

SICO Gulf Equity Fund

Fact Sheet - July 2013

NAVUS\$130.1 ↑ 4.7%

Adjusted (for dividends) NAVUS\$136.8

Manager's Commentary

The GCC markets rebounded strongly during the month of July, after a lacklustre performance in the previous month. The investor optimism appears to have returned to the fore especially with the gains in developed markets and the oil prices. With all seven bourses advancing, the UAE markets were the best performers for the month. As a result of the increase in local investor activity levels and healthy corporate profits for 2Q13, Dubai and Abu Dhabi appreciated by 16.5% and 8.3% respectively. Saudi Arabia, Qatar, Oman and Kuwait increased by 3-6%, while the Bahraini market was marginally up for the month.

During the month, the fund's NAV increased by 4.7%, compared to a 5.6% rise in the benchmark. Contribution to the return of the fund mainly came from the UAE, Kuwait and Qatar. In the UAE, Air Arabia (+30%) and Emaar Properties (+15%) drove the portfolio's performance, while stocks such as Ooredoo (formerly Qatar Telecom) also played a part. During the month, we had a lower allocation to the UAE markets versus the benchmark and hence we didn't benefit as much from the rally. Dubai and Abu Dhabi have appreciated by 60% and 46% respectively on the year to date basis. We believe that most UAE stocks have reached their fair values and pockets of bubbles are developing. Profit booking in the UAE, has taken the fund's cash allocation to over 10%, which impacted its performance. However, it is pertinent to note that the fund has appreciated by 26.4%, compared to an 18.4% increase by in the benchmark on year to date basis.

This year, GCC markets have dominated the list of best performing markets and during the summer period they surprised us in terms of the market activity levels and returns. We think that there could be some consolidation in the short term as investors reposition themselves following the strong market performance. In such a scenario, we intend to implement fresh investment ideas as well as look for opportunities to top up existing holdings.

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*
July 2013	4.7	5.6
YTD 2013 (Jan - Jul)	26.4	18.4
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
2006 (Feb - Dec)	-7.2	-20.2
Last 3 months	7.4	7.1
Last 6 months	18.7	11.6
Last 1 year	33.5	25.2
Last 3 years	43.6	22.1
Last 5 years	-8.5	-45.0
Since Inception (Feb 06 - Jul 13)	36.8	-37.9

* 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

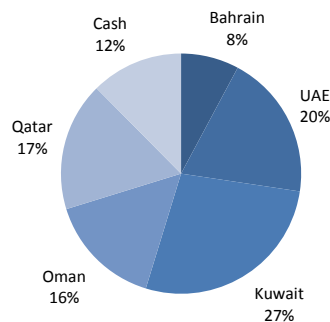
Name	Country	(%)
Qatar Electricity & Water	Qatar	5.6
Zain	Kuwait	5.6
Omantel	Oman	5.2

Risk Statistics

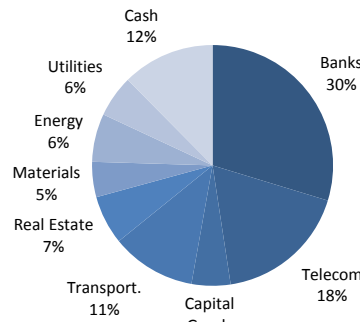
Annualised Standard Deviation (%)	17.5
Sharpe Ratio*	0.91
Tracking Error (%)	10.0
Information Ratio	1.1
Beta	0.7
Alpha (%)	8.0

* 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)	12.2	13.7
Price to Book Multiple Latest (x)	1.9	1.6
Return on Equity TTM (%)	15.7	11.7
Dividend Yield - 2012 (%)	4.0	3.7
Number of Holdings	27	125
Annualized Return (%)	4.3	-6.2
Annualized Standard Deviation (%)	17.5	21.5
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	58	48
Success Ratio (%)	65	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	70.4	58.9

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بنك استثماري sico
Investment Bank

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