

Fact sheet - 30 September 2014
NAV per unit SAR 10.5610
Portfolio Manager Commentary

Our IMS fund succeeded in maintaining its No #1 status amongst money market funds in the Kingdom over the 3rd quarter of 2014. It ended Q3 with a 1.61% annualized return, outperforming its peers and benchmark by a clear margin. Globally, fixed income markets have remained resilient even in the face of improved economic data from the US and the continued unwinding of the Fed's purchases under its QE program. In fact, the range for 10-year US Treasury yields moved lower to 2.4-2.6% from 2.5-2.7% in Q2, with yields reaching a 14 month low in late August. In accordance with our predictions, central bank policy divergence remained the dominant macro theme in financial markets over the period, with the Fed moving

towards monetary tightening and the ECB and BOJ leaning towards further easing. In response to stubbornly low inflation and economic stagnation across many EU countries, the ECB, among other measures, surprised markets in early Sept with a further cut in its main rates by 10 basis points, bringing its deposit rate deeper into negative territory. Consequently, yields for many Eurozone members hit all-time lows and for countries in the core, like Germany, Austria and Finland, rates are currently trading negative i.e. investors are paying for to lend to these countries. For MENA, GCC fixed income yields closely tracked their G-10 equivalents lower. In addition to the above global factors, the continued abundance of liquidity and

appetite for yield buoyed local markets even in light of greater geopolitical risk arising from the conflicts in Iraq and Syria. Over the long-term, we maintain our view for higher yields led by the US, especially as we forecast an end to the Fed's QE purchases in October and a first rate hike sometime in mid-2015. However, in the medium-term, we believe the prospect of further easing by the ECB and BOJ as well as strong local demand will limit the scale and severity of any sell-off. We continue to be selective in our buying and retain our bias for issues that exhibit a low duration, high quality and liquidity and offer an attractive yield.

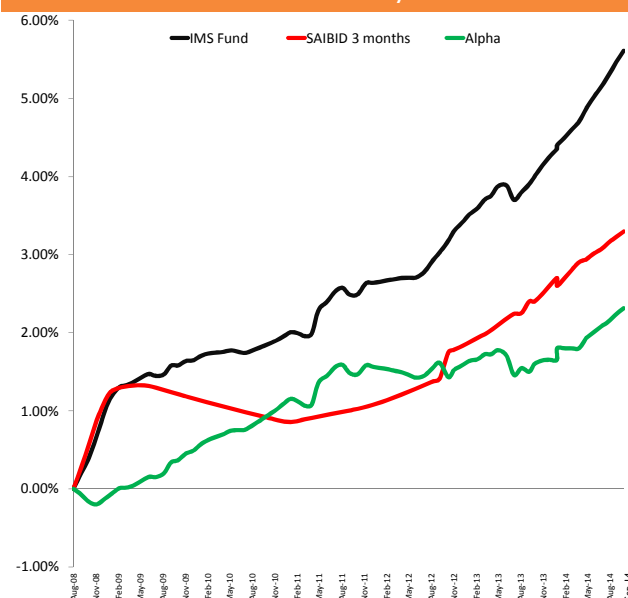
Fund Performance

	Fund	Benchmark
2010	0.32%	-0.29%
2011	0.65%	0.24%
2012	0.82%	0.76%
2013	0.83%	0.78%
1 Q 2014	0.36%	0.20%
1st Half 2014	0.79%	0.41%
YTD Annualized	1.61%	0.83%
Since Inception	5.61%	3.30%

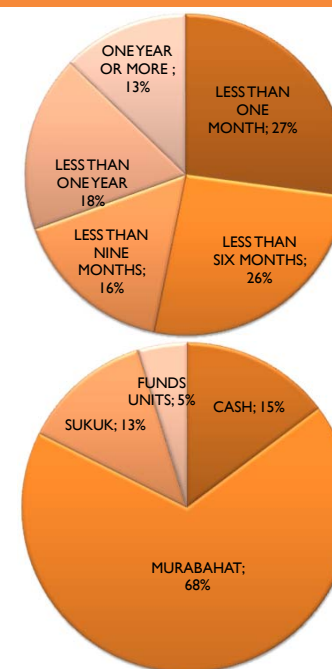
Accumulative Alpha 2.31%

Fund Ranking (as per Tadawul): No. # 1 in KSA

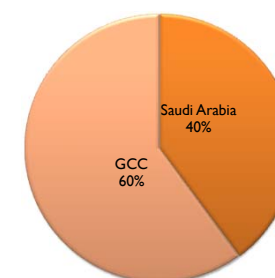
Key Facts	
Fund Manager	Itqan Capital
Fund Class	Capital Preservation
Currency	Saudi Riyal (SAR)
Fund Type	Open-ended Fund
Fund Category	Diversified Public Fund
Subscription	Every working day
Redemption Payment	Thursday & Monday
Valuation Days	Sunday & Tuesday
Redemption Payment	Within 2 working days of next valuation day
Unit Value @ Inception	SAR 10
Commencement	4-Aug-2008
Benchmark	Three months SIBID
Risk Level	Low-Medium
Management Fee	0.25% annually of NAV
Admin & Unit Processing fee	0.15% annually of NAV
Other Fees	0.10% annually of NAV
External Auditor	Ernst & Young

Performance - Since May 2008


The fund's benchmark was One Month SIBID, on 6th April 2013 the benchmark became equal to Three Months SIBID

Asset Allocation

Fund Objectives

Itqan Murabahat & Sukuk Fund (SAR) is a public diversified fund aimed at realizing Shari'ah compliant superior returns while preserving capital participation, providing the investors with the facility of redemption upon need and with the best method of risk management. In order to achieve its investment objectives, the Fund will primarily invest in a diversified portfolio of high-quality Shari'ah compliant short-term & medium investment instruments including: commodity Murabaha-based Transactions, various kinds of listed Sukuk, and units of investment funds investing primarily in Murabahat transactions and/or Sukuk.



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Disclaimer: Neither the past performance of the investment fund nor the past performance of the index is an indication of how the investment fund will perform in the future. There is no guarantee for unit holders that the investment fund's absolute performance or its performance relative to the index will repeat or match past performance.

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