

SICO Gulf Equity Fund

Fact Sheet - June 2013

NAVUS\$124.2 | 2.5%

Adjusted (for dividends) NAVUS\$130.6

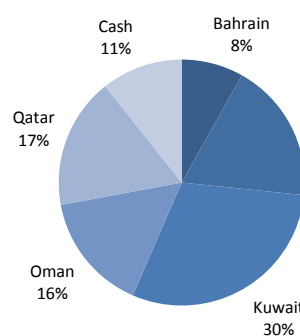
Manager's Commentary

Regional bourses retreated during the month of June in response to the negative developments in the global front. The Fed chairman indicated that the phasing out of the bond buying program by 2014 is under consideration, sending jitters across the markets. Emerging markets in particular were affected as unfavourable economic data from China added to the woes. Dubai (-6.1%) and Kuwaiti (-6.1%) markets declined the most, whereas Oman, Bahrain and Abu Dhabi fell by 0-1%. On the other hand, Saudi Arabia (+1.2%) and Qatar (+0.4%) managed to stay in positive territory.

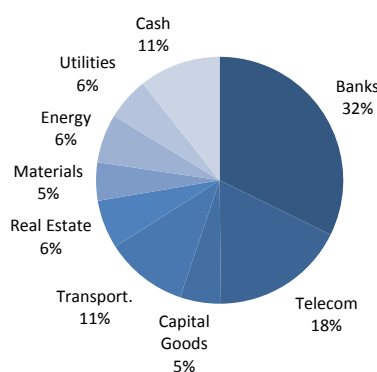
The fund's NAV declined by 2.5% in June whereas the benchmark fell by 3.5%. During the month, the funds' cash allocation was maintained at 11-12% as we preferred not to deploy the cash generated in May. While this helped us to outperform the benchmark, our stock selection in the UAE and the Qatari markets played its part as well. One of the key highlights of the month was MSCI elevating the UAE and Qatar to the emerging market status. These two countries will be included in the MSCI Emerging Markets Index in May 2014. In spite of this development, both markets lost value during the second half of the month. During 1H2013, the fund has appreciated by 20.7%, compared to a 12.1% increase by in the benchmark. A combination of asset allocation (especially in the UAE) and stock selection enabled your fund to generate such healthy returns.

The second quarter earnings, which should be released during the next 3-4 weeks, will be crucial in driving the short term market movement. In addition, we expect the current consolidation phase to continue during Ramadan and summer. We intend to use this as an opportunity to deploy the liquidity generated in the previous months into fresh investment ideas.

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.6	13.1
Price to Book Multiple Latest (x)	1.8	1.6
Return on Equity TTM (%)	15.3	12.1
Dividend Yield - 2012 (%)	4.1	4.0
Number of Holdings	27	125
Annualized Return (%)	3.7	-7.0
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 (%)	66	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	63.0	50.4

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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*
June 2013	-2.5	-3.5
YTD 2013 (Jan - Jun)	20.7	12.1
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	9.8	6.1
Last 6 months	20.7	12.1
Last 1 year	28.5	18.1
Last 3 years	40.3	22.6
Last 5 years	-13.5	-49.1
Since Inception (Feb 06 - Jun 13)	30.6	-41.2

* 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	5.5
Omantel	Oman	5.2

Risk Statistics

Annualised Standard Deviation (%)	17.5
Sharpe Ratio*	0.84
Tracking Error (%)	10.0
Information Ratio	1.1
Beta	0.7
Alpha (%)	7.9

* Sharpe ratio is based on last 3 years' data
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