

# SICO Gulf Equity Fund

Fact Sheet - July 2017

NAV US\$ 109.23 ↑ 3.3%

Adjusted (for dividends) NAV US\$162.41

## Manager's Commentary

Most regional markets fared well during July and posted positive returns. Saudi Arabia was the exception that witnessed profit taking after a very strong month of June. The overall GCC ex Saudi index increased by 5%, contributed by the 7% rise in Dubai and 4% appreciation in Qatar. Within Dubai, the real estate names were in the limelight with Emaar (+5%) and Damac (+25%) seeing significant interest. The Qatari market witnessed some recovery following the sharp declines seen in June with support evident in the large caps. The Kuwaiti market also saw renewed interest post decent earnings announcements by the banks.

In such an environment, the fund appreciated by 3.3% and lagged the benchmark. This was primarily due to our low exposure to Qatar and hence could not fully participate in the recovery. In addition, we did not have exposure to Damac as we prefer Emaar given its much more resilient business model and upcoming catalyst of a special dividend. On a year to date basis, the fund's return is close to 7% which we strive to build during the course of the year.

Despite the recovery in Qatar, we remain cautious given no meaningful progress on resolving the current political issue. We would rather focus on other markets such as Kuwait and the UAE where the outlook is much clearer. Kuwait's macro economic situation remains strong and earnings of listed companies have been stable. Within UAE, our focus is on the large caps and blue chip companies which are trading a relatively cheap valuations and high dividend yields.

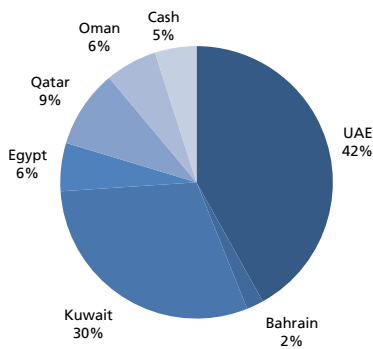
## Investment Objective

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.

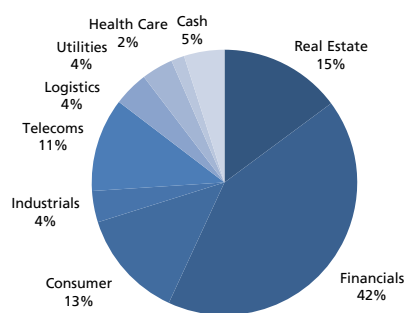
Returns (%)	Fund	Index*
July 2017	3.3	5.0
YTD (July 2017)	6.8	5.3
2016	0.0	9.2
2015	1.8	-17.5
Last 3 Months	1.8	1.2
Last 6 Months	5.3	0.6
Last 9 Months	10.7	10.8
Last 1 Year	2.5	9.0
Last 3 Years	-2.0	-12.1
Last 5 Years	58.5	47.2
Last 10 Years	47.2	-9.1
Since Inception (Mar 06– Jul 17)	62.4	-5.9

\*S&P GCC ex Saudi Total Return Index

## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.5	14.1
Price to Book Multiple Latest (x)	1.3	1.3
Return on Equity TTM (%)	13.0	10.6
Dividend Yield—2015 (%)	4.1	4.0
Number of Holdings	27	154
Annualized Return (%) - Last 5 years	9.6	8.1
Annualized Standard Deviation (%) - Last 5 years	13.0	15.5
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.6 (Jun 14)
% Positive Months (%)	58	52
Success Ratio (%) - Last 5 years	57	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-33.0
Duration of Drawdown (months)	(17mths) Aug 14 to Jan 16	(21mths) May 14 to Jan 16
Recovery from Latest Drawdown (%)	17.3 Feb 16 to Jul 17	27.7 Feb 16 to Jul 17

## 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 the 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	(%)
Emaar Properties	UAE	9.2
National Bank of Kuwait	Kuwait	6.7
Kuwait Finance House	Kuwait	6.8

## Risk Statistics (last 5 years)

Standard Deviation (%)	13.0
Sharpe Ratio	0.5
Tracking Error (%)	6.0
Information Ratio	0.3
Alpha (%)	2.6
Beta	0.8

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بنك استثماري sico  
Investment Bank

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