



Shar'i'a Fund Manager
of the Year 2012

Al Rayan GCC Fund (F)



June 2013

NAV/unit: USD 1.235

Performance YTD: 13.7%

Overview: In May the Federal Reserve soothed investors with the message 'it would do whatever it takes'. On June 22 markets were shocked when Ben Bernanke said US money printing would be reduced sooner rather than later. Combined with weak data from China, investors panicked. 10-year US Treasury yields surged to two-year highs (2.49%) causing a sell-off in global bonds. US equities were only -1.5% while Europe -5%. EM was hit hard: China equities -14%, Brazil equities -12%, Indian Rupee -5%, Brazilian Real -4%. Commodities fell too: gold -12% (\$1,224), copper -8% while ethylene bounced 14% and Brent +2% (\$102).

After eye-watering gains in May, GCC equities fared well in June especially given the global context. KSA (+1.2%) and Qatar (+0.4%) led, while Kuwait (-6.4%) struggled on political worries and Dubai (-6.1%) gave back half of May's gains. Regional bonds initially dropped sharply as buyers vanished and investors followed US Treasuries, but some calm returned by month end.

Dar Al Arkan, Qatar Industrial Manufacturing Company and Al Rajhi Bank helped the fund most in June while Emaar Properties, Industries Qatar and Shaker were the key laggards.

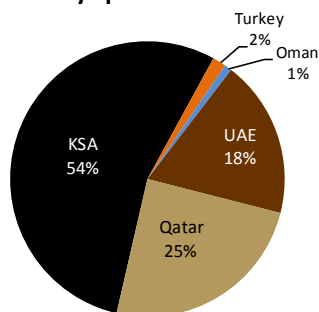
Outlook: Having executed a very smooth power transition, Qatar can confidently look ahead to the next decade focusing on the build out of the country. Other GCC states will certainly be reminded of the need to prepare well for the handover to the next generation. Q2 results are upon us and we remain confident consumer names will again outperform. GCC sukuk are trading at depressed levels and there are opportunities for the patient investor. However US yields will need to stabilise to calm investors.

Fund Facts

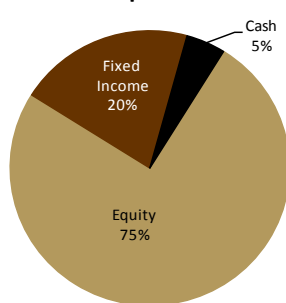
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	USD 30,000
- Institution	USD 300,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV increase greater than 36%, over 3-years
Redemption Fees	0.25%
Lock-in period	18 months
Fund Duration	Open-ended
Founder	Masraf Al Rayan QSC
Fund Manager	Al Rayan Investment LLC
Regulator	Qatar Central Bank
Bloomberg Ticker	ARYGCCF QD
Lipper ID	68048992
AUM (USD m)	13.7

Investments

Country Split



Asset Class Split



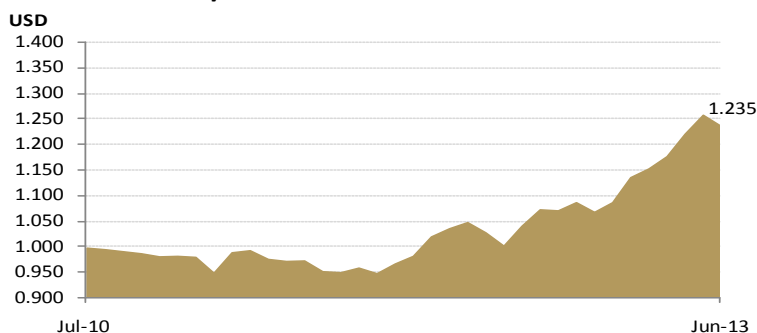
Fund Indicators (Equity)

Indicator	June 30
P/E 2013E	10.7x
P/BV 2013E	2.4x
Dividend Yield 2013E	5.2%
Weighted Market Cap (USD)	7.4bn

Fund Indicators (Fixed Income)

Indicator	June 30
Average Maturity (Years)	3.2
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	8.8%
Etihad Etisalat (Mobily)	KSA	Equity	8.2%
Industries Qatar QSC	Qatar	Equity	7.3%
Emaar Properties PJSC	UAE	Equity	6.1%
Barwa Real Estate Co	Qatar	Equity	6.1%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	-1.8%	5.0%	-1.9%	-1.5%	12.4%	23.5%

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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.