

# SICO Gulf Equity Fund

Fact Sheet - March 2012

NAV US\$108.4 ↑1.3%

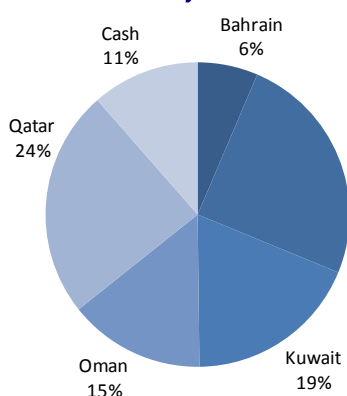
## Manager's Commentary

During a month in which global equity markets' performance was mixed, the GCC markets' positive momentum was maintained by the rally in the Saudi bourse. The Saudi market's gain of 7.7% extended its year-to-date return to 22.1%, making 1Q2012 the best quarter since 4Q2007 for the Kingdom. While the Kuwaiti market ended the month in positive territory (+2.6%), Qatar increased marginally (+0.5%). The rest of the GCC markets gave back part of the gains recorded in February. Notably, Dubai declined 4.7% but the bourse is still up 21.8% for the year. Abu Dhabi and Oman fell by 2.2% and 2.5% during the month.

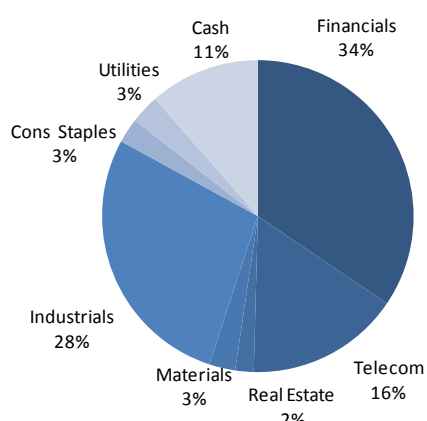
Large Caps in Kuwait, such as NBK and Zain mainly contributed to the performance of the S&P GCC ex-Saudi index. However, in terms of individual performances, Mabaneer (+15.6%), which reported strong 4Q results and Commercial Bank of Kuwait (+11.3%) stood out. Declines were witnessed across the board in the UAE, led by Arabtec, which fell 19%. Tabreed, the best performing stock in January and February, exhibited extreme volatility and ended the month only marginally up, after increasing by over 40% in a few days at the beginning of the month.

The NAV of SICO Gulf Equity Fund appreciated by 1.3% for the month, versus a 0.4% increase in the benchmark. In spite of having a significant underweight position in Kuwait (43% in the benchmark vs 19% in the portfolio), we managed to generate a similar amount of returns from that market. This is largely due to our superior stock selection, which purely focuses on high quality names. Year to date, the fund is up 6.3%, compared to a 3.8% increase in the benchmark. The fund's cash allocation of 11% is a reflection of the re-allocation process that the portfolio is undergoing, whereby we are shifting from stocks which have significantly appreciated to undervalued stocks which have lagged the rally so far.

### Country Allocation



### Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	12.2	12.0
Price to Book Multiple Latest (x)	1.7	1.4
Return on Equity TTM (%)	15.6	12.0
Dividend Yield - 2011 (%)	4.5	3.6
Number of Holdings	27	125
Annualized Return (%)	1.3	-9.7
Annualized Standard Deviation (%)	18.6	23.5
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	55	47
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	36.8	37.3

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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	S&P GCC Ex Saudi Index
Mar 2012	1.3	0.4
YTD 2012 (Jan-Mar)	6.3	3.8
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 (Mar - Dec)	-7.2	-20.2
Last 3 months	6.3	3.8
Last 6 months	8.3	4.1
Last 1 year	0.1	-3.9
Last 3 years	28.2	27.4
Last 5 years	12.4	-32.4
Since Inception (Mar 06 - Mar 12)	8.4	-46.4

## 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	(%)
Bank Muscat	Oman	5.2
Zain	Kuwait	5.1
Industries Qatar	Qatar	5.0

## Risk Statistics

Annualised Standard Deviation (%)	18.6
Sharpe Ratio	NA
Tracking Error (%)	10.7
Information Ratio	1.0
Beta	0.7
Alpha (%)	7.1

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