



AWRAQ FUND

A Fund of the Awraq World Investments Fund Company B.S.C (closed)

NAV / Share

Oct-14

78.84

Fund Objective & Strategy

The Fund seeks to achieve long term capital appreciation by investing in a diversified portfolio of stocks listed on the MENA stock exchanges. The Fund employs a semi-active fund management style with a blend of growth and value and is benchmarked to a customized S&P Pan Arab Index limited to a country maximum of 30% and a position maximum of 7% to reflect the Fund's investment guidelines. The investment process is based on a bottom-up stock selection methodology coupled with a thorough analysis of top-down macro economic drivers.

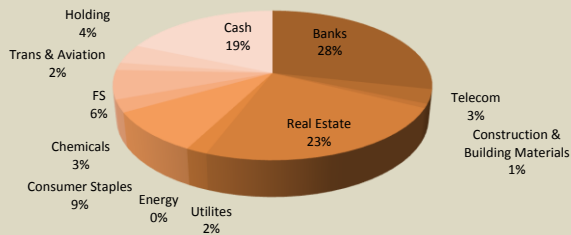
Fund Information

Asset Type	Equity
Fund Manager	Awraq Investments
Sponsor	Cairo Amman Bank
Custodian	Gulf Custody Company
Fund Listing	Bahrain
Fund Structure	Open Ended
Fund Size	USD 6,607,674
Liquidity	Bi Weekly
Indv. Min Sub	USD 25,000
Corp. Min Sub	USD 100,000
Management Fee	2.0% p.a.
Performance Fees	15% over 10%
Launch Date	31-Oct-07
Bloomberg Ticker	AWRAAQF BI Equity

Fund Characteristics & Risk Metrics

Number of Holdings	31
Alpha	5.86%
Beta	0.96
Standard Deviation	10.41%
Information ratio	1.75

Sector Allocation



Country Allocation

Country	Benchmark (%)	Fund (%)
Saudi	24.06%	14.28%
Egypt	11.31%	16.22%
Qatar	17.63%	22.93%
UAE	16.37%	20.48%
Jordan	5.06%	2.89%
Kuwait	17.16%	4.60%
Oman	3.73%	0.11%
Morocco	4.69%	0.00%

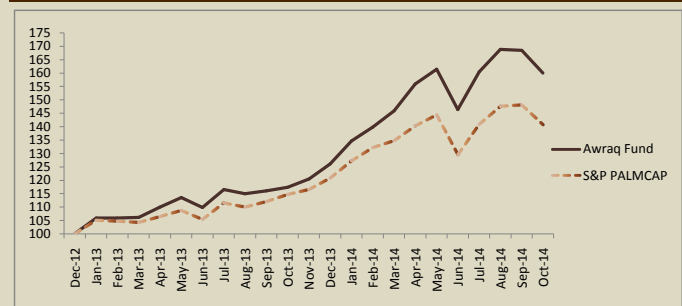
Market Review

The fund and the benchmark both went down by 5% after a shaky month in October.

The month started off in the region with the Eid holiday, during which the IMF announced cutting its GDP emerging market growth forecast, as Middle East turmoil contributes to greater geopolitical risk. Accompanied with concerns coming out of the Euro Zone as well as mixed US economic data, all of which raised concerns on global growth leading to a drastic drop in oil prices making it reach multi-year lows. Investors digesting the slowing economic growth data started a selloff in the US, spilling over to almost all other global markets and finally reaching our region after coming back from the holidays.

What helped to reverse the aggressive global sell off in October was the surprise by the Bank of Japan to increase its stimulus package drastically at the same time the U.S announced the end of its Quantitative Easing package, and although the regional markets were still lagging they are still expected to follow suit in the near term.

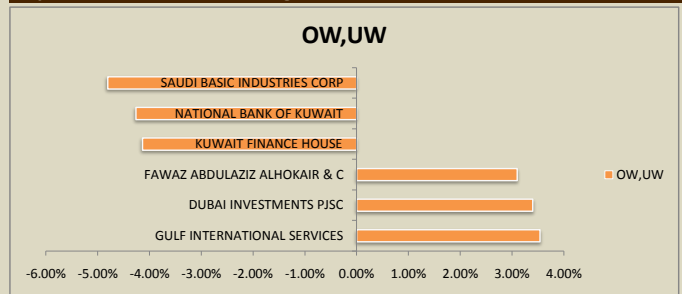
USD 100 Invested Since 2013 Year Beginning



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	Since Incp
Fund	-5.02%	9.27%	37.93%	26.92%	-21.16%
Benchmark	-5.00%	-0.08%	22.90%	16.50%	

Top Three Under & Overweight vs Benchmark



Top Five Fund Holdings

EMAAR PROPERTIES PJSC	7.79%
QATAR NATIONAL BANK	6.40%
COMMERCIAL INTERNATIONAL BAN	4.30%
GULF INTERNATIONAL SERVICES	4.05%
T M G HOLDING	4.03%

Market Outlook

This October, oil prices dropped to the lowest level since November 2010, Brent even witnessed the largest daily drop since September 2011, reasons contributing to the drop included many; such as the downgrade by the International Energy Agency (IEA) for oil demand in 2015 by c.20% to read an addition of 1.1mn barrel per day (bpd) versus an earlier estimated addition of 1.4mn barrels per day, this on top of many other market circumstances led the fund manager to reduce the exposure of the fund to Saudi in general as its one of the most reliant economies on oil in the region, and more specifically the cut was attributed to the petrochemical sector.

Although the cash position in the fund substantially increased, the fund manager will remain skeptical and cautious before entering new investments in the short term, as volatility remains an issue for the gulf markets mainly up until oil prices bottom out, furthermore we will be awaiting the 2015 budgets to shed more light on the public spending theme for the year to come.

Additionally, the fund manager is looking to take advantage of the MSCI EM rebalancing taking effect at the end of November, since it is expected to support the Qatari & Emirati indices in the short term as many of the existing stock weights increased, which will translate into more passive and active foreign flow in the coming period.

This update does not constitute an offer of Units and should not be relied upon by any person acquiring or otherwise dealing in Units of the Fund. Subscription for Units in the Fund may only currently be made on the terms of the prospectus of the Fund. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in Awraq Fund and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of Units and the income from them to fluctuate and you may get back less than you invested when you decide to sell your Units. Awraq Fund is not licensed nor approved by Jordan Securities Commission.

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