

TFI GCC Equity Opportunities Fund (Q)

January 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 2013.



Fund Facts

Fund Information		Top 5 Holdings			
Net Asset Value / Unit	31 January 2014	QAR 1,261.26	Industries Qatar	11.4%	
Net Asset Value / Unit	31 December 2013	QAR 1,249.00	Saudi Basic Industries Corp.	10.0%	
Fund Type	Open Ended, Shariaa Compliant			Emaar Properties	5.9%
Risk Level	High			Ethihad Etisalat Co.	5.1%
Subscription / Redemption	Monthly			Saudi Pharmaceutical Ind.	5.0%
Next Subscription Deadline	23 January 2014			Fund Fees	
Next Redemption Deadline	16 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 123m
Benchmark	Bloomberg GCC 200			Minimum Subscription	QAR 100,000

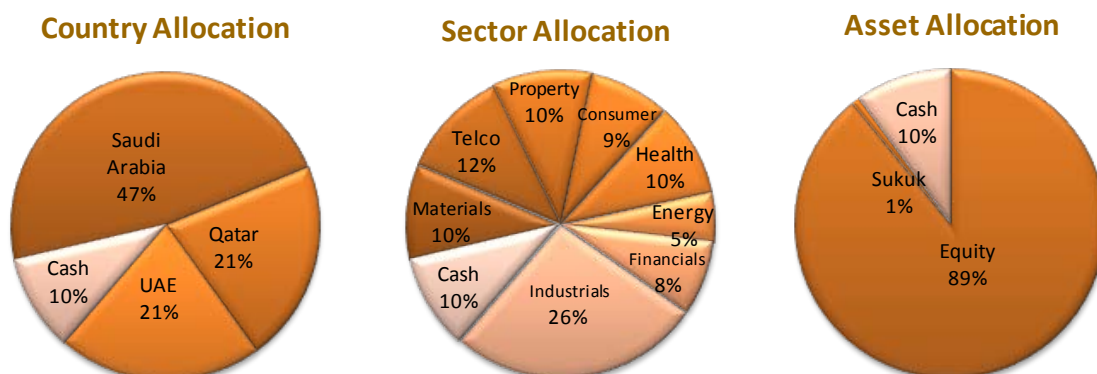
Fund Managers Comment

In January, the Fund increased by c.1% MoM. Since Inception (31st of October 2012), the Fund is by c.26% while focusing primarily on capital preservation. During the month, we decreased our cash and sukuk exposure and increased our equity exposure in both Qatar and the UAE.

GCC equity markets continue to outperform Emerging markets as they enjoy oil-funded expansionary spending with the commitment of local policymakers to increase non-petroleum growth coupled with considerable investments in the physical and social infrastructure. Regional valuations are now wider but we believe there is scope for further earnings upside justifying higher P/Es. We believe liquidity flows will remain robust especially given the upcoming MSCI emerging market reclassification.

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 63 vs. 117 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 12.8x forward P/E yielding 2.8% and EM (Emerging Markets) on 9.3x forward P/E yielding 2.8%.

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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