

Manager's Commentary

Most regional bourses posted negative returns in March as trading activity remained on the lower side. The official Dubai declined by 4%, while Abu Dhabi fell 2.4%. Both exchanges witnessed some foreign outflows that impacted the large caps. Qatar, despite seeing large passive flows also declined by close to 1.3%, while profit taking was experienced in Kuwait. Bahrain and Saudi were the only two bourses that increased in March.

The value of the fund remained unchanged during March compared to a 0.8% decline in the corresponding benchmark. The fund benefited from our exposure to Aluminum Bahrain that rose a stellar 50% led by strength in Aluminum prices and strong inflows. The stock was trading at extremely attractive multiples at 7x forward earnings and underperformed global peers in 2016.

During March, we significantly reduced our exposure in Qatar given that the influx of FTSE passive flows is behind us and we expect the market to languish over the coming period as it lacks any positive catalyst. We deployed this money in Kuwait focusing on the large caps as we expect key triggers over the next few months in terms of market reforms and Frontier / Emerging Market related developments. Within UAE, we increased our exposure to some fresh investment ideas after a series of management meetings targeting companies with a resilient business model and solid growth prospects.

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 2017	0.1	-0.8
YTD (Mar 2017)	3.7	4.2
2016	0.0	9.2
2015	1.8	-17.5
Last 3 Months	3.7	4.2
Last 6 Months	3.2	7.3
Last 9 Months	4.0	11.9
Last 1 Year	2.8	10.2
Last 3 Years	-0.2	-8.6
Last 5 Years	45.4	36.8
Last 10 Years	63.4	11.9
Since Inception (Mar 06– Mar 17)	57.6	-6.9

*S&P GCC ex Saudi Total Return 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 the dealing day
Minimum Subscription	US\$ 100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian / Administrator	HSBC Bahrain

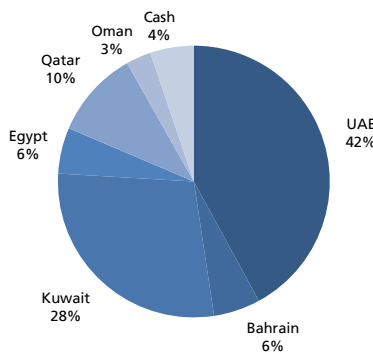
Top Holdings

Name	Country	(%)
Emaar Properties	UAE	6.7
National Bank of Kuwait	Kuwait	6.1
Mobile Telecommunication	Kuwait	6.1

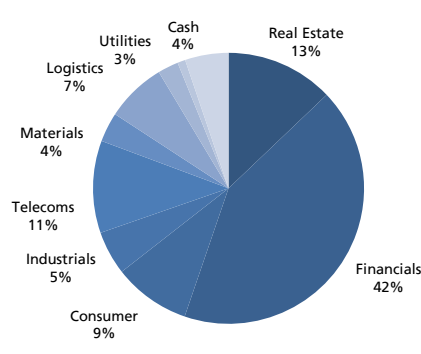
Risk Statistics (last 5 years)

Standard Deviation (%)	13.3
Sharpe Ratio	0.4
Tracking Error (%)	5.8
Information Ratio	0.2
Alpha (%)	2.0
Beta	0.8

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.8	14.4
Price to Book Multiple Latest (x)	1.3	1.3
Return on Equity TTM (%)	14.3	12.7
Dividend Yield—2015 (%)	4.0	4.3
Number of Holdings	34	154
Annualized Return (%) - Last 5 years	7.8	6.5
Annualized Standard Deviation (%) - Last 5 years	13.3	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 (%)	57	52
Success Ratio (%) - Last 5 years	56	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 (%)	13.8 Feb 16 to Mar 17	25.7 Feb 16 to Mar 17

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بنك استثماري sico
Investment Bank

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