



# AWRAQ FUND

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

NAV / Share

Dec-14

71.47

## 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.

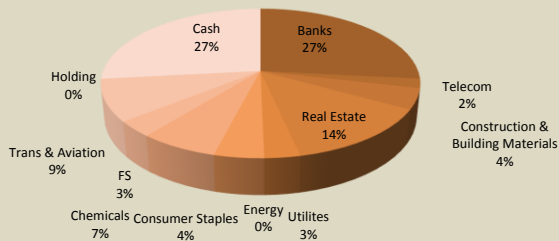
## Fund Information

<b>Asset Type</b>	Equity
<b>Fund Manager</b>	Awraq Investments
<b>Sponsor</b>	Cairo Amman Bank
<b>Custodian</b>	Gulf Custody Company
<b>Fund Listing</b>	Bahrain
<b>Fund Structure</b>	Open Ended
<b>Fund Size</b>	USD 6,090,031
<b>Liquidity</b>	Bi Weekly
<b>Indv. Min Sub</b>	USD 25,000
<b>Corp. Min Sub</b>	USD 100,000
<b>Management Fee</b>	2.0% p.a.
<b>Performance Fees</b>	15% over 10%
<b>Launch Date</b>	31-Oct-07
<b>Bloomberg Ticker</b>	AWRAAQF BI Equity

## Fund Characteristics & Risk Metrics

Number of Holdings	29
Alpha	6.60%
Beta	0.91
Standard Deviation	12.62%
Information ratio	1.57

## Sector Allocation



## Country Allocation

Country	Benchmark (%)	Fund (%)
Saudi	22.17%	19.30%
Egypt	10.81%	14.07%
Qatar	16.98%	21.52%
UAE	17.08%	12.21%
Jordan	4.94%	3.25%
Kuwait	17.11%	2.97%
Oman	3.54%	0.11%
Morocco	4.49%	0.00%

## Market Review

The fund was up 15.05% for the year 2014, when its benchmark was up by 2.1% only, that was mainly due to the active management of across country and sector allocation as well as stock selection during the year, in addition to cashing out in the last quarter and reinvesting some of the cash in December to preserve return.

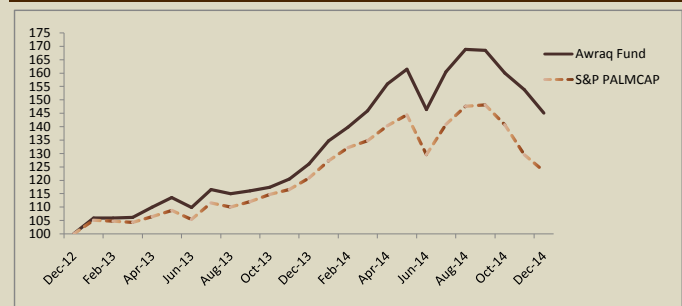
This year witnessed one of the most volatile months during December, oil continued its tumbling journey, and this in turn affected regional market performance, the price of oil topped below the 60 in the middle of the month, a drop of almost 50% since June, causing gulf markets to mark their lows for the year.

However, with the Gulf States announcing their 2015 budgets towards the end of the year, it eased investors' fears stemming from lower oil prices, as those budgets indicated that the countries are willing to continue spending heavily in 2015, and as such, economies will continue their healthy growth, since these expenses will be supported by their past years fiscal savings from the higher oil prices.

December started with an international positive lead after investors embraced the best US job report since 1999, this backed the view that their economy can handle rate hikes during 2015. However, during the last meeting for the Fed in 2014, the Fed changed their tone and indicated adopting a "patient" approach pointing that the rate increases would be gradual and slow, with the federal funds rate projected at 1.125% and 2.5% by year-end 2015 and 2016, respectively.

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.

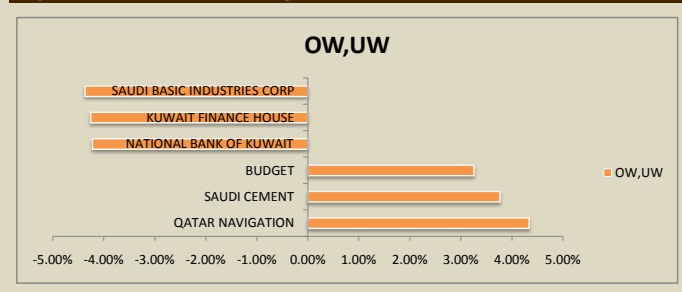
## USD 100 Invested Since 2013 Year Beginning



## Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	Since Incp
Fund	-5.69%	-13.91%	15.05%	15.05%	-28.53%
Benchmark	-4.74%	-16.72%	2.12%	2.12%	

## Top Three Under & Overweight vs Benchmark



## Top Five Fund Holdings

FIRST GULF BANK	5.47%
EMAAR PROPERTIES PJSC	5.06%
QATAR NAVIGATION	4.34%
T M G HOLDING	4.11%
SAMBA FINANCIAL GROUP	3.91%

## Market Outlook

The prevalent bearishness on growth since October has given way to cautious optimism about the 2015 outlook. Overall, we believe that as long as oil has clearly bottomed out, we will continue to witness the high levels of volatility in the markets performance over the near term future.

However, we believe that the announcement of Q4 2014 results and annual dividends across the markets will determine market trend during January and February.

We continue to Overweight Egypt as it's an oil importer, and the drop in price could help the state's numbers in the medium term, on another note tourism revenues jumped 112% Y-o-Y to about USD2 billion in 3Q2014, and with parliamentary elections in the first quarter, the country seems to be paving the way towards stability.

We will remain cautious in determining entry points in the UAE markets, despite the fact that it's much less oil dependent than other Gulf states, its stock market has been hit hardest in the region in recent months because of its higher liquidity, exposure to foreign investors and the unwinding of leveraged positions.

We took a more of a selective approach in Saudi focusing more on good dividend plays, and companies with potentially decent annual profit numbers.

Meanwhile in Qatar we continue to be fairly positioned, mainly after it announced its plans to spend over USD70bn on infrastructure and transportation as well as hotels and stadiums, right after the FIFA President has assured its place to host FIFA World Cup 2022.

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