

# SICO Gulf Equity Fund

Fact Sheet - January 2012

NAV US\$102.31 ↑0.3%

## Manager's Commentary

In January, the global equity markets extended the gains recorded in December on the back of positive news flow from Europe. Broader GCC markets mirrored this optimism but their performance was mixed. The gains were led by the Dubai market (+6.1% for the month), which rallied after the index touched its 8 year low. Buying interest increased after Abu Dhabi announced a revival of projects which were on hold and announcement of Dubai entities' intention to repay loans falling due in the near term. These developments also helped the Abu Dhabi market, which increased by 2.2%. Saudi Arabia, the largest market was up 3.2%. Qatar, the best performing GCC market in 2011, ended the month down by 2.4%. Oman fell by 2.3%, while Kuwait was marginally down (-0.1%).

The NAV of SICO Gulf Equity Fund appreciated by 0.3% for the month, versus a 0.8% decline in the benchmark. A combination of superior asset allocation and stock selection decisions resulted in the outperformance. The portfolio continues to have a significant underweight position in Kuwait which was the key contributor to the benchmark's decline. In fact the portfolio's Kuwaiti holdings had a positive contribution during the month. Our holdings in the UAE generated higher returns compared to that of the benchmark despite having a market-weight allocation. These benefits far outweighed the marginally negative impact of our overweight position in Qatar.

The markets in the GCC ex-Saudi block would be driven in the near term by earnings/dividend surprises. We expect the recent rally markets such as Dubai to be especially tested. We intend to capitalize on the appreciation of our holdings and rebalance the portfolio based on recent management meetings that we've had and reassessment of valuations.

## 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
Jan 2012	0.3	-0.8
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	-0.5	-2.8
Last 6 months	-3.3	-4.1
Last 1 year	-7.5	-13.8
Last 3 years	24.8	20.7
Last 5 years	9.5	-34.2
Since Inception (Mar 06 - Jan 12)	2.3	-48.7

## 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	SICOGF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Bahrain

## Top Holdings

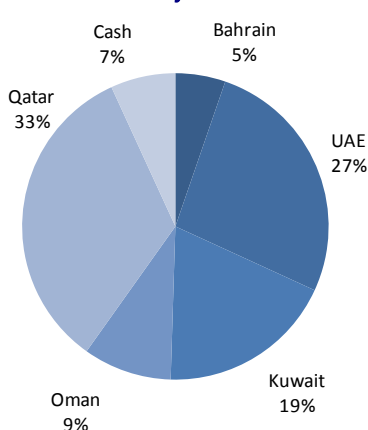
Name	Country	(%)
Industries Qatar	Qatar	6.0
Bank Muscat	Oman	5.4
National Bank of Kuwait	Kuwait	5.3

## Risk Statistics

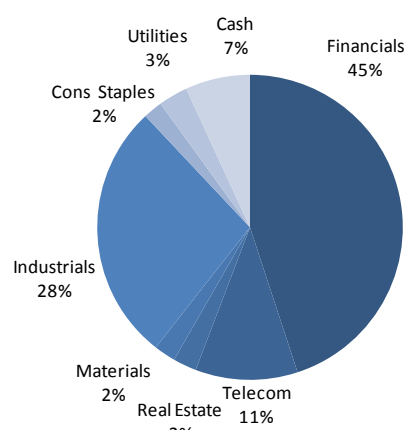
Annualised Standard Deviation (%)	18.8
Sharpe Ratio	NA
Tracking Error (%)	10.8
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.8

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

## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.8	11.5
Price to Book Multiple Latest (x)	1.7	1.4
Return on Equity TTM (%)	15.3	11.8
Dividend Yield - 2011 (%)	5.2	5.0
Number of Holdings	26	141
Annualized Return (%)	0.4	-10.7
Annualized Standard Deviation (%)	18.8	23.7
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	54	45
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	29.1	31.3

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