical Services Co	KSA	Equity	9.0%
Almarai Co Ltd	KSA	Equity	8.2%
Dubai Islamic bank	UAE	Equity	6.1%
Aldrees Petroleum & Transport Co	KSA	Equity	5.7%
DP World	UAE	Equity	5.2%

	Last 1mth	Last 3mth	2010	2011	2012	2013	2014	Since Inception
Return	-1.5%	-8.3%	-1.9%	-1.5%	12.4%	26.2%	12.3%	34.0%