SICO Gulf Equity Fund
Fact Sheet - July 2014

NAVUS$131.81 ▲ 7.5%

Adjusted (for dividends) NAVUS$165.71

Manager's Commentary

The GCC markets rebounded sharply in July and the overall GCC ex Saudi index appreciated by 9.3%. Dubai increased by 22.6% and was able to recover most of the losses incurred during the previous month. Once again the high beta and speculative names were the top performers, but large caps also participated in the rally and gained 15-20%. Abu Dhabi also posted a decent performance and appreciated by 11% during the month. Similar to Dubai, the Qatari market recovered strongly and gained 12%. Saudi Arabia rose 7.4% while the other bourses benefited from the positive momentum and were up in the range of 2-3%

Given the sharp recovery in the markets, the NAV of the fund appreciated by 7.5% in July. The fund benefited from its high allocation to the large caps in the UAE such as Emaar Properties (+16%), Dubai Islamic Bank (+20%) and Aldar Properties (+22%). Furthermore, our overweight position in some small to mid-cap stocks in Qatar also benefited the fund. On a relative basis, the fund underperformed the benchmark as the speculative names in the UAE and Qatar contributed to a sizeable portion of the overall index's return. These include stocks such as Arabtec (+63%), Deyaar (+40%), Vodafone (22%) and Masraf Al Rayan (+17%).

The fund is up around 15.6% for the year and we expect the positive momentum to continue till the end of the year. We have positioned the fund by focusing on good quality names that will provide stable returns and have avoided high beta, speculative names where we believe the downside potential is much greater. As at the end of the month the fund 8% in cash which we generated by booking profits in some UAE holdings. We will deploy this as and when opportunities arise in our core holdings across the region.
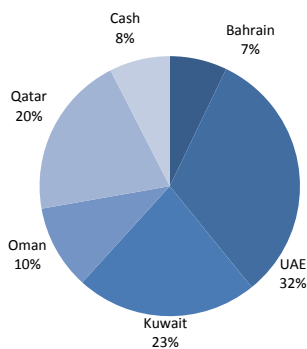
Investment Objective

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.
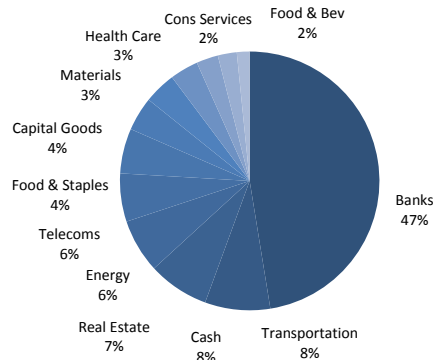
Returns (%)

	Fund	Index*
July 2014	7.5	9.3
2014 (Jan-Jul)	15.6	15.9
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	0.7	-1.4
Last 6 months	11.2	10.2
Last 1 year	21.1	24.7
Last 3 years	56.6	44.3
Last 5 years	54.0	43.5
Last 7 years	50.2	-20.9
Since Inception (Feb 06 – Jul 14)	65.7	-22.6

* S&P GCC ex Saudi Index

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over10%
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	BH000A1CZ8S5
Custodian/ Administrator	HSBC Bahrain

Country Allocation

Cash 8%, Bahrain 7%, Qatar 20%, Oman 10%, Kuwait 23%, UAE 32%

Sector Allocation

Cons Services 2%, Food & Bev 2%, Health Care 3%, Materials 3%, Capital Goods 4%, Food & Staples 4%, Telecoms 6%, Energy 6%, Real Estate 7%, Cash 8%, Transportation 8%, Banks 47%

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	6.6
Ahli United Bank	Bahrain	4.7
Al Meera Consumer	Qatar	4.2

Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	15.4	17.9
Price to Book Multiple Latest (x)	2.0	2.5
Return on Equity TTM (%)	13.2	13.7
Dividend Yield - 2012 (%)	3.6	2.9
Number of Holdings	34	166
Annualized Return – last 5 years (%)	9.0	7.5
Annualized Standard Deviation – last 5 years (%)	13.3	15.5
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 (%)	109.1	98.1

Risk Statistics (last 5 years)

Annualised Standard Deviation (%)	13.3
Sharpe Ratio	0.5
Tracking Error (%)	6.8
Information Ratio	0.2
Beta	0.8
Alpha (%)	2.6

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