



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)



July 2015

NAV/unit: USD 1.692

Performance YTD: +9.9%

**Overview:** July was another volatile month for all major asset classes. The VIX 'fear' index, a gauge of US equity volatility, initially spiked 10% due to uncertainty that Greece may be forced to leave the Eurozone, before falling 40% after Greece accepted conditions for another bailout midway through July. An intra-month collapse in Chinese equities (-15% on the month) and some weak US economic data also dampened sentiment. In general, global equities were mixed, commodities negative and credit positive. The US Dollar gained 1-3% against major currencies and US 10 year Treasury yields fell 24bp to 2.18% by the end of the July. S&P 500 +2.0%, European stocks +3.9% while emerging market equities were weak. Partly on worries over Chinese demand and hurt by the rising US Dollar, commodities were hit hard. Brent crude collapsed, losing -18.6% to \$52.2 as potential supply from Iran also weighed on investors. Gold lost 7% (to \$1,094) while wheat (-19%), corn (-12%), copper (-10%) and urea (-10%) were also battered.

GCC equities were mixed with the region's largest market, Saudi Arabia, flat on the month. Abu Dhabi and Dubai were positive, gaining 2.3% and 1.4% respectively, while Qatar was down 3.4%, giving back some of its gains from previous months. Much of the holy month of Ramadan and the Eid holiday fell in July, resulting in no fixed income issuance. After a period of weakness, the GCC sukuk market rose 0.73% during the month.

Dubai Islamic Bank, Bupa Arabia for Cooperative Insurance Co and Almarai Co Ltd helped the Fund most in July while Najran Cement Co, Barwa Real Estate Co and Aldrees Petroleum & Transport Co were key laggards.

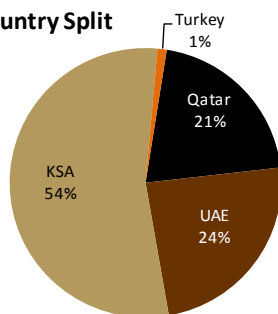
**Outlook:** Q2 results have been mixed for Saudi and Qatari companies with most UAE companies still to report during August. Although regional governments are re-examining spending plans, hundreds of projects are continuing and we remain confident in our approach to bottom up stock picking.

## Fund Facts

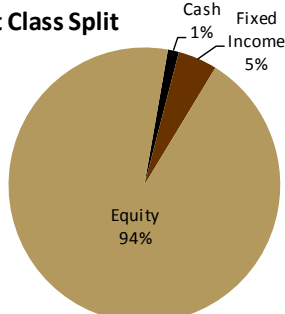
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	\$30,000 initially, \$1,500 thereafter
- Institution	\$300,000 initially, \$15,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management 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>	ARYGCCF QD
<b>Lipper ID</b>	68048992
<b>Net Asset Value (NAV)</b>	USD 22.3 m

## Investments

### Country Split



### Asset Class Split



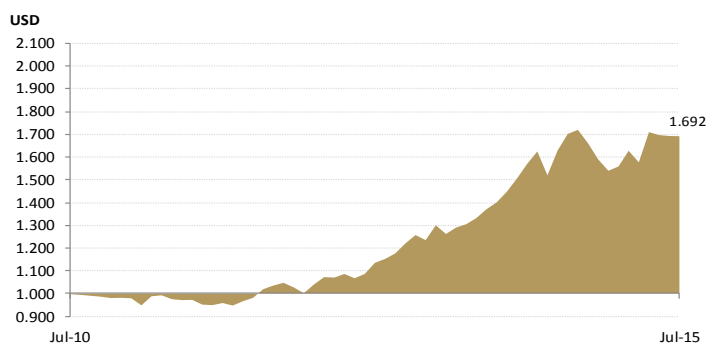
### Fund Indicators (Equity)

Fund Indicators (Equity)	July 2015
P/E 2016E	14.9x
P/BV 2016E	3.2x
Dividend Yield 2016E	4.5%
ROE 2016E	18.0%
Weighted Market Cap (USD)	6.2bn

### Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	July 2015
Average Maturity (Years)	0.2
Average Yield to Maturity	0.2%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Mouwasat Medical Services Co	KSA	Equity	9.4%
Almarai Co Ltd	KSA	Equity	7.6%
Barwa Real Estate Co	Qatar	Equity	7.4%
Aldrees Petroleum & Transport Co	KSA	Equity	6.8%
Najran Cement Co	KSA	Equity	6.7%

	1mth	3mth	2010	2011	2012	2013	2014	Since Inception
Return	-0.1%	-1.1%	-1.9%	-1.5%	12.4%	26.2%	12.3%	69.2%

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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.