

**Fact sheet - 31 March 2014**
**NAV per unit SAR 10.4731**
**Fund Objective**

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 the Saudi market in a diversified portfolio of high-quality Shari'ah compliant short-term & medium investment instruments including:

Commodity Murabaha-based Transactions.

Various kinds of Sukuk.

Units of investment funds investing primarily in Murabahat transactions and/or Sukuk.

**Investment Commentary**

Our fund performed very well during the first Q of 2014 ending the year at 1.43 % annualized, outperforming most of its peers and benchmark.

Interest rates have pulled back in the first Q of 2014. The 10 - year Treasury ended the 1st quarter at 2.7 % down 30bps from the beginning of the year of 3 % . We believe

The Federal Reserve remains eager to continue tapering off QE3, provided the economy rebounds from weather-related disruptions. US markets are buying into the Fed's strategy, with below average credit spreads and recent rate declines acknowledging a still highly accommodative monetary policy. Bolstered by stable inflation expectations, the Fed can look to end asset purchases, given a promising path for future growth and price trends.

We expect the 10-year treasuries to stabilize around 3 % by the end of 2014 but we might see some volatility

during the year. We anticipate the feds to cut stimulus by 5 to 10 billion dollars at each of its forward coming meetings and to completely end its bond-buying program in 4Q14. The Fed's tapering will remove the downward pressure on rates. Furthermore, we anticipate after Yellen's last speech to disregard the initial unemployment target, that the attention will shift from unemployment data to inflation data.

Within such economic and political uncertainty, and in line with the fund's investment objective to preserve capital. Our focus still the same, we will continue purchasing high yielding short duration bonds and floaters.

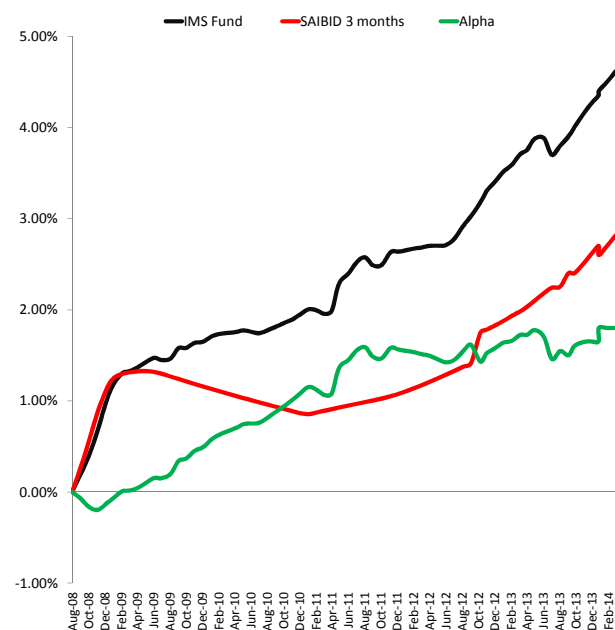
Going forward, we are looking at several investment opportunities in the regional Sukuk market that pay fixed rate to enhance the return of the fund while maintaining the same low risk profile.

**Fund Performance**

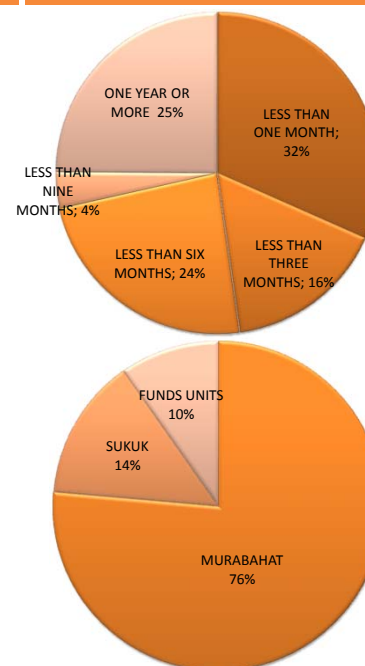
	Fund	Benchmark
2010	0.32%	-0.29%
2011	0.65%	0.24%
2012	0.82%	0.76%
2013	0.83%	0.78%
1 Q 2014	0.36%	0.20%
2 Q 2014	-	-
3 Q 2014	-	-
4 Q 2014	-	-
YTD Annualized	1.43%	0.79%
Since Inception	4.73%	2.87%

**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

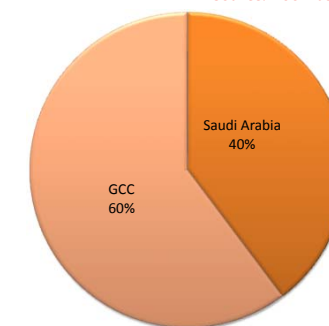
**Performance - Since May 2008**


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

**Asset Allocation**

**Statistical Information**

Accumulative Alpha	1.86%
Beta	0.33
Information Ratio	0.61
Jensen Alpha	-0.11
R-Squared	0.05
Sortino Ratio	103.69
Tracking Error	39.06

Source: Bloomberg



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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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