



THE MACRO STORY - ECONOMIES OF GCC COUNTRIES

The GCC economies carved distinct development story due to their successful economic diversification policies, massive infrastructural projects and capital market reforms resulting in delivering spectacular growth in Petrochemicals, Banking, Telecommunications, Power and Real Estate sectors.

Buoyed by elevated oil prices and rising corporate earnings, the stock markets in the GCC countries are gaining strength year by year fully supported by macroeconomic performance made it one of the most attractive investment destinations in the world.

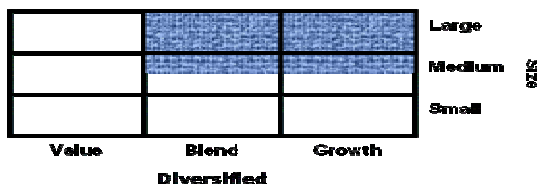
FUND OBJECTIVE

Achieve long term capital appreciation by investing in Sharia compliant shares of companies listed in the stock markets of the countries of the Gulf Cooperation Council. The fund also provides liquidity to the investors.

INVESTMENT PHILOSOPHY

The fund adopts a combination of top-down and bottom up approach selecting fundamentally strong companies available at attractive valuations. The composition of fund is well diversified across all permissible sectors.

INVESTMENT STYLE



The fund is actively managed with a disciplined stockpicking within the scope of universe after Shariah filtrations. The style mainly focuses on capital growth and blend stocks with the large to medium market capitalization using top-down / bottom-up as appropriate to given market conditions. The investment ideas are based on fundamental analysis and timing of trade execution on the basis of technicals. The diversification plays major role in minimizing risk and maximizing returns.

INVESTMENT STRATEGY

- The fund will invest predominantly in Shariah compliant equities listed and traded on Stock markets of GCC. The fund adopts long term approach and employs active investment strategy.
- The asset allocation is determined by general market conditions with well diversified sector allocation. The fund selects stocks which are likely to achieve above average growth than the industry, enjoy distinct competitive advantages, and have superior financial strengths.
- The fund is optimized by using sophisticated investment techniques by maximizing returns and minimizing risk while measuring the performance against the benchmark index.

FUND FEATURES

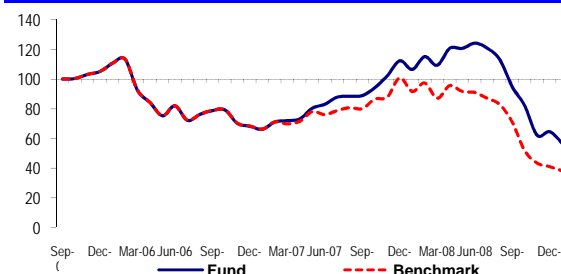
Fund Type	Open Ended Equity Fund
Inception Date	Oct-2005
Inception Price	SR 100 Per Unit
Fund Currency	Saudi Riyals
Benchmark	S&P GCC Shariah Composite Index
Subscription Fee	2%
Management Fee	1.75% Annually
Performance Fee	20% Over Benchmark - Quarterly Basis
Minimum Subscription	SAR 5000
Minimum Additional Subscription	SAR 2000
Minimum Redemption	SAR 1000
Valuation Frequency & Days	Bi Weekly - Sunday & Wednesday
Cut-Off Time & Day	Before 5 PM - Saturday to Tuesday
Announcement & Payment Day	Monday & Saturday

INVESTMENT RISK

Mutual Fund investments are subjected to market risk. The value of the units (Net Asset Value) may go up or down due to several factors affecting the capital markets impacting on potential returns. Hence, the investor bears the risk of loss of money by investing in the fund.

However, the investment risk is reduced by diversification of investment across different sectors and companies, reducing tracking error and applying sophisticated techniques after risk into alpha and beta thereof. The fund strikes trade-off between risk and return deemed reasonable under the given market conditions.

PERFORMANCE



FUND CONSTRUCTION PROCESS



BENCHMARK

Until Mar 30, 2007, the performance of the fund was measured against the customized benchmark and since then S & P GCC Shariah Composite Index which is composed of 124 Shariah compliant stocks listed on stock exchanges of GCC.

FUND MANAGER

Al Rajhi Capital is the Fund Manager of the fund.

LATEST AWARDS

Awardee	Year	Category	Rank
IPC Award	2007	3 - Year	3rd
Lipper	2007	GCC Funds	1st

STOCK SELECTION PROCESS



INFORMATION

Al Rajhi Capital: www.alrajhi-capital.com
Tadawul: www.tadawul.com.sa

Databases	Website	Tickers
Bloomberg	www.bloomberg.com	ALRGCE AB
Thomson Reuters	www.lipperweb.com	LP65037808
Zawya	www.zawya.com	RAJGCC.MF
Failaka	www.failaka.com	
EurekaHedge	www.eurekaHedge.com	
Standard & Poors	www.funds-sp.com	