

TFI GCC Equity Opportunities Fund (Q)

DECEMBER 2014
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 in 2013. 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 December 2014 QAR 1,308.19	ADIB Tier 1 perpetual Sukuk	5.8%
Net Asset Value / Unit	30 November 2014 QAR 1,418.90	Qatar Electricity & Water	5.8%
Fund Type	Open Ended, Shariaa Compliant	Jarir Marketing	4.4%
Risk Level	High	Qatar Fuel	4.4%
Subscription / Redemption	Monthly	Saudi Airlines Catering	3.8%
Next Subscription Deadline	25 January 2015	Fund Fees	
Next Redemption Deadline	18 January 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 131m
Benchmark	Bloomberg GCC 200	Minimum Subscription	QAR 100,000

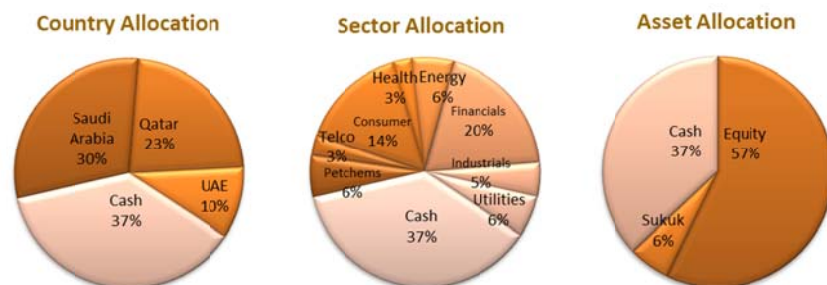
Fund Managers Comment

In December, the Fund decreased by 7.8% MoM while the Bloomberg GCC200 Index decreased by 3.2% MoM. Since Inception (31st of October 2012), the Fund is up by c.31% (vs. c.27% for the index) and c.5% (vs. c.0% for the Index) in FY 2014 strongly outperforming the index while focusing primarily on capital preservation.

In 2014, as expected, global equity markets continued to outperform most other asset classes as central banks added stimulus, government bond yields are close to record low and investors are getting negative returns (after inflation) from holding cash. The TFI GCC Equity Opportunities Fund (Q) navigated through different systemic & idiosyncratic risks with portfolio monitoring, portfolio diversification, asset allocation and active portfolio management and managed to close the year with positive returns, outperforming the market and its regional peers.

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 67 vs. 136 GCC average). We also see a longer term catalyst in the fact that Saudi is currently moving towards a more institutional-oriented equity market. On valuation, the GCC trades on 11.6x forward P/E yielding 3.2% and EM (Emerging Markets) on 11.2x forward P/E yielding 2.7%.

Investment Allocation



Fund Managers

Robert Pramberger, CFA (15 years of experience in financial markets)
Patrick Rahal (10 years of experience in financial markets)

Bloomberg Ticker < TFIGCCF QD >

PO BOX 27778, Doha - Qatar

Tel (974) 8008555

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