

# TFI GCC Equity Opportunities Fund (Q)

OCTOBER 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 October 2014                      | QAR 1,488.08 | <b>Emaar Properties</b>                         | 10.0%                                  |
| Net Asset Value / Unit     | 30 September 2014                    | QAR 1,552.92 | <b>Dubai Islamic Bank</b>                       | 7.2%                                   |
| Fund Type                  | Open Ended, Shariaa Compliant        |              | <b>EtiHAD Etisalat</b>                          | 5.3%                                   |
| Risk Level                 | High                                 |              | <b>Al Meera Consumer Goods Industries Qatar</b> | 5.2%                                   |
| Subscription / Redemption  | Monthly                              |              | <b>Industries Qatar</b>                         | 5.0%                                   |
| Next Subscription Deadline | 24 November 2014                     |              | Fund Fees                                       |  |
| Next Redemption Deadline   | 17 November 2014                     |              | <b>Subscription Fee</b>                         | 1.00%                                  |
| Inception Date             | 31 October 2012                      |              | <b>Management Fee</b>                           | 1.50% per year (paid monthly pro-rata) |
| Founder                    | Barwa Bank Q.S.C.                    |              | <b>Performance Fee</b>                          | 10% p.a. above hurdle rate of 10%      |
| Fund Manager               | The First Investor Q.S.C.C.          |              | <b>Redemption Fee</b>                           | 0.50%                                  |
| Custodian                  | HSBC Bank Middle East Limited, Qatar |              | Fund Capital                                    |  |
| Auditor                    | KPMG, Qatar                          |              | <b>Assets Under Management</b>                  | QAR 158m                               |
| Benchmark                  | Bloomberg GCC 200                    |              | <b>Minimum Subscription</b>                     | QAR 100,000                            |

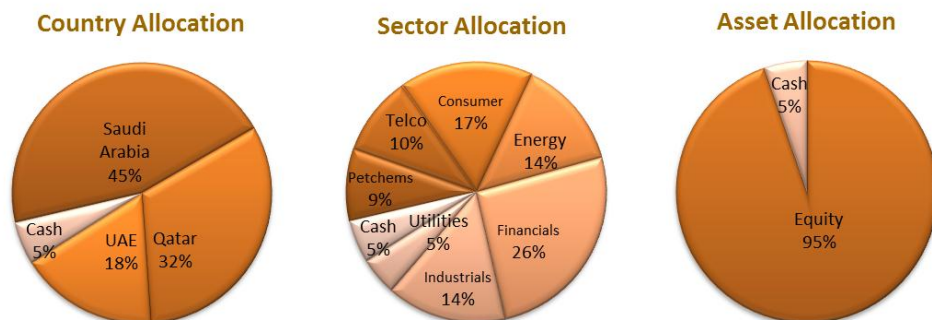
## Fund Managers Comment

In October, the Fund decreased by 4.2% MoM while the Bloomberg GCC200 Index decreased by 5.7% MoM. Since Inception (31<sup>st</sup> of October 2012), the Fund is up by c.49% and c.19% Year-to-Date strongly outperforming the benchmark while focusing primarily on capital preservation.

In October, global equity markets outperformed most other asset classes as risky assets edged safer assets driven by better than expected macro-economic data and ever accommodative central banks. In this context, stocks around the world rose and the Standard & Poor's 500 Index closed at a new record high. Regional equity markets witnessed an aggressive sell-off on the back of weaker oil prices but markets recovered towards the end of the month as GCC listed companies have on average reported better than expected 3Q14 bottom line numbers.

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 61 vs. 103 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 14.6x forward P/E yielding 2.6% and EM (Emerging Markets) on 12.1x forward P/E yielding 2.7%.

## Investment Allocation



## Fund Managers

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

Bloomberg Ticker < TFIGCCF QD >

PO BOX 27778, Doha - Qatar

Tel (974) 8008555

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