

SICO Gulf Equity Fund

Fact Sheet - November 2014

NAVUS\$129.27 ↓ 2.9%

Adjusted (for dividends) NAVUS\$162.52

Manager's Commentary

The GCC markets extended their negative trend in November as all bourses posted negative returns. The markets remained jittery as oil prices continued to fall and further accelerated its decline after the OPEC meeting where it was decided not to reduce production. As a result, oil prices fell by 18% for the month. The Saudi market retreated by 14.1% and experienced its largest fall in over six years. Both Dubai and Qatar held up firm for most of the month but dropped towards the end of the month as the euphoria around the Emerging Market rebalancing ended. Consequently, they ended the month with a negative return of around 6% each. The Omani market which is typically a defensive market also succumbed to this selling pressure and lost 6.7%, while Kuwait fell 5.7%. The Bahraini market was relatively more resilient and was marginally down 1.1% in November.

The NAV of the fund corrected by 2.9% in November compared to 4.8% drop in its benchmark. During the month, we took advantage of the momentum in the Qatari market and the Emerging Market rebalancing exercise and aggressively reduced our overall allocation from 27% to 13%. We exited our holdings in Industries Qatar and Qatar National Bank and also brought down the allocation in other stocks. This helped in restricting the losses of the fund as share prices fell sharply towards the last few trading sessions. In the UAE, we rebalanced our holdings by significantly reducing Emaar Properties and switching to Air Arabia which should bode well given the low oil price environment.

Given our overall reduction in the Qatari market, the fund's cash allocation has increased to 18%. The markets have continued to exhibit high volatility in December with both the UAE and Qatari markets dropping sharply. We intend to remain cautious and wait till oil prices stabilise and the volatility of these markets reduces. Having said this, the current declines in the markets is starting to present some very interesting investment opportunities that we would be investing in.

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*
November 2014	-2.9	-4.8
2014 (Jan- Nov)	13.4	8.1
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	-5.8	-9.3
Last 6 months	-4.0	-12.0
Last 1 year	16.7	13.1
Last 3 years	60.5	38.9
Last 5 years	49.5	40.1
Last 7 years	38.3	-30.7
Since Inception (Feb 06 – Nov 14)	62.5	-27.8

* 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	SICOGF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Bahrain

Top Holdings

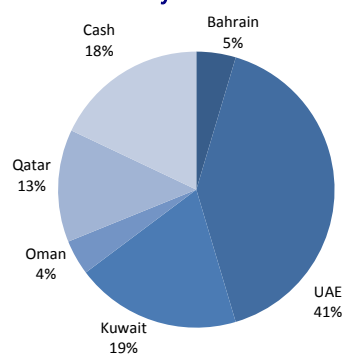
Name	Country	(%)
Air Arabia	UAE	5.5
Al Meera Consumer	Qatar	5.1
Dubai Islamic Bank	UAE	4.9

Risk Statistics (last 5 years)

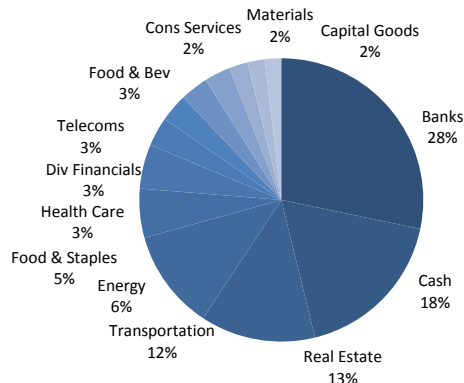
Annualised Standard Deviation (%)	13.2
Sharpe Ratio	0.4
Tracking Error (%)	6.5
Information Ratio	0.3
Beta	0.8
Alpha (%)	2.7

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	13.9	14.3
Price to Book Multiple Latest (x)	1.8	1.8
Return on Equity TTM (%)	12.9	12.5
Dividend Yield - 2013 (%)	4.0	3.4
Number of Holdings	30	166
Annualized Return – last 5 years (%)	8.4	7.0
Annualized Standard Deviation – last 5 years (%)	13.2	15.0
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 (%)	105.1	84.0

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