Al Rayan GCC Fund (Q)



March 2011

AuM: QAR 148.0 million

NAV/share: QAR 1.009

Overview: After significant volatility in January and February, GCC equity markets bounced sharply in March as investors discounted reduced risk of contagion from regional politics. A further boost came from oil as Brent crude averaged almost \$115/barrel over the month; several factors contributed to this including a cut in Libyan oil exports and a further slide of the US Dollar.

Regional fixed income has also rallied, with Dubai leading the way. There has been an improvement in sentiment towards Dubai and its related entities helped partly by the finalisation of a loan restructuring agreement by Dubai World and the expectation Dubai will benefit from a capital and tourism 'flight to quality' from other parts of the region.

Outlook: We continue to expect regional politics to remain in the news in the coming months but our central scenario is the GCC will not see cuts in GDP growth expectations as was seen in Egypt. In fact, higher oil prices are likely to fuel increased spending with scope for GDP upgrades in several GCC countries.

We still see 2011 as a positive year for regional equities retaining preference for Saudi Arabia and Qatar and see value emerging in the UAE. We expect GCC sukuk to continue to trade tighter. Capital preservation is critical but we expect the current environment to provide opportunities to deploy more of the fund's capital.

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		

Top 5 Holdings (% of total portfolio)

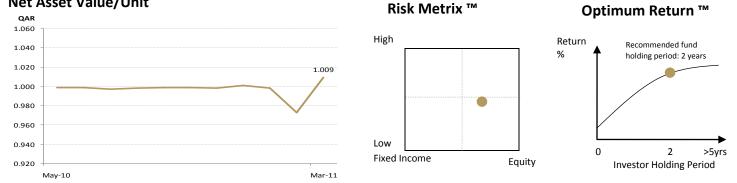
Company	Country	Instrument	Holding
Etihad Etisalat	KSA	Equity	7.7%
Aldar Sukuk 2011	UAE	Fixed Income	6.3%
Barwa Real Estate	Qatar	Equity	6.0%
Aldar Sukuk 2013	UAE	Fixed Income	4.8%
Dar Al Arkan 2012	KSA	Fixed Income	3.6%

Net Asset Value/Unit

Investments

Country Split

KSA 42%



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Disclaimer: Past performance is not an indication of future results. The value of investments can go up as well as down. Investors should consider carefully information contained in the Fund prospectus, including investment objectives, risks, charges and expenses. Please read the prospectus carefully before investing. An investment is neither insured nor guaranteed by the Bank nor any other government agency. Although the Fund seeks to preserve and grow the value of your investment, it is possible to lose money by investing in the Fund. If in doubt please seek independent professional financial advice.

17%

Oata 39%

Oman 2%

Asset Class Split Equity 27% Cash 62%