



AWRAQ FUND

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

NAV / Share

Dec-15

58.06

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.

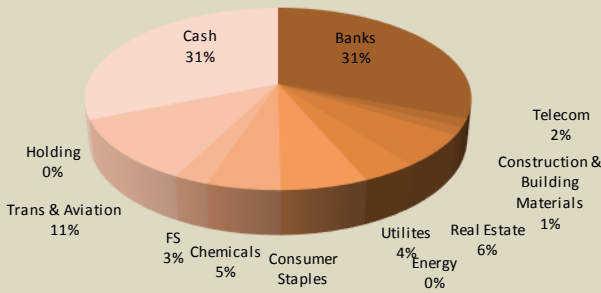
Fund Information

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 4,884,236
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	28
Alpha	4.82%
Beta	0.88
Standard Deviation	13.77%
Information ratio	0.93

Sector Allocation



Country Allocation

Country	Benchmark (%)	Fund (%)
Saudi	25.06%	13.48%
Egypt	8.87%	9.20%
Qatar	17.13%	19.16%
UAE	16.89%	19.16%
Jordan	5.45%	4.08%
Kuwait	16.86%	4.17%
Oman	5.44%	0.15%
Morocco	4.32%	0.00%

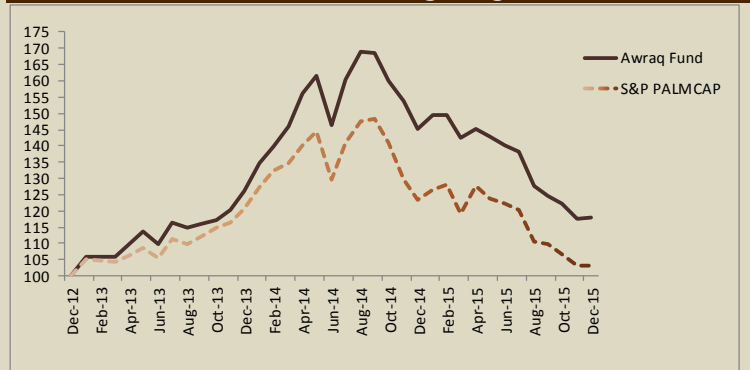
Market Review

GCC and global markets witnessed an extreme volatility combined with multiple shocks in the year 2015, with EGX30 reporting the sharpest decline of 21.52% followed by TASI with c17% then DFM and Qatar by c16% and c15%, respectively. The Awraq World Investment fund is Down 18.80% for the year 2015, while its benchmark was down by 16.21%. The major events that shocked the financial markets during the year was the oil supply gluts and the ongoing decline in oil prices, Chinese yuan devaluation, concerns over global growth and the Fed's interest rate hike, which marks the end to near zero interest rates.

The steep decline in oil prices has continued to substantially weigh on GCC markets, since GCC countries are key oil producers; with Saudi Arabia considered the largest oil producer in the world, it has suffered the most from fluctuation from oil prices, in which oil has plunged c34% vs c17% in 2015. Investors across the region remained cautious during the first half of December, as everyone was waiting for the Fed's interest rate hike and the 2016 budget. In Saudi Arabia, the 2016 budget came below analysts' consensus with budgeted spending is expected to decline by c2% and government revenue projected in 2016 from non-oil sectors is expected to grow. Furthermore, the kingdom has announced a major subsidy reforms and policy developments, which has affected the market negatively (-5.24% MoM in December) and is expected to do so in the near future, given the subsidy cut on oil, electricity and water would definitely affect the company's profitability and fundamentals in the near term.

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.

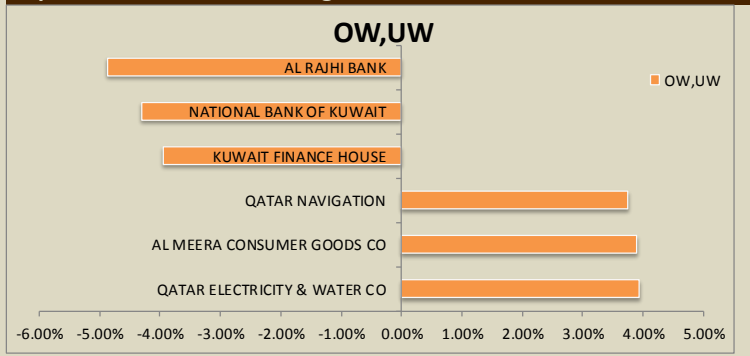
USD 100 Invested Since 2013 Year Beginning



Cumulative Returns (%)

	1 M	3 M	1 Y	YTD	Since Incp
Fund	0.22%	-5.33%	-18.76%	-18.76%	-41.94%
Benchmark	0.27%	-5.90%	-16.21%	-16.21%	

Top Three Under & Overweight vs Benchmark



Top Five Fund Holdings

FIRST GULF BANK	5.72%
COMMERCIAL INTERNATIONAL BAN	4.10%
ARAB BANK PLC	4.08%
QATAR ELECTRICITY & WATER CO	3.93%
AL MEERA CONSUMER GOODS CO	3.90%

Market Outlook

In Qatar, the market had been quiet with relatively thin volumes across all sectors in December following the significant decline in November, which was caused mainly by the MSCI EM index rebalancing and the ongoing FIFA bribery rumors. We see Qatar trading far below its potential but the aforementioned reasons combined with the political unrest in the region would make it an unfavorable destination in the short term. Similar the UAE market has been also quiet with low liquidity, which we believe was mainly due to investors being concerned about any surprise from the FED's side, political development in the region and the start of the holiday season would make foreign investors to sit on the side and watch.

Finally, in Egypt 2015 was just another volatile year for the stock market, where the country has secured mega projects during the year granted from neighboring Arab countries, in order to support their planned economic growth. On the hand, EGX has witnessed severe shocks which affected the stock market badly, from the decision of the Central bank of Egypt to devalue the Egyptian pound a couple of times, USD deposits limits, and the multiple terrorist attacks which occurred during the year. However, EGX30 ended the year with a positive note going up c9% MoM on multiple news following the potential acquisition of CI Capital and the announcement of COMI's bonus shares.

As we move into the year 2016, we still believe economic reforms in the GCC, such as implementation of the VAT would definitely weigh on negatively on the financial markets on the medium term, however on the short term we expect the markets to be affected directly with further commodity prices decline, emerging markets performances and dividend season.

For Fund's enquiries please contact Awraq Investments on the following :
Email: afakher@awraq.com
Fax: +9625503801
Tel: +96265503800