

Al Rayan GCC Fund (Q)

January 2012

AuM: QAR 162.87 million

NAV/unit: QAR 1.009

Overview: Historically, January has been the best performing month of the year for global risk assets and it did not disappoint in 2012. Despite still no conclusion to Greek debt restructuring talks and increasing worries about Portugal, improving US and Chinese economic data drove sentiment. Emerging market assets which had been punished in Q4, outperformed, with Brazilian and Indian equities +11% and their currencies bouncing 7%. The S&P500 added 4.5%. Commodities jumped too: ethylene +19%, aluminium +15%, gold +10% (\$1731) and WTI +4% (\$111). However US gas prices (Henry Hub) plunged 15%. Money market stresses receded but normality has not returned. Developed market sovereign CDS tightened considerably.

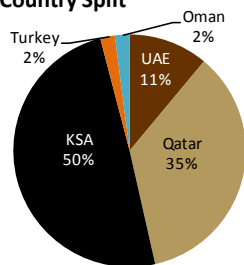
GCC equities were very mixed with Dubai leading the way for a change (+6% on improving risk sentiment), followed by KSA (+3% on strong results and rumours foreign investors will be allowed). Also for a change, Qatar lagged (-2.5% after dividend disappointment from several banks). GCC sukuk rallied hard, led by Dubai names as investors are increasingly comfortable with repayments due in 2012.

Outlook: A great start to 2012 with GCC corporates reporting solid Q4 results so far. Our conviction in KSA and Qatar remains and our bets in the UAE are bearing fruit. Markets do not move in straight lines but we will continue to manage the fund based on a positive medium-term outlook for our core markets with an eye always on value.

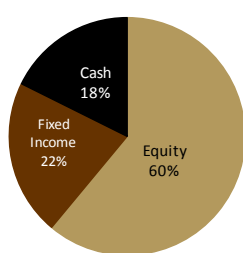
Fund Facts	
Asset class	Shari'a compliant, GCC listed equities and fixed-income instruments
Investment Objective	3-5 year capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	10% of NAV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

Investments

Country Split



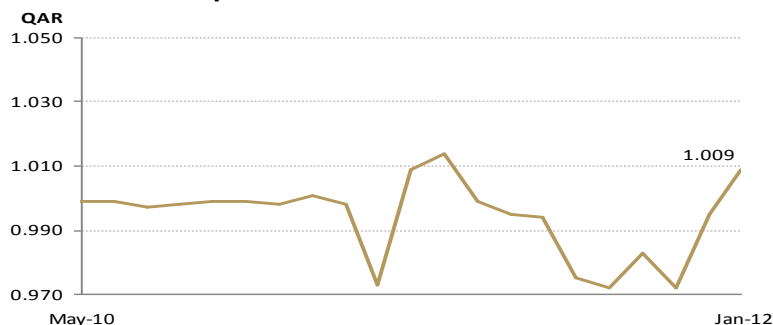
Asset Class Split



Fund Indicators (Equity)	Jan 31
P/E 2011E	10.8x
P/BV	2.3x
Dividend Yield	4.6%
Average Market Cap (QAR)	20.1bn

Fund Indicators (Fixed Income)	Jan 31
Average Maturity (Years)	1.1
Average Yield to Maturity	11.1%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2012	KSA	Fixed Income	15.6%
Barwa Real Estate	Qatar	Equity	8.6%
Industries Qatar	Qatar	Equity	8.2%
Qatar Industrial Manufacturing Co	Qatar	Equity	7.9%
Etihad Etisalat	KSA	Equity	7.8%