

SICO Gulf Equity Fund

Fact Sheet - January 2013

NAVUS\$109.6 ↑6.5%

Adjusted (for dividends) NAVUS\$115.3

Manager's Commentary

The GCC markets started the year on a positive note, with all bourses posting gains in January. Improvement in global macro-economic outlook has led to an increase in investor risk appetite over the past two months. It is pertinent to note that crude oil prices, on which the region's prospects largely depend on, increased by 5% during the month. Dubai was the best performing market and increased by 16.3%, followed by Abu Dhabi, which appreciated by 9.5%. The UAE markets have been boosted by a string of positive news related to the real estate sector. Qatar, Saudi and Kuwait also posted healthy gains, increasing in the range of 3-5%. Oman and Bahrain also ended the month in positive territory.

Real estate stocks led the gains in the UAE, with Sorouh Real Estate (+41%) topping the list. During the month, Aldar and Sorouh announced the terms of the merger (to be completed in mid-2013) which favoured the shareholders of the latter. However, (given the index weightings) Emaar Properties, which increased by 30%, had the biggest impact on the overall market returns. Amongst Qatari listed equities, Industries Qatar appreciated on the back of the increase in oil prices, while Doha Bank and Commercial Bank of Qatar increased after they announced higher than expected dividends.

The fund's NAV increased by 6.5% for the month. The portfolio benefited from a higher allocation to the UAE market, which was the best performer for the month. In addition, our strategy to stay invested in fundamentally solid companies has started to pay-off. During this month, the fund's performance was lifted by superior stock selection across all markets. In the past three years, the fund has generated a return of 19.8%, and has outperformed the benchmark by a comfortable margin. We expect the current momentum to wane in the short term and the markets to consolidate at current levels. However, the increased investor optimism bodes well for the regional and global equity markets 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*
January 2013	6.5	5.8
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 (Feb - Dec)	-7.2	-20.2
Last 3 months	8.6	7.2
Last 6 months	12.5	11.9
Last 1 year	12.7	8.2
Last 3 years	19.8	14.0
Last 5 years	-12.2	-51.6
Since Inception (Feb 06 - Jan 13)	15.3	-44.5

* S&P GCC ex Saudi Index

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

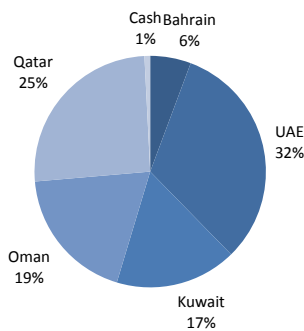
Name	Country	(%)
Industries Qatar	Qatar	7.7
Zain	Kuwait	7.0
Bank Muscat	Oman	6.4

Risk Statistics

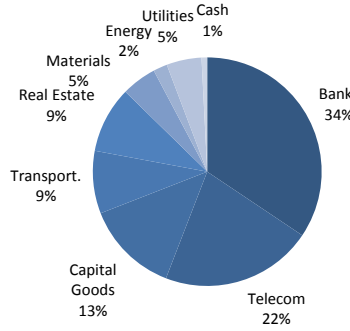
Annualised Standard Deviation (%)	17.7
Sharpe Ratio*	0.26
Tracking Error (%)	10.3
Information Ratio	1.0
Beta	0.7
Alpha (%)	7.1

* 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)	11.1	12.6
Price to Book Multiple Latest (x)	1.9	1.4
Return on Equity TTM (%)	17.0	11.9
Dividend Yield - 2011 (%)	5.0	4.0
Number of Holdings	26	125
Annualized Return (%)	2.1	-8.2
Annualized Standard Deviation (%)	17.7	22.0
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	57	47
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	44.6	42.0

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بنك استثماري sico
Investment Bank

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