

# SICO Gulf Equity Fund

## Fact Sheet - May 2016

NAV US\$ 114.30 ↓ 1.5%

Adjusted (for dividends) NAV US\$152.31

### Manager's Commentary

Sell in May and go away! The GCC markets were back in the red after a three month rally that was primarily linked to improving sentiment and an increase in oil prices. During May, oil prices continued their upward trend while investors decided to book profits ahead of Ramadan and summer vacation. Abu Dhabi and Qatar were the worst performers, dropping 6.5%. Dubai and Saudi Arabia declined by 5% followed by Kuwait and Oman which lost around 2%.

The fund retreated by 1.5% compared to the benchmark decline of 5.3%. The outperformance stemmed from our defensive positioning and well diversified equity investments. The fund's top holding Air Arabia rose 8% as the company posted stellar first quarter earnings with profits increasing 42%. We increased our exposure as we remain encouraged by the revenue and margin trends which we expect would sustain in the coming periods coupled with its high dividend yield (6%). The fund also benefited from not having exposure to stocks from both the UAE and Qatar that declined on the back of MSCI outflows scheduled for the month end.

The month of June will witness the beginning of the holy month of Ramadan, characterized by low trading volumes and some volatility as regional investors tend to be on the sidelines. We continue to like our core holdings and will not look to increase our holdings materially. Nevertheless, we continue our rebalancing exercise and look to invest in some fresh investments ideas that we have finalized.

### 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*
May 2016	-1.5	-5.3
YTD (May 2016)	0.2	-0.2
Last 3 Months	4.1	1.7
Last 6 Months	1.5	0.6
Last 9 Months	-3.5	-11.9
Last 1 Year	-7.3	-14.0
Last 3 Years	13.7	0.4
Last 5 Years	39.5	18.2
Last 10 Years	69.7	-4.2
Since Inception (Mar 06 - May 16)	52.3	-18.3

\*S&P GCC ex Saudi Total Return Index

### 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

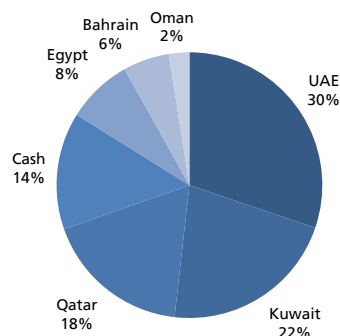
### Top Holdings

Name	Country	(%)
Air Arabia	UAE	6.2
Jazeera Airways	Kuwait	5.3
RAK Ceramics	UAE	5.0

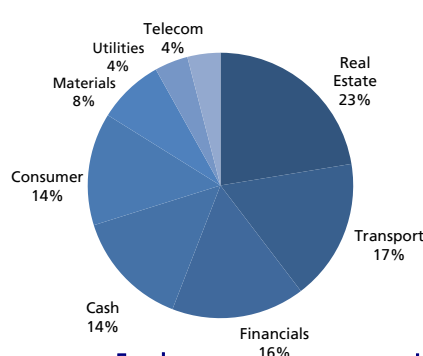
### Risk Statistics (last 5 years)

Standard Deviation (%)	13.2
Sharpe Ratio	0.3
Tracking Error (%)	5.7
Information Ratio	1.3
Alpha (%)	6.7
Beta	0.8

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.4	12.1
Price to Book Multiple Latest (x)	1.3	1.2
Return on Equity TTM (%)	11.7	10.4
Dividend Yield—2015 (%)	4.2	4.6
Number of Holdings	29	150
Annualized Return (%) - Last 5 years	6.9	-0.2
Annualized Standard Deviation (%) - Last 5 years	13.2	14.6
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.7 (Jun 14)
% Positive Months (%)	59.3	50.4
Success Ratio (%) - Last 5 years	65	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-35.8
Duration of Drawdown (months)	(17mths) Aug 14 to Jan 16	(21mths) May 14 to Jan 16
Recovery from Latest Drawdown (%)	10.0 (Feb 16 to May 16)	3.7 (Feb 16 to May 16)

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Investment Bank

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