



AWRAQ FUND

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

NAV / Share

Jun-16

53.28

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.

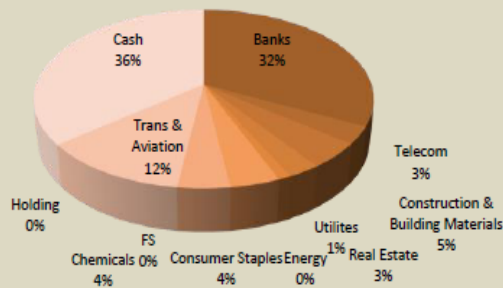
Fund Information

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 4,708,250
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	27
Alpha	3.96%
Beta	0.81
Standard Deviation	15.33%
Information ratio	0.62

Sector Allocation



Country Allocation

Country	Benchmark (%)	Fund (%)
Saudi	24.00%	15.60%
Egypt	8.85%	6.04%
Qatar	17.82%	18.34%
UAE	17.29%	18.43%
Jordan	5.60%	4.22%
Kuwait	16.55%	4.18%
Oman	5.29%	0.18%
Morocco	4.61%	0.00%

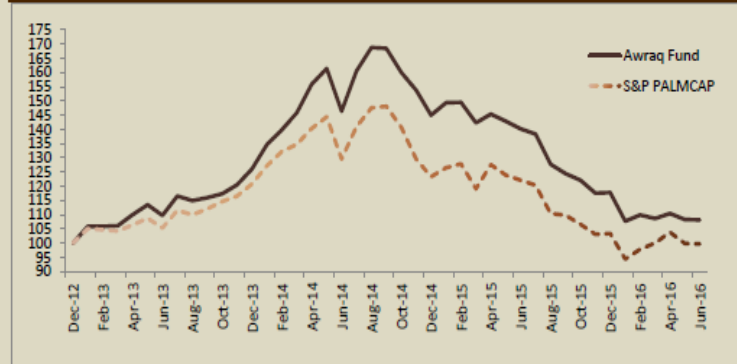
Market Review & Outlook

During the second quarter of 2016, regional markets restored some of the losses it witnessed since the beginning of the year due to the rebound of oil prices, while being negatively affected by the huge surprise of the Brexit referendum. On the other hand, Awraq Fund witnessed a drop of 0.18 percent compared to last month which is in line with the benchmark.

On a global level, most equity markets recovered coming to the second quarter of the year, with the positive economic figures coming out mainly from the US followed by the monetary easing from various central banks. Those figures have suspended the correction that was occurring since mid-2015 till January 2016. Additionally, the US Fed has hinted to raise rates twice if not once rather than the previously expected four times during the current year. Meanwhile, the European Central Bank and the Bank of Japan went ahead with more quantitative easing and rate cuts, but again most equity markets tumbled following the British referendum to leave the European Union resulted in 52% vote to the Brexit, a decision that clearly came as a surprise to investors.

Regionally, markets rebounded after the rise of oil prices during 2Q16. Oil prices slumped coming closer to the end of January while currently trading below the USD 50 level, up by around c75% from their low in January. GCC markets kept their close tie to oil prices for well over a year now. Despite the recent rise in oil prices, concerns about fiscal sustainability and growth in regional economies still remains.

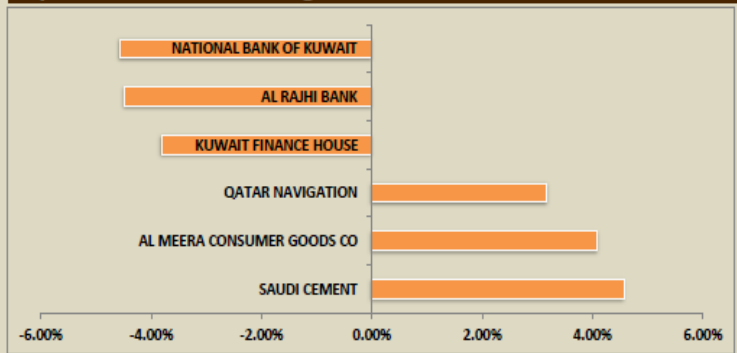
USD 100 Invested Since 2013 Year Beginning



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	Since Incp
Fund	-0.18%	-0.46%	-22.86%	-8.23%	-46.72%
Benchmark	-0.18%	-0.32%	-18.31%	-3.51%	

Top Three Under & Overweight vs Benchmark



Top Five Fund Holdings

FIRST GULF BANK	4.96%
SAUDI CEMENT	4.57%
ARAB BANK PLC	4.22%
AL MEERA CONSUMER GOODS CO	4.09%
QATAR NATIONAL BANK	4.05%

Market Review & Outlook

The performance of the GCC countries varied across regional markets. Oman for instance gained 6.9% followed by Dubai, which surged 5.1% while the Abu Dhabi increased 4.4% for the 6 months period ending June 30, 2016. The Saudi market had suffered more losses than most markets when oil prices dipped earlier in the year; nonetheless, KSA remains the worst performing market in the region, dropping 6.1% year to date. The Saudi sentiment has improved since authorities announced the "Vision 2030" plan, which aims to diversify the sources of income the government relies on and swift it away from oil. Furthermore, the Saudi government unveiled the new Qualified Foreign Investors regulations and a potential partial listing of Aramco which will be the biggest listing in the world has also given boost to the Saudi market. Meanwhile, the Qatari market slumped 5.2%, while the Kuwaiti market declined 4.5% in the same period of the year. It is worth mentioning that the DFMGI took the biggest hit on its first trading session post-Brexit, due to its relatively large foreign investor base which makes it more correlated to international markets volatility.

Going forward, we expect MENA markets to remain in a low volatility period as summer effect continues to lay its toll, with volumes remaining at their lowest levels of the year. Some trading opportunities, however, can arise as companies start announcing the second quarter of 2016 results. We continue to trade fundamentally sound companies across the board, while monitoring the possibility of a Fed interest rate hike and the continuous volatility of the oil markets.

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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