



Shar'ia Fund Manager
of the Year 2012

Al Rayan GCC Fund (Q)



August 2013

NAV/unit: QAR 1.304

Performance YTD: 17.1%

Overview: August started positively until strong economic data worried investors the Fed will reduce the \$85 billion of monthly asset purchases in September. A collapse in confidence in key emerging markets was also a feature with the Indian and Indonesian currencies down 9% in August. Worries about an escalation in Syria dominated in the last week, triggering general risk aversion. This drove in a 3.1% drop for the S&P500. Brent jumped 7% to \$114, initially on Egypt concerns, and then Syria. Gold (\$1,398) also +7% and silver spiked 19% (but still -22.5% YTD). US Treasuries were weaker again, with 10-year yields rising to 2.78%.

GCC equities were able to digest headlines from Egypt but not Syria as a month-end sell-off led to Kuwait -5.4%, Abu Dhabi -3% and Dubai -2.5%. Oman managed a gain of 0.7%. Institutional investor dominated stocks bounced back sharply, while stocks with larger retail ownership did not. GCC fixed income remained under pressure by weakness in US Treasuries; there was no regional issuance in August.

Yanbu Cement, Dar Al Arkan 2015 and Qatar International Islamic Bank helped the fund most in August while Dar Al Arkan (equity), Mouwasat and Barwa Real Estate were key laggards.

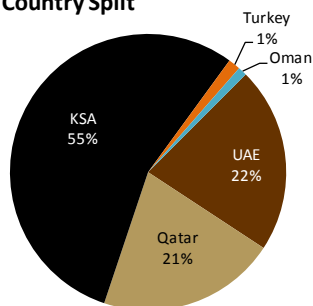
Outlook: Although sudden, the retreat in regional equities was healthy and brought many names to attractive levels. The fund took advantage of this, especially in the UAE, and shall continue to do so. We aim to keep allocating from sukuk towards equities, where we see greater medium term value.

Fund Facts

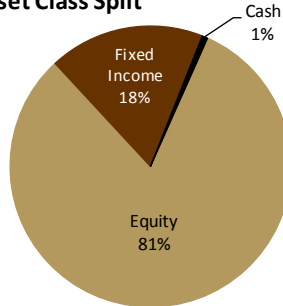
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 months capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase greater than 24%, 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	ARYGCCQ QD
Lipper ID	68048996
AUM (QAR m)	159.0

Investments

Country Split



Asset Class Split



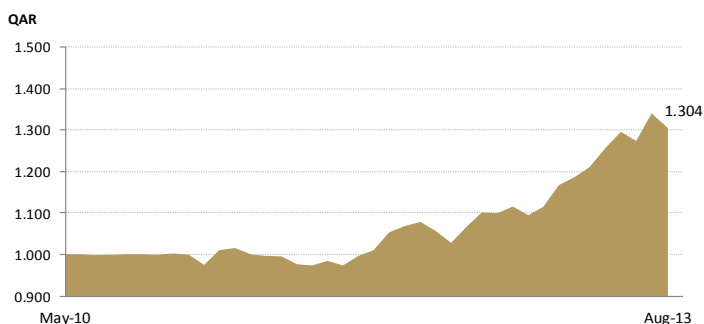
Fund Indicators (Equity)

Indicator	August 29
P/E 2013E	11.4
P/BV 2013E	2.8x
Dividend Yield 2013E	4.9%
Weighted Market Cap (QAR)	27.1bn

Fund Indicators (Fixed Income)

Indicator	August 29
Average Maturity (Years)	3.0
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	8.6%
Emaar Properties PJSC	UAE	Equity	7.9%
Etihad Etisalat (Mobily)	KSA	Equity	7.6%
Industries Qatar QSC	Qatar	Equity	7.2%
Al Mouwasat Medical Services	KSA	Equity	6.3%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	-2.5%	0.8%	0.1%	-0.6%	12.0%	30.4%