

# Khaleej Equity Fund

Fact Sheet - May 2015



NAV US\$ 335.39 ↓ 1.0%

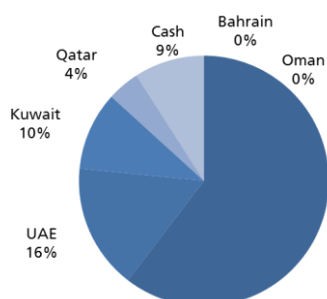
## Manager's Commentary

Regional markets dipped in May due to profit taking on the back of the significant gains experienced in April. During the month, the S&P GCC index fell by 2.3%, largely led by Dubai which decreased by 7% during the month. Declines in real estate and construction companies accounted for the majority of losses in the Dubai market. Saudi Arabia fell by 1.5% during the month mainly due to profit taking in the petrochemical and banking sectors. Large caps such as Zain dragged down the Kuwaiti market which fell by 4% while the Qatari market dropped by just 1%.

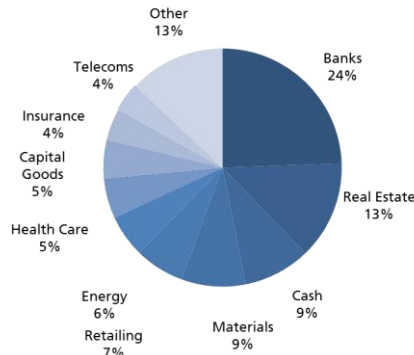
During the month, the portfolio decreased by 1% whereas the corresponding index declined by 2.3%. Although we had a significant allocation to Dubai which fell by 7%, our core investments in the emirate performed far better than the overall market. Similarly, in spite of the lacklustre performance of the Kuwaiti market, VIVA Kuwait (one of our top holdings,) increased by 7%. Year to date the fund is up 15.2% whereas the index increased by only 7.5%.

We capitalized on the recent pullback in markets to reposition the portfolio in anticipation of the upcoming earning season. We expect the petrochemical and consumer sector to report good numbers in the second half of 2015. While the earnings of petrochemical companies should benefit from appreciable bounce in end product prices this year, earnings of consumer companies should benefit from low soft commodity prices. On the other hand, we expect the financial sector to generate limited growth in the second quarter. However we continue to maintain exposure to the sector due to its long-term earnings generating potential.

### Country Allocation



### Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	17.7	16.2
Price to Book Multiple Latest (x)	2.0	1.9
Return on Equity TTM (%)	13.6	11.5
Dividend Yield - 2014 (%)	3.2	3.6
Number of Holdings	42	276
Annualized Return (%) - Last 5 years	11.9	7.1
Annualized Standard Deviation (%) - Last 5 years	14.5	15.1
Largest Monthly Gain (%)	14.8 (Mar 05)	17.6 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 8)	-24.7 (Oct 08)
% of Positive Months	61	57
Success Ratio (%)	52	NM
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	124.2	90.4

## Investment Objective

The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

### Returns (%)

	Fund	Index*
May 2015	-1.0	-2.3
YTD (Jan-May)	15.2	7.5
2014	4.7	-2.5
2013	28.4	25.0
2012	5.9	3.2
2011	-5.9	-8.2
2010	14.1	12.8
2009	16.9	14.1
2008	-33.9	-55.3
2007	43.9	35.4
2006	-13.9	-40.2
Last 3 months	6.1	0.2
Last 6 months	9.8	2.7
Last 1 year	4.4	-10.3
Last 3 years	58.9	30.0
Last 5 years	75.1	40.9
Last 10 years	94.5	-22.1
Since Inception(Mar04- May15)	235.4	68.8

\* S&P GCC Composite Index

## Fund Information

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10%
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	KHALEQY BI
Fund ISIN Code	BH000A1CZ8W7
Custodian/ Administrator	HSBC, Bahrain

## Top Holdings

Name	Country	(%)
SABB	Saudi	4.3
Bupa	Saudi	4.3
Dubai Parks	UAE	4.1

## Risk Statistics (Last 5 years)

Annualized Standard Deviation (%)	14.5
Sharpe Ratio	0.6
Tracking Error (%)	4.2
Information Ratio	1.09
Alpha (%)	5.1
Beta	0.9

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