

SICO Gulf Equity Fund

Fact Sheet - February 2014

NAVUS\$141.1 ↑ 3.5%

Adjusted (for dividends) NAVUS\$154.3

Manager's Commentary

The GCC market experienced a broad based rally in February as global markets (the US market in particular) regained the losses suffered during the previous months. Dubai, which increased by 12%, largely thanks to large cap stocks was once again the best performing market in the region. Abu Dhabi, which is partly benefiting from the positive vibes surrounding Dubai, appreciated by 6.1%. The Qatari market continued to enjoy foreign inflows and rose by 5.5%. Bahrain and Saudi Arabia appreciated by 6.1% and 4.0%, respectively, whereas Kuwait and Oman increased marginally.

Your fund posted a 3.5% return for the month and marginally underperformed the benchmark. This was a result of our underweight position in the UAE markets. Although we increased the UAE exposure during the month, average allocation was lower than that of the benchmark. The fund's large cap holdings in the UAE such as Emaar Properties (+14%), Arabtec (+13%), First Gulf Bank (+12%) and Abu Dhabi Islamic Bank (+18%) outperformed the broader market and enhanced the fund's returns. Other notable contributors included Industries Qatar, which presented a dividend surprise during the month and increased by 9%. On a year to date basis the fund's return is 7.7% compared to the benchmark's return of 9.4%. February 2014 marks the completion of an 8-year track record for the fund, wherein it has generated a positive return of 54.3% while the benchmark is down by 26.9%.

During February, we reduced our exposure to Qatari equities by booking profits in certain investments which are approaching their fair values. We expect markets to consolidate in the medium term, partly driven by uncertainties in the global front. In spite of the GCC markets having a strong run up year to date, we feel that there is still value to be unearthed in selected stocks. In particular we would continue to focus on companies that experience above average earnings growth.

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*
Feb 2014	3.5	4.0
2014 (Jan-Feb)	7.7	9.4
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	10.8	14.5
Last 6 months	12.9	20.3
Last 1 year	32.4	31.2
Last 3 years	48.0	31.4
Last 5 years	94.7	87.0
Last 7 years	61.8	-8.2
Since Inception (Feb 06 – Feb 14)	54.3	-26.9

* S&P GCC ex Saudi 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 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

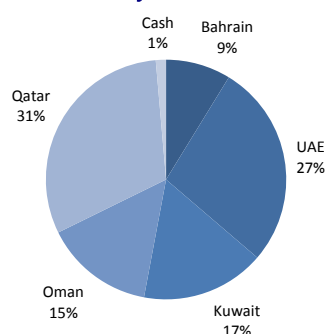
Name	Country	(%)
Ahli United Bank	Bahrain	4.5
Industries Qatar	Qatar	4.5
Emaar Properties	UAE	4.5

Risk Statistics (last 5 years)

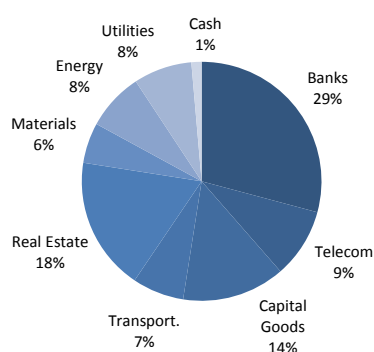
Annualised Standard Deviation (%)	14.3
Sharpe Ratio	0.79
Tracking Error (%)	7.1
Information Ratio	0.1
Beta	0.8
Alpha (%)	2.6

* Sharpe ratio is based on last 3 years' data
For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	14.8	14.9
Price to Book Multiple Latest (x)	2.1	1.8
Return on Equity TTM (%)	15.3	12.0
Dividend Yield - 2012 (%)	3.8	3.4
Number of Holdings	33	125
Annualized Return – last 5 years (%)	14.3	13.3
Annualized Standard Deviation – last 5 years (%)	14.3	15.1
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	60	51
Success Ratio (%)	61	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	90.7	87.0

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

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