Al Rayan GCC Fund (Q)



March 2012

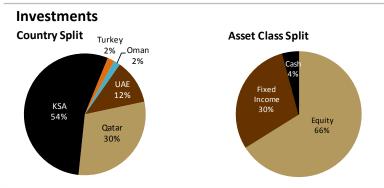
AuM: QAR 170.7 million

NAV/unit: QAR 1.067

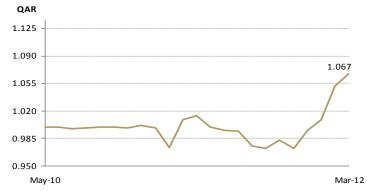
Overview: After a very strong January and February, risk assets, globally, were unable to sustain momentum in March as investors remain watchful. Although headlines have shifted away from Europe's debt crisis (for now), debate on a China slowdown is rising. Further strong US data helped US equities +3% in March (leading to the best Q1 since 1998) but most major global indices were lower (China -7%). EM currencies also gave back some of their February bounce with the Brazilian Real -6% and Indian Rupee -3.5%. Brent +1% to \$122 while gold eased 3% to \$1,667.

The GCC was a market of two halves: very positive and largely uninteresting. GCC fixed income is dominated by Dubai Inc. and further encouraging developments helped the multi-month rally continue. This was despite considerable new issuance of both conventional and Islamic debt. For equities, it was all about Saudi Arabia (+8%) which continues to benefit from local investors diverting funds from real estate to equities. After an incredible +21% in February, Dubai was the worst performer in the GCC in March, down 5%; other indices were broadly flat.

Outlook: KSA and Dubai were the 8th and 9th best performing equity markets globally in Q1 2012; local and foreign investors were underweight and underlying economic momentum is very supportive. Qatar also remains a focus for us but we see consolidation for some of 2012 as investment spending accelerates in H2. Overall we remain bullish on our focus markets' economic health going in to Q1 results.



Net Asset Value/Unit



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	
Regulator	Qatar Central Bank	

Fund Indicators (Equity)	Mar 29	
P/E 2012E	10.6x	
P/BV 2012E	2.1x	
Dividend Yield 2012E	5.7%	
Average Market Cap (QAR)	17.3bn	

Fund Indicators (Fixed Income)	Mar 29	
Average Maturity (Years)	1.3	
Average Yield to Maturity	10.6%	

Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2012	KSA	Fixed Income	15.8%
Etihad Etisalat Co			
(Mobily)	KSA	Equity	10.1%
Industries Qatar QSC	Qatar	Equity	8.5%
Barwa Real Estate Co	Qatar	Equity	8.0%
Qatar Industrial			
Manufacturing Co	Qatar	Equity	7.2%

AL RAYAN INVESTMENT LLC (Authorised by QFCRA), Grand Hamad Street, PO Box 28888, Doha, Qatar

🕾 +974 4425 3333 🛛 🗥 ari.info@alrayan.com

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 oth er 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.