

# SICO Gulf Equity Fund

Fact Sheet - May 2012

NAV US\$103.4 **↓4.4%**

## Manager's Commentary

Global equity markets accelerated their declines during the month of May as fears of Greece's exit from Eurozone returned to the forefront. Regional markets broadly mirrored this movement led by Dubai, which fell by 9.8%, while the Saudi market decreased by 7.7%. Qatar (-3.3%), Kuwait (-3.1%), Abu Dhabi (-2.5%), Oman (-1.9%) and Bahrain (-1.1%) all ended the month in the red. Market liquidity levels, which increased sharply during the first quarter, also declined noticeably during the month.

The share price declines were not limited to any particular sector. However, amongst the hardest hit were the real estate/ construction names in the UAE such as DSI (-16%), Sorouh (-13%) and Emaar (-11%). These stocks had shown strong positive momentum during the first quarter. In Kuwait, one of the biggest decliners was Wataniya Telecom (-15%), which had reached its 4-year high in April. Omani cement companies, experiencing a turnaround, were amongst the few companies which managed to buck the trend; Raysut Cement was up by 11%, while Oman Cement appreciated by 6%.

The NAV of SICO Gulf Equity Fund decreased by 4.4% for the month, against a benchmark decline of 4.2%. The contribution of different markets to the performance of the fund was broadly in line with that of the benchmark. During the month, we continued to deploy our cash reserves, capitalizing on the market weakness, by investing in selected undervalued stocks. As a result, the fund's cash balance declined to 3% by the end of the month. Year-to-date the fund is still up 1.3% versus the benchmark's decline of 2.5%.

## 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	S&P GCC Ex Saudi Index
May 2012	-4.4	-4.2
YTD 2012 (Jan-May)	1.3	-2.5
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 (Mar - Dec)	-7.2	-20.2
Last 3 months	5.6	2.6
Last 6 months	5.1	-0.2
Last 1 year	-4.0	-9.7
Last 3 years	28.2	27.4
Last 5 years	12.4	-32.4
Since Inception (Mar 06 - May 12)	3.4	-49.6

## 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

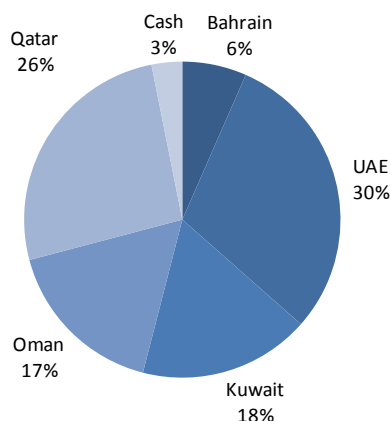
Name	Country	(%)
Industries Qatar	Qatar	5.1
Bank Muscat	Oman	5.0
Qatar National Bank	Qatar	4.9

## Risk Statistics

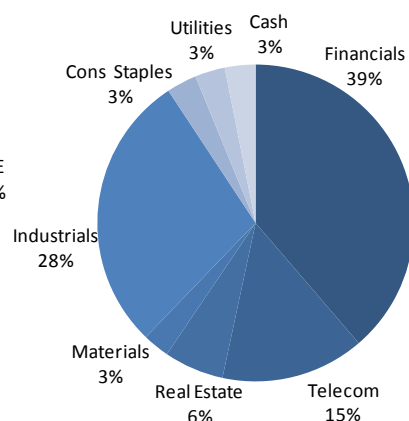
Annualised Standard Deviation (%)	18.5
Sharpe Ratio	NA
Tracking Error (%)	10.6
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.8

\* For further information contact [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.0	11.7
Price to Book Multiple Latest (x)	1.6	1.3
Return on Equity TTM (%)	15.8	11.5
Dividend Yield - 2011 (%)	5.2	4.5
Number of Holdings	29	125
Annualized Return (%)	0.5	-10.4
Annualized Standard Deviation (%)	18.5	23.2
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	53	45
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	30.4	29.0

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