

Manager's Commentary

During the month, the markets witnessed a pendulum effect but ended on a negative tone. The markets rallied during the first half in anticipation of good third quarter results as well as a sharp rally in Oil prices. Notable gains were from Dubai's DFM that rose 2.6%, while Qatar was up 2.9%. The sentiment shifted as companies started announcing their third quarter results which were below expectations along with growing concerns over a sustained slowdown within the region. This led to the S&P GCC ex Saudi benchmark to close the month down 1.6%, with Dubai and Abu Dhabi witnessing declines of 2.5% and 4.0%, respectively. Qatar and Kuwait bucked the trend and ended the month positively.

The fund declined by 1.1% in October continuing to outperform the benchmark for the year. Going forward, we continue with our defensive strategy and our fundamental investment approach which has been crucial in protecting us from the downturn the markets have witnessed in 2015.

We expect sentiment to remain muted given the volatility of oil prices and potential cuts in government spending. Third quarter earnings of corporates have been uninspiring causing investors to become even more wary and risk averse. Nonetheless, from our perspective, some interesting investment opportunities have started to arise given that investors severely punished companies that reported poor earnings despite having strong medium to long term fundamentals. We intend to capitalize on this and gradually invest in such businesses.

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*
October 2015	-1.1	-1.6
2015 (Jan - Oct)	4.9	-11.9
2014	4.2	3.3
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	-7.5	-8.8
Last 6 Months	-5.8	-11.9
Last 1 Year	-6.4	-19.9
Last 3 Years	47.5	17.4
Last 5 Years	49.0	4.9
Last 7 Years	60.4	-11.1
Since Inception (Feb 06 - Oct 15)	56.6	-39.2

*S&P GCC ex Saudi 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

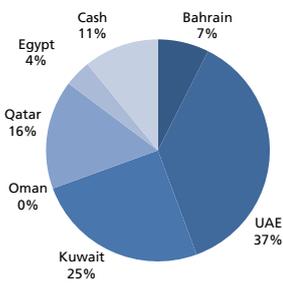
Name	Country	(%)
Dubai Parks and Resorts	UAE	7.6
VIVA Kuwait	Kuwait	5.5
National Bank of Kuwait	Kuwait	5.2

Risk Statistics (last 5 years)

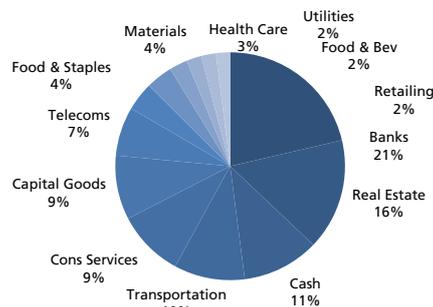
Standard Deviation (%)	12.7
Sharpe Ratio	0.4
Tracking Error (%)	5.5
Information Ratio	1.3
Alpha (%)	7.0
Beta	0.8

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.6	14.7
Price to Book Multiple Latest (x)	2.3	1.7
Return on Equity TTM (%)	21.0	13.4
Dividend Yield—2014 (%)	3.9	3.6
Number of Holdings	31	135
Annualized Return (%) - Last 5 years	8.3	1.0
Annualized Standard Deviation (%) - Last 5 years	12.7	14.1
Largest Monthly Gain (%)	12.6 (Apr 09)	14.1 (May 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct 08)
% Positive Months (%)	59.5	50.0
Success Ratio (%)	65	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	97.6	55.5

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