



Sharfa Fund Manager  
of the Year 2012



MENA Sukuk Manager  
of the Year 2013



Qatar Asset Manager -  
2014

# Al Rayan GCC Fund (Q)



December 2014

NAV/unit: QAR 1.587

Performance YTD: **12.6%**

**Overview:** The carnage in oil markets continued in December as Brent crude plunged 20% to \$53, a five year low, on rising supply, weaker global demand and a stronger dollar. Russian and Brazilian assets were hit very hard, driving up risk aversion globally. The VIX 'fear index' jumped 44% while USD rose 3% vs the Euro to 1.21. S&P 500 shed 0.4% to close the year at +11% while European stocks were 1.4% lower, +4% for 2014. Chinese equities soared 21% in December (+53% for the year) while mounting problems in Greece left equities 14% lower. 10-year US Treasury yields were volatile but ended the month flat at 2.17%. Gold rose 2% (\$1,188), ending the year -1%.

GCC equity markets were relatively resilient to the collapse in oil during December, as with exception of Dubai (-12%), other markets capped losses at around 3.5%. Bahrain was the best performer at -0.1%. Markets were helped by the announcement of an expansionary Saudi budget announced late in the month. It was a dry month for regional credit as not a single issuer hit the market in GCC. Hampered by low liquidity and wide spreads, after a panic sell off over a few days, regional bonds recovered to end -1% on the month.

Saudi Catering, Savola and Al Hokair helped the Fund most in December while Najran Cement, Dar Al Arkan and Emaar Properties were key laggards.

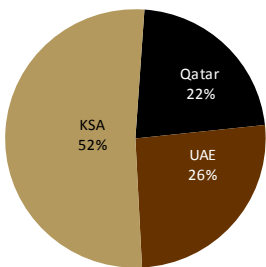
**Outlook:** While valuations for an increasing number of stocks are compelling, we see further downside to oil prices which would keep GCC assets under pressure. Equity investors are looking for safety with little regard to fundamentals. We believe OPEC's strategy is correct but will only bear fruit over several quarters, not weeks.

## Fund Facts

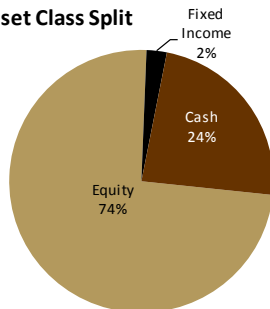
<b>Asset class</b>	Shari'a compliant GCC listed equities and sukuk
<b>Investment Objective</b>	18-24 month capital appreciation
<b>Minimum investment</b>	
- Individual	QAR 100,000 initially, QAR 5,000 thereafter
- Institution	QAR 1,000,000 initially, QAR 50,000 thereafter
<b>Subscription Fees</b>	up to 1%
<b>Management Fees</b>	1.25% pa
<b>Performance Fees</b>	20% of NAV increase greater than 24%, over 2-years
<b>Lock-in period</b>	Six months
<b>Fund Duration</b>	Open-ended
<b>Founder</b>	Masraf Al Rayan QSC
<b>Fund Manager</b>	Al Rayan Investment LLC
<b>Regulator</b>	Qatar Central Bank
<b>Custodian</b>	HSBC Bank Middle East
<b>Auditor</b>	KPMG
<b>Bloomberg Ticker</b>	ARYGCCQD
<b>Lipper ID</b>	68048996
<b>Net Asset Value (NAV)</b>	QAR 383.4 m

## Investments

### Country Split



### Asset Class Split



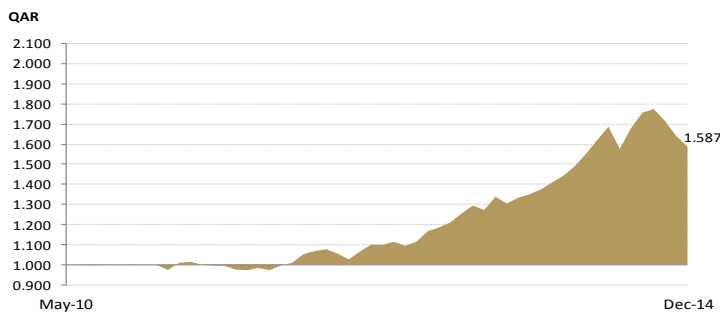
## Fund Indicators (Equity)

Fund Indicators (Equity)	December 2014
P/E 2014E	19.0x
P/BV 2014E	3.8x
Dividend Yield 2014E	4.5%
Weighted Market Cap (QAR)	22.0bn

## Fund Indicators (Fixed Income)

Fund Indicators (Fixed Income)	December 2014
Average Maturity (Years)	2.0
Average Yield to Maturity	4.9%

## Net Asset Value/Unit



## Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Mouwasat Medical Services Co	KSA	Equity	10.7%
Najran Cement Co	KSA	Equity	5.4%
Aldrees Petroleum & Transport Co	KSA	Equity	5.1%
Saudi Catering Co	KSA	Equity	5.0%
Barwa Real Estate Co	Qatar	Equity	4.9%

	1 mth	3 mth	2010	2011	2012	2013	Since Inception
Performance	-3.3%	-10.6%	0.1%	-0.6%	12.0%	26.5%	58.7%