

SICO Gulf Equity Fund

Fact Sheet - August 2017

NAV US\$ 110.72 ↑ 1.4%

Adjusted (for dividends) NAV US\$ 164.63

Manager's Commentary

The GCC markets reported a mix performance during August with Kuwait and Saudi Arabia posting healthy returns ahead of the expected review by FTSE regarding whether to include both markets into emerging market status. Qatar reversed its July gain and declined 6.4% as foreign selling intensified given no imminent political solution. Dubai was flat while Abu Dhabi retreated by 2.1%.

In such a scenario, the fund appreciated by 1.4% and benefited from its high allocation to Kuwaiti based large caps. Stocks such as Kuwait Finance House (+10%) and NBK (+6%) were the notable performers as investor caught onto the bandwagon with expectations of a positive FTSE outcome. The fund also benefited from its allocation to Zain Telecom which rallied 13% after announcing that it will sell 10% of the company to Omantel at a substantial premium. In addition, given our limited exposure to Qatar, the fund benefited on a relative basis. For the year, the fund is up 8.3% compared to the 4.6% rise in the benchmark.

Our strategy remains coherent by focusing on blue chip companies in Kuwait and the UAE. Within the UAE, we remain invested in the large caps given attractive valuations and healthy dividend yields. Emaar Properties continues to be our top holding as the highly anticipated IPO of its Dubai real estate arm should result in a healthy payout for Emaar shareholders. Large caps dominate our investments within Kuwait as we expect them to remain upbeat ahead of the FTSE announcement. Elsewhere, we are evaluating stocks from a bottom up perspective investing in solid franchises that we expect would outperform in the medium to long term.

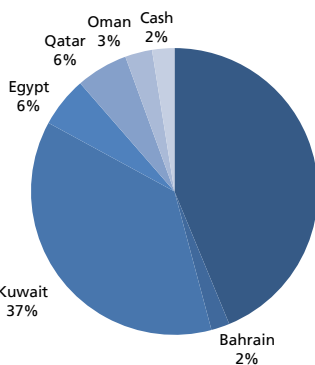
Investment Objective

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.

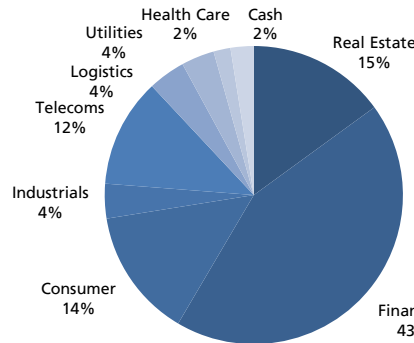
Returns (%)	Fund	Index*
Aug 2017	1.4	-0.7
YTD (Aug 2017)	8.3	4.6
2016	0.0	9.2
2015	1.8	-17.5
Last 3 Months	3.8	1.2
Last 6 Months	4.5	-0.4
Last 9 Months	13.9	10.1
Last 1 Year	6.0	7.1
Last 3 Years	-4.6	-14.0
Last 5 Years	58.3	44.5
Last 10 Years	51.5	-10.0
Since Inception (Mar 06– Aug 17)	64.6	-6.5

*S&P GCC ex Saudi Total Return Index

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.2	15.1
Price to Book Multiple Latest (x)	1.4	1.3
Return on Equity TTM (%)	12.5	9.4
Dividend Yield—2015 (%)	4.1	4.0
Number of Holdings	27	154
Annualized Return (%) - Last 5 years	9.6	7.6
Annualized Standard Deviation (%) - Last 5 years	13.1	15.6
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 (%)	59	51
Success Ratio (%) - Last 5 years	57	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-33.0
Duration of Drawdown (months)	(17mths) Aug 14 to Jan 16	(21mths) May 14 to Jan 16
Recovery from Latest Drawdown (%)	18.9 Feb 16 to Aug 17	26.2 Feb 16 to Aug 17

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	(%)
Emaar Properties	UAE	9.3
Kuwait Finance House	Kuwait	7.4
National Bank of Kuwait	Kuwait	7.0

Risk Statistics (last 5 years)

Standard Deviation (%)	13.1
Sharpe Ratio	0.5
Tracking Error (%)	6.0
Information Ratio	0.3
Alpha (%)	3.0
Beta	0.8

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بنك استثماري sico
Investment Bank

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