

Manager's Commentary

March witnessed a strong rally in the GCC markets on the back of an upswing in oil prices with Brent increasing by almost 8% to close at just below the USD 40/barrel mark. Doha led the rally returning 4.9% followed by Dubai which rallied 3.6%. Oman, Kuwait and Abu Dhabi increased by around 1%. Bahrain was the outlier and declined by 4%.

SICO Gulf Equity Fund increased by 4.8% compared to the benchmark return of 2.8%. The strong outperformance is attributed to our core investment ideas in Qatar and the UAE as well as our allocation to the Egyptian market. Following the long-awaited devaluation, the Egyptian market rallied 22% during March, as investors welcomed the move that has plagued the market for over six months. Market euphoria was seen across different sectors led by; financial services, real estate and food & beverage pushing trading activity to more than three times the levels seen before the devaluation. Our stocks within Egypt were amongst the top performers with some holdings appreciating close to 50%.

During the month, we continued booking profits in stocks that have rallied significantly from the mid January lows focusing on investments where we believe the upside is limited. Although we expect the current rally to continue given improved investor sentiment, we are cognizant that volatility can resume. Hence we have opted to keep some cash allocation and position the fund defensively especially given that the fund is marginally up for the year. Over the last couple of month, we have met the managements of several companies across the region that has provided us with fresh investment ideas that we will look to invest 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*
March 2016	4.8	2.4
YTD (Mar 2016)	0.9	-0.1
2015	1.8	-17.5
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
Last 3 Months	0.9	-0.1
Last 6 Months	-3.1	-7.9
Last 1 Year	0.6	-12.7
Last 3 Years	26.0	2.8
Last 5 Years	41.6	1.9
Last 10 Years	57.5	-40.3
Since Inception (Mar 06 - Mar 16)	53.4	-43.1

*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	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

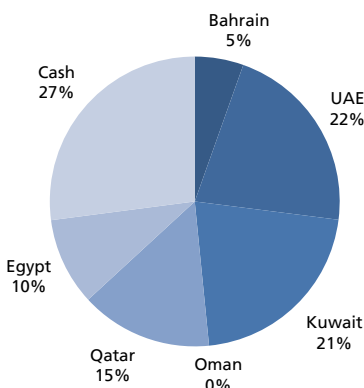
Name	Country	(%)
Jazeera Airways	Kuwait	5.2
Al Meera Group	Qatar	4.8
RAK Ceramics	UAE	4.8

Risk Statistics (last 5 years)

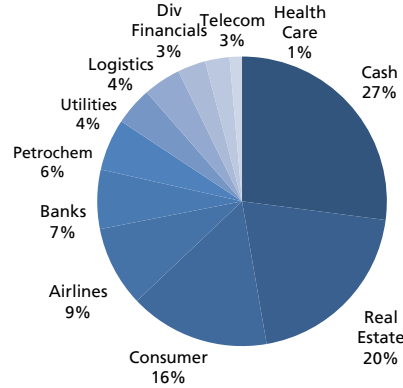
Standard Deviation (%)	13.3
Sharpe Ratio	0.3
Tracking Error (%)	5.5
Information Ratio	1.2
Alpha (%)	6.4
Beta	0.8

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.6	12.2
Price to Book Multiple Latest (x)	1.3	1.3
Return on Equity TTM (%)	10.45	10.6
Dividend Yield—2014 (%)	4.7	4.3
Number of Holdings	24	150
Annualized Return (%) - Last 5 years	7.2	0.4
Annualized Standard Deviation (%) - Last 5 years	13.3	14.7
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.7 (Jun 14)
% Positive Months (%)	59.5	50.4
Success Ratio (%) - Last 5 years	64	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-35.8
Duration of Drawdown (months)	Aug 14 to Jan 16 (17mths)	May 14 to Jan 16 (21mths)
Recovery from Latest Drawdown (%)	10.7	8.0

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