

Sharif's Fund
Manager - 2012MENA Sukuk
Manager - 2013Qatar Asset
Manager - 2014Best Islamic Asset
Management Co -
2014Qatar Asset
Manager - 2015

Al Rayan GCC Fund (Q)



May 2015

NAV/unit: QAR 1.740

Performance YTD: +9.6%

Overview: May was a volatile month for global fixed income as the month started with a sell-off in European bond markets on liquidity concerns, surprisingly strong Eurozone Q1 GDP and hopes of a Greek solution. This resulted in 8bps higher 10-year US Treasury yields (2.12%) despite mixed US economic data. Investors added exposure to equities as the S&P 500 and European stocks both rose +1%. The US Dollar gained against major currencies in May while commodities were mixed as Brent crude (-3% to \$65.6), aluminum (-10%) and steel (-5%) were down while ethylene (+15%), US Henry Hub gas (+3%) and gold (+0.6% to \$1,189) gained.

After April's strong performance, GCC equities took a breather as oil prices weakened and investors booked gains. Except Oman (+1%), all GCC markets were down with Dubai losing the most (-7.2%). Among other key markets, Abu Dhabi, Saudi Arabia and Qatar lost -2.6%, -1.5% and -1% respectively. May saw both conventional (DP World, Oman Grid, ENBD and Bank Dhofar) and sukuk (Dubai Islamic Bank) issuance. The GCC sukuk market returned +0.37%.

Mouwasat Medical Services Co, Ezdan Holdings and Bupa Arabia helped the Fund most in May while Al Hokair, DP World and Emaar Properties were key laggards.

Outlook: The economic outlook and business optimism in our focus markets remain strong, however, we expect some profit taking ahead of summer vacations which should provide an opportunity to rebalance.

Fund Facts

Asset class

Shari'a compliant GCC listed equities and sukuk

Investment Objective

18-24 month capital appreciation

Minimum investment

- Individual

QAR 100,000 initially, QAR 5,000 thereafter

- Institution

QAR 1,000,000 initially, QAR 50,000 thereafter

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

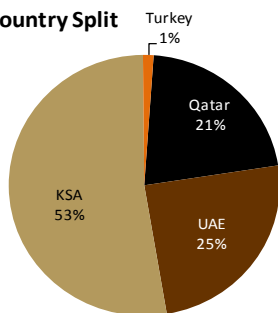
68048996

Net Asset Value (NAV)

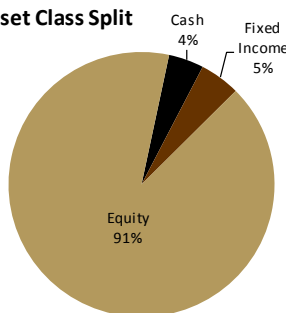
QAR 385.8 m

Investments

Country Split



Asset Class Split



Fund Indicators (Equity)

May 2015

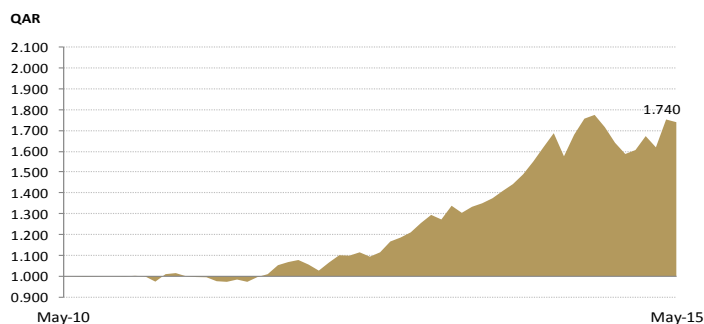
| | |
|---------------------------|--------|
| P/E 2015E | 17.8x |
| P/BV 2015E | 3.7x |
| Dividend Yield 2015E | 4.0% |
| Weighted Market Cap (QAR) | 22.6bn |

Fund Indicators (Fixed Income)

May 2015

| | |
|---------------------------|------|
| Average Maturity (Years) | 5.1 |
| Average Yield to Maturity | 4.1% |

Net Asset Value/Unit



Top 5 Holdings (% of total portfolio)

| Company | Country | Instrument | % |
|----------------------------------|---------|------------|------|
| Mouwasat Medical Services Co | KSA | Equity | 9.6% |
| Najran Cement Co | KSA | Equity | 7.7% |
| Barwa Real Estate Co | Qatar | Equity | 7.1% |
| Aldrees Petroleum & Transport Co | KSA | Equity | 7.1% |
| Almarai Co Ltd | KSA | Equity | 6.4% |

| | 1mth | 3mth | 2010 | 2011 | 2012 | 2013 | 2014 | Since Inception |
|--------|-------|------|------|-------|-------|-------|-------|-----------------|
| Return | -0.7% | 4.0% | 0.1% | -0.6% | 12.0% | 26.5% | 12.6% | 74.0% |