



Shar'ia Fund Manager
of the Year 2012



MENA Sukuk Manager
of the Year 2013



Qatar Asset Manager -
2014

Al Rayan GCC Fund (Q)



May 2014

NAV/unit: QAR 1.687

Performance YTD: 19.7%

Overview: May was a positive month for most asset classes with the exception of commodities. Global equities continued their upward move both side of the Atlantic rose 2% (S&P 500 hit a new high) while emerging markets rallied on post-election optimism in Ukraine and India. 10-year US Treasuries rallied as yield dropped to an 11-month low of 2.48%, from 2.65%. The US Dollar also gained, more than 1% against most developed currencies but weakened against emerging market currencies. Commodities were mixed: wheat (-12%), Henry Hub gas (-6.5%), gold (-3.7% to \$1,246) and urea (-3.1%) fell while ethylene (+4.3%) copper (+3.1%) and aluminum (+2.4%) were higher. Brent crude (+1.7%) to \$109.4.

All GCC equity markets continued to move higher in May with Qatar (+8%) taking the lead, followed by Abu Dhabi (+4.1%) and Saudi Arabia (+2.4%). The move in Qatar and Abu Dhabi was on account of the reclassification from MSCI FM to EM. The bond market remains well supported by the pressure on US Treasury yields and liquidity from a number of bonds that have matured. Issuance was mostly in sukuk including Investment Corporation of Dubai 2020, Dar Al Arkan 2019 and Bank Saudi Fransi 2019.

Barwa Real Estate, Dubai Islamic Bank and Emaar Properties helped the fund most in May while Shaker, Aldrees Petroleum and Savola were key laggards.

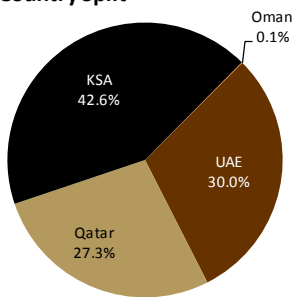
Outlook: The long awaited MSCI EM upgrade is behind us and summer is around the corner. We expect some profit taking in our focus markets despite the fact that economic outlook and business optimism remains strong. Profit taking will likely provide opportunities to rebalance our positions.

Fund Facts

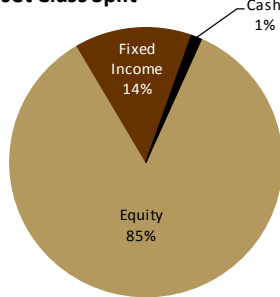
| | |
|-----------------------------------|--|
| Asset class | Shari'a compliant GCC listed equities and sukuk |
| Investment Objective | 18-24 month capital appreciation |
| Minimum initial investment | |
| - Individual | QAR 100,000 |
| - Institution | QAR 1,000,000 |
| Subscription Fees | up to 1% |
| 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 233.6 m |

Investments

Country Split



Asset Class Split



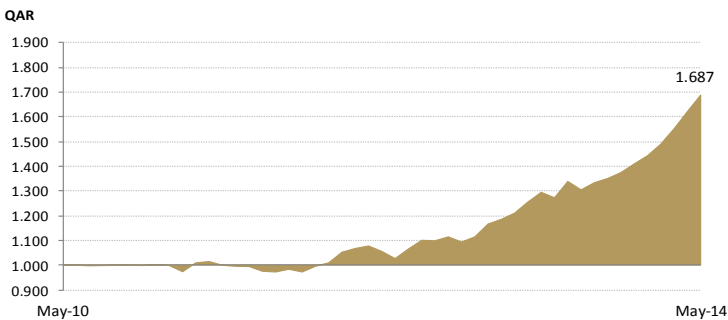
Fund Indicators (Equity)

| Indicator | May 2014 |
|---------------------------|----------|
| P/E 2014E | 15.5x |
| P/BV 2014E | 3.2x |
| Dividend Yield 2014E | 4.4% |
| Weighted Market Cap (QAR) | 29.4bn |

Fund Indicators (Fixed Income)

| Indicator | May 2014 |
|---------------------------|----------|
| Average Maturity (Years) | 3.0 |
| Average Yield to Maturity | 5.9% |

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

| Company | Country | Instrument | Holding |
|---------------------------|---------|------------|---------|
| Emaar Properties PJSC | UAE | Equity | 10.5% |
| Industries Qatar QSC | Qatar | Equity | 7.8% |
| Barwa Real Estate | Qatar | Equity | 6.8% |
| Mouwasat Medical Services | KSA | Equity | 6.7% |
| Dubai Islamic Bank | UAE | Equity | 5.4% |

| Performance | Since Inception | | | | | | |
|-------------|-----------------|-------|------|-------|-------|-------|-------|
| | 1 mth | 3 mth | 2010 | 2011 | 2012 | 2013 | |
| | 4.1% | 13.3% | 0.1% | -0.6% | 12.0% | 26.5% | 68.7% |