

# TFI GCC Equity Opportunities Fund (Q)

AUGUST 2015  
FACTSHEET

## Fund Objective

The First Investor GCC Equity Opportunities Fund (Q) (the "Fund") is an open-ended collective investment scheme registered under the Laws of Qatar, founded by Barwa Bank Q.S.C. and managed by The First Investor Q.S.C.C. The objective of the Fund is to achieve long-term capital growth through investments in a broadly diversified portfolio of equities and equity related securities of companies listed on exchanges within the Gulf Cooperation Council countries. Investment in the Fund is limited to Qatari individuals & institutions. This fund was awarded "Best Islamic Investment Fund" in 2013 & "Best Fund" in Qatar in 2014 by *Banker Middle East*, Product Awards. The First Investor was awarded "Asset Manager of the Year" for Qatar by *Global Investor/ISF – Euromoney* in 2014.



## Fund Facts

Fund Information		Top 5 Holdings		
Net Asset Value / Unit	31 August 2015	QAR 1,242.33	ADIBUH 6 % 10/29/49	6.7%
Net Asset Value / Unit	31 July 2015	QAR 1,346.72	DIBUH 6 % 01/29/49	6.6%
Fund Type	Open Ended, Shariaa Compliant		Qatar Electricity & Water	5.9%
Risk Level	High		Saudi Telecom Co.	4.9%
Subscription / Redemption	Monthly		Oman Telecom Co.	3.8%
Next Subscription Deadline	17 September 2015		Fund Fees	
Next Redemption Deadline	17 September 2015		Subscription Fee	1.00%
Inception Date	31 October 2012		Management Fee	1.50% per year (paid monthly pro-rata)
Founder	Barwa Bank Q.S.C.		Performance Fee	10% p.a. above hurdle rate of 10%
Fund Manager	The First Investor Q.S.C.C.		Redemption Fee	0.50%
Custodian	HSBC Bank Middle East Limited, Qatar		Fund Capital	
Auditor	KPMG, Qatar		Assets Under Management	QAR 112m
Benchmark	Bloomberg GCC 200		Minimum Subscription	QAR 100,000

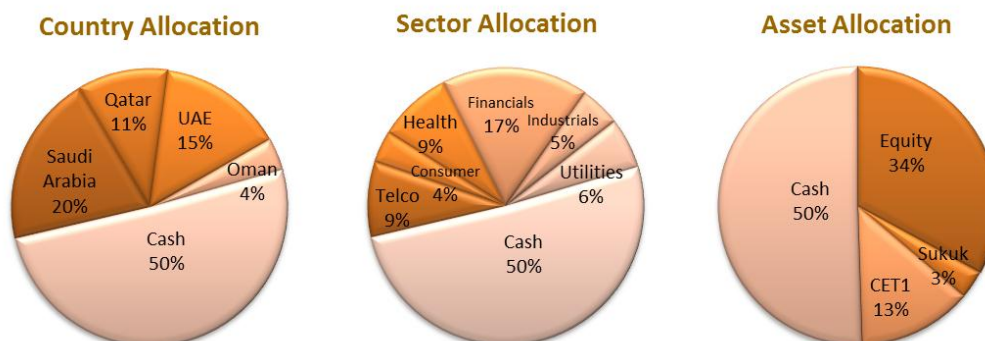
## Fund Managers Comment

In August, the Fund decreased by c.7.7% MoM while the Bloomberg GCC200 Index decreased by c.11.5% MoM. Since Inception (31<sup>st</sup> of October 2012), the Fund is up by c.24.2% (vs. c.18.0% for the BGCC200 Index) and down by c.5.0% year-to-date (vs. c.7.3% decrease for the BGCC200 Index) while focusing primarily on capital preservation.

In August, the slowdown and devaluation in China triggered a risk-off sentiment resulting in falling global equity prices in a context where weak commodity prices were already considered as signs of global growth weakness. We have momentarily decreased our appetite for beta and increased our cash positions in view of the current surge in volatility. Over the long(er) term fundamentals tend to prevail assuming investors continue to seek returns in the current low yield environment.

We advocate the quality style comprising high growth, defensive earnings, high dividend yield and low debt / equity in the mid-large cap part of the market while actively managing beta. Within the GCC, we continue to favor Saudi Arabia which trades at relatively attractive valuations, high dividend yields, strong visibility in cash flows, relatively high earnings growth and low(er) systemic risk (5 years sovereign KSA CDS trading at c.88 vs. c.140 GCC average). We also see a medium term catalyst in the fact that Saudi is moving towards a more institutional-oriented equity market. On valuation, the GCC trades on c.11.7x forward P/E yielding c.3.8% and EM (Emerging Markets) on c.11.6x forward P/E yielding c.3.0%.

## Investment Allocation



## Fund Managers

Robert Pramberger, CFA (15 years of experience in financial markets)

Patrick Rahal (10 years of experience in financial markets)

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