

# TFI GCC Equity Opportunities Fund (Q)

December 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	31 December 2013	QAR 1,249.00	Industries Qatar	10.9%	
Net Asset Value / Unit	30 November 2013	QAR 1,240.94	Saudi Basic Industries Corp.	8.4%	
Fund Type	Open Ended, Shariaa Compliant			Etiihad Etisalat Co.	7.4%
Risk Level	High			Al Rajhi Bank	6.0%
Subscription / Redemption	Monthly			Qatar Fuel Co.	5.1%
Next Subscription Deadline	26 January 2014			Fund Fees	
Next Redemption Deadline	19 January 2014			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 122m
Benchmark	Bloomberg GCC 200			Minimum Subscription	QAR 100,000

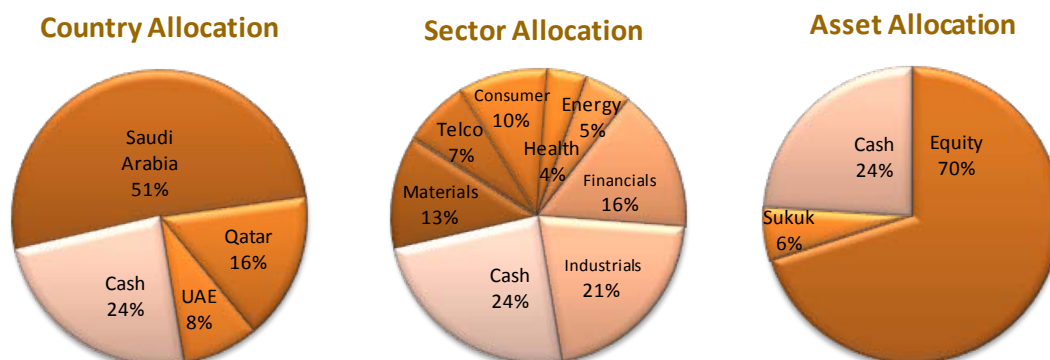
## Fund Managers Comment

In 2013, the fund was up by c.25%. In December, the Fund increased by 0.65% MoM while the Bloomberg GCC200 Index increased by 3.63% MoM. We have temporarily reduced our allocation to specific higher beta stocks, mainly in Dubai, in an effort to mitigate potential risks and preserve capital.

Globally, we expect equities to continue to outperform other asset classes driven by multiple expansion and as the "great rotation" (from household deposits into equities and from fixed income into equities) will probably prolong throughout 2014. Regionally, we believe GCC equity markets will continue to outperform other emerging markets. In January, investors will likely position themselves ahead of the FY 2013 reporting season.

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 55 vs. 126 GCC average). We also see a longer term catalyst in the fact that Saudi could be moving towards a more institutional-oriented equity market. On valuation, the GCC trades on 12.3x forward P/E yielding 2.9% and EM (Emerging Markets) on 10.4x forward P/E yielding 2.7%.

## Investment Allocation



## Fund Managers

Robert Pramberger, CFA (over 15 years of experience in financial markets)  
Patrick Rahal (over 9 years of experience in financial markets)

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