

SICO Gulf Equity Fund

Fact Sheet - May 2013

NAVUS\$127.3 ↑ 5.1%

Adjusted (for dividends) NAVUS\$133.9

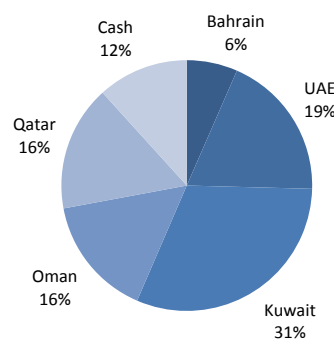
Manager's Commentary

During the month of May, global markets' performance was mixed. While the US and other developed markets extended their gains, emerging markets lost 4% of their value as China slow down worries affected commodity prices. The GCC markets outperformed major global bourses, with all of them ending the month in the black. The Dubai market was once again the best performer (+10.8%), followed by Abu Dhabi (+8.8%) and Qatar (+6.5%). Oman, Kuwait and Saudi Arabia increased in the range of 2-4%.

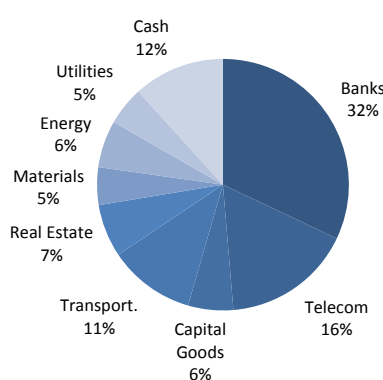
The fund's NAV increased by 5.1% during the month. During the month, we booked profit in the UAE equities taking advantage of the share price rally, which resulted in the fund's cash allocation increasing from 5% to 12%. In spite of having a relatively high cash allocation, the fund's performance was in line with the benchmark. We benefited from stock selection in the UAE and Kuwaiti markets. The biggest contributors to the fund included Kuwait Projects, Air Arabia and Etisalat which increased by 28%, 13% and 11% respectively. Year to date, the fund has appreciated by 23.8%, whereas the benchmark has increased by only 16.2%.

Between 2009 and 2012, the GCC markets substantially underperformed the emerging markets. During this period, the emerging markets increased by 86%, while the GCC markets appreciated by only 22%. Year to date, GCC markets have increased by 11% whereas the emerging markets have fallen by 4% - a trend that we believe can continue for some time. We expect healthy returns from the GCC in the medium to long term driven primarily by expectation of higher interest rate environment, which should benefit the regional financials. In the short run there could be a consolidation in the markets as we approach the summer and Ramadan, during which period the regional investor activity is low.

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	12.0	13.3
Price to Book Multiple Latest (x)	1.8	1.6
Return on Equity TTM (%)	14.9	12.1
Dividend Yield - 2012 (%)	4.0	3.9
Number of Holdings	28	125
Annualized Return (%)	4.1	-6.6
Annualized Standard Deviation (%)	17.6	21.6
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	59	48
Success Ratio (%)	66	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	67.0	55.8

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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*
May 2013	5.1	5.1
YTD 2013 (Jan - May)	23.8	16.2
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	14.9	9.4
Last 6 months	24.6	15.7
Last 1 year	29.6	20.8
Last 3 years	39.6	22.7
Last 5 years	-11.9	-47.6
Since Inception (Feb 06 - May 13)	33.9	-39.1

* 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	(%)
Zain	Kuwait	5.9
Kuwait Investment Projects Co.	Kuwait	5.4
Omantel	Oman	5.1

Risk Statistics

Annualised Standard Deviation (%)	17.6
Sharpe Ratio*	0.71
Tracking Error (%)	10.1
Information Ratio	1.1
Beta	0.7
Alpha (%)	8.1

* Sharpe ratio is based on last 3 years' data
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