

Manager's Commentary

During the month, external events were in the forefront led by the sharp fall in oil prices (Brent down 18%) and volatile global equity bourses. On this backdrop, regional markets did relatively better and ended the month broadly flat. In fact, the UAE and Oman bourses appreciated by around 2%. The Qatari bourse, which continues to experience lack of investor interest, was the worst performer (-3.4%), while Kuwait edged lower.

The fund returned 0.8% compared the Index's return of negative 0.7%. The outperformance primarily came With the positive returns of some of our core holdings from the UAE and Qatar that appreciated after reporting excellent second quarter results. On a year to date basis, the fund has generated a healthy return of 13.4%, outperforming the benchmark by a significant margin.

During July, we started investing in Egypt taking advantage of the recent drop. The market is down 8% this year and in our opinion offers decent upside potential in the medium to long term horizon. The market is trading at attractive valuations (P/E Multiple of 13x). Its economy, being an oil importer, should also benefit from the low oil price environment. The real estate sector looks particularly attractive underpinned by strong fundamentals and hence we have started by investing in a leading real estate developer. We will gradually invest in other companies where we believe the earnings growth potential is high.

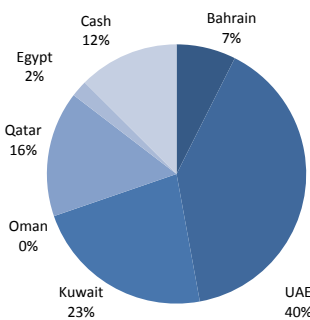
Investment Objective

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

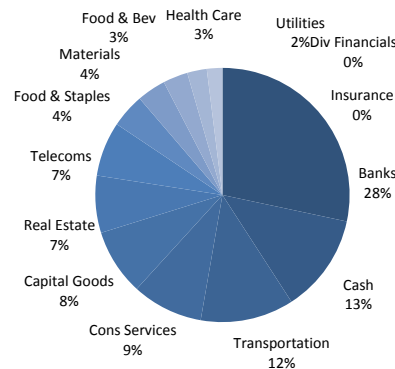
Returns (%)	Fund	Index*
July 2015	0.8	-0.7
2015 (Jan - Jul)	13.4	-3.5
2014	4.2	3.2
2013	32.4	27.4
2012	6.1	1.4
2011	-8.2	-14.0
2010	11.6	18.4
2009	12.9	-1.1
2008	-30.8	-53.4
Last 3 Months	1.8	-3.4
Last 6 Months	14.2	-1.2
Last 1 Year	2.1	-14.1
Last 3 Years	65.2	34.2
Last 5 Years	77.7	30.9
Last 7 Years	13.3	-41.0
Since Inception (Feb 06 - Jul 15)	66.3	-33.4

*S&P GCC ex Saudi Index

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.2	12.9
Price to Book Multiple Latest (x)	2.5	1.7
Return on Equity TTM (%)	22.1	13.5
Dividend Yield—2014 (%)	5.1	3.3
Number of Holdings	28	136
Annualized Return (%) - Last 5 years	12.2	5.5
Annualized Standard Deviation (%) - Last 5 years	12.5	14.2
Largest Monthly Gain (%)	12.6 (Apr 09)	14.1 (May 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct 08)
% Positive Months (%)	60.2	58
Success Ratio (%)	64	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	113.6	70.3

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Deadline	Two business days before the dealing day
Minimum Subscription	US\$ 100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian / Administrator	HSBC Bahrain

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	7.9
Dubai Parks and Resorts	UAE	6.9
VIVA Kuwait	Kuwait	5.4

Risk Statistics (last 5 years)

Standard Deviation (%)	12.5
Sharpe Ratio	0.7
Tracking Error (%)	5.6
Information Ratio	1.2
Alpha (%)	7.1
Beta	0.8

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