

# SICO Gulf Equity Fund

Fact Sheet - March 2014

NAVUS\$144.5 ↑ 2.4%

Adjusted (for dividends) NAVUS\$157.9

## Manager's Commentary

The GCC markets exhibited a mixed performance during the month of March. Positive news flows surrounding the real estate/construction sector drove the Dubai market up by 5.5%. While the Saudi bourse increased by 4.0%, the Kuwaiti market was up by 3.9%, thanks to appreciation in large cap stocks. Oman, which fell by 3.6% was the worst performer for the month, whereas, Qatar, Abu Dhabi and Bahrain declined in the range of 1.0-1.5%. During the first quarter, GCC markets as a whole increased by 10%, significantly outperforming the developed and emerging markets.

The fund's return for the month was 2.4% compared to a 1.5% return for the benchmark. Key contributions to the performance came from Arabtec, which increased by 24% thanks to an announcement of signing a US\$40bn low income housing project in Egypt, and Emaar (+9%). Emaar announced that it is planning to conduct an IPO of its retail unit Emaar Malls Group. Although we have a lower exposure to the UAE compared to the benchmark, UAE's contribution to the portfolio was higher due to the superior stock selection. On the other hand, the underweight position in the Kuwaiti market was a drag on the overall performance. While the benchmark increased by 11.1% in the first quarter, the fund's NAV appreciated by 10.2%.

The GCC markets have started the year on a strong note and the momentum remains intact. However, we feel that investors have become too optimistic regarding the earnings growth potential, especially in real estate and consumer sectors. Therefore, we believe that current market levels will be tested during the first quarter earnings season. We remain focused on having undervalued stocks in the portfolio and investing based on GARP (Growth At a Reasonable Price). In March, we met the management teams of approximately 60 companies in the region which will help us to finalize several new investment ideas that will be implemented shortly.

## 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*
Mar 2014	2.4	1.5
2014 (Jan-Mar)	10.2	11.1
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	10.2	11.1
Last 6 months	14.6	18.2
Last 1 year	32.8	33.9
Last 3 years	45.8	32.8
Last 5 years	86.7	76.1
Last 7 years	63.7	-6.6
Since Inception (Feb 06 – Mar 14)	57.9	-25.8

\* 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

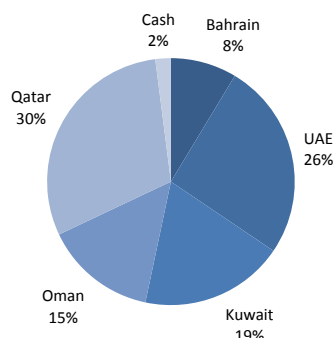
Name	Country	(%)
Emaar Properties	UAE	4.8
Bank Muscat	Oman	4.6
Ahli United Bank	Bahrain	4.5

## Risk Statistics (last 5 years)

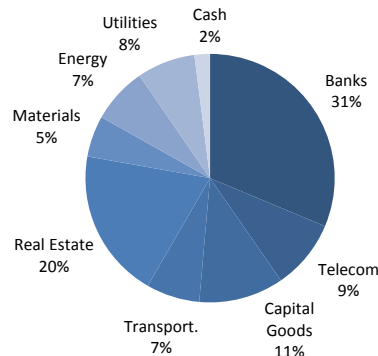
Annualised Standard Deviation (%)	14.0
Sharpe Ratio	0.73
Tracking Error (%)	7.1
Information Ratio	0.2
Beta	0.8
Alpha (%)	2.8

\* Sharpe ratio is based on last 3 years' data  
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## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	15.2	16.1
Price to Book Multiple Latest (x)	1.9	1.9
Return on Equity TTM (%)	13.3	11.7
Dividend Yield - 2012 (%)	3.3	3.4
Number of Holdings	37	125
Annualized Return – last 5 years (%)	13.3	12.0
Annualized Standard Deviation – last 5 years (%)	14.0	14.8
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	61	52
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	94.9	89.8

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