

SICO Gulf Equity Fund

Fact Sheet - November 2013

NAVUS\$127.4 ↑ 0.3%

Adjusted (for dividends) NAVUS\$139.2

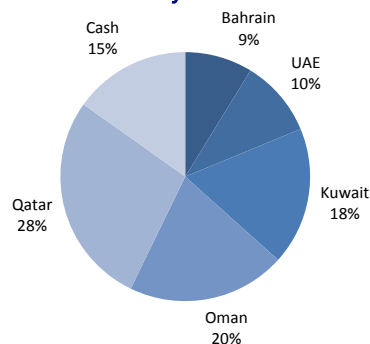
Manager's Commentary

The month of November was relatively uneventful. Positive economic data, especially relating to unemployment, pushed the US markets higher. On the other hand emerging markets trended down and continue to underperform developed and GCC markets year-to-date. All GCC bourses, except Kuwait (-1.8%) appreciated with Qatar leading the way (+5.5%), followed by the Saudi market (+3.5%). The other markets posted marginal gains of less than 1%. During the month, positive developments such as the nuclear accord with Iran and Dubai Expo 2020 win helped the regional markets.

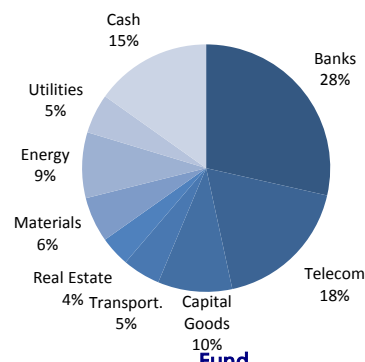
In the Qatari market the share price appreciation was broad based, with local institutional investors mainly being the net buyers. The index crossed the 10k level during the month and recorded a new 5-year high as investors turned their attention on year end dividends. A sharp increase in share price was seen in selected stocks in the absence of any positive news or improvement in fundamentals. The performance of the fund was in line with the S&P GCC ex Saudi Index, which increased by 0.3%. The profile of the contribution to the fund performance also was largely similar to that of the benchmark – in both cases gains in Qatari securities was partially off-set by the losses in Kuwait. Year-to-date, the fund is up by 28.7% compared to a 21.8% rise in the benchmark.

The regional markets' PE multiple, which was 12 times at the beginning of the year has expanded to over 15 times, having generated strong returns in 2013. In the consumer and real estate space, most companies are trading at 20-30 times PE multiples, indicating that bubbles are developing in certain segments of the market. Having said this, markets have become momentum driven and appear to have legs to rally in the short run. In this backdrop, we will continue to deploy funds into blue chip names with stable earnings, offering attractive yields. This defensive strategy should protect the strong returns generated in 2013, while benefiting from any further upside.

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	12.2	13.7
Price to Book Multiple Latest (x)	2.1	1.7
Return on Equity TTM (%)	17.3	12.1
Dividend Yield - 2012 (%)	4.6	3.7
Number of Holdings	24	125
Annualized Return (%)	4.4	-5.6
Annualized Standard Deviation (%)	17.1	21.1
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	50
Success Ratio (%)	63	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	73.3	63.4

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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*
Nov 2013	0.3	0.3
YTD 2013 (Jan – Nov)	28.7	21.8
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	1.8	5.1
Last 6 months	4.0	4.8
Last 1 year	29.5	21.3
Last 3 years	31.9	10.9
Last 5 years	47.5	10.1
Since Inception (Feb 06 – Nov 13)	39.2	-36.1

* 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	(%)
Bank Muscat	Oman	5.8
Oman Telecommunications Co	Oman	5.7
Qatar Electricity and Water	Qatar	5.2

Risk Statistics

Annualised Standard Deviation (%)	17.1
Sharpe Ratio*	0.65
Tracking Error (%)	9.9
Information Ratio	1.0
Beta	0.7
Alpha (%)	7.6

* Sharpe ratio is based on last 3 years' data
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