

Manager's Commentary

The GCC markets had yet another volatile month as the markets continued their downward trend during November. Qatar came under severe pressure declining a whopping 13% as investors in Qatar appeared to be digesting the fact that its fiscal and monetary situation is coming under pressure. Dubai lost 8.5% on the back of continuous negative sentiment in the real estate sector which created an overhang on the overall markets. Oman declined by 6.4% while Bahrain and Abu Dhabi lost around 2% each. On the other hand however, Saudi and Kuwait edged up slightly.

The SICO Gulf Equity Fund declined by 4.1% compared to the benchmark decline of 7.1%. The out performance was primarily generated from our underweight position in Qatar compared to the benchmark and our Cash allocation. Our top holding VIVA Kuwait has increased sharply on the back of the proposed offer by its parent company STC to buy all remaining shares.

The month of December is critical in determining the future direction of the markets given key international and domestic events. On the domestic front, investors would be keenly eyeing the upcoming Saudi budget announcement to assess the direction of the fiscal policy. On the international front, the impending Fed meeting will keep international bourses tentative. Our strategy is to remain defensive and continue to focus on our core investment themes that we believe would pan out during next year.

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 2015	-4.1	-7.1
2015 (Jan - Nov)	0.5	-18.2
2014	4.2	3.3
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
Last 3 Months	-4.9	-8.9
Last 6 Months	-8.7	-14.7
Last 1 Year	-7.6	-21.9
Last 3 Years	39.7	7.3
Last 5 Years	42.2	-2.0
Last 7 Years	59.1	-5.6
Since Inception (Feb 06 - Nov 15)	50.1	-43.5

*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	Two business days before the deadline
Minimum Subscription	US\$ 100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian / Administrator	HSBC Bahrain

Top Holdings

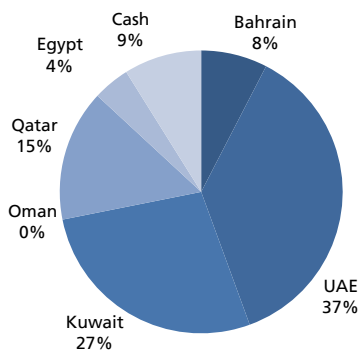
Name	Country	(%)
VIVA Kuwait	Kuwait	7.0
Emaar Properties	UAE	5.5
National Bank of Kuwait	Kuwait	5.4

Risk Statistics (last 5 years)

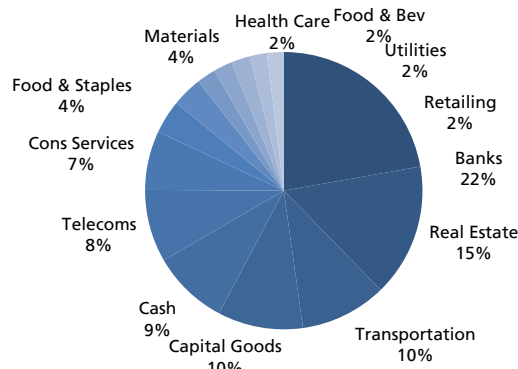
Standard Deviation (%)	12.7
Sharpe Ratio	0.3
Tracking Error (%)	5.5
Information Ratio	1.4
Alpha (%)	7.1
Beta	0.8

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.4	14.3
Price to Book Multiple Latest (x)	2.1	1.1
Return on Equity TTM (%)	18.0	12.9
Dividend Yield—2014 (%)	5.9	5.2
Number of Holdings	32	135
Annualized Return (%) - Last 5 years	7.3	-0.4
Annualized Standard Deviation (%) - Last 5 years	12.7	14.4
Largest Monthly Gain (%)	12.6 (Apr 09)	14.1 (May 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct 08)
% Positive Months (%)	59.0	49.6
Success Ratio (%)	65	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	89.4	44.5

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