

Khaleej Equity Fund

Fact Sheet - July 2015



NAV US\$ 332.79 ↑ 0.8%

Manager's Commentary

Regional markets ended broadly flat in the month of July. Although the markets did trend up in the first half of the month, they retreated on the back of falling oil prices. In July, Brent crude fell by 18% mainly due to negative news flow from China. The Saudi markets ended flat during the month while the UAE and Oman appreciated by ca.2%. The Qatari bourse which continues to experience lack of investor interest, was the worst performer (-3.4%).

In July the portfolio was up by 0.8% whereas the corresponding index declined by 0.1%. Our strategy to increase allocation to the consumer sector in anticipation of the better than expected earnings in the second quarter greatly benefited the fund as most consumer companies performed well on the back of very healthy growth in earnings. Our top consumer holdings such as SADAFCO, Nadec and Agthia reported 100%, 34% and 18% increase in earnings respectively for the second quarter. Although the petrochemical sector also rebounded sharply subsequent to good set of earnings, it was short lived as the sector fell in tandem with the fall in oil prices.

We expect the regional markets to remain volatile during the summer due to a persistent decline in the price of oil and worries over the slowdown in the Chinese economy. However, a rebound in the oil prices and potential hike in US Fed rates could act as a catalyst particularly for the financial sector in Saudi Arabia. We intend to continue to remain invested in the markets and plan to further increase our allocation to the financial and consumer sector.

Investment Objective

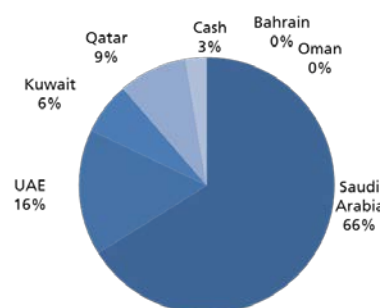
The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

Returns (%)

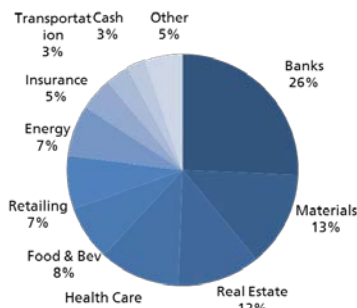
	Fund	Index*
July 2015	0.8	0.1
YTD (Jan-July)	14.3	3.8
2014	4.7	-2.5
2013	28.4	25.0
2012	5.9	3.2
2011	-5.9	-8.2
2010	14.1	12.8
2009	16.9	14.1
2008	-33.9	-55.3
2007	43.9	35.4
2006	-13.9	-40.2
Last 3 months	-1.8	-5.6
Last 6 months	12.4	0.9
Last 1 year	2.6	-13.5
Last 3 years	57.9	28.0
Last 5 years	73.4	32.6
Last 10 years	77.7	-29.7
Since Inception (Mar04- July15)	232.8	63.0

* S&P GCC Composite Index

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	19.0	18.1
Price to Book Multiple Latest (x)	3.3	2.4
Return on Equity TTM (%)	21.0	13.0
Dividend Yield - 2014 (%)	4.0	4.4
Number of Holdings	42	276
Annualized Return (%) - Last 5 years	11.6	5.8
Annualized Standard Deviation (%) - Last 5 years	14.3	14.9
Largest Monthly Gain (%)	14.8 (Mar 05)	17.6 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 08)	-24.7 (Oct 08)
% of Positive Months	59	55
Success Ratio (%)	60	0.2
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	122.5	83.8

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	KHALEYQ BI
Fund ISIN Code	BH000A1CZ8W7
Custodian/ Administrator	HSBC, Bahrain

Top Holdings

Name	Country	(%)
Dubai Parks	UAE	4.9
Bupa	Saudi	4.6
Sabic	Saudi	4.3

Risk Statistics (Last 5 years)

Annualized Standard Deviation (%)	14.3
Sharpe Ratio	0.63
Tracking Error (%)	4.6
Information Ratio	1.3
Alpha (%)	6.1

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