

TFI GCC Equity Opportunities Fund (Q)

August 2013
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 (the "GCC") countries. Investment in the Fund is limited to Qatari individuals and institutions. This fund was awarded "Best Islamic Investment Fund" by *Banker Middle East*, Product Awards 2013.



Fund Facts

Fund Information		Top 5 Holdings		
Net Asset Value / Unit	29 August 2013	QAR 1,165.76	Saudi Basic Industries Corp.	10.3%
Net Asset Value / Unit	31 July 2013	QAR 1,174.54	Industries Qatar	8.2%
Fund Type	Open Ended, Shariaa Compliant		Etihad Etisalat Co.	7.9%
Risk Level	High		Air Arabia	7.5%
Subscription / Redemption	Monthly		DIB TIER 1 SUKUK LTD	6.1%
Next Subscription Deadline	24 September 2013		Fund Fees	
Next Redemption Deadline	17 September 2013		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

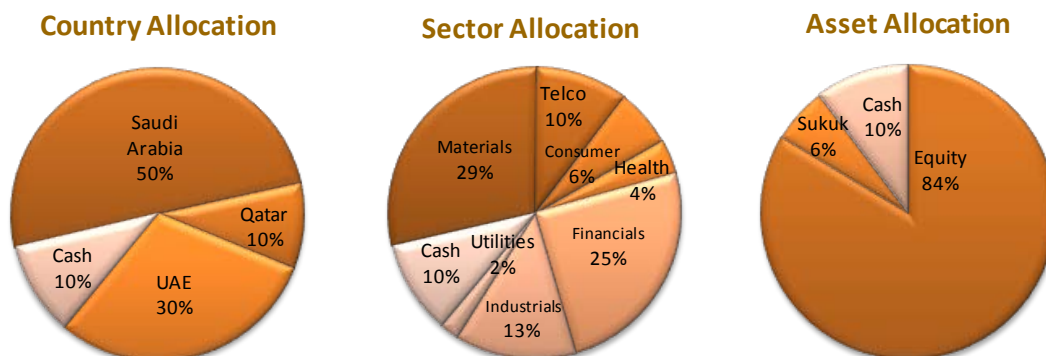
Fund Managers Comment

In August, the Fund decreased by 0.75% MoM while the Bloomberg GCC200 Index decreased by 1.41% MoM. The fund is up c.16% Year-to-Date (YTD) while the Bloomberg GCC200 Index is up by c.14% over the same period. Since inception the fund is up c.17%.

Globally, stock markets continued to be driven by a global healing economy as well as accommodative central banks. Developed markets took the lead fuelled by encouraging economic figures and corporate earnings. Long term, we continue to expect further earnings upgrades, further P/E rerating and thus more upside. Regionally, GCC stock markets followed the global lead as most traded near or at five years highs. Towards the end of the month, the GCC markets witnessed heightened volatility as it sold off driven by an escalation in the regional geo-political tensions.

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 slowly increasing our appetite for beta. Within the GCC, we 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 75 vs. 146 GCC average). We also see a longer term catalyst in the fact that Saudi could be moving towards direct foreign ownership and a more institutional-oriented equity market. On valuation, the GCC trades on 11.7x forward P/E yielding 3.3% and EM (Emerging Markets) on 10.8x forward P/E yielding 2.8%.

Investment Allocation



Fund Managers

Robert Pramberger, CFA (over 14 years of experience in financial markets)
Patrick Rahal (over 8 years of experience in financial markets)

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