



Shar'ia Fund Manager
of the Year 2012



MENA Sukuk Manager
of the Year 2013



Qatar Asset Manager -
2014

Al Rayan GCC Fund (Q)



June 2014

NAV/unit: QAR 1.576

Performance YTD: **11.9%**

Overview: The second quarter ended with global equities moving higher despite geopolitical risks. The S&P 500 rose 1.9% to a fresh high and emerging market equities also joined the rally, driven by dovish comments from the Fed and strong US economic data. 10-year US Treasuries fell and yields increased 12bp to 2.65%. European equities eased 0.7% despite the ECB becoming the first G4 central bank to offer banks negative deposit rates (-0.10%). The US Dollar weakened against most currencies, supporting the rally in commodities: silver +12%, ethylene +8%, gold +6% to \$1,318, Brent crude +3.4% to \$112.4 while wheat -10%.

After the MSCI rally, GCC equity markets plummeted with panic selling seen in the UAE and Qatar, not helped by tensions in Iraq. Dubai fell the most (-22.5%) followed by Qatar (-16.1%) and Abu Dhabi (-13.4%). Saudi Arabia, the region's largest market, was relatively immune down only 3.2%. Just two GCC sukuk were issued in June, Al Hilal Bank's perpetual and Emaar Mall 2024. The regional bond market was down marginally, the first month since August 2013 that it didn't end in the green.

Nakheel 2016, Saudi Catering and Savola helped the fund most in June while Dubai Islamic Bank, Barwa Real Estate and Emaar Properties were key laggards.

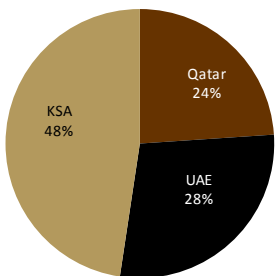
Outlook: With major profit taking behind us, we now expect markets to consolidate and start moving higher. Q2 results should provide relief that the region's key economies remain buoyant, however not all stocks will bounce after results.

Fund Facts

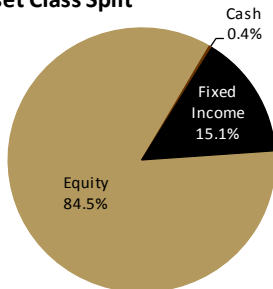
Asset class	Shar'ia compliant GCC listed equities and sukuk
Investment Objective	18-24 month capital appreciation
Minimum initial investment	
- Individual	QAR 100,000
- Institution	QAR 1,000,000
Subscription Fees	up to 1%
Management Fees	1.25% pa
Performance Fees	20% of NAV increase greater than 24%, 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
Net Asset Value (NAV)	QAR 219.2 m

Investments

Country Split



Asset Class Split



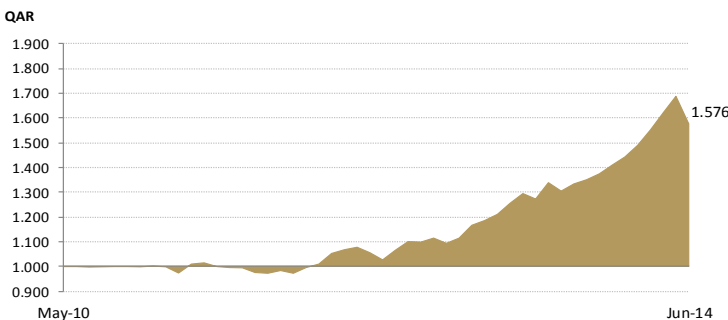
Fund Indicators (Equity)

Indicator	June 2014
P/E 2014E	14.6x
P/BV 2014E	3.2x
Dividend Yield 2014E	5.0%
Weighted Market Cap (QAR)	23.9bn

Fund Indicators (Fixed Income)

Indicator	June 2014
Average Maturity (Years)	2.9
Average Yield to Maturity	5.8%

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Emaar Properties PJSC	UAE	Equity	9.1%
Mouwasat Medical Services	KSA	Equity	7.8%
Industries Qatar QSC	Qatar	Equity	7.4%
Barwa Real Estate	Qatar	Equity	6.0%
Nakheel 2016	UAE	Fixed Income	5.1%

	1 mth	3 mth	2010	2011	2012	2013	Since Inception
Performance	-6.6%	1.6%	0.1%	-0.6%	12.0%	26.5%	57.6%