

# SICO Gulf Equity Fund

## Fact Sheet - November 2016

NAV US\$ 102.99 ↓ 1.4%

Adjusted (for dividends) NAV US\$ 144.53

### Manager's Commentary

The regional markets excluding Saudi Arabia closed on a mixed note in November. The Saudi market bucked this trend and recorded one of the best monthly gains since April 2009. The index rose over 15% on the back of strong Govt buying in the market coupled with some positive headline news. Both Abu Dhabi and Dubai bourses were relatively subdued as foreign outflows continued to dampen investor sentiment. Qatar dropped 3.7% while Kuwait increased by 3.7%.

The fund declined by 1.4% and lagged the benchmark. This was primarily due to the rise of small cap stocks in Kuwait which we had no exposure to and the decline in our Egyptian investments. Egypt floated its exchange rate during the month resulting in a sharp devaluation of its currency and hence adversely affecting the value of our investments. Although the market rallied post this, it was unable to fully mitigate the exchange rate loss.

Given that the Egyptian currency issue is finally resolved which has plagued the bourse for several months, we expect the market to outperform over the next 6 to 12 months. Hence we are looking to selectively increase our exposure focusing on export oriented companies. In addition, as mentioned in the earlier writeups, we are restructuring the portfolio and are focusing on investments particularly from the UAE. The recent subdued performance has brought certain stocks to attractive levels and offer very good dividend yields (in excess of 5%), which we are currently investing in.

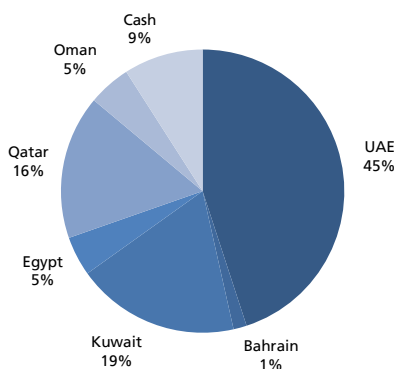
### Investment Objective

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.

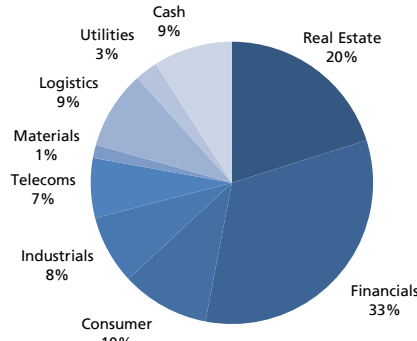
Returns (%)	Fund	Index*
November 2016	-1.4	-0.1
YTD (Nov 2016)	-5.0	3.7
2015	1.8	-17.5
2014	4.2	3.3
Last 3 Months	-7.0	-2.8
Last 6 Months	-5.1	3.9
Last 9 Months	-1.3	5.6
Last 1 Year	-3.7	4.5
Last 3 Years	3.8	-0.7
Last 5 Years	42.7	31.6
Last 10 Years	61.2	8.9
Since Inception (Mar 06-Nov 16)	44.5	-15.1

\*S&P GCC ex Saudi Total Return Index

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.8	12.6
Price to Book Multiple Latest (x)	1.4	1.2
Return on Equity TTM (%)	14.7	12.3
Dividend Yield—2015 (%)	3.9	4.7
Number of Holdings	30	154
Annualized Return (%) - Last 5 years	7.4	5.6
Annualized Standard Deviation (%) - Last 5 years	13.2	15.4
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	57	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 (%)	4.3 Feb 16 to Oct 16	14.6 Feb 16 to Oct 16

### 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	7.8
Mabaneer	Kuwait	5.6
BankMuscat	Oman	4.9

### Risk Statistics (last 5 years)

Standard Deviation (%)	13.2
Sharpe Ratio	0.3
Tracking Error (%)	5.6
Information Ratio	0.3
Alpha (%)	2.5
Beta	0.7

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بنك استثماري sico  
Investment Bank

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