

AL HAYER FUND - CLASS 'A' (For Qatari Investors)

Monthly Report for December 2014



Fund Information		Performance Summary		
Investment Objective	Long term capital appreciation through investing in listed Qatar and GCC equities.	Fund NAV	December 2014 - USD 108.80 per share November 2014 - USD 112.32 per share	
Fund Currency & Type	USD - Open Ended	Fund Size	USD 9.4 million	
Founder	Doha Bank Q.S.C.	Performance Metrics	Fund	Index
Fund Manager	Amwal LLC	Return - December 2014	-3.1%	-3.7%
Subscription/Redemption	Monthly	Return - YTD 2014	3.9%	0.2%
Management Fee	1.5%	Return - Since Inception*	8.8%	6.9%
Auditor	Ernst & Young	Annualized Volatility*	14.1%	19.0%
Investment Custodian	HSBC Bank Middle East Ltd, Qatar Branch	Sharpe Ratio*	.47	0.32

*Inception date 23 September 2013

Fund Manager Comment

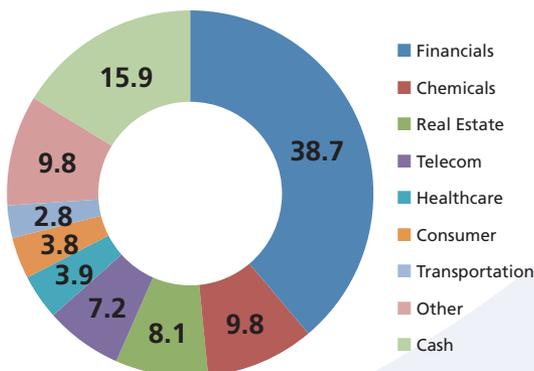
We are pleased to report that Al Hayer GCC Fund closed the year up almost 4% while the S&P GCC Large Cap Index was broadly flat (+0.2%).

December was a negative month for the region, mainly on the back of continued drop in oil price. The Index was down 3.7% while the Al Hayer GCC Fund was down 3.1%. Best performers in December included select banks and mostly basic consumer stocks like Al Tayyar, Saudi Catering and Savola. Worst performers included Emaar, Arabtec and Astra. In our view oil price is key for the outlook for regional equities. While we do not anticipate an immediate impact on corporate earnings with governments planning to continue with their near term spending plans, if low oil price persists, it is bound to affect profits of most companies further ahead. So what do we think of the outlook for oil, the key driver of earnings and markets?

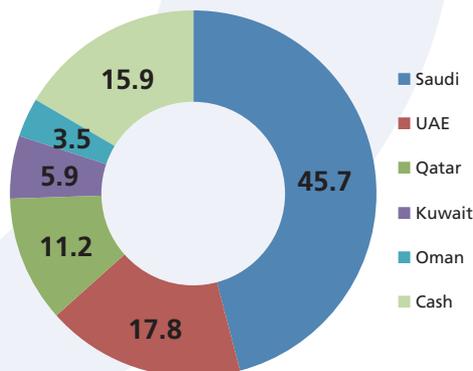
We were of the opinion earlier that US\$ 100 per barrel was too high, and we now think US\$ 50 is too low. We base this on the following: (1) When adjusted for US\$ currency movements and time value of money, we see a long term average of between US\$ 60-70 (2) Increase in US oil production (shale oil in particular) is blamed as the main reason for the recent drop in oil. However, cost of shale oil production is not cheap at around US\$ 75, and (3) Current supply-demand imbalance is said to be around 1 to 1.5 million barrels per day. This is how much global demand has the potential to grow each year.

Sector & Geographical Breakdown

Sector Weightings in %*



Geographical Weightings in %*



Disclaimer

The above information should not be considered an offer, or solicitation to deal in the subject fund. Investments in this fund are not deposits in, obligations of, or guaranteed or insured by Amwal LLC (Fund Manager) or Doha Bank Q.S.C (Founder). Doha Bank Q.S.C is not responsible for the accuracy of the above quantitative and qualitative statements. This investment is subject to investment risks including possible loss of the principal amount invested. Unit values may rise or fall and past performance is not indicative of future performance. Investors should read the Articles of Association and Prospectus and seek relevant professional advice before making any investment decisions.

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