# Al Rayan GCC Fund (Q)



## Y 전 동사건 (SNZ) (SNZ)

#### May 2012

#### AuM: QAR 168.5 million

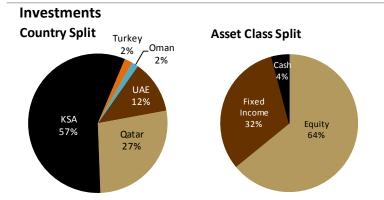
#### NAV/unit: QAR 1.055

**Overview:** As global uncertainty mounted in May so did fear and panic. Will Greece leave the Euro? If so, how bad will that be? Can China get its economy to bounce? What about the collapse in major EM currencies? Is the US rebound faltering? While the game of 'chicken' continues (Germany with Greece and Spain, the ECB with investors) risk assets plunged: key global equity markets fell 7-12%; USD surged 6-7% vs major developed and EM currencies; US, German and UK government bonds soared as yields hit record lows on 'flight to quality'; Brent -15% (\$102); gold -6% (\$1,567); copper -12%; and ethylene -22%.

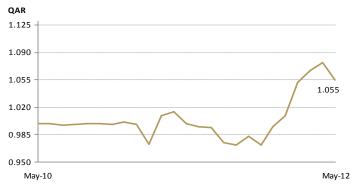
In the GCC, Dubai (-10%) and Saudi (-8%) equities saw aggressive profit taking but are still +9% YTD; the other five markets eased 2%. Regionally, volumes have fallen sharply as we enter the summer slowdown but locals remain net buyers as foreign investors de-risk. GCC credit generally underperforms equities during global sell-offs but has been solid, helped by liquidity-rich, yield-hungry regional investors.

The fund fared far better than markets. Key positive movers were Dar Al Arkan 2015, Al Othaim, Dar Al Arkan 12 and Aldar 2013 while Emaar, Industries Qatar, Mobily and QIMC held the fund back.

**Outlook:** Low GCC volumes combined with continued global worries will weigh on markets. We are focused on capital protection but also look to take advantage where medium-term value emerges.



Net Asse	et 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)	May 31	
P/E 2012E	10.4x	
P/BV 2012E	2.1x	
Dividend Yield 2012E	5.1%	
Average Market Cap (QAR)	19.2bn	

Fund Indicators (Fixed Income)	May 31	
Average Maturity (Years)	1.2	
Average Yield to Maturity	9.6%	

### Top 5 Holdings (% of total portfolio)

Company	Country	Instrument	Holding
Dar Al Arkan 2012	KSA	Fixed Income	16.4%
Etihad Etisalat Co			
(Mobily)	KSA	Equity	10.5%
Industries Qatar QSC	Qatar	Equity	8.4%
Barwa Real Estate Co	Qatar	Equity	7.8%
Dar Al Arkan 2015	Qatar	Equity	7.5%

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 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.