

Manager's Commentary

The GCC markets continued to decline in September with the exception of Kuwait and Abu Dhabi that ended the month marginally up. Eid holidays, declining oil prices and nearing of third quarter earning announcements triggered investors to stay on the sidelines resulting in low trading volumes. Global sentiment also remained weak which added to investor concerns.

During September the real estate consultant JLL issued a report mentioning that Dubai's real estate market continued to witness a slowdown in the third quarter, and they expect the trend to continue till the end of the year. This report added pressure on the real estate names such as Emaar Properties and Damac Properties which ended the month declining by 4.9% and 2.5%, respectively.

SICO Gulf Equity Fund returned a positive 0.3% outperforming the S&P GCC ex Saudi index which ended the month with a decline of 0.3%. The fund benefited from the rise of some of our core holdings. For example, Dubai Parks increased 6% on the back of positive announcements on the progress of the theme park. Going forward, we expect the markets to remain rangebound and will prudently use the cash that we have to invest in our high conviction ideas if the markets correct. We also intend to rebalance the fund by focusing more on the dividend yields which we believe would be a key driver in generating returns during the next six months.

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*
September 2015	0.3	-0.3
2015 (Jan - Sep)	6.0	-10.5
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	-5.7	-7.9
Last 6 Months	3.8	-5.1
Last 1 Year	-8.9	-22.7
Last 3 Years	49.7	19.4
Last 5 Years	54.6	9.8
Last 7 Years	38.0	-31.7
Since Inception (Feb 06 - Sep 15)	58.3	-38.2

*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

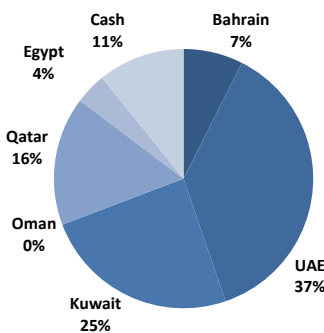
Name	Country	(%)
Dubai Parks and Resorts	UAE	7.2
VIVA Kuwait	Kuwait	5.4
National Bank of Kuwait	Kuwait	5.1

Risk Statistics (last 5 years)

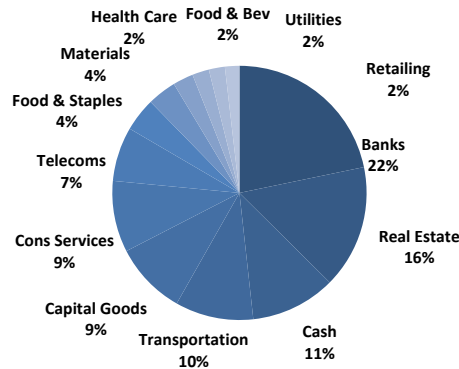
Standard Deviation (%)	12.7
Sharpe Ratio	0.5
Tracking Error (%)	5.5
Information Ratio	1.3
Alpha (%)	7.0
Beta	0.8

For further information contact assetmanagement@sicobahrain.com

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.6	12.4
Price to Book Multiple Latest (x)	2.2	1.6
Return on Equity TTM (%)	20.8	12.8
Dividend Yield—2014 (%)	4.1	3.4
Number of Holdings	31	136
Annualized Return (%) - Last 5 years	9.1	1.9
Annualized Standard Deviation (%) - Last 5 years	12.7	14.4
Largest Monthly Gain (%)	12.6 (Apr 09)	14.1 (May 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct 08)
% Positive Months (%)	60.0	50.4
Success Ratio (%)	64	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	99.8	50.4

Securities & Investment Company BSC (c)
PO. Box 1331, Manama, Kingdom of Bahrain
Tel: +973 1751 5000 Fax: +973 1751 4000
CR No: 33469
www.sicobahrain.com

شركة الأوراق المالية والاستثمار ش.م.ب (م)
ص.ب: 1331، المنامة، مملكة البحرين
هاتف: +973 1751 5000 فاكس: +973 1751 4000
CR No: 33469
سجل تجاري رقم 33469