

SICO Gulf Equity Fund

Fact Sheet - July 2016

NAV US\$ 112.95 ↑ 4.6%

Adjusted (for dividends) NAV US\$158.51

Manager's Commentary

Most GCC markets witnessed a robust performance during July despite the decline in Oil prices. Qatar continued its positive run and was the best performing bourse (+7.5%). The market benefited from significant passive flows that lifted the large caps. Similar was the case in Dubai that appreciated 5.5%. Oman and Abu Dhabi closed over 1%, while Kuwait ended flat and Saudi declined by 3.0%. The Egyptian market rallied 15% on the back of a strong possibility of another round of currency devaluation as hinted by the Central Bank Governor.

The fund increased by 4.6% during July, outperforming the Index which increased by 3.8%. The outperformance mainly stemmed from our allocation to Egypt whereby some of our holdings such as EFG Hermes and Six of October rose 21% and 36%, respectively. Within the UAE, Aramex rose over 25% on the back of significant share holding changes, while Air Arabia attracted interest on the back of attractive valuations.

Our strategy is to look to consolidate the recent gains made across our holdings. In particular, we would take advantage of the rise in the Egyptian market and start booking profits from certain investments that have nearly doubled from our acquisition price and are trading close to our fair values. Within UAE, we are closely monitoring the second quarter results announcement and would rebalance our holdings accordingly. In Qatar, while fundamentals remain unchanged, the market is expected to continue benefiting from passive inflows and euphoria regarding FTSE Emerging Market Inclusion. Hence we intend to maintain our allocation focusing on the large caps.

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 2016	4.6	3.8
YTD (July 2016)	4.2	5.5
Last 3 Months	2.5	0.1
Last 6 Months	14.4	14.0
Last 9 Months	1.2	-1.2
Last 1 Year	-6.4	-9.8
Last 3 Years	15.9	3.9
Last 5 Years	49.8	30.1
Last 10 Years	82.9	5.9
Since Inception (Mar 06 - Jun 16)	58.5	-13.6

*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	SICOGF.MF
Fund ISIN Code	BH000A1CZ855
Custodian / Administrator	HSBC Bahrain

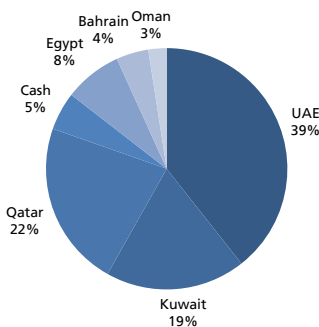
Top Holdings

Name	Country	(%)
Air Arabia	UAE	7.0
Aramex	UAE	6.6
Qatar Electricity	Qatar	4.6

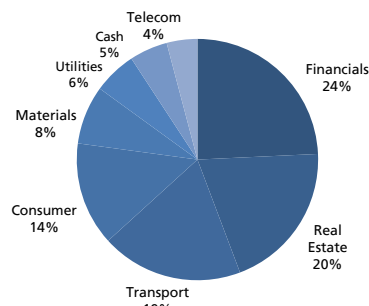
Risk Statistics (last 5 years)

Standard Deviation (%)	13.2
Sharpe Ratio	0.4
Tracking Error (%)	5.9
Information Ratio	1.2
Alpha (%)	6.7
Beta	0.8

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.7	12.8
Price to Book Multiple Latest (x)	1.4	1.3
Return on Equity TTM (%)	12.3	10.1
Dividend Yield—2015 (%)	4.2	4.9
Number of Holdings	33	156
Annualized Return (%) - Last 5 years	8.4	1.5
Annualized Standard Deviation (%) - Last 5 years	13.2	14.7
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.6 (Jun 14)
% Positive Months (%)	59.2	51.6
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 (%)	8.7 (Feb 16 to Jul 16)	9.5 (Feb 16 to Jul 16)

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Investment Bank

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