

SICO Gulf Equity Fund

Fact Sheet - September 2014

NAVUS\$138.25 ↑ 0.8%

Adjusted (for dividends) NAVUS\$173.81

Manager's Commentary

Subsequent to two strong months, the GCC bourses consolidated during September and posted mixed returns. The Saudi market was the worst performing market and declined by -2.3%. A wave of profit taking was experienced on account of the earlier than expected IPO of National Commercial Bank and sharp drop in oil prices. The Dubai bourse was relatively quiet (-0.4%) as focus shifted to the Emaar Malls Group (EMG) IPO which was massively over-subscribed. The Qatari market moved up 1% on the back of continued interest in the large caps. Oman continued its upward trajectory (+1.6%) and posted its fifth consecutive positive return. The other bourses' returns were rangebound during the month.

The value of the fund increased by 0.8% and extended its gain for the year to 21.3%. The fund primarily benefited from the rise of its core holdings, where stocks such as Emirates Foodstuff Company (+15%), Dubai Islamic Bank (+5%) and BankMuscat (+6%) were amongst the top contributors. During the month, we received a small allocation to the EMG IPO, but believe that we can still benefit from its strong fundamentals via the parent company, Emaar Properties and hence we further increased our allocation to the latter. We believe that Emaar's plan to list its hospitality and Egyptian units will further unlock value for its shareholders going forward.

The markets have so far in October been very volatile and are expected to remain the same in the short term given the sharp drop in oil prices and declining international bourses. Nevertheless, we consider this retreat in the markets to be healthy and intend to capitalize on this opportunity by increasing our exposure in stocks we deem are fundamentally attractive. Moreover, we concluded a series of management meetings that has helped us finalize some fresh investment ideas and also reinforced our conviction in existing holdings.

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*
September 2014	0.8	0.3
2014 (Jan-Sep)	21.3	19.6
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	12.8	12.8
Last 6 months	10.1	7.7
Last 1 year	26.1	27.3
Last 3 years	73.6	55.1
Last 5 years	49.8	35.2
Last 7 years	55.4	-20.7
Since Inception (Feb 06 – Sep14)	73.8	-20.1

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

Top Holdings

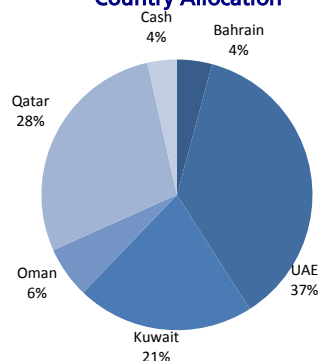
Name	Country	(%)
Emaar Properties	UAE	9.8
Dubai Islamic Bank	UAE	4.1
Al Meera Consumer	Qatar	4.0

Risk Statistics (last 5 years)

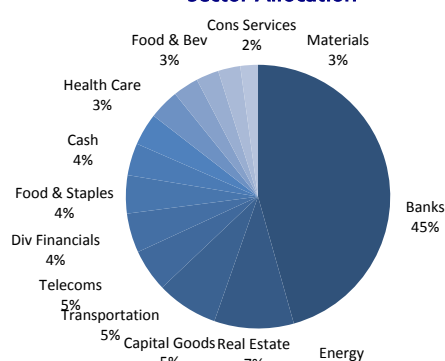
Annualised Standard Deviation (%)	13.2
Sharpe Ratio	0.4
Tracking Error (%)	6.5
Information Ratio	0.4
Beta	0.8
Alpha (%)	2.9

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	17.1	16.1
Price to Book Multiple Latest (x)	3.0	2.0
Return on Equity TTM (%)	13.4	12.4
Dividend Yield - 2013 (%)	2.3	3.0
Number of Holdings	36	166
Annualized Return – last 5 years (%)	9.2	6.7
Annualized Standard Deviation – last 5 years (%)	13.3	15.3
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	53
Success Ratio (%)	60	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	117.1	103.8

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