

SICO Gulf Equity Fund

Fact Sheet - January 2015

NAVUS\$117.89 ↓ 0.7%

Adjusted (for dividends) NAVUS\$148.21

Manager's Commentary

With the exception of Saudi Arabia, most of the other regional markets started the year on a cautious note. The Saudi market sharply rose on the back of a smooth political transition and reaffirmations of the opening up of the market to foreigners. Furthermore, oil prices also started to stabilize that helped investor sentiment. The UAE and Qatari bourses declined in the range of 2-3% as foreign outflows pressured the overall market. Moreover, in the case of Qatar, lower than expected earnings and dividend announcements by the large caps also added to the woes. Abu Dhabi declined marginally while Bahrain and Kuwait were flat.

The value of the fund declined marginally in January as a result of the modest declines in most stocks. However, we were able to limit the downside given the defensive orientation of the fund and positive contributions from some of our high conviction ideas. For example, one of our largest UAE based holdings, Air Arabia appreciated by 11% on the back of improving fundamentals. Similarly, in Kuwait, our largest holding, VIVA Kuwait was also up 7% as investors continued to build positions due to its attractive valuations.

Whilst the markets are expected to remain rangebound, we expect stock specific activity to continue. The ongoing dividend season and consolidation of oil prices should bring additional momentum especially in case of the UAE and Qatar. Furthermore, the strong performance in Saudi Arabia should also have a trickle-down effect on the rest of the region. Hence, we continue to position the fund in our high conviction calls focusing on solid business with high earnings visibility.

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 2015	-0.7	-2.3
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
2007	37.2	38.2
Last 3 months	-11.4	-11.2
Last 6 months	-10.6	-13.0
Last 1 year	-0.6	-4.1
Last 3 years	44.9	31.4
Last 5 years	54.1	38.5
Last 7 years	12.8	-41.3
Since Inception (Feb 06 – Jan 15)	48.2	-32.6

* 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

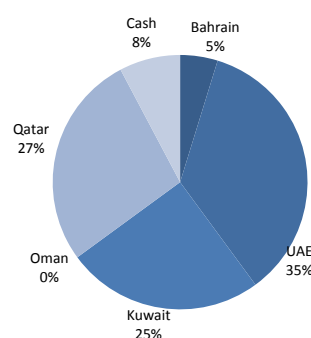
Name	Country	(%)
VIVA Kuwait	Kuwait	5.2
Al Jazeera Airways	Kuwait	5.2
Al Meera Consumer	Qatar	5.1

Risk Statistics (last 5 years)

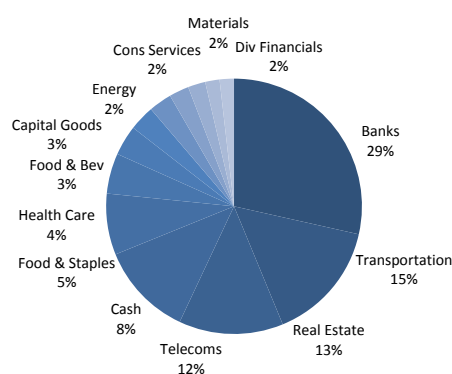
Annualised Standard Deviation (%)	13.6
Sharpe Ratio	0.5
Tracking Error (%)	6.6
Information Ratio	0.4
Beta	0.8
Alpha (%)	3.1

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	14.3	13.3
Price to Book Multiple Latest (x)	1.9	1.7
Return on Equity TTM (%)	13.0	12.6
Dividend Yield - 2013 (%)	4.6	3.6
Number of Holdings	33	133
Annualized Return – last 5 years (%)	9.0	6.7
Annualized Standard Deviation – last 5 years (%)	13.6	15.0
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	60	55
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	87.0	72.4

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