



Shar'a Fund
Manager - 2012

MENA Sukuk
Manager - 2013

Qatar Asset
Manager - 2014

Best Islamic Asset
Management Co -
2014

Qatar Asset
Manager - 2015

Al Rayan GCC Fund (Q)



January 2016

NAV/unit: QAR 1.201

Performance YTD: **-12.8%**

Overview: 2016 started where 2015 left off, with volatility across global markets led by falling oil prices. Brent fell to \$28 (-26%) during the month before ending at \$36 (-6%). Apart from oil, weakness in the Chinese economy and concerns about limitations on central bank easing dictated moves in asset classes during January. Equities were severely hit, China -23%, S&P500 -5% and European equities down 6%. The US Dollar and US Treasuries rallied on risk-aversion, helped by the Bank of Japan introducing negative interest rates. 10-year Treasury yields fell 35bps to 1.92%. Among key commodities, gold rose 5% (\$1,117), corn +4%, while urea, ethylene and copper -12%, -7% and -3% respectively.

GCC equities tracked oil. Despite a 10-12% rally in the last 10 days across GCC markets, Saudi Arabia lost 13.2%, followed by Qatar (-9.1%) and Kuwait (-7.4%). Abu-Dhabi and Dubai were down 5.9% and 4.9% respectively. January saw two new fixed income issues, both sukuk (the emirate of Sharjah and Oman Telecommunications). The GCC sukuk market returned -1.06%.

Industries Qatar QSC, Bupa Arabia for Cooperative Insurance Co and Qatar Islamic Bank helped the Fund most in the month while Almarai Co, Medicare Group and Aldrees Petroleum and Transport Services Co were key laggards.

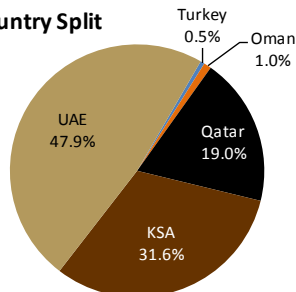
Outlook: So far this year, investors have side-stepped fundamentals and are focused on oil price moves resulting in heightened volatility. To control portfolio volatility, we have generated cash and look to deploy opportunistically as volatility subsides.

Fund Facts

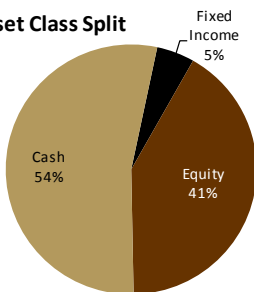
| | |
|------------------------------|--|
| Asset class | Shari'a compliant GCC listed equities and sukuk |
| Investment Objective | 18-24 month capital appreciation |
| Minimum investment | |
| - Individual | QAR 100,000 initially, QAR 5,000 thereafter |
| - Institution | QAR 1,000,000 initially, QAR 50,000 thereafter |
| 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 |
| Net Asset Value (NAV) | QAR 289.4 m |

Investments

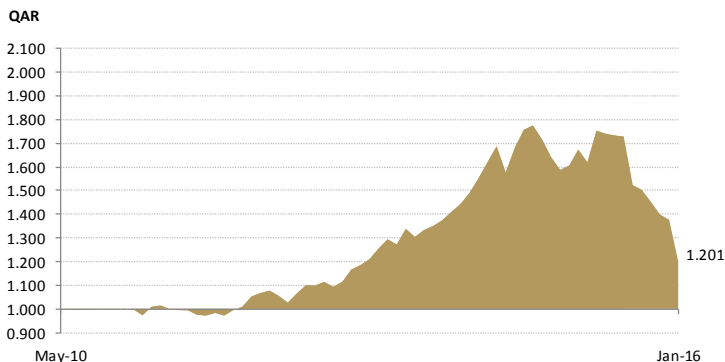
Country Split



Asset Class Split



Net Asset Value/Unit



Fund Indicators (Equity)

| Indicator | January 2016 |
|---------------------------|--------------|
| P/E 2016E | 14.1x |
| P/BV 2016E | 2.6x |
| Dividend Yield 2016E | 4.6% |
| ROE 2016E | 18.6% |
| Weighted Market Cap (QAR) | 15.9bn |

Fund Indicators (Fixed Income)

| Indicator | January 2016 |
|---------------------------|--------------|
| Average Maturity (Years) | 1.9 |
| Average Yield to Maturity | 4.9% |

Top 5 Holdings (% of total portfolio)

| Company | Country | Instrument | % |
|--|---------|------------|------|
| Mouwasat Medical Services Co | KSA | Equity | 7.2% |
| Dubai Islamic Bank PJSC | UAE | Equity | 7.0% |
| DP World Ltd | UAE | Equity | 5.4% |
| Aramex PJSC | UAE | Equity | 4.6% |
| Bupa Arabia for Cooperative Insurance Co | KSA | Equity | 4.3% |

Performance

| Last 1mth | Last 3mth | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Inception |
|-----------|-----------|------|-------|-------|-------|-------|--------|-----------|
| -12.8% | -17.3% | 0.1% | -0.6% | 12.0% | 26.5% | 12.6% | -13.2% | 20.1% |