

Al Rayan GCC Fund (Q)

April 2012

AuM: QAR 172.1 million

NAV/unit: QAR 1.077

Overview: After the best Q1 in 14 years, global risk assets had a weak April after a muted March. US and Chinese data remained mixed while Spain was in the headlines for the wrong reasons. In April, US, German and Japanese equities saw their first down month in 2012. EM markets were generally lower too. Despite a softer USD, commodities slipped with Brent back at \$119 (-2.1%) and gold at \$1,666 (-0.2%). Most sovereign CDS were wider, with Italy and Spain up to 445 and 476 respectively.

Despite an April pull-back where Saudi equities fell 3.5% and the two UAE markets -1-2%, Saudi is now +18% on the year and Dubai +21%. Qatar (-1% in April) remains the only GCC equity market in the red in 2012 (-1%). Kuwait and Oman + 3% in April. The fund's core markets fell in April but stock picking led to a positive month. Credit continued to tighten on further positive headlines on the major Dubai maturities. Some bonds are now looking stretched but are supported by yield hungry investors.

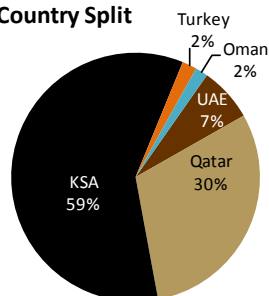
The fund benefitted from selective risk reduction in March and addition in April. April was helped most by Mobily, Emaar, Dar Al Arkan 2012, IQ and Almarai while Aldrees Petroleum, Al Rajhi and Dar Al Arkan equity were a drag.

Outlook: Overall, UAE and Saudi's Q1 results impressed more than Qatar's. We expect Saudi and the UAE to provide leadership to regional equities and further resilience in GCC credit.

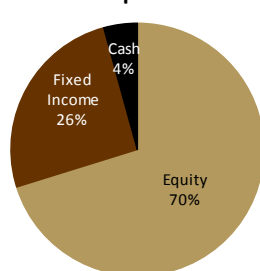
Fund Facts	
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV 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

Investments

Country Split



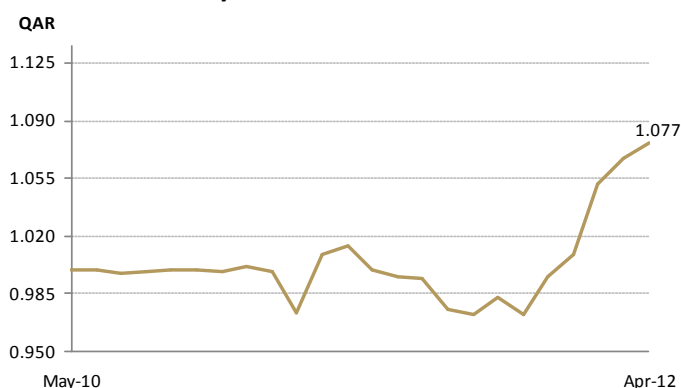
Asset Class Split



Fund Indicators (Equity)	Apr 30
P/E 2012E	10.4x
P/BV 2012E	2.0x
Dividend Yield 2012E	4.9%
Average Market Cap (QAR)	21.3bn

Fund Indicators (Fixed Income)	Apr 30
Average Maturity (Years)	1.3
Average Yield to Maturity	12.0%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2012	KSA	Fixed Income	16.0%
Etihad Etisalat Co (Mobily)	KSA	Equity	10.5%
Industries Qatar QSC	Qatar	Equity	8.7%
Barwa Real Estate Co	Qatar	Equity	8.3%
Qatar Industrial Manufacturing Co	Qatar	Equity	7.1%