

# SICO Gulf Equity Fund

Fact Sheet - August 2014

NAVUS\$137.22 ↑ 4.1%

Adjusted (for dividends) NAVUS\$172.51

## Manager's Commentary

All GCC markets posted gains in August as the positive momentum across the region continued. The Saudi market was the top performing bourse (+8.8%) followed by Qatar and Dubai. On the back of large foreign inflows and the scheduled Emerging Markets' rebalancing exercise at the end of the month, the Qatari market appreciated by 5.6% following a 12.1% rise during the previous month. Investors shrugged away poor earnings announcements by some large caps and continued to build positions. Within Dubai, Emaar Properties picked up momentum during the last few trading sessions of the month and gained 14.1%. This was on the back of the IPO announcement of its subsidiary, Emaar Malls Group that is to be conducted in September. The other bourses rose in the range of 0-2%.

The NAV of the fund appreciated by 4.1% in August and extended its gains for the year to 20.4%. The fund benefited from its large allocation to the blue chip companies in Qatar and the UAE. Moreover, our core holdings from the small to mid-cap segment especially in Qatar was the main source of alpha generated in August. During the month, our main allocation move was to top up our exposure to some Qatari holdings which we believe have strong fundamentals in the medium to long term. As a result, our allocation to Qatar increased to 25%.

We are confident that the fund will continue to deliver steady and stable returns to our investors. It is well diversified in terms of countries and sectors and also has a decent blend of stocks from the small, medium and large cap segment of the markets. We have a positive stance on equities especially within the UAE and Qatar and hence our strategy would be to focus primarily on these two markets, while having stock picking investments in the other bourses.

## Investment Objective

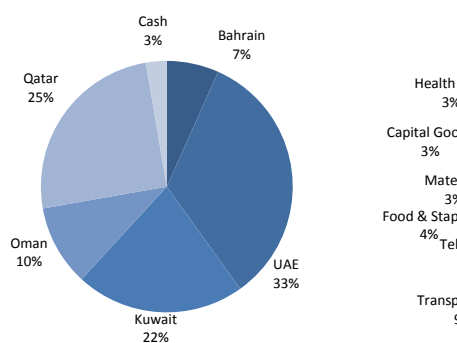
The Fund seeks to achieve long-term capital appreciation by investing principally in equity securities listed on the stock markets of the GCC countries excluding Saudi Arabia.

## Returns (%)

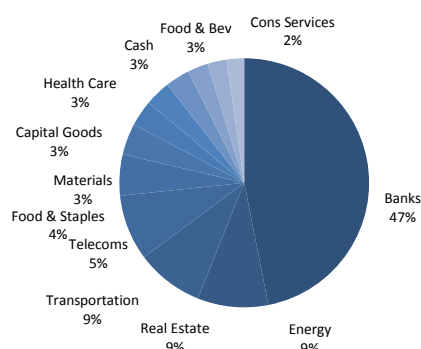
|                                   | Fund  | Index* |
|-----------------------------------|-------|--------|
| August 2014                       | 4.1   | 2.9    |
| 2014 (Jan-Aug)                    | 20.4  | 19.2   |
| 2013                              | 32.4  | 27.4   |
| 2012                              | 6.1   | 1.4    |
| 2011                              | -8.2  | -14.0  |
| 2010                              | 11.6  | 18.4   |
| 2009                              | 12.9  | -1.1   |
| 2008                              | -30.8 | -53.4  |
| 2007                              | 37.2  | 38.2   |
| Last 3 months                     | 1.9   | -2.9   |
| Last 6 months                     | 11.8  | 9.0    |
| Last 1 year                       | 26.2  | 31.1   |
| Last 3 years                      | 66.2  | 52.9   |
| Last 5 years                      | 55.1  | 38.0   |
| Last 7 years                      | 58.8  | -18.9  |
| Since Inception (Feb 06 – Aug 14) | 72.5  | -20.3  |

\* S&P GCC ex Saudi Index

## Country Allocation



## Sector Allocation



## Key Statistics

|  | Fund           | Index          |
|--|----------------|----------------|
| Price Earnings Multiple TTM (x)                  | 16.4           | 16.1           |
| Price to Book Multiple Latest (x)                | 3.4            | 2.0            |
| Return on Equity TTM (%)                         | 13.5           | 12.3           |
| Dividend Yield - 2012 (%)                        | 2.2            | 3.2            |
| Number of Holdings                               | 35             | 166            |
| Annualized Return – last 5 years (%)             | 9.2            | 6.7            |
| Annualized Standard Deviation – last 5 years (%) | 13.3           | 15.3           |
| Largest Monthly Gain (%)                         | 12.6 (Apr 09)  | 15.4 (May-09)  |
| Largest Monthly Loss (%)                         | -14.9 (Oct 08) | -24.4 (Oct-08) |
| % of Positive Months                             | 61             | 53             |
| Success Ratio (%)                                | 60             | NA             |
| Maximum Drawdown-Peak to Trough (%)              | -47.8          | -67.5          |
| Length of Drawdown (months)                      | 9              | 12             |
| Recovery from Maximum Drawdown (%)               | 117.1          | 103.8          |

## 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 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 | (%) |
|-------------------|---------|-----|
| Emaar Properties  | UAE     | 8.8 |
| Ahli United Bank  | Bahrain | 4.4 |
| Al Meera Consumer | Qatar   | 4.1 |

## Risk Statistics (last 5 years)

|                                   |      |
|-----------------------------------|------|
| Annualised Standard Deviation (%) | 13.3 |
| Sharpe Ratio                      | 0.5  |
| Tracking Error (%)                | 6.7  |
| Information Ratio                 | 0.4  |
| Beta                              | 0.8  |
| Alpha (%)                         | 3.3  |

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