

Sharf'a Fund
Manager - 2012MENA Sukuk
Manager - 2013Qatar Asset
Manager - 2014Best Islamic Asset
Management Co -
2014Qatar Asset
Manager - 2015

Al Rayan GCC Fund (Q)



July 2015

NAV/unit: QAR 1.728

Performance YTD: +8.9%

Overview: July was another volatile month for all major asset classes. The VIX 'fear' index, a gauge of US equity volatility, initially spiked 10% due to uncertainty that Greece may be forced to leave the Eurozone, before falling 40% after Greece accepted conditions for another bailout midway through July. An intra-month collapse in Chinese equities (-15% on the month) and some weak US economic data also dampened sentiment. In general, global equities were mixed, commodities negative and credit positive. The US Dollar gained 1-3% against major currencies and US 10 year Treasury yields fell 24bp to 2.18% by the end of the July. S&P 500 +2.0%, European stocks +3.9% while emerging market equities were weak. Partly on worries over Chinese demand and hurt by the rising US Dollar, commodities were hit hard. Brent crude collapsed, losing -18.6% to \$52.2 as potential supply from Iran also weighed on investors. Gold lost 7% (to \$1,094) while wheat (-19%), corn (-12%), copper (-10%) and urea (-10%) were also battered.

GCC equities were mixed with the region's largest market, Saudi Arabia, flat on the month. Abu Dhabi and Dubai were positive, gaining 2.3% and 1.4% respectively, while Qatar was down 3.4%, giving back some of its gains from previous months. Much of the holy month of Ramadan and the Eid holiday fell in July, resulting in no fixed income issuance. After a period of weakness, the GCC sukuk market rose 0.73% during the month.

Dubai Islamic Bank, Bupa Arabia for Cooperative Insurance Co and Almarai Co Ltd helped the Fund most in July while Najran Cement Co, Barwa Real Estate Co and Aldrees Petroleum & Transport Co were key laggards.

Outlook: Q2 results have been mixed for Saudi and Qatari companies with most UAE companies still to report during August. Although regional governments are re-examining spending plans, hundreds of projects are continuing and we remain confident in our approach to bottom up stock picking.

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

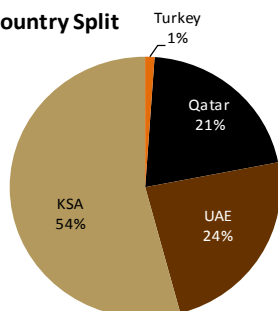
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Net Asset Value (NAV)

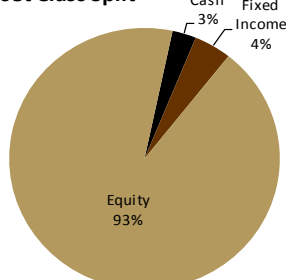
QAR 417.9 m

Investments

Country Split



Asset Class Split



Fund Indicators (Equity)

July 2015

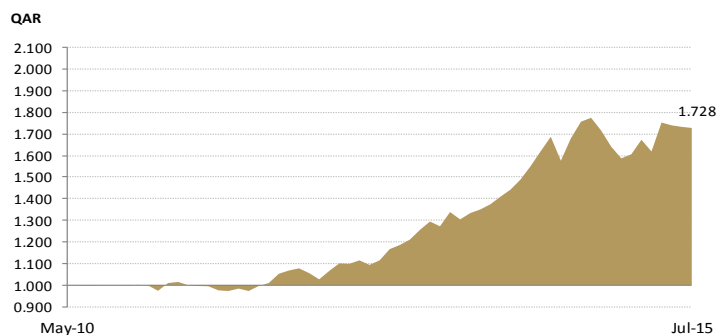
P/E 2016E	14.5x
P/BV 2016E	3.2x
Dividend Yield 2016E	4.3%
ROE 2016E	17.6%
Weighted Market Cap (QAR)	22.4bn

Fund Indicators (Fixed Income)

July 2015

Average Maturity (Years)	0.2
Average Yield to Maturity	0.2%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	%
Mouwasat Medical Services Co	KSA	Equity	9.3%
Almarai Co Ltd	KSA	Equity	7.4%
Barwa Real Estate Co	Qatar	Equity	7.3%
Aldrees Petroleum & Transport Co	KSA	Equity	6.7%
Najran Cement Co	KSA	Equity	6.6%

	1mth	3mth	2010	2011	2012	2013	2014	Since Inception
Return	-0.3%	-1.4%	0.1%	-0.6%	12.0%	26.5%	12.6%	72.8%