Al Rayan GCC Fund (F)



September 2011

AuM: USD 9.52 million

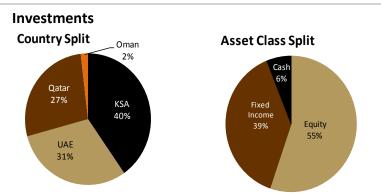
NAV/unit: USD 0.949

Overview: September ended one of the worst quarters for global risk assets in recent years. Fears escalated: politics continue to hamper economic decision-making in Europe; the US remains vulnerable to recession; and there are worries China's slowdown may be prolonged. Key global equity markets dropped 5% or more on the month, the USD rallied (EUR -7%), commodities (including gold) were punished hard and government bonds benefitted from a flight to safety.

Despite the turmoil, GCC equities fared well, underlining our positive investment case, with some markets ending up marginally. Our focus countries of Qatar and KSA did best with local buying offsetting foreign selling. However the more foreign investor dominated GCC credit market suffered from indiscriminate top-down 'de-risking'.

Outlook: From creation, the Eurozone has been about politics rather than economics and extreme political will is required by all members for sustainable solutions. The risk to world economies increases the greater the delay.

In the midst of global indebtedness, Qatar and KSA are continuing to pump money in to their economies (via projects and directly to people) offsetting the macro backdrop. This is set to continue and differentiate the two countries even with the region. Volatility will continue to present very attractive medium-term investment opportunities.



Net Asset Value/Unit



Fund Facts		
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments	
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	
Regulation	Qatar Central Bank	

Fund Indicators (Equity)	Sep 30
P/E 2011E	9.8x
P/BV	2.0x
Dividend Yield	4.5%
Average Market Cap (USD)	6.2bn

Fund Indicators (Fixed Income)	Sep 30	
Average Maturity (Years)	0.88	
Average YTM	5.5%	

Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Aldar Sukuk 2011	UAE	Fixed Income	19.4%
Dar Al Arkan 2012	KSA	Fixed Income	14.2%
Barwa Real Estate	Qatar	Equity	10.3%
Etihad Etisalat	KSA	Equity	9.8%
Qatar Islamic Bank	Qatar	Equity	6.6%

AL RAYAN INVESTMENT LLC (Authorised by QFCRA), Grand Hamad Street, PO Box 28888, Doha, Qatar

🕾+974 4425 3333 🛛 🖉 ari.int

🗥 ari.info@alrayan.com

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.