

# Rasmala Palestine Equity Fund



January 2012

## Investment Objective

The Rasmala Palestine Equity Fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of growth and value stocks listed on the Palestine Stock Exchange (PSE), in securities anticipated to undergo initial public offerings as well as securities at their initial public offering. The fund focuses on key economic sectors: banking, telecommunications, investment, and pharmaceutical. The fund will aim to generate Alpha above Al-Quds Index.

## Market Performance

The Palestinian market started the year slightly negative after a very volatile month. Global uncertainty and institutional investors need for liquidity were the main drivers in the market during the month of January. Overall, Al-Quds Index lost -0.16% in January. The banking sector was the worst performing sector during the month, while the services sector was the best. Negative performance during the month mainly came from Birzeit Pharmaceutical Company and Index bellwether Bank of Palestine, which decreased by -7.52% and -0.69%, respectively.

Over the measurement period, Al-Quds Index decreased by -0.39%. In comparison, Rasmala Palestine Equity Fund decreased by -0.78% underperforming the benchmark by 39 basis points. The negative performance was mainly due to the rebalancing of the Fund's positions. Positive contribution to this month's performance primarily resulted from our overweight positions in Palestine Development and Investment Company and our underweight in Birzeit Pharmaceutical Company. On the other hand, our underweight positions in Palestine Telecommunications and Palestine Industrial Investment Company negatively affected the fund.

## Market Outlook

The market retreated after peaking in the first week of January, as investors opted to book some of December's profits and some liquidity needs at an institutional investors' level. We believe that investors will shift their focus in the coming period on the dividends season and strong market fundamentals. In addition, the inclusion of Palestine's second telecom operator and market heavyweight Wataniya Mobile to Al-Quds Index and the expectation of a couple of new quality listing in the first half of the year, should provide some positive momentum. Volatility will stay high driven by global uncertainty and political headwinds, but since the correlation with other MENA and global markets is very low, the Palestinian market should always act as a stabilizing factor to investors' portfolios.

## Fund Information

Asset Type	Equity
Fund Currency	USD
Country Focus	Palestine
Domicile	Luxembourg
Inception Date	May 5, 2011
Structure	Open-Ended Luxembourg SICAV SIF
Subscription	Weekly
Redemption	Weekly
Lock Up	None
Official January NAV/unit (USD)*	94.6848
Management Fee	1.5% Per annum
Min. Initial Subscription	50,000
Min. Add. Subscription	10,000

\*NAV of the last week of the month

## Fund Manager

Marwan Haddad, CFA

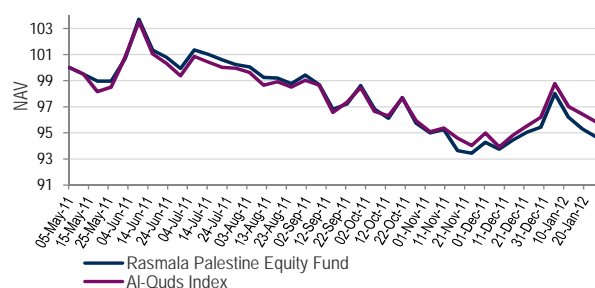
## Top Three Holdings

Company	Weight
PALTEL	34%
Bank of Palestine	18%
PADICO	15%
Total	67%

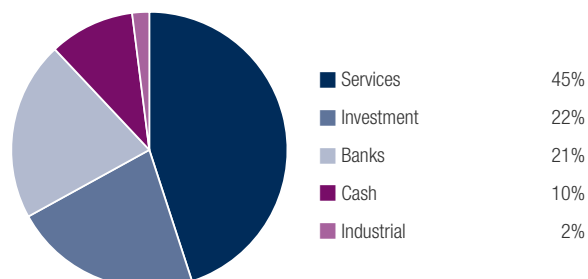
## Fund Performance

	January 2012	Year-to-Date	2011	Since Inception
Rasmala Palestine Equity Fund	-0.78%	-0.78%	-4.57%	-5.32%
Al-Quds Index	-0.39%	-0.39%	-3.80%	-4.17%

## Performance Graph



## Sector Allocation



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## Contact Information

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Rasmala Investment Bank Ltd.  
Dubai International Financial Centre  
The Gate Village,  
Building 10, Level 1  
P.O.Box 31145  
Dubai,  
United Arab Emirates  
Tel: +971 (4) 363 5600  
Fax: +971 (4) 363 5635

**Mr. Eric Swats**  
Head of Asset Management  
Email: eric.swats@rasmala.com

**Ms. Charline Jezequel**  
Head of Sales and Marketing  
Email: charline.jezequel@rasmala.com

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