

# SICO Gulf Equity Fund

## Fact Sheet - June 2016

NAV US\$ 113.75 ↓ 0.5%

Adjusted (for dividends) NAV US\$151.58

### Manager's Commentary

Following a steep decline in May, the regional markets consolidated in June and the overall index appreciated by 1.8%. In an otherwise dull period, the most notable event was the merger of National Bank of Abu Dhabi and First Gulf Bank. This resulted in their share prices to increase by 24% and 6%, respectively and lifting the overall index by close to 6%. Qatar recovered some of its previous months' losses, and rose 3.6% on the back of buying interest across the large caps.

The fund declined by 0.5% in June and underperformed the benchmark. This was primarily due to the fund not having any exposure to both NBAD and FGB that rallied on the back of the merger. Post this announcement, we believe that most of the merger related rally is behind us given that the deal would be completed only by the first quarter of next year and synergies between the two will take time before materializing. Our Egyptian holdings also got affected as the market dropped over 6% post the "Brexit" announcement given its proximity and dependence on the EU. However, during the initial period of July, the market has started to recover based on expectations of a further currency devaluation.

During June, we increased our exposure to investments based in Qatar as we expect them to benefit from passive flows both from MSCI and the possible inclusion into the FTSE Emerging Markets Indices. In addition, we built exposure to some fresh investments ideas that we have identified primarily from the UAE as this remains our preferred market.

### 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*
June 2016	-0.5	1.8
YTD (June 2016)	-0.3	1.7
Last 3 Months	-1.2	-1.5
Last 6 Months	-0.3	1.7
Last 9 Months	-4.3	-6.4
Last 1 Year	-9.7	-13.6
Last 3 Years	16.1	6.3
Last 5 Years	40.7	22.5
Last 10 Years	71.2	0.6
Since Inception (Mar 06 - Jun 16)	51.6	-16.8

\*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

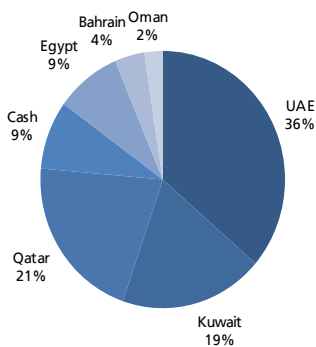
### Top Holdings

Name	Country	(%)
Air Arabia	UAE	6.4
Qatar Electricity	Qatar	4.3
Mezzan Holding	Kuwait	4.2

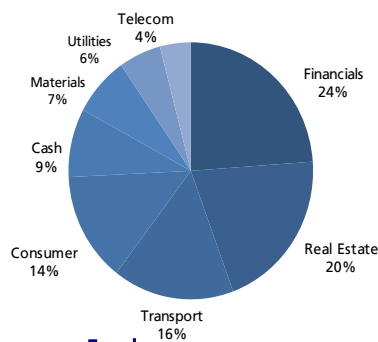
### Risk Statistics (last 5 years)

Standard Deviation (%)	13.1
Sharpe Ratio	0.3
Tracking Error (%)	5.8
Information Ratio	1.2
Alpha (%)	6.3
Beta	0.8

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.9	12.3
Price to Book Multiple Latest (x)	1.4	1.2
Return on Equity TTM (%)	12.5	10.3
Dividend Yield—2015 (%)	4.3	4.5
Number of Holdings	33	156
Annualized Return (%) - Last 5 years	7.1	0.3
Annualized Standard Deviation (%) - Last 5 years	13.1	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)	-13.6 (Jun 14)
% Positive Months (%)	58.9	52.4
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 (%)	9.4 (Feb 16 to Jun 16)	5.5 (Feb 16 to Jun 16)

Securities and Investment Company BSC (c) claims compliance with the Global Investment Performance Standards (GIPS®). Securities and Investment Company BSC (c) (also known as SICO) is a closed joint stock company registered in Bahrain and operates a wholesale banking license from the Central Bank of Bahrain. The company is registered with the Ministry of Industry and Commerce and is listed on the Bahrain Stock Exchange as a closed company. To receive a list of composite descriptions and/or a presentation that complies with the GIPS standards, write to [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com), or call 973 17 515000.

Securities & Investment Company BSC (c)  
P.O. Box 1331, Manama, Kingdom of Bahrain  
Tel: +973 1751 5000 Fax: +973 1751 4000  
CR No: 33469  
[www.sicobahrain.com](http://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  
سجل تجاري رقم 33469

بنك استثماري sico  
Investment Bank

This report should not be considered an offer to sell, or a solicitation to buy, shares mentioned herein. Past performance is no indication of future results. Fund historical performance does not promise the same or similar results in the future. Principal value, share prices and investment returns fluctuate with changes in market conditions. The information contained herein has been compiled from sources believe to be reliable; however Securities & Investment Company ("SICO") does not guarantee its accuracy or completeness. Opinions, forecasts and estimates constitute our judgment as of the date of this report and are subject to change without notice. This report is not a solicitation of an order to buy or sell securities or to provide investment advice or service. SICO or its affiliates may from time to time engage in long or short positions in the securities mentioned herein. SICO or its affiliates may act as principal, agent or market maker or provide other services to the issuers of securities mentioned herein. This report is provided for information purposes only and may not be copied or distributed to any other person without the prior written consent of SICO