



Shar'i'a Fund Manager
of the Year 2012



MENA Sukuk Manager
of the Year 2013

Al Rayan GCC Fund (Q)



December 2013

NAV/unit: QAR 1.409

Performance YTD: 26.5%

Overview: Global equities started December on a nervy note as strong US economic data along with the approach of the December Fed meeting reignited taper worries. The Fed did commence tapering at the December meeting but assured low interest rates until unemployment falls below 6.5%. This set markets rolling as the S&P 500 (+2.4%) closed the month at an all-time high while 10-year US Treasuries yields rose above 3%. European equities were up 1% while EM equities and currencies were mixed as Chinese and Brazilian equities fell but Indian equities and the Rupee rallied. The ECB left rates unchanged despite mixed PMI in peripheral Eurozone economies. Commodities were generally higher with rallies in Henry Hub gas (+11.4%), urea (+4.6%) and Brent crude (+1.3% to \$111) however gold kept losing its shine (-3.7% to \$1,205).

Except for Kuwait (-3%) GCC equities continued their impressive run, with the UAE (Dubai +14.4% and Abu Dhabi +11.4%) leading, followed by Bahrain (+3.3%) and Saudi Arabia (+2.5%). For 2013: Dubai +108%, Abu Dhabi +63%, Saudi Arabia +25% and Qatar +24%. Regional bonds were muted performance-wise and two new issues raised \$ 1.65 billion.

Emaar Properties, DIB and Nakheel 2016 helped the fund most in December while Yanbu Cement, Dar Al Arkan 2018 and Al Meera were key laggards.

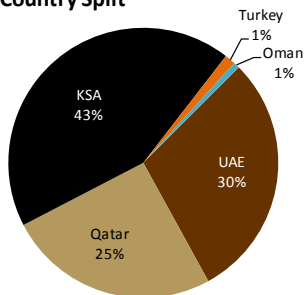
Outlook: With full year 2013 results season approaching we are cautious on Saudi consumer names and banks. However, we expect strong performance from regional petrochemicals and UAE and Qatar overall. With improving global economic growth outlook and reducing regional geopolitical risk, we are optimistic on regional equities going into 2014.

Fund Facts

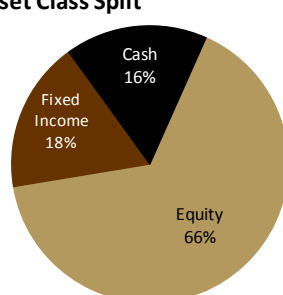
Asset class	Shari'a compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase greater than 24%, 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)	211.4

Investments

Country Split



Asset Class Split



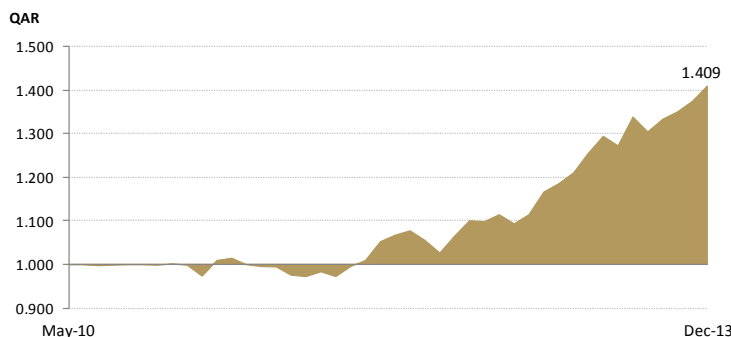
Fund Indicators (Equity)

Indicator	December 31
P/E 2013E	14.0x
P/BV 2013E	2.9x
Dividend Yield 2013E	4.6%
Weighted Market Cap (QAR)	25.7bn

Fund Indicators (Fixed Income)

Indicator	December 31
Average Maturity (Years)	3.1
Average Yield to Maturity	7.2%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Emaar Properties PJSC	UAE	Equity	6.7%
Nakheel 2016	UAE	Fixed Income	6.5%
Al Mouwasat Medical Services	KSA	Equity	6.2%
Industries Qatar QSC	Qatar	Equity	6.2%
Barwa Real Estate	Qatar	Equity	5.2%

	1 mth	3 mth	2010	2011	2012	Since Inception
Performance	2.5%	5.7%	0.1%	-0.6%	12.0%	40.9%

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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.