

SICO Gulf Equity Fund

Fact Sheet - February 2015

NAVUS\$125.23 ↑ 6.2%

Adjusted (for dividends) NAVUS\$157.44

Manager's Commentary

The regional markets posted a strong performance in February as investor confidence improved on the back of a 18% rise in oil prices. Oman was the only exception, ending flat for the month. Qatar and the UAE bourses rebounded promisingly (+5% each) as investors built positions driven by the attractive valuations stocks were trading at and also investors positioning themselves ahead of the dividend season. Kuwait also participated in the rally increasing by 3.6% with a growing interest in selected large caps. The Saudi market extended its positive run and rose 5% following a 6.5% gain in January.

The value of the fund appreciated by 6.2% in February benefiting from the gains witnessed in its core holdings. Damac Properties was a notable positive contributor as investors took advantage of the prior decline in its share price that brought valuations to extremely attractive levels (price earnings multiple of 3x). Consequently, its share price rallied 65% in February. Similarly, in Qatar, one of our large holdings Medicare Group continued to attract investor interest as the company reported strong fourth quarter earnings where profits grew by 100% on a year on year basis.

During the month, we continued to increase our exposure to selected UAE based stocks which we believe are attractive in the medium to long term. As a result, our overall exposure to the UAE market crossed 40% as at the end of the month. We continue to have faith in our conviction calls across the GCC markets and believe that the fund is well positioned to deliver a strong return during the course of the year. Furthermore, we recently met the management of several regional companies that has helped us unearth some fresh investment ideas which we will be implementing in the coming weeks.

Investment Objective

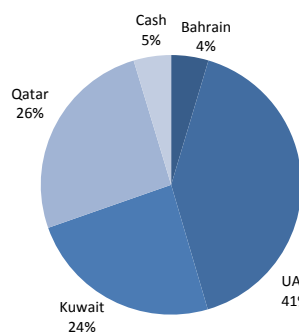
The Fund seeks to achieve long-term capital appreciation by investing principally in equity securities listed on the stock markets of the GCC countries excluding Saudi Arabia.

Returns (%)

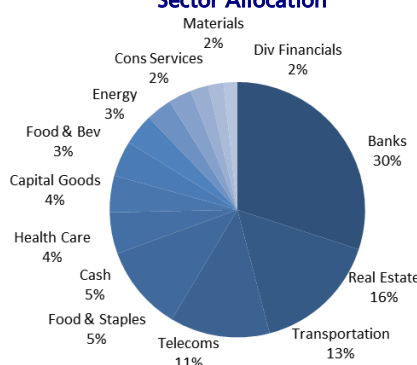
	Fund	Index*
February 2015	6.2	4.4
YTD 2015	5.4	2.0
2014	4.2	3.2
2013	32.4	27.4
2012	6.1	1.4
2011	-8.2	-14.0
2010	11.6	18.4
2009	12.9	-1.1
2008	-30.8	-53.4
Last 3 months	-3.1	-2.7
Last 6 months	-8.7	-11.7
Last 1 year	2.0	-3.7
Last 3 years	47.1	31.6
Last 5 years	56.3	33.1
Last 7 years	12.2	-41.5
Since Inception (Feb 06 – Feb 15)	57.4	-29.6

* S&P GCC ex Saudi Index

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	14.8	15.3
Price to Book Multiple Latest (x)	2.0	1.7
Return on Equity TTM (%)	13.7	12.1
Dividend Yield - 2014 (%)	3.7	3.4
Number of Holdings	31	133
Annualized Return – last 5 years (%)	9.0	5.9
Annualized Standard Deviation – last 5 years (%)	13.6	14.9
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	65	56
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	98.7	80.0

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	7.0
Al Meera Consumer	Qatar	5.2
Al Jazeera Airways	Kuwait	5.1

Risk Statistics (last 5 years)

Annualised Standard Deviation (%)	13.7
Sharpe Ratio	0.5
Tracking Error (%)	6.6
Information Ratio	0.5
Beta	0.8
Alpha (%)	4.0

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