

## SICO Gulf Equity Fund

Fact Sheet - December 2012

NAVUS\$102.9 ↑0.7%

Adjusted (for dividends) NAVUS\$108.2

## Manager's Commentary

The GCC markets took a cue from the improvement in economic data from China and the US and rebounded during the month of December. Saudi Arabia (+4.1%), also aided by the expectation of another expansionary budget, led the recovery. Oman returned 4.1%, mainly on the back of investor interest in banking sector stocks. Dubai (+0.9%) and Bahrain (+1.6%) also generated positive returns. The Kuwaiti market (-1.5%) moved into negative territory as a new parliament was elected amidst the boycott of the elections by the opposition. Abu Dhabi (-1.6%) and Qatar (-0.5%) also finished the month in the red.

Your fund increased by 0.7% during the month, whereas the benchmark declined by 0.4%. The portfolio benefited from a lower allocation to the Kuwaiti market. In addition, superior stock selection in the UAE, namely First Gulf Bank (+11.5%) and Air Arabia (+16.0%) made a significant contribution to the outperformance. For the year the fund returned 6.1%, compared to a 1.4% increase in the benchmark. Amidst the market turbulence, the fund managed to significantly outperform the benchmark through our prudent investment strategy focused on bottom up stock picking. In addition, our positive stance on the UAE and the negative position on Kuwait helped us from an asset allocation point of view.

As we move into 2013, the issues which were associated with the global financial crisis still prevail, although the risks are much less pronounced. We remain cautiously optimistic as far as GCC markets are concerned. There are few bright spots in the ex-Saudi space such as Dubai, which is seeing an appreciable growth in business activity. Although the macro picture of some individual markets is not appealing, there are a number of undervalued stocks which demand investor attention.

## 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	S&P GCC Ex Saudi Index
December 2012	0.7	-0.4
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
2006 (Mar - Dec)	-7.2	-20.2
Last 3 months	2.3	1.1
Last 6 months	6.5	5.3
Last 1 year	6.1	1.4
Last 3 years	8.6	3.2
Last 5 years	-15.0	-52.4
Since Inception (Aug 06 - Dec 12)	8.2	-47.6

## Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
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

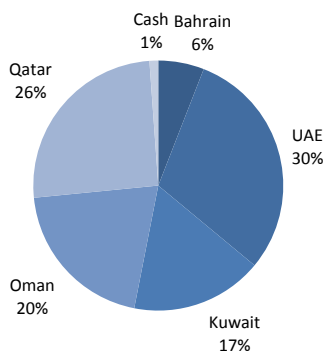
Name	Country	(%)
Industries Qatar	Qatar	7.5
Zain	Kuwait	6.7
Qatar National Bank	Qatar	6.5

## Risk Statistics

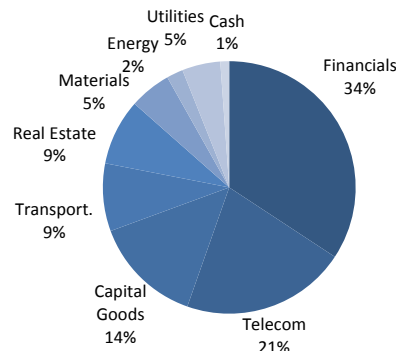
Annualised Standard Deviation (%)	17.7
Sharpe Ratio	NA
Tracking Error (%)	10.3
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.4

\* For further information contact [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.2	11.9
Price to Book Multiple Latest (x)	1.9	1.4
Return on Equity TTM (%)	17.2	11.9
Dividend Yield - 2011 (%)	5.0	4.3
Number of Holdings	26	125
Annualized Return (%)	1.2	-9.0
Annualized Standard Deviation (%)	17.7	21.9
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	56	46
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	36.1	34.2

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Investment Bank

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